



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*City of Miami, Florida*

**FISCAL YEAR ENDED  
September 30, 2016**



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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# City of Miami, Florida

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2016

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# INTRODUCTORY SECTION





**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*

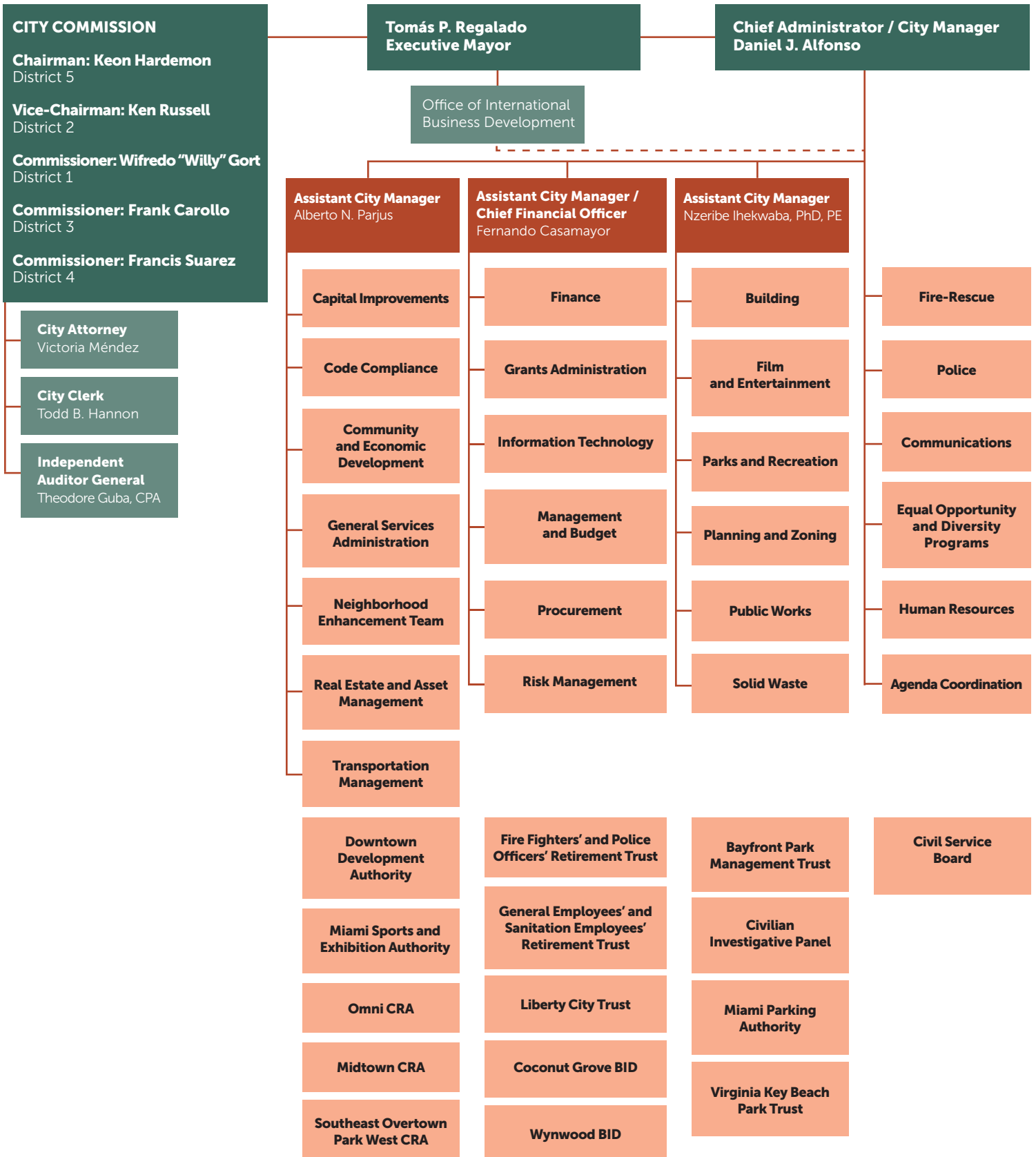


**VICTORIA  
MÉNDEZ**  
*City Attorney*



**September 30, 2016**

# CITY ORGANIZATIONAL CHART





March 30, 2017

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

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, 2016. 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.

RSM US LLP, Certified Public Accountants, have issued an unmodified opinion on the City's basic financial statements for the year ended September 30, 2016. 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 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. 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.

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 ("the 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. However, the commission can override a mayoral veto if four-fifths of all commissioners present votes in favor of a resolution to override a mayoral veto. The commission action in question shall be deemed enacted or adopted and effective in accordance with its terms; otherwise, the mayoral veto shall be deemed sustained.

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’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.

**Local Government Financial Trend**

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**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Revenues and Transfers In	\$ 643,541,725	\$ 604,639,526	\$ 569,457,047	\$ 525,870,000
Expenditures and Transfers Out	659,425,088	569,657,401	532,497,233	507,943,000
Net Change in Fund Balance	(15,883,363)	34,982,125	36,959,814	17,927,000
Beginning Fund Balance	147,404,712	112,422,587	75,462,773	57,544,000
Ending Fund Balance	\$ 131,521,349	\$ 147,404,712	\$ 112,422,587	\$ 75,471,000

**Housing & Real Estate Market**

The City’s housing prices continued its upward trend in 2016. The median sales price for single-family homes in Miami increased 10.4 percent over September 2015, to \$314,500. Condominiums median sales price increased 9.2 percent in fiscal year 2016 to \$219,000 from \$200,500 a year ago.

Overall, the number of existing home and condo sales in Miami-Dade County decreased 14.7 percent compared with September 2015, according to a monthly report released by the Miami Association of Realtors. A lack of affordable housing for locals and a lack of foreclosure inventory for investors continue to slow Miami’s real-estate market.

### 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.

	<b>Miami</b>	<b>Florida</b>	<b>United States</b>
Unemployment Rate	5.0%	4.8%	4.9%
Median Household Income	\$ 31,051	\$ 47,507	\$ 53,889
Persons Below Poverty Level	28.3%	15.7%	13.5%
High School Graduate or Higher	73.2%	86.9%	86.7%
Bachelor's Degree or Higher	24.4%	27.3%	29.8%

### Tourism

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 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 44.6 million passengers for the 2016 calendar year, representing an increase of approximately 234,000 more passengers from the prior year. It is the seventh consecutive year that MIA has broken its own record for its total number of passengers. In addition, MIA offers more flights to Latin America and the Caribbean than any other U.S. airport. MIA generates business revenue of \$33.7 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. The Port continues to be the world's busiest cruise port and serves as a hub for Caribbean and Latin American commerce. The Port is among America's busiest ports and recognized as a global gateway. 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.

The Port includes seven cruise terminals that have been designed to quickly move passengers from land to sea. PortMiami is also the U.S. container port closet to the Panama Canal, providing shippers fast access to the entire U.S. market. Capital improvements at the port in excess of \$1 billion are now complete making it ready to receive the new generation of containerized cargo. New for FY 2016-17 is the renovation and expansion of Cruise Terminal F. Once completed, Terminal F will serve the cruise industry's new generation of cruise vessels.

## Major Developments

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, MiamiCentral Station, and the Film and Television Production facility.

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.

A new film and television production facility opened in 2016. The new studio was constructed as a public-private partnership by the Omni Community Redevelopment Agency (CRA) and will be operated by EUE/Screen Gems. This facility will serve as a production hub for Viacom's global entertainment brands including Nickelodeon, MTV and Comedy Central. Located in central Miami, the studio location offers access to a highly skilled, multi-lingual talent pool essential to creating global productions in multiple languages.

## ***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 FY2016, the City successfully refunded \$57.2 million Limited General Obligation Bond, Series 2002 and Series 2007B. In addition, the City obtained \$10.6 million Lease from Santander Bank, N.A. to replace police and fleet vehicles. See Note 8 Long-Term Debt.



## Future Outlook

The City and its surrounding area have continued to experience sustained growth. The Local unemployment rate has continued to fall and the national employment picture has continued to show signs of strengthening. The national unemployment rate dropped to 4.9 percent suggesting that the U.S job market continues to improve and progress toward stabilization.

A significant indicator of the health of the U.S. economy is real gross domestic product (GDP), which measures the value of final goods and services produced in the U.S. in a given time period. The U.S. economy ended the year on a positive note as the GDP increased at an annual rate of 1.9 percent in the fourth quarter of 2016, according to the Bureau of Economic Analysis. This increase is reflective of positive contributions from consumer spending, nonresidential fixed investment, and state and local government spending.

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.

## ***Major Initiatives***

In June 2013, the City developed the Strategic Planning Initiative. In the fall of 2014 the Strategic Plan was adopted. Since its adoption, the City has updated the plan each year, demonstrating the City's commitment to public engagement, performance management, and strategy development. Each year the City surveys its residents and employees and validates those findings against focus groups with community stakeholders. In its third year of the strategic plan, The City continues to focus its resources in alignment with improving the overall quality of life for its residents. The primary areas of importance for our residents continue to be safety and the economy. Having a safe and healthy environment to live, work and play is a critical component of the quality of life in any community.

The City's strategic plan outlines six key priority areas and goals for years 2015-2017. The six priorities identified are: 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).

In November 2016, The City began the planning phase to completely redesign the City's website in order to improve online access to information on government services. The first step was getting feedback from the community. The City conducted a broad survey of Miami community members who use the website at home, at work, through community centers or on their phone.

The City completed several projects in FY2016 and anticipates on completing a significant number in FY2017. These projects benefit the City, its residents, and people visiting our beautiful City by maintaining key infrastructure and functionality, maintaining and improving our transportation system, recreational facilities while providing greater safety, and maximizing the use of technology for greater efficiency and service delivery.

Capital Improvement Plan

The City's six-year Capital Improvement Plan has earmarked funding estimated at approximately \$607 million for 881 projects, 315 active and 566 future projects.

CIP Fees/Revenues represent the largest share of funding in the Capital Plan, accounting for 56.5 percent of overall Plan funds. City Bonds represent the second largest funding source, accounting for 21 percent of the Plan's funding. Sources derived from Miami-Dade County represent 9.6 percent of the Plan. The remaining 12.9 percent of funding are from Federal, State and local grants, and private donations/other sources.

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

**Capital Improvement Program  
Revenue by Type**

<b>Description</b>	<b>Amount</b>	<b>Percent</b>
City Bonds	\$ 127,746,100	21.0%
Private Donations/Other	7,138,100	1.1%
CIP Fees/Revenues	342,786,800	56.5%
State Grants	44,701,400	7.4%
Federal Grants	3,425,400	0.6%
Miami-Dade County Grants	58,174,800	9.6%
Other Grants	19,331,000	3.2%
Others	3,745,800	0.6%
<b>Total</b>	<b>\$ 607,049,400</b>	

**Capital Improvement Program  
Expenditures by Fund**

<b>Description</b>	<b>Amount</b>	<b>Percent</b>
Streets and Sidewalks	\$ 166,725,700	27.4%
CRA Projects	7,593,000	1.3%
Disaster Recovery	1,301,700	0.2%
General Government	106,388,500	17.5%
Mass Transit	4,069,500	0.7%
Parks and Recreation	157,176,900	25.9%
Public Facilities	52,191,700	8.6%
Public Safety	40,590,700	6.7%
Sanitary Sewers	4,138,900	0.7%
Solid Waste	8,515,500	1.4%
Storm Sewers	58,357,300	9.6%
<b>Total</b>	<b>\$ 607,049,400</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 revised Debt Management Policy on May 26, 2016, to provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the City. Additionally, the Policy will provide guidance for the preparation and implementation necessary to assure compliance. It is the responsibility of the Finance Committee to review and make recommendations regarding the issuance of debt obligations and the management of outstanding debt. The Finance Committee shall consist of seven voting members consisting of five members from the local business community appointed by the City Commission, the Mayor or his designee, and the City's Finance Director as the City Manager's designee. Others who may be present at meetings of the Finance Committee to provide technical expertise and advice shall include representatives from the City Attorney's office, the Budget Department, the Department to which the proposed debt may relate, the City's Financial Advisor, Bond Counsel and Disclosure Counsel. Meetings will be open to all interested parties and official minutes will be taken and copies made available upon request to the City Clerk.

The City's Finance Committee will consider all issues related to outstanding and proposed debt obligations, and will vote on issues affecting or relating to the credit worthiness, security and repayment of such obligations, including but not limited to procurement of services, structure, repayment terms and covenants of the proposed debt obligation, and issues which may affect the security of the bonds and ongoing disclosure to bondholders and interested parties.

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. This analysis will consider debt service maturities and payment patterns as well as the City's commitment to a pay as you go budgetary capital allocation.

As the City periodically addresses its ongoing needs, the City Manager and the City Commission must ensure that the future elected officials will have the flexibility to meet the capital needs of the City. Since neither State law nor the City Charter provides any limits on the amount of debt, which may be incurred (other than the requirement to have General Obligation debt approved in advance by referendum), this policy establishes the following targets and limits which at the same time provide future flexibility: (a) Debt Limit 3 percent, (b) Goal/Target 2.50 percent, and (c) Uncommitted General Fund Balance 5 percent to 10 percent of annual operating budget or actual revenues achieved over 5 years.

Pursuant to the Debt Management Policy, the City's debt issuance is subject to the following constraints: (a) the City will issue debt obligations for acquiring, constructing or renovating Capital Improvements or for refinancing existing debt obligations. Projects must be designed as public purpose projects by the City Commission prior to funding, (b) the maximum maturity shall be the earlier of (i) the estimated useful life of the capital improvements being financed or (ii) thirty years or (iii) 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, (c) the City shall strive to maintain the Net Debt Per Capita at or below the standard median for cities of comparable size. The Net Debt Per Capita shall not exceed 3 percent of such median as established by the Finance Committee. The Net Debt Per Capita shall be calculated by dividing the Governmental Net Debt by the most current population within the City, (d) the City shall strive to maintain a ratio of Net Debt to Taxable Assessed Value of properties within the City at or below the standard industry median for cities of comparable size. Such ratio shall not exceed 3 percent of such median as established by the Finance Committee. The ratio of Net Debt to Taxable Assessed Value shall be calculated by dividing the Net Debt by the taxable assessed value of all taxable properties within the City, (e) Subject to Federal and State law, interest may be capitalized from date of issuance of debt obligations through the completion of construction for revenue producing projects. Interest may also be capitalized for projects in which the revenue designated to pay the debt service on the bonds will be collected at a future date, not to exceed six months from the estimated completion of construction and offset by earnings in the construction fund, and (f) the City shall comply with all covenants and requirements of the bond resolutions, and State and Federal laws authorizing and governing the issuance and administration of debt obligations.

### Investment Management Policy

The City adopted a detailed written investment policy on February 26, 2015, 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 decline 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, designee or investment advisor approved by the City Commission. The City Manager shall delegate to the Finance Director the responsibility for setting or adjusting policies and overseeing the City's investments and investment activities. The active management of the City's investments shall be the responsibility of the City's Finance Director, or he may delegate such responsibility, in whole or in part, to Treasurer or Assistant Finance Director or, subject to the approval of the City Commission, an investment advisor experienced in municipal finance that is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934. The City may employ an investment advisor to assist in managing some or all of the City's portfolios. Such investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.

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) Municipal Securities, (j) Registered Investment Companies (Money Market Funds), (k) Intergovernmental Investment Pool, (l) Agency Mortgage-Backed Securities, (m) Asset-Backed Securities, (n) Supranationals and (o) Foreign Sovereign Governments.

For the year ending September 30, 2016, 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.

### *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 for 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 2016 fiscal year, the City's General Fund reserves decreased by approximately \$15.9 million and had an ending fund balance of approximately \$131.5 million. Of the ending fund balance, approximately \$51.9 million is restricted, approximately \$2.0 million is non-spendable; approximately \$21.1 is assigned, which includes the \$5.0 million Required Contingency Reserve and approximately \$56.5 million is unassigned. Consequently, while the overall fund balance exceeded the 20 percent three-year revenue average, the 10 percent of the three-year revenue average required for the assigned fund balance was not met.

The City's five year forecast assumes increasing the General Fund's fund balance each of the five years. General Fund revenues are projected to grow by 8 percent over the next five years, while General Fund expenditures are projected to grow by 11 percent over the same period. While meeting the 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.

### *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, 2015. 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.

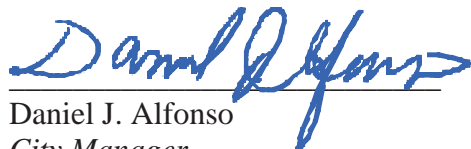
In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. 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*

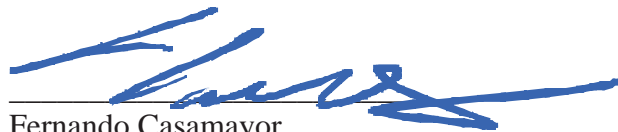
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. The year-end closing, the audit, and compiling and publishing the CAFR could not have been accomplished without hard work, commitment and personal sacrifice.

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

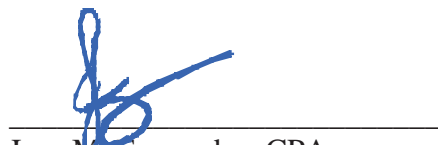
Respectfully submitted,



Daniel J. Alfonso  
*City Manager*



Fernando Casamayor  
*Assistant City Manager/CFO*



Jose M. Fernandez, CPA  
*Finance Director*



Government Finance Officers Association

**Certificate of  
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**City of Miami  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO





# FINANCIAL SECTION



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RSM US LLP

## 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, 2016, 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
• Coconut Grove Business Improvement District	discretely presented component unit
• Wynwood Business Improvement District	discretely presented component unit

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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:

Reporting Classification	Percentage of,	
	Total Assets/ Deferred Outflow of Resources	Total Revenues/Additions
• Governmental Activities	4%	5%
• Discretely Presented Component Units	20%	30%
• Aggregate Remaining Fund Information	95%	75%

Those 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, 2016, 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 14 of the accompanying financial statements, the October 1, 2015 net position balance for the aggregate discretely presented component units was restated. In our opinion, the adjustment was appropriate and has been properly applied. 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, and other post-employment benefits and the pension related schedules* as listed in the table of contents 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 was 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* is 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 30, 2017, under separate cover, 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.

*RSM US LLP*

Miami, Florida  
March 30, 2017

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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, 2016. 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 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*).
- The City total net position decreased in fiscal year 2016 by \$23.0 million compared to a decrease in net position of \$37.7 million during fiscal year 2015. Total expenses exceeded total revenues in the current year due primarily to an increase in net pension expense.
- At the close of the current fiscal year, the City's governmental operating fund (*General Fund*) reported a fund balance of approximately \$131.5 million, a decrease of approximately \$15.9 million in comparison with the prior year.
- The City's total outstanding debt had a net decrease of approximately \$21.4 million during the current fiscal year because of a reduction of principal in accordance with scheduled retirements of bond payments.

### Overview of Financial Statements

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

#### *Government-Wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to 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 (deficit). 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 thirty-four 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, other capital projects fund, and impact fee fund, which are considered major funds. Data from the other thirty 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, special revenue funds and debt service funds.

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 and operations.

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 47-136 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 138-152 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 158-171 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, the assets and deferred outflows of resources was lower than liabilities and deferred inflows of resources by \$334.5 million at the close of the most recent fiscal year, resulting in a net 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.

**CITY OF MIAMI, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
 September 30, 2016

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At the end of the current fiscal year, the City's net position decreased from net position deficit of approximately \$311.5 million to approximately a net position deficit of \$334.5 million. The reasons for this overall increase are discussed in the following sections for governmental activities.

The following schedule reflects a summary of the statement of net position compared to the prior year:

**Summary Statement of Net Position (Deficit) as of  
 September 30, 2016 and 2015  
 Governmental 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%
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 (Deficit):</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)	<u>(1,224,962,154)</u>	<u>(1,163,152,861)</u>	<u>(61,809,293)</u>	<u>5.31%</u>
<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>

**CITY OF MIAMI, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
September 30, 2016

The following table provides a summary of the City's changes in the statement of net position (deficit) for the fiscal years ended September 30, 2016 and 2015:

	<b>Changes in Net Position (Deficit)</b>			
	<b>Governmental Activities</b>			
	<b>2016</b>	<b>2015</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Revenues:</b>				
Program revenues				
Charges for Services	\$ 257,840,317	\$ 242,481,742	\$ 15,358,575	6.33%
Operating Grants and Contributions	88,478,479	84,631,766	3,846,713	4.55%
Capital Grants and Contributions	11,315,519	9,253,860	2,061,659	22.28%
General revenues:				
Property Taxes	324,381,187	294,152,040	30,229,147	10.28%
Franchise Taxes	47,416,360	47,560,134	(143,774)	-0.30%
State Revenue Sharing - Unrestricted	14,836,385	14,389,530	446,855	3.11%
Sales and Other Use Taxes	32,699,735	31,254,199	1,445,536	4.63%
Public Service Taxes	60,020,384	59,576,109	444,275	0.75%
Gain (Loss) Sale of Property	-	(546,835)	546,835	-100.00%
Investment Earnings/(Losses) - Unrestricted	3,500,158	4,761,254	(1,261,096)	-26.49%
<b>Total Revenues</b>	<b>840,488,524</b>	<b>787,513,799</b>	<b>52,974,725</b>	<b>6.73%</b>
<b>Expenses:</b>				
General Government	158,677,568	168,655,624	(9,978,056)	-5.92%
Planning and Development	15,513,166	15,479,449	33,717	0.22%
Community Development	27,937,279	30,519,798	(2,582,519)	-8.46%
Community Redevelopment Areas	36,149,769	58,062,764	(21,912,995)	-37.74%
Public Works	78,763,459	74,434,887	4,328,572	5.82%
Public Safety	446,865,144	385,120,293	61,744,851	16.03%
Public Facilities	16,758,483	16,560,573	197,910	1.20%
Parks and Recreation	50,207,864	42,585,419	7,622,445	17.90%
Interest on Long-Term Debt	32,606,891	33,747,629	(1,140,738)	-3.38%
<b>Total Expenses</b>	<b>863,479,623</b>	<b>825,166,436</b>	<b>38,313,187</b>	<b>4.64%</b>
Change in Net Position	(22,991,099)	(37,652,637)	14,661,538	-38.94%
<b>Net Position (Deficit) - Beginning</b>	<b>(311,487,886)</b>	<b>(273,835,249)</b>	<b>(37,652,637)</b>	<b>13.75%</b>
<b>Net Position (Deficit) - Ending</b>	<b>\$ (334,478,985)</b>	<b>\$ (311,487,886)</b>	<b>\$ (22,991,099)</b>	<b>7.38%</b>

***Governmental Activities***

As noted earlier, the City's net position decreased by approximately \$23.0 million compared to prior fiscal year. The major changes are as follows:

The decrease in net position can be attributed primarily to the City recording an increase in net pension liability of \$55.1 million offset by increase in net deferred outflows of \$75.4 million related to pensions and net decrease in deferred inflows \$7.8 million.

Total program revenues increased over the prior year, although they were still less than the total expenses 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 taxes increased \$30.2 million or 10.3%, which is primarily attributed to an increase in property values.

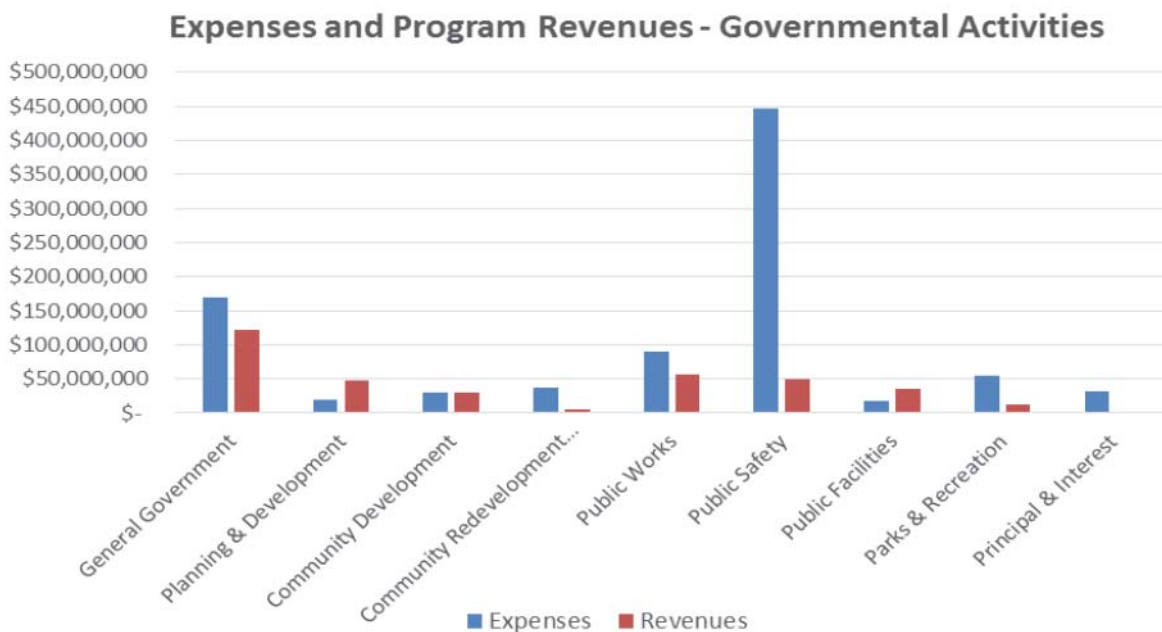
The City’s interest expense decreased when compared to last fiscal year due to reduction of required interest payments on the respective bond debt service schedules. During the 2016 fiscal year, the City’s bonds and loans had a net decrease of approximately \$21.4 million.

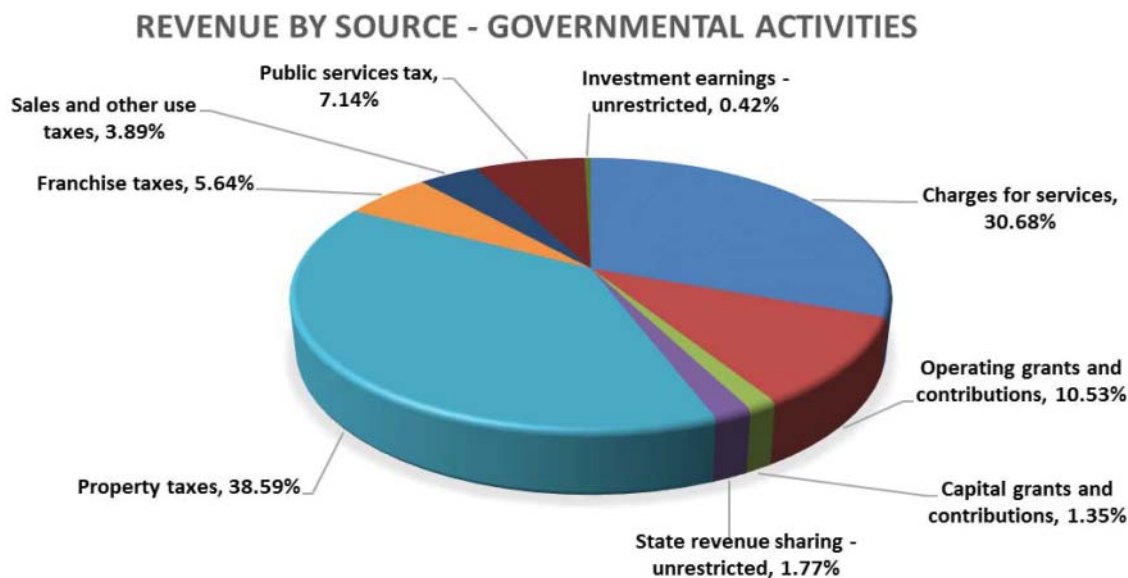
During fiscal year 2016 expenses for governmental activities increased by \$38.3 million. Although most expense line items experienced minimal increases, Public Works, Public Safety, and Parks and Recreation experienced significant increases. The increase to Public Safety is attributable mainly to the 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.

Planning and Development revenues increased approximately \$2.2 million from the prior fiscal year. The increase is attributed to continued growth in building fees and other related charges.

CRA expenses decreased by \$21.9 million during the current fiscal year. This decrease is mainly attributed to project activity in the Southeast Overtown Park West Community Redevelopment District Capital Project Fund funded by the Tax Increment Revenue Bonds, Series 2014A.

The following charts provide a visual representation of the expenses and revenues for the governmental activities for fiscal year ended September 30, 2016:





### **Financial Analysis of Governmental Funds**

#### *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 \$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, due to the restriction, 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. The increase to Public Safety is mainly attributed to an increase in pension payments and the cost of a new collective bargaining agreement. The increase to Parks and Recreation is mainly attributable to an increase in personnel and improvements to parks throughout the City. The increase to transfer out is primarily to the result of an increase in the amount which was transferred to the Special Revenue Funds, Capital Funds, and Debt Service Funds.

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 \$41.1 million. This represents an increase of approximately \$5.8 million. The increase is attributed to an increase in transfers in to maintain the restricted cash requirements.

The Impact Fee Fund has a fund balance of \$64.6 million. The increase in fund balance of \$15.2 million from the prior year resulted primarily from impact fees associated with an increase in High Rise Residential Units.

The Other Capital Project Fund has a fund balance of \$122.2 million. This represents an increase of approximately \$41.2 million. The increase can be attributed to additional General Fund contributions to facilitate capital projects throughout the City for Public facilities, Parks & Recreation, Public Safety, and Solid Waste improvements.

### **General Fund Budgetary Highlights**

The FY2016 Adopted Budget maintains funding for current City services, and allows for expanded services in some categories while reducing the overall millage rate from 8.3850 to 8.3351. 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 FY2016 City's Adopted General Fund Budget totaled approximately \$643.3 million. During the fiscal year, the General Fund budget was amended twice. These amendments increased the previously adopted budget by approximately \$22.6 million to a revised total of approximately \$665.9 million. This increase in the General Fund is primarily due to higher than budgeted expenditures in a few departments and the allocation of additional resources to the Capital Project Fund in accordance with capital expenditures that the City Commission previously approved or knew of such as the recent purchase of the helicopter for the Police Department, developing capital needs, and to cover grant expenditures for the Virginia Key Beach Trust Museum. Additionally, this increase appropriated funding per resolution R-15-0475 for the cost of the collective bargaining agreement between the City of Miami and the Miami Association of Firefighters, IAFF Local 587 in the amount of \$7.54 million.

The City of Miami utilizes a five-year financial forecast to assist with the strategic decision process and to identify and prepare for future challenges. The Five-Year Financial Forecast demonstrates that anticipated revenue growth will not be sufficient to cover anticipated expenditure growth over the forecast period. Overall, General Fund revenues are projected to grow by 11 percent over the next five years, while General Fund expenditures are projected to grow by 13 percent over the same period. Therefore, with the projected fund balance of \$119.84 million for FY2018, the City will fall below the Financial Integrity Principle (FIP) requirement through FY2021. The City's Administration is committed to continuing to restore fund balance levels over time to achieve compliance with the reserve policies outlined in the Financial Integrity Ordinance.

## Capital Assets and Debt Administration

### *Capital Assets*

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 prior year is approximately 0.33 percent.

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

	Governmental Activities			Change (%)
	2016	2015	Change (\$)	
Land	\$ 95,421,063	\$ 94,308,614	\$ 1,112,449	1.18%
Construction-in-Progress	98,025,139	72,756,125	25,269,014	34.73%
Buildings	218,123,892	221,988,433	(3,864,541)	-1.74%
Improvements	122,165,421	136,189,531	(14,024,110)	-10.30%
Machinery and Equipment	61,489,998	49,972,138	11,517,860	23.05%
Infrastructure	544,375,545	560,628,038	(16,252,493)	-2.90%
Total	\$ 1,139,601,058	\$ 1,135,842,879	\$ 3,758,179	0.33%

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 million. The projects completed during the fiscal year and transferred from Construction in progress, included \$781.3 thousand in building improvements and \$6 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 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.

**CITY OF MIAMI, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
 September 30, 2016

- Infrastructure decreased by approximately \$16.2 million. There was \$18.1 million in transfers, primarily attributed to Roadway Improvements. These transfers were offset by \$34.3 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 in the notes to the financial statements.

***Long-Term Debt***

At the end of the current fiscal year, the City had total debt outstanding of \$652.3 million. Of this amount, \$0.7 million is backed by the full faith and credit of the City and \$189 million is backed by the 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**

	<b>Governmental Activities</b>			
	<b>2016</b>	<b>2015</b>	<b>\$ Change</b>	<b>% Change</b>
General Obligation Bonds	\$ 189,735,000	\$ 205,038,304	\$ 15,303,304	7.46%
Special Obligation, Revenue Bonds and Loans	462,609,755	468,723,244	6,113,489	1.30%
<b>Total</b>	<b>\$ 652,344,755</b>	<b>\$ 673,761,548</b>	<b>\$ 21,416,793</b>	<b>3.18%</b>

The City's net debt decreased during the current fiscal year by \$21.4 million or 3.18 percent.

The City's current ratings for all of the various types of debt are shown below:

**City of Miami**  
**Bond Ratings**

<b>Issue</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
General Obligation Bonds	Aa3	AA-	A+
Limited General Obligation Bonds	A1	AA-	A-
Marlins Garage	A2	A+	A
Special Obligation (NAV)	A1	A+	A
Street and Sidewalks	A2	A	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 2016 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 the 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.

Between FY 2017 and FY 2021, General Fund revenues are forecasted to grow by a total of 11.2 percent. The largest components of General Fund revenues are Property Taxes (41.8 percent of FY 2016 General Fund revenues), Franchise Fees and Other Taxes (16.2 percent), Charges for Services (15 percent), Licenses and Permits (9.1 percent), and Intergovernmental Revenues (9.9 percent). Interest, Fines and Forfeitures, Other Revenues, and Transfers In comprise the remaining 8 percent.

In fiscal year 2017, while the total millage decreased, the operating millage remained flat at 7.6465 mills. The budgeted General Fund property tax revenue is approximately \$303.61 million. The adopted millage rate is assumed to remain flat over the five-year period. Taxable property values are projected to increase by 9 percent in FY 2018, by 5 percent in FY 2019, by 5 percent in FY 2020, and by 5 percent in FY 2021. This assumption is based on the expectation that the recent increase in development activity in the City will continue over the next two years and will gradually level out by the end of the five-year period. While current tax revenue is projected to increase annually, delinquent tax revenue is projected to decline over the five-year period. The forecast assumes a 10 percent annual decline in delinquent tax revenue.

### ***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).

**City of Miami, Florida**  
**Statement of Net Position (Deficit)**  
**September 30, 2016**

	<b>Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 396,002,741	\$ 26,959,476
Receivable - Net	28,861,139	2,640,757
Accrued Interest	668,379	-
Due From Other Governments	27,310,632	426,710
Land Held for Resale	90,971	-
Prepays	2,033,310	754,556
Other Assets	114,831	8,977,208
Restricted Cash, Cash Equivalents, and Investments Related to Bond Proceeds	36,943,088	-
Restricted Cash, Cash Equivalents, and Investments	148,657,989	26,532,516
Capital Assets:		
Non-Depreciable	193,446,202	7,381,633
Depreciable - Net	946,154,856	51,246,286
<b>Total Assets</b>	<b>1,780,284,138</b>	<b>124,919,142</b>
<b>Deferred Outflows of Resources</b>		
Deferred Loss on Refunding Bonds	2,500,847	1,099,991
Outflow Related to Pension	162,368,162	912,812
<b>Total Deferred Outflows of Resources</b>	<b>164,869,009</b>	<b>2,012,803</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	56,675,844	5,091,190
Due to Other Governments	1,447,942	1,981,253
Unearned Revenue	19,260,624	658,736
Deposits	12,301,685	824,662
Accrued Interest Payable	7,344,021	1,660,061
Due Within One Year:		
Bonds and Loans Payable	42,848,298	1,655,000
Compensated Absences	9,066,085	481,339
Claims Payable	36,093,513	-
Non-Current Liabilities		
Due In More Than One Year:		
Bonds and Loans Payable	618,043,801	65,607,252
Compensated Absences	45,036,958	401,479
Claims Payable	173,524,700	-
Other Post Employment Benefits	385,955,000	110,351
Net Pension Liability	823,454,753	-
<b>Total Liabilities</b>	<b>\$ 2,231,053,224</b>	<b>\$ 78,471,323</b>
<b>Deferred Inflows of Resources</b>		
Revenue Received in Advance	15,638,243	-
Inflow Related to Pension	32,940,662	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 48,578,905</b>	<b>\$ -</b>
<b>Net Position (Deficit)</b>		
Net Investment in Capital Assets	616,752,804	(1,957,572)
Restricted for:		
Capital Projects	104,899,473	18,330,681
Debt Service	44,524,703	1,505,216
Parking Waiver and Transportation	2,000,000	619,081
Parking Surcharge	-	403,400
Building	49,908,633	-
Housing Assistance and Economic Development	29,482,149	-
Law Enforcement	1,762,545	-
Community Redevelopment	37,822,158	-
Choice Housing Voucher Program	192,664	-
E-911	3,138,040	-
Unrestricted (Deficit)	(1,224,962,154)	29,559,816
<b>Total Net Position (Deficit)</b>	<b>\$ (334,478,985)</b>	<b>\$ 48,460,622</b>

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

City of Miami, Florida  
Statement of Activities  
For the Fiscal Year Ended September 30, 2016

	Program Revenues				Net (Expense) 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	\$ 158,677,568	\$ 78,570,413	\$ 35,566,649	\$ 7,593,812	\$ (36,946,694)	\$ -
Planning and Development	15,513,166	47,586,059	-	-	32,072,893	-
Community Development	27,937,279	1,766,173	28,569,114	-	2,398,008	-
Community Redevelopment Areas	36,149,769	2,157,456	2,662,374	-	(31,329,939)	-
Public Works	78,763,459	56,113,613	-	-	(22,649,846)	-
Public Safety	446,865,144	28,477,126	20,655,027	262,869	(397,470,122)	-
Public Facilities	16,758,483	35,324,297	99,731	247,717	18,913,262	-
Parks and Recreation	50,207,864	7,845,180	925,584	3,211,121	(38,225,979)	-
Interest on Long-Term Debt	32,606,891	-	-	-	(32,606,891)	-
<b>Total Primary Government</b>	<u>\$ 863,479,623</u>	<u>\$ 257,840,317</u>	<u>\$ 88,478,479</u>	<u>\$ 11,315,519</u>	<u>\$ (505,845,308)</u>	<u>\$ -</u>
<b>Component Units:</b>						
Miami Sports and Exhibition Authority	\$ 153,347	\$ 145,461	\$ -	\$ -	\$ -	\$ (7,886)
Department of Off-Street Parking	34,971,515	43,040,599	-	838,917	-	8,908,001
Downtown Development Authority	7,246,582	-	-	-	-	(7,246,582)
Bayfront Park Management Trust	5,876,260	5,689,412	-	-	-	(186,848)
Coconut Grove BID	1,180,766	4,066,690	-	-	-	2,885,924
Wynwood BID	810,157	817,904	-	-	-	7,747
Civilian Investigative Panel	626,065	-	677,500	-	-	51,435
<b>Total Component Units</b>	<u>\$ 50,864,692</u>	<u>\$ 53,760,066</u>	<u>\$ 677,500</u>	<u>\$ 838,917</u>	<u>\$ -</u>	<u>\$ 4,411,791</u>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, levied for general purposes					298,719,456	6,612,767
Property Taxes, levied for debt service					25,661,731	-
Franchise Taxes					47,416,360	-
State Revenue Sharing - Unrestricted					14,836,385	-
Sales and Other Use Taxes					32,699,735	-
Public Service Taxes					60,020,384	-
Investment Earnings - Unrestricted					3,500,158	8,085
Other General Revenues					-	260,394
Total General Revenues					<u>482,854,209</u>	<u>6,881,246</u>
Change in Net Position					(22,991,099)	11,293,037
Net Position - Beginning as restated (Note 14)					(311,487,886)	37,167,585
Net Position - Ending (Deficit)					<u>\$ (334,478,985)</u>	<u>\$ 48,460,622</u>

**City of Miami, Florida  
Balance Sheet  
Governmental Funds  
September 30, 2016**

	Major Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Other Capital Projects	Impact Fee	Special Obligation Bonds Projects		
<b>Assets</b>							
Pooled Cash, Cash Equivalents, and Investments	\$ 140,831,717	\$ -	\$ 136,507,105	\$ -	\$ -	\$ 118,663,919	\$ 396,002,741
Restricted Cash, Cash Equivalents, and Investments	115,346	40,718,439	-	66,089,046	20,893,996	57,784,250	185,601,077
Receivables (Net of Allowance for Uncollectibles):							
Loans Receivable	-	-	-	-	-	1,794	1,794
Accounts Receivable	21,958,898	333,333	1,573	-	-	3,969,696	26,263,500
Property Tax	2,359,463	-	-	-	-	236,382	2,595,845
Due From Other Governments	6,757,353	-	8,840,686	-	-	11,712,593	27,310,632
Due From Other Funds	27,539,286	-	-	-	-	-	27,539,286
Accrued Interest	521,319	-	4,109	37,770	17,412	87,769	668,379
Prepays	2,009,736	-	-	-	-	23,574	2,033,310
Other Assets	92,487	-	-	-	-	22,344	114,831
<b>Total Assets</b>	<b>\$ 202,185,605</b>	<b>\$ 41,051,772</b>	<b>\$ 145,353,473</b>	<b>\$ 66,126,816</b>	<b>\$ 20,911,408</b>	<b>\$ 192,502,321</b>	<b>\$ 668,131,395</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	29,700,725	-	10,463,173	1,558,782	4,059,468	10,601,333	56,383,481
Other Liabilities	285,305	-	-	-	-	7,058	292,363
Due to Other Funds	-	-	1,577,495	-	15,420,553	10,541,238	27,539,286
Due to Other Governments	1,000,826	-	-	-	-	447,116	1,447,942
Unearned Revenue	9,566,787	-	9,691,137	-	-	2,700	19,260,624
Deposits	12,112,907	-	-	-	-	188,778	12,301,685
<b>Total Liabilities</b>	<b>52,666,550</b>	<b>-</b>	<b>21,731,805</b>	<b>1,558,782</b>	<b>19,480,021</b>	<b>21,788,223</b>	<b>117,225,381</b>
<b>Deferred Inflows of Resources</b>							
Revenue Received in Advance	15,638,243	-	-	-	-	-	15,638,243
Unavailable Revenue - Other	2,359,463	-	1,392,389	-	-	3,364,699	7,116,551
<b>Total Deferred Inflows of Resources</b>	<b>17,997,706</b>	<b>-</b>	<b>1,392,389</b>	<b>-</b>	<b>-</b>	<b>3,364,699</b>	<b>22,754,794</b>
Fund Balances:							
Non-Spendable Fund Balance							
Non Spendable	2,009,736	-	-	-	-	1,023,573	3,033,309
Spendable Fund Balance							
Restricted	51,908,663	41,051,772	15,660,993	64,568,034	17,863,860	119,522,777	310,576,099
Committed	-	-	94,278,613	-	-	39,535,258	133,813,871
Assigned	21,116,250	-	15,158,867	-	-	7,965,010	44,240,127
Unassigned	56,486,700	-	(2,869,194)	-	(16,432,473)	(697,219)	36,487,814
<b>Total Fund Balances</b>	<b>131,521,349</b>	<b>41,051,772</b>	<b>122,229,279</b>	<b>64,568,034</b>	<b>1,431,387</b>	<b>167,349,399</b>	<b>528,151,220</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 202,185,605</b>	<b>\$ 41,051,772</b>	<b>\$ 145,353,473</b>	<b>\$ 66,126,816</b>	<b>\$ 20,911,408</b>	<b>\$ 192,502,321</b>	<b>\$ 668,131,395</b>

**City of Miami, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**For the Fiscal Year Ended September 30, 2016**

Fund Balances - Total Governmental Funds		\$ 528,151,220
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental Capital Assets	2,463,647,754	
Less: Accumulated Depreciation	(1,324,046,696)	1,139,601,058
<p>Inventory for land held for resale are not financial resources and therefore are not reported in the governmental funds.</p>		
		90,971
<p>Deferred inflow and outflow related to the City's Pension Plans are amortized in future periods and are therefore not reported in the governmental funds:</p>		
Deferred outflows related to pensions	162,368,162	
Deferred inflow related to pensions	(32,940,662)	129,427,500
<p>Loss on refunding of debt is recognized in the statement of Net Position and amortized over the term of the bond</p>		
		2,500,847
<p>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.</p>		
		4,520,706
<p>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.</p>		
		2,595,845
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds, Notes, and Loans Payable	(660,892,099)	
Compensated Absences	(54,103,043)	
Claims Liability	(209,618,216)	
Other Post Employment Benefits	(385,955,000)	
Net Pension Liability	(823,454,753)	
Accrued Interest Payable	(7,344,021)	(2,141,367,132)
Net Position (Deficit) of Governmental Activities		\$ (334,478,985)

**City of Miami, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

	Major Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Other Capital Projects	Impact Fee	Special Obligation Bonds Projects		
<b>Revenues</b>							
Property Taxes	\$ 262,607,953	\$ -	\$ -	\$ -	\$ -	\$ 61,773,234	\$ 324,381,187
Franchise and Other Taxes	107,436,744	-	-	-	-	-	107,436,744
Licenses and Permits	70,586,809	-	-	-	-	1,239,800	71,826,609
Fines and Forfeitures	15,074,723	-	-	-	-	1,947,433	17,022,156
Intergovernmental Revenues	65,515,561	4,083,335	11,315,519	-	-	63,550,466	144,464,881
Charges for Services	106,597,140	-	368,852	-	-	21,554,206	128,520,198
Investment Earnings (Loss)	2,662,789	24,088	(2,122)	316,469	112,566	386,368	3,500,158
Impact Fees	-	-	-	25,491,632	-	-	25,491,632
Other	8,412,526	-	2,731,273	-	-	3,835,923	14,979,722
<b>Total Revenues</b>	<b>638,894,245</b>	<b>4,107,423</b>	<b>14,413,522</b>	<b>25,808,101</b>	<b>112,566</b>	<b>154,287,430</b>	<b>837,623,287</b>
<b>Expenditures</b>							
Current Operating:							
General Government	85,229,772	26,000	2,935,981	-	947,020	18,886,421	108,025,194
Planning and Development	15,955,460	-	26,880	-	-	548,161	16,530,501
Community Development	2,252,167	-	-	-	-	25,417,265	27,669,432
Community Redevelopment Areas	-	-	-	-	-	35,240,353	35,240,353
Public Works	71,692,400	-	1,677,968	87,675	-	2,162,011	75,620,054
Public Safety	341,774,004	-	759,030	73,141	-	15,544,895	358,151,070
Public Facilities	8,152,975	-	499,380	-	-	5,520,159	14,172,514
Parks and Recreation	36,095,677	-	389,197	152,734	1,917,801	1,697,132	40,252,541
Debt Service:							
Principal	-	11,443,117	-	-	-	20,223,304	31,666,421
Interest and Other Charges	-	22,354,597	-	-	-	15,053,256	37,407,853
Capital Outlay	4,391,433	-	37,922,265	10,291,614	23,039,700	12,602,082	88,247,094
<b>Total Expenditures</b>	<b>565,543,888</b>	<b>33,823,714</b>	<b>44,210,701</b>	<b>10,605,164</b>	<b>25,904,521</b>	<b>152,895,039</b>	<b>832,983,027</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>73,350,357</b>	<b>(29,716,291)</b>	<b>(29,797,179)</b>	<b>15,202,937</b>	<b>(25,791,955)</b>	<b>1,392,391</b>	<b>4,640,260</b>
<b>Other Financing Sources (Uses)</b>							
Transfers In	4,205,760	35,510,100	62,222,600	-	-	32,453,485	134,391,945
Transfers Out	(93,881,200)	-	(1,904,968)	-	-	(38,605,777)	(134,391,945)
Proceeds from Sale of Property	441,720	-	-	-	-	-	441,720
Proceeds Received from Refunding	-	-	-	-	-	57,240,000	57,240,000
Payment To Escrow Agent For Refunding	-	-	-	-	-	(57,635,000)	(57,635,000)
Issuance of Debt	-	-	10,644,628	-	-	-	10,644,628
<b>Total Other Financing Sources (Uses)</b>	<b>(89,233,720)</b>	<b>35,510,100</b>	<b>70,962,260</b>	<b>-</b>	<b>-</b>	<b>(6,547,292)</b>	<b>10,691,348</b>
<b>Net Changes in Fund Balances</b>	<b>(15,883,363)</b>	<b>5,793,809</b>	<b>41,165,081</b>	<b>15,202,937</b>	<b>(25,791,955)</b>	<b>(5,154,901)</b>	<b>15,331,608</b>
<b>Fund Balances - Beginning</b>	<b>147,404,712</b>	<b>35,257,963</b>	<b>81,064,198</b>	<b>49,365,097</b>	<b>27,223,342</b>	<b>172,504,300</b>	<b>512,819,612</b>
<b>Fund Balances - Ending</b>	<b>\$ 131,521,349</b>	<b>\$ 41,051,772</b>	<b>\$ 122,229,279</b>	<b>\$ 64,568,034</b>	<b>\$ 1,431,387</b>	<b>\$ 167,349,399</b>	<b>\$ 528,151,220</b>

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

**City of Miami, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended September 30, 2016**

Net Changes in Fund Balances - Total Governmental Funds \$ 15,331,608

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. 3,041,177

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. (175,937)

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	88,247,094	
Less: current year depreciation	<u>(79,513,920)</u>	8,733,174

The net effect of various transactions involving capital assets (i.e. sales and disposals) is to decrease net position. (4,974,996)

Purchase of property held for resale is reported as Inventory in Statement of Net Position. (523,165)

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

Principal paid on bonds and loans	31,666,421	
Net effect of deferring and amortizing premiums, discounts, and accretion	3,710,412	
Issuance of debt-capital lease	(10,644,628)	
The net effect of amortizing the loss on debt refunding.	450,490	
Issuance of debt-refunding of bonds	(57,240,000)	
Payment to escrow agent for refunding	<u>57,635,000</u>	25,577,695

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	(3,836,318)	
Claims payable	(25,799,763)	
Other post employment benefits	(69,069,000)	
Net pension liability and related deferred inflows and outflows	28,064,368	
Accrued interest payable	<u>640,058</u>	<u>(70,000,655)</u>

Change in Net Position (Deficit) of Governmental Activities \$ (22,991,099)

**City of Miami, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2016**

	<u><b>Employee Retirement Funds</b></u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 61,668,414
Accounts Receivable	20,071,339
Capital Assets, Net	<u>3,590,142</u>
	<u>85,329,895</u>
Investments:	
U.S. Government Obligations	172,781,131
Corporate Bonds	442,068,225
Corporate Stocks	786,401,726
Money Market Funds and Commercial Paper	31,233,144
International Equity	204,203,057
Mutual Funds	198,092,739
Real Estate	190,959,114
Private Equity	138,484,218
Absolute Return Funds	<u>96,102,335</u>
<b>Total Investments</b>	<u>2,260,325,689</u>
Securities Lending Collateral	<u>146,627,092</u>
<b>Total Assets</b>	<u>2,492,282,676</u>
<b>Liabilities</b>	
Obligations Under Security Lending Transactions	146,627,092
Accounts Payable	1,204,788
Payable for Securities Purchased	<u>16,431,244</u>
<b>Total Liabilities</b>	<u>164,263,124</u>
<b>Net Position</b>	
Restricted for Pension Benefits	<u><u>\$ 2,328,019,552</u></u>



**City of Miami, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2016**

	<b>Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 82,973,153
Plan Members	21,697,586
<b>Total Contributions</b>	<b>104,670,739</b>
Investment Earnings:	
Net Increase (Decrease) in Fair Value of Investments	163,031,971
Interest	18,935,569
Dividends	18,196,332
Other	372,468
<b>Total Investment Earnings</b>	<b>200,536,340</b>
Security Lending Activities:	
Security Lending Income	655,152
Security Lending Fees and Rebates	(163,656)
<b>Net Income From Security Lending Activities</b>	<b>491,496</b>
Less Investment Expenses	(7,491,169)
<b>Net Investment Earnings</b>	<b>193,536,667</b>
Reimbursement from City for Administrative Costs	3,302,516
<b>Total Additions</b>	<b>301,509,922</b>
<b>Deductions</b>	
Benefit Payments	214,597,727
Refunds upon Resignation, Death, Other	2,364,891
Distribution to Retirees	24,344,326
Administrative Expenses and Other Expenses	5,610,147
<b>Total Deductions</b>	<b>246,917,091</b>
<b>Change in Net Position</b>	<b>54,592,831</b>
<b>Net Position Restricted for Pension Benefits - Beginning of Year</b>	<b>2,273,426,721</b>
<b>Net Position Restricted for Pension Benefits - End of Year</b>	<b>\$ 2,328,019,552</b>

**City of Miami, Florida**  
**Statement of Net Position**  
**Discretely Presented Component Units**  
**September 30, 2016**

	<u>Miami Sports and Exhibition Authority</u>	<u>Department of Off-Street Parking</u>	<u>Downtown Development Authority</u>	<u>Bayfront Park Management Trust</u>
<b>Assets</b>				
Cash, Cash Equivalent and Investments	\$ 779,281	\$ 9,886,260	\$ 4,833,234	\$ 4,457,882
Receivables (Net of uncollectible accounts)	152	749,824	386,513	8,007
Due From Other Governments	-	426,710	-	-
Prepays	-	638,232	61,324	45,197
Other Assets	-	8,977,208	-	-
Restricted Assets:				
Cash, Cash Equivalents, and Investments	-	26,532,516	-	-
Capital Assets:				
Non-Depreciable	-	6,865,504	-	516,129
Depreciable, Net	-	45,297,613	157,222	5,633,731
<b>Total Assets</b>	<u>779,433</u>	<u>99,373,867</u>	<u>5,438,293</u>	<u>10,660,946</u>
<b>Deferred Outflows of Resources</b>				
Deferred Loss on Refunding Bonds	-	1,099,991	-	-
Outflow Related to Pension	-	912,812	-	-
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>2,012,803</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	768	2,765,084	1,997,684	99,794
Due to Other Governments	-	1,981,253	-	-
Unearned Revenue	-	456,461	-	202,275
Deposits	250,000	171,293	-	403,369
Accrued Interest Payable	-	1,660,061	-	-
Non-Current Liabilities				
Due Within One Year:				
Bonds and Loans Payable	-	1,655,000	-	-
Compensated Absences	-	436,820	44,519	-
Due In More Than One Year:				
Bonds and Loans Payable	-	65,607,252	-	-
Compensated Absences	-	223,606	177,873	-
Other Post Employment Benefits	-	110,351	-	-
<b>Total Liabilities</b>	<u>250,768</u>	<u>75,067,181</u>	<u>2,220,076</u>	<u>705,438</u>
<b>Net Position</b>				
Net Investment in Capital Assets	-	(8,264,654)	157,222	6,149,860
Restricted for:				
Capital Projects	183,087	12,147,594	-	-
Debt Service	-	1,505,216	-	-
Parking Waiver and Transportation	-	-	-	-
Parking Surcharge	-	-	-	-
Unrestricted	345,578	20,931,333	3,060,995	3,805,648
<b>Total Net Position</b>	<u>\$ 528,665</u>	<u>\$ 26,319,489</u>	<u>\$ 3,218,217</u>	<u>\$ 9,955,508</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, 2016**

	<u>Coconut Grove BID</u>	<u>Wynwood BID</u>	<u>Civilian Investigative Panel</u>	<u>Total</u>
<b>Assets</b>				
Cash, Cash Equivalent and Investments	\$ 6,721,379	\$ 154,169	\$ 127,271	\$ 26,959,476
Receivables (Net of uncollectible accounts)	563,974	932,287	-	2,640,757
Due From Other Governments	-	-	-	426,710
Prepays	7,176	1,909	718	754,556
Other Assets	-	-	-	8,977,208
Restricted Assets:				
Cash, Cash Equivalents, and Investments	-	-	-	26,532,516
Capital Assets:				
Non-Depreciable	-	-	-	7,381,633
Depreciable, Net	157,720	-	-	51,246,286
<b>Total Assets</b>	<u>7,450,249</u>	<u>1,088,365</u>	<u>127,989</u>	<u>124,919,142</u>
<b>Deferred Outflows of Resources</b>				
Deferred Loss on Refunding Bonds	-	-	-	1,099,991
Outflow Related to Pension	-	-	-	912,812
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,012,803</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	89,614	68,652	69,594	5,091,190
Due to Other Governments	-	-	-	1,981,253
Unearned Revenue	-	-	-	658,736
Deposits	-	-	-	824,662
Accrued Interest Payable	-	-	-	1,660,061
Non-Current Liabilities				
Due Within One Year:				
Bonds and Loans Payable	-	-	-	1,655,000
Compensated Absences	-	-	-	481,339
Due In More Than One Year:				
Bonds and Loans Payable	-	-	-	65,607,252
Compensated Absences	-	-	-	401,479
Other Post Employment Benefits	-	-	-	110,351
<b>Total Liabilities</b>	<u>89,614</u>	<u>68,652</u>	<u>69,594</u>	<u>78,471,323</u>
<b>Net Position</b>				
Net Investment in Capital Assets	-	-	-	(1,957,572)
Restricted for:				
Capital Projects	6,000,000	-	-	18,330,681
Debt Service	-	-	-	1,505,216
Parking Waiver and Transportation	619,081	-	-	619,081
Parking Surcharge	403,400	-	-	403,400
Unrestricted	338,154	1,019,713	58,395	29,559,816
<b>Total Net Position</b>	<u>\$ 7,360,635</u>	<u>\$ 1,019,713</u>	<u>\$ 58,395</u>	<u>\$ 48,460,622</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 Fiscal Year Ended September 30, 2016**

	<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	\$ 153,347	\$ 145,461	\$ -	\$ (7,886)
<b>Total Miami Sports Exhibition Authority</b>	<u>153,347</u>	<u>145,461</u>	<u>-</u>	<u>(7,886)</u>
<b>Department of Off-Street Parking</b>				
Transportation	34,971,515	43,040,599	-	-
<b>Total Department of Off-Street Parking</b>	<u>34,971,515</u>	<u>43,040,599</u>	<u>-</u>	<u>-</u>
<b>Downtown Development Authority</b>				
Economic Development	7,246,582	-	-	-
<b>Total Downtown Development Authority</b>	<u>7,246,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Bayfront Park</b>				
Parks and Recreation	5,876,260	5,689,412	-	-
<b>Total Bayfront Park</b>	<u>5,876,260</u>	<u>5,689,412</u>	<u>-</u>	<u>-</u>
<b>Coconut Grove BID</b>				
General Government	1,180,766	4,066,690	-	-
<b>Total Coconut Grove BID</b>	<u>1,180,766</u>	<u>4,066,690</u>	<u>-</u>	<u>-</u>
<b>Wynwood BID</b>				
General Government	810,157	817,904	-	-
<b>Total Wynwood BID</b>	<u>810,157</u>	<u>817,904</u>	<u>-</u>	<u>-</u>
<b>Civilian Investigate Panel</b>				
General Government	626,065	-	677,500	-
<b>Total Civilian Investigate Panel</b>	<u>626,065</u>	<u>-</u>	<u>677,500</u>	<u>-</u>
<b>Total Component Units</b>	<u>\$ 50,864,692</u>	<u>\$ 53,760,066</u>	<u>\$ 677,500</u>	<u>\$ (7,886)</u>

**General Revenues:**

Taxes:	
Property Taxes	-
Investment Earnings (Loss)	838
Other General Revenues	-
Total General Revenue	838
Change in Net Position	(7,048)
Net position - Beg. as restated (Note 14)	535,713
Net position - Ending	<u>\$ 528,665</u>

**City of Miami, Florida**  
**Discretely Presented Component Units**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2016**

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

<b>Department of Off-Street Parking</b>	<b>Downtown Development Authority</b>	<b>Bayfront Park Management Trust</b>	<b>Coconut Grove BID</b>	<b>Wynwood BID</b>	<b>Civilian Investigative Panel</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,886)
-	-	-	-	-	-	(7,886)
8,069,084	-	-	-	-	-	8,069,084
8,069,084	-	-	-	-	-	8,069,084
-	(7,246,582)	-	-	-	-	(7,246,582)
-	(7,246,582)	-	-	-	-	(7,246,582)
-	-	(186,848)	-	-	-	(186,848)
-	-	(186,848)	-	-	-	(186,848)
-	-	-	2,885,924	-	-	2,885,924
-	-	-	2,885,924	-	-	2,885,924
-	-	-	-	7,747	-	7,747
-	-	-	-	7,747	-	7,747
-	-	-	-	-	51,435	51,435
-	-	-	-	-	51,435	51,435
<u>\$ 8,069,084</u>	<u>\$ (7,246,582)</u>	<u>\$ (186,848)</u>	<u>\$ 2,885,924</u>	<u>\$ 7,747</u>	<u>\$ 51,435</u>	<u>\$ 3,572,874</u>
-	6,612,767	-	-	-	-	6,612,767
-	7,247	-	-	-	-	8,085
-	223,440	36,954	-	-	-	260,394
-	6,843,454	36,954	-	-	-	6,881,246
8,908,001	(403,128)	(149,894)	2,885,924	7,747	51,435	11,293,037
17,411,488	3,621,345	10,105,402	4,474,711	1,011,966	6,960	37,167,585
<u>\$ 26,319,489</u>	<u>\$ 3,218,217</u>	<u>\$ 9,955,508</u>	<u>\$ 7,360,635</u>	<u>\$ 1,019,713</u>	<u>\$ 58,395</u>	<u>\$ 48,460,622</u>

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

**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**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 456,089. 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.

GASB Codification of Governmental Accounting and Financial Reporting Standards Section 2100 provides guidance for the inclusion of a legally separate entity as a component unit of an entity. The application of this guidance provides for identification of any entities for which the City is financially accountable or organizations that the nature and significance of their relationship with the City are such that exclusions would cause the City’s basic financial statements to be misleading or incomplete.

Based upon the application of GASB Codification Section 2100, 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, 2016.

### **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.



**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 by 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 \$17 million at September 30, 2016. The HFA does not issue stand-alone audited financial statements.

The City of Miami Health Facilities Authority conduit debt activity and outstanding balance as of September 30, 2016 is as follows:

<u>Debt Issue</u> Series	<u>Beginning</u> <u>Balance</u>	<u>Principal</u> <u>Payment</u>	<u>Outstanding</u> <u>Balance</u>
2005	\$ 18,700,000	\$ 1,700,000	\$ 17,000,000

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 819 NW 2 <sup>nd</sup> Ave. 3 <sup>rd</sup> Floor Miami, Florida 33136	Dept. Off Street Parking 40 NW 3 <sup>rd</sup> Street Suite 1103 Miami, Florida 33128	Coconut Grove BID 3390 Mary Street Suite 130 Miami, Florida 33133
OMNI/MIDTOWN CRA 1401 North Miami Ave. 2 <sup>nd</sup> Floor Miami, Florida 33136	Downtown Develop. Authority 200 S. Biscayne Blvd. Suite 2929 Miami, Florida 33131	Wynwood BID 310 NW 26 <sup>th</sup> Street Suite 1 Miami, Florida 33127
Virginia Key Beach Park Trust 4020 Virginia Beach Drive Miami, Florida 33149	Civilian Investigative Panel 970 SW 1 <sup>st</sup> Street Suite 305 Miami, Florida 33130	Liberty City Community Revitalization Trust 4800 NW 12 <sup>th</sup> Avenue Miami, Florida 33127-2218
Miami Sports & Exhibition Authority 3500 Pan American Drive Miami, Florida 33133		Bayfront Park Mgmt. Trust 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 and indirect expenses (claims payable, compensated absences, pension benefits, and other post-employment benefits) are allocated to activities based on each activities pro-rata share of the cost incurred. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not deemed to be program revenues are reported instead as general revenues.

**C. Fund Financial Statements**

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, 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 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. This fund did not meet the minimum criteria for major fund determination during fiscal year 2016. However, it will be presented as a major fund for public interest purposes.

**Impact Fee** – This capital fund is used to account for the collection of impact fees and the cost of capital improvement projects for the type of improvement for which the impact fee was imposed. This fund did not meet the minimum criteria for major fund determination during fiscal year 2016. However, it will be presented as a major fund for public interest purposes.

**Other Capital Projects** – This capital fund is used to account for and report on funds received from various resources (primarily from current revenues, Federal and State Grants) designated for construction projects.

**Special Obligation Bond Projects** – This capital fund is used to account for the receipt and disbursement of bond proceeds from special obligation debt and loan agreements to be used for constructions and/or acquisition activities for the City.

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, Staff Plan, and Staff Excess 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 and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. 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.

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 are 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, pollution remediation obligations, pension benefits 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.

## **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 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 recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City and the Pension Trust Funds categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In addition, certain investments of the Pension Trust Funds are measured at the net asset value (“NAV”) per share (or its equivalent). See Note 2 for more detail regarding methods used to measure the fair value of investments.

### **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 of both government-wide and governmental fund statements are recorded under the consumption method. Prepaid expenses 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 long term service agreements covering one or more fiscal period.

### **Inventory and Assets Held for Resale**

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. Such balances are recorded at lower of cost or net realizable value.

### **Restricted Assets**

Certain proceeds from bonds, loans and deposits 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 acquisition 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 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 and 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 has two items that qualifies for reporting in this category. The first item is a deferred outflow of resource related to pension benefits. Deferred outflows on pensions arise from differences between projected and actual earnings on pension plan investments and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic, or demographic factors. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Employer contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year. The second item is a deferred charge on refunding, which is the difference between the carrying value of the 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.

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. In addition, amounts received in advance, for which time requirements are not met for revenue recognition are reported as a deferred inflow at both the fund level and the government-wide level.

Deferred inflows on pensions are recorded when investment return on pension plan assets exceeds actuarial assumptions and are amortized using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic, or demographic factors; changes of assumptions about future economic, demographic, or other factors. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

**Employee Benefit Plans and Net Pension 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 administrator employees. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**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. The OPEB obligation represents the cumulative difference between the actuarial required contribution and amounts funded under the pay-as-you-go basis since the City's adoption of GASB 45 in fiscal year 2008.



**Unearned 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.

Unearned revenues in the government-wide and governmental funds financial statements at September 30, 2016 are as follows:

<u>Source</u>	<u>Balance</u>
College of Policing - Lease Income	\$ 9,691,137
Skyrise Miami - Lease Income	9,566,787
Grants and Others	2,700
<b>Total</b>	<b>\$ 19,260,624</b>

**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.

**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 Workers' Compensation, General Liability, Employee Health Programs, Automotive Liability, Police Professional Liability, Public Officials' Liability, and Employment Practices Liability.

## 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. As of fiscal year end the City reported an unrestricted net deficit, which will require future funding to eliminate this deficit amount.

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.

## Fund Balance

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, established the accounting and financial reporting standards for government entities 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 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. 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.

**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2016

The following schedule classifies the City's fund balances as of fiscal year end September 30, 2016:

City of Miami, Florida Fund Balance Classification Major Governmental Funds September 30, 2016							
	Major Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Other Capital Projects	Impact Fee	Special Obligation Bonds Projects		
<b>FUND BALANCES</b>							
<b>Non Spendable:</b>							
Recycling Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Prepaid Items	2,009,736	-	-	-	-	23,573	2,033,309
	2,009,736	-	-	-	-	1,023,573	3,033,309
<b>Spendable:</b>							
<b>Restricted for:</b>							
Debt Service (Required by Debt Covenants)	-	41,051,772	-	-	-	3,472,931	44,524,703
Environmental Projects	-	-	-	-	-	13,405	13,405
Water Sewer Combination	-	-	7,681,738	-	-	-	7,681,738
Emergency and Disaster Relief	-	-	-	-	-	2,316,696	2,316,696
Other Grants	-	-	-	-	-	76,819	76,819
Park Projects	-	-	-	-	-	1,518,320	1,518,320
Capital Improvements	-	-	-	64,568,034	16,432,473	1,488,509	82,489,016
Transportation and Transit	2,000,000	-	3,433,052	-	925,000	38,508,875	44,866,927
Housing and Urban Development	-	-	-	-	-	7,832,598	7,832,598
Public Safety	-	-	-	-	-	7,676,109	7,676,109
Building	49,908,663	-	-	-	-	-	49,908,663
Other Facilities Improvement	-	-	4,504,042	-	506,387	2,166,123	7,176,552
Community Redevelopment Agencies	-	-	-	-	-	52,808,617	52,808,617
Public Works	-	-	-	-	-	77,854	77,854
Planning Projects	-	-	-	-	-	62,790	62,790
Other	-	-	42,161	-	-	1,503,131	1,545,292
	51,908,663	41,051,772	15,660,993	64,568,034	17,863,860	119,522,777	310,576,099
<b>Committed to:</b>							
Elected Officials	-	-	-	-	-	1,098,590	1,098,590
Planning Projects	-	-	-	-	-	13,491,679	13,491,679
Housing and Urban Development	-	-	-	-	-	6,732,015	6,732,015
Capital Improvement	-	-	1,647,722	-	-	-	1,647,722
Transportation Projects	-	-	16,991,108	-	-	-	16,991,108
Public Safety	-	-	810,495	-	-	782,167	1,592,662
Public Works	-	-	2,231,144	-	-	-	2,231,144
Physical Environment	-	-	2,921,507	-	-	11,815,080	14,736,587
Facilities Improvement	-	-	1,266,986	-	-	-	1,266,986
Parks Projects	-	-	30,397,558	-	-	1,107,653	31,505,211
Water-Sewer Combination	-	-	15,294,395	-	-	-	15,294,395
Other	-	-	22,717,698	-	-	4,508,074	27,225,772
	-	-	94,278,613	-	-	39,535,258	133,813,871
<b>Assigned to:</b>							
Parks Projects	-	-	-	-	-	502,678	502,678
Planning Projects	-	-	-	-	-	794,049	794,049
Public Facilities Projects	-	-	6,902,129	-	-	6,656,162	13,558,291
Transportation Projects	-	-	7,618,855	-	-	-	7,618,855
Post-Retirement Benefits, Self-Insurance Claims and Other	21,116,250	-	-	-	-	-	21,116,250
Other	-	-	637,883	-	-	12,121	650,004
	21,116,250	-	15,158,867	-	-	7,965,010	44,240,127
<b>Unassigned:</b>							
Other	56,486,700	-	(2,869,194)	-	(16,432,473)	(697,219)	36,487,814
<b>Total Fund Balances</b>	<b>\$ 131,521,349</b>	<b>\$ 41,051,772</b>	<b>\$ 122,229,279</b>	<b>\$ 64,568,034</b>	<b>\$ 1,431,387</b>	<b>\$ 167,349,399</b>	<b>\$ 528,151,220</b>

The City’s Financial Integrity Principles require the City to maintain a minimum fund balance equal to twenty percent, (10% Assigned and 10% Unassigned) of the prior three years average of general revenues (excluding transfers). The average three years revenues for fiscal years 2013, 2014, and 2015 were approximately \$564.9 million. Based on this, the City is required to individually retain assigned and unassigned fund balance of approximately \$56.5 million each. As of September 30, 2016, the City has approximately \$21.1 million as assigned, which includes the \$5.0 million Required Contingency Reserve, and the City has unassigned the required \$56.5 million 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.

**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/expenses during the reporting period. Actual results could differ from estimates.

**Excess of Expenditures over Appropriations**

The following funds’ actual expenditures exceeded appropriations for the year ended September 30, 2016:

<u>Fund</u>	<u>Exceeds Budget Authorization</u>
General:	
Capital Improvements Administration	\$ 8,047
City Administration	151
Public - Works	145,492
Fire - Rescue	485,147
Police	483,637
Debt Service:	
General Obligation Bonds	\$ 1,642,092
SEOPW CRA Other Special Obligation Bonds	7,712,550

The excess of expenditures over appropriations can be attributed to expenditures related to the SEOPW 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 fund had fund balance deficits in the amounts indicated as of September 30, 2016:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Midtown CRA Special Revenue	\$ 2,834

The fund deficit reported as of September 30, 2016, for the Midtown CRA Special Revenue Fund is attributed to increased expenditures in the current fiscal year by the Midtown Community Redevelopment Agency (the Agency). The Agency expects to address this issue in the ensuing fiscal year.

**New Accounting Pronouncements**

The following new pronouncements effective for the year ending September 30, 2016 were adopted by the City:

**GASB Statement No. 72, *Fair Value Measurement and Application***, establishes requirements of 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. Management has implemented GASB Statement No.72 in the financial statements.

**GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67and 68***, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. Management has evaluated GASB Statement No.73 and determined it did not have an effect on the City’s financial reporting.

**GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a government should apply. Management implemented this Statement in current fiscal year.

**GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans***, addresses a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The City does not participate in any pension plans that fall within the scope of this Statement, therefore the provisions of this statement did not apply to the City.

**GASB Statement No. 79, *Certain External Investment Pools and Pool Participants***, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Management has evaluated GASB Statement No.79 and determined it did not have an effect on the City's financial reporting.

## 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

As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City Commission.

The City Code authorizes the Director of Finance and/or a designee in his/her absence to purchase and invest idle funds prudently in 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 the Local Government Surplus Funds Trust Fund which 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, 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:

<u>Investment Type</u>	<u>Balance</u>
Federal National Mortgage Association	\$ 30,592,380
United States Treasury Notes	46,341,420
Federal Home Loan Mortgage Corporation	25,437,465
Federal Farm Credit Bank	38,529,916
Federal Home Loan Bank	80,229,172
Corporate Notes	20,838,804
Commercial Paper	92,162,324
Money Market Fund	19,647,303
Total Investments	<u>353,778,784</u>
Bank Deposits	<u>227,825,034</u>
Total Pooled Cash, Cash Equivalents and Investments	<u>\$ 581,603,818</u>

**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.

As of September 30, 2016, \$36.9 million of the total balance listed above relates to unspent bond proceeds restricted for capital projects. Unspent bond proceeds by debt issue consisted of the following:

<u>Debt Issue</u>	<u>Unspent Debt Proceeds</u>
2009 Homeland Defense	\$ 1,469,566
2009 Streets & Sidewalks	19,666,941
2010B Marlins Garage Taxable	1,231,129
2014A-1 CRA SEOPW Tax Increment Rev	8,615,903
2014A-2 CRA SEOPW Tax Increment Rev	5,959,549
<b>Total</b>	<u>\$ 36,943,088</u>

The City also has an additional \$19.6 million of cash, cash equivalents, and investments restricted for debt service payments.

**Interest Rate Risk** – Interest rate risk is the risk that changes in market 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 the market interest rates.



The City’s policy limits the maturity of an investment to a maximum of five years. As of September 30, 2016, 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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>
United States Treasury Notes	\$ 46,341,420	0.66
Federal National Mortgage Association	30,592,380	1.80
Federal Home Loan Mortgage Corporation	25,437,465	1.35
Federal Farm Credit Bank	38,529,916	1.44
Federal Home Loan Bank	80,229,172	0.78
Corporate Notes	20,838,804	0.81
Commercial Paper	92,162,324	0.29
Money Market Fund	19,647,303	Less than 1 year
<b>Total</b>	<b>\$ 353,778,784</b>	

The City’s portfolio of U.S. agency securities includes callable securities. If a callable investment is purchased at a discount or premium, the maturity date is assumed to be the maturity date of the investment. As of September 30, 2016, the City owned callable securities with a fair value of \$59.1 million.

The portfolio’s overall weighted average duration was 0.84 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. As of September 30, 2016, the City recorded an unrealized gain of approximately \$0.04 million.

**Credit Risk** – Credit Risk is the risk that an 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, 2016:

<u>Investment Type</u>	<u>Standard &amp; Poor’s Credit Rating</u>	<u>Moody’s Credit Rating</u>
United States Treasury Notes	AA+	Aaa
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
Corporate Notes	A1-P1	A-/A3
Commercial Paper	A1	P1
Money Market Fund	AAAm	Aaa-mf

**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 City’s investment policy allows investment in the following instruments:

<b>Sector</b>	<b>Sector Maximum (%)</b>	<b>Per Issuer Maximum (%)</b>	<b>Minimum Ratings Requirement</b>
U.S. Treasury	100%	100%	Not Applicable
GNMA		40%	
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%	
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB	75%	40%	Not Applicable
Federal Agency/GSE other than those above		10%	
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or LT Rating Category (A-1/P-1, AAA-/Aaa3, or equivalent)
Foreign Sovereign Governments (OECD countries only) and Canadian Provinces	5%	2%	Highest ST or Two Highest LT Rating Categories (A-1/P-1, AA-/Aa3, or equivalent)
Corporates	25%	5%	Highest ST or Two Highest LT Rating Categories (A-1/P-1, A-/Aa3, or equivalent)
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)
Agency Mortgage-Backed Securities (MBS)	5%	40%	Not Applicable
Asset-Backed Securities (ABS)	5%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	10%	None, if fully collateralized	None, if fully collateralized.
Commercial Paper (CP)	35%	5%	Highest ST Rating Category (A-1/P-1, or equivalent)
Repurchase Agreements (Repo or RP)	20%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty’s parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required
Money Market Funds (MMFs)	25%	25%	Highest Fund Rating by all NRSROs that rate the fund (AAAm/Aaa-mf, or equivalent)
Intergovernmental Pools (LGIPs)	25%	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs that rate the LGIP, (AAAm/AAAf, S1, or equivalent)
Florida Local Government Surplus Funds Trust Funds (“Florida Prime” or “SBA”)	25%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)

As of September 30, 2016, the following issuers represent 5 percent or more of the City’s investment portfolio:

<u>Issuer</u>	<u>Percentage</u>
United States Treasury Notes	14%
Federal Farm Credit Bank (FFCB)	12%
Federal Home Loan Bank (FHLB)	24%
Federal Home Loan Mortgage Corporation (FHLMC)	8%
Federal National Mortgage Association (FNMA)	9%

**Fair Value Measurements**– The City categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments measured and reported at fair value are classified and disclosed in one of the following categories. Level 1 inputs are investments traded in an active market with available quoted prices for identical assets as of the reporting date. Level 2 inputs are investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date. Level 3 inputs are investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date. All of the City’s investments are categorized as Level 2.

The following table summarizes the valuation of the City’s investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2016:

<b>Investments by Level:</b>	<b><u>Fair Value</u></b>	
<b>Debt Securities:</b>	<b><u>Fair Value</u></b>	<b><u>Fair Value Measurements Using Significant Other Observable Inputs (Level 2)</u></b>
Federal National Mortgage Association	\$ 30,592,380	\$ 30,592,380
United States Treasury Notes	46,341,420	46,341,420
Federal Home Loan Mortgage Corp.	25,437,465	25,437,465
Federal Farm Credit Bank	38,529,916	38,529,916
Federal Home Loan Bank	80,229,172	80,229,172
Corporate Notes	20,838,804	20,838,804
Commercial Paper	92,162,324	92,162,324
Money Market Fund	19,647,303	19,647,303
<b>Total Investments by fair value level</b>	<b><u>\$ 353,778,784</u></b>	<b><u>\$ 353,778,784</u></b>

**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.

Alternative investments of FIPO 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 or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2016. Please refer to Pension Note 10 for additional detail regarding FIPO.

FIPO has adopted the following asset allocation policy as of September 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	29%
Domestic Equity	26%
International Equity	17%
Real Estate	11%
Absolute Return	13%
Private Equity	4%
	<u>100%</u>

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

Information about the sensitivity of fair values of FIPO's investments to market interest rate fluctuations is provided by the following table that shows the distribution of FIPO's investments by maturity at September 30, 2016:

	<u>U.S Treasuries</u>	<u>U.S Agencies</u>	<u>Corporate Bonds</u>	<u>Total</u>
Fair Value	\$ 34,510,050	\$ 54,738,391	\$ 378,546,868	\$ 467,795,309
Investment Maturities:				
Less than 1 Year	2,039,512	104,041	6,261,932	8,405,485
1 to 5 year	17,940,612	775,727	70,526,217	89,242,556
6 to 10 year	7,479,853	3,390,488	265,452,692	276,323,033
More than 10 Years	7,050,073	50,468,135	36,306,027	93,824,235

**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. FIPO's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings, at September 30, 2016:

<u>Investment Type/ Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. Agencies	\$ 54,738,391	11.70%
U.S. Treasuries	34,510,050	7.38%
U.S. Government guaranteed*	89,248,441	19.08%
Credit risk debt securities:		
AAA	8,411,614	1.80%
AA+	1,983,290	0.42%
AA	4,317,774	0.92%
AA-	9,430,552	2.02%
A+	8,664,401	1.85%
A	21,900,231	4.68%
A-	23,613,883	5.05%
BBB+	47,962,906	10.25%
BBB	40,305,419	8.62%
BBB-	15,813,813	3.38%
BB+ and Lower	122,759,625	26.24%
Not Rated	73,383,360	15.69%
<b>Total</b>	<u>378,546,868</u>	<u>80.92%</u>
<b>Grand Total</b>	<u>\$ 467,795,309</u>	<u>100.00%</u>

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

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

**Concentration of Credit Risk** – The investment policy of FIPO 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, 2016.

**Foreign 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:

<u>Currency</u>	<u>Holdings valued in U.S. Dollars - International Equities</u>
Swiss Franc	\$ 7,292,641
Australian Dollar	3,170,532
Brazilian Real	4,486,137
British Pound Sterling	30,112,645
Canadian Dollar	3,854,071
Danish Krone	4,153,527
Euro	38,949,016
Hong Kong Dollar	14,363,321
Indonesian Rupiah	3,466,119
Japanese Yen	33,076,959
Mexican Peso	1,384,180
Norwegian Krone	984,259
Other	1,379,192
Singapore Dollar	3,356,445
South Korean Won	8,983,094
Swedish Krona	1,389,305
Taiwan Dollar	6,139,106
<b>Total</b>	<u>\$ 166,540,549</u>

**Securities Lending Transactions** – A retirement system is authorized by state statutes and board of trustees’ policies to lend its investment securities. The lending is managed by FIPO’s custodial bank. All loans can be terminated on demand by either FIPO or the borrowers. The average term of loans outstanding at September 30, 2016, is approximately 64 days. The custodial bank and its affiliates are prohibited from borrowing FIPO’s securities.

The agent lends FIPO'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 FIPO 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 32 and 38 days, respectively. The relationship between the maturities of the investment pool and FIPO's loans is affected by the maturities of the securities' loans made by other entities that use the agent's pool, which FIPO 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, 2016:

<u>Securities Lent:</u>	<u>Fair Value of Underlying Securities</u>	<u>Cash Collateral Received/Securities Collateral Value</u>	<u>Cash Collateral Investment Value</u>
Lent for cash collateral:			
U.S. Government and Agency Obligations	\$ 12,452,441	\$ 12,732,572	\$ 12,732,572
Domestic Corporate Stocks	115,636,583	117,982,739	117,982,739
Domestic Corporate Bonds	15,541,943	15,911,781	15,911,781
<b>Total</b>	<u>\$ 143,630,967</u>	<u>\$ 146,627,092</u>	<u>\$ 146,627,092</u>

The contract with FIPO's custodian requires the custodian to indemnify FIPO 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, FIPO has no credit risk exposure to borrowers because the amounts of collateral held by FIPO exceed the amounts the borrowers owe FIPO. There are no significant violations of legal or contractual provisions, no borrowers or lending agent default losses, and no recoveries of prior period losses during the year. There is no income distributions owing on securities lent.

The following table details FIPO investments as of September 30, 2016:

	<u>Amount</u>
Investments, at fair value:	
Debt Securities (Domestic):	
U.S. Treasuries	\$ 34,510,050
U.S. Agencies	54,738,391
U.S. Government Obligations	<u>89,248,441</u>
Corporate Bonds:	
Corporate Bonds	333,985,649
Asset Backed Securities	5,077,046
Mortgage Backed Securities	5,270,343
Guaranteed Fixed Income	6,716,576
Debt Securities (International):	
International Government Bonds	2,618,055
International Corporate Bonds	24,879,200
Corporate Bonds	<u>378,546,869</u>
Corporate Stocks	366,947,862
International Equity	204,203,057
Mutual Funds	198,092,739
Real Estate	163,546,860
Private Equity	138,484,218
Absolute Return Funds	96,102,335
<b>Total Investments</b>	<u>\$ 1,635,172,381</u>

**Fair Value Measurements** – The FIPO Trust categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments measured and reported at fair value are classified and disclosed in one of the following categories. Level 1 inputs are investments traded in an active market with available quoted prices for identical assets as of the reporting date. Level 2 inputs are investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date. Level 3 inputs are investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The Trust has established a framework to consistently measure the fair value of the Trust’s assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance. This framework has been provided by establishing valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Trust’s assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.



**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2016

The following table summarizes the valuation of the FIPO Trust's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2016:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by level:</b>				
<b>Debt Securities:</b>				
Government and Agency Obligations	\$ 91,866,496	\$ -	\$ 91,866,496	\$ -
Municipal/provincial obligations	6,716,576	-	6,716,576	-
Asset backed Securities	5,077,046	-	5,077,046	-
Mortgage Backed Securities	5,270,343	-	5,270,343	-
Corporate Bonds	237,725,466	-	164,342,105	73,383,361
<b>Total Debt Securities</b>	<b>346,655,927</b>	<b>-</b>	<b>273,272,566</b>	<b>73,383,361</b>
<b>Equity Securities:</b>				
Domestic Equities	362,586,055	362,586,055	-	-
International Equities	204,010,579	204,010,579	-	-
<b>Total Equity Securities</b>	<b>566,596,634</b>	<b>566,596,634</b>	<b>-</b>	<b>-</b>
<b>Alternative Investments:</b>				
Private Equity	138,484,218	-	-	138,484,218
Real Estate Equity	163,546,860	-	-	163,546,860
<b>Total Alternative Investments</b>	<b>302,031,078</b>	<b>-</b>	<b>-</b>	<b>302,031,078</b>
<b>Total Investments by fair value level</b>	<b>1,215,283,639</b>	<b>\$ 566,596,634</b>	<b>\$ 273,272,566</b>	<b>\$ 375,414,439</b>
<b>Investments Measured at The Net Asset Value (NAV)</b>				
Commingled Domestic Fixed Income Funds	121,139,383			
Commingled International Equity Funds	192,478			
Commingled Domestic Equity Funds	4,361,807			
Absolute Return Funds	96,102,335			
Mutual Funds	198,092,739			
<b>Total Investments measured at the NAV</b>	<b>419,888,742</b>			
<b>Total Investments Measured at Fair Value</b>	<b>\$1,635,172,381</b>			

**Debt Securities** - Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, TIPS and foreign debt securities. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

**Equity Securities** - These include domestic and international equities. Domestic 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 the last reported bid price. 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, 2016. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

**Alternative Investments** - These investments include private equity and real estate equity investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2016.

The following table displays information regarding The FIPO Trust's investments that use net asset value (NAV) per share (or equivalent) to value investments.

<u>Investment Type</u>	<u>Fair Value 9/30/2016</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Commingled Domestic Fixed Income Funds	\$ 121,139,383	Daily	Same day
Absolute Return Funds	96,102,335	Quarterly	30 Days
Commingled International Equity Funds	192,478	Daily	Same day
Commingled Domestic Equity Funds	4,361,807	Daily	Same day
Mutual Funds	198,092,739	Daily	Same day
<b>Total Investments Measured at the NAV</b>	<b>\$ 419,888,742</b>		

(1) Commingled domestic fixed income funds consist of one commingled investment vehicle which primarily invests in publicly traded domestic commercial mortgage backed securities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(2) Absolute return funds aim to provide positive investment returns in all market conditions over the medium to long term. The funds are actively managed, with a wide investment remit to target a level of return over rolling three-year periods equivalent to cash plus five percent a year, gross of fees. They exploit market inefficiencies through active allocation to a diverse range of market positions. The funds use a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. The funds can take long and short positions in markets, securities and groups of securities through derivative contracts.

(3) Commingled international equity funds consist of three commingled investment vehicles which invest primarily in publicly traded global equity securities. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(4) Commingled domestic equity funds consist of commingled investment vehicle which invests primarily in publicly traded equity securities. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(5) These mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price.

**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, 2016, is as follows:

<b>Investment Type</b>	<b>Fair Value</b>	
	<b>GESE Trust</b>	<b>Staff Trust</b>
U.S. Government and Agency Securities	\$ 83,532,690	\$ -
Corporate Stocks	417,045,620	2,408,244
Corporate Bonds	62,509,660	1,011,696
	<u>563,087,970</u>	<u>3,419,940</u>
Real Estate Fund	27,412,254	-
Money Market Funds and Commercial Paper	24,482,264	-
<b>Total Investments</b>	<u>\$ 614,982,488</u>	<u>\$ 3,419,940</u>

**Fair Value Measurements** – The GESE Trust and Staff Trust categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments measured and reported at fair value are classified and disclosed in one of the following categories. Level 1 inputs are investments traded in an active market with available quoted prices for identical assets as of the reporting date. Level 2 inputs are investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date. Level 3 inputs are investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

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The following table summarizes the valuation of the GESE Trust and Staff Trust investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2016:

<b>Investments by level:</b>	<b>GESE Trust Fair Value</b>	<b>Staff Plan Fair Value</b>	<b>Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
<b>Debt Securities:</b>			
US Government and Agency Securities	\$ 83,532,690	\$ -	\$ 83,532,690
Corporate Bonds	62,509,660	-	62,509,660
<b>Total Debt Securities</b>	<b>146,042,350</b>	<b>-</b>	<b>146,042,350</b>
<b>Equity Securities:</b>			
Corporate Stocks	247,445,136	-	247,445,136
International Equities	27,412,254	-	27,412,254
<b>Total Equity Securities</b>	<b>274,857,390</b>	<b>-</b>	<b>274,857,390</b>
<b>Total Investments by fair value level</b>	<b>420,899,740</b>	<b>-</b>	<b>\$ 420,899,740</b>
<b>Investments Measured at The Net Asset Value (NAV)</b>			
International Equities Commingled			
(Allianz & Barings)	39,003,660	-	
Domestic Commingled Funds SSGA	130,596,824	-	
Money Market Funds	24,482,264	-	
Staff - (Vanguard)	-	3,419,940	
<b>Total Investments measured at the NAV</b>	<b>194,082,748</b>	<b>3,419,940</b>	
<b>Total Investments Measured at Fair Value</b>	<b>\$ 614,982,488</b>	<b>\$ 3,419,940</b>	

**Debt Securities** - Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, TIPS and foreign debt securities. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

**Equity Securities** - These include domestic and international equities. Domestic 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 the last reported bid price. 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, 2016. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

The following table displays information regarding the GESE Trust and Staff Trust investments that use Net Asset Value (NAV) per share (or equivalent) as their fair value measurement:

<u>Investment Type</u>	<u>Fair Value 9/30/2016</u>	<u>Redemption Frequency</u>
International Equities Commingled (Allianz & Barings)	\$ 39,003,660	Monthly
Domestic Commingled Funds SSGA	130,596,824	Daily
Money Market Funds	24,482,264	Daily
Staff- (Vanguard)	3,419,940	Daily
<b>Total Investments Measured at the NAV</b>	<b>\$ 197,502,688</b>	

**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 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 GESE Trust. The GESE 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 Trust.

The GESE Trust has adopted the following asset allocation policy as of September 30, 2016:

<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%
	<u>100%</u>

**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 Trust investments at September 30, 2016:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity Years</u>
Other Government	\$ 384,000	13.32
Asset - Backed	3,201,000	1.64
Corporate Bonds - Bank	8,006,000	2.24
Corporate Bonds - Finance	10,110,000	4.69
Corporate Bonds - Industrial	28,421,000	6.04
Corporate Bonds - Commercial Utility	2,427,000	6.39
Corporate Bonds - Transportation	1,861,000	6.18
Corporate Bonds - Electric Utility	1,582,000	8.43
Corporate Bonds - Gas Utility	69,000	10.89
US Treasury Bonds	5,636,000	19.64
US Treasury Notes	46,075,000	4.24
US Agency	1,746,000	1.72
Yankee - Finance	1,367,000	0.91
Yankee - Industrial	2,701,000	2.30
Mortgages	33,254,000	12.78
High Yield	116,000	3.53
Cash	3,295,000	-
<b>Total</b>	<u>\$ 150,251,000</u>	

**Credit Risk** – The GESE Trust utilizes portfolio diversification 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, 2016, the following table displays Moody’s ratings and the fair value of GESE Trust’s fixed-income portfolio investments:

<u>Investment Type/Rating</u>	<u>Fair Value</u>
US Treasury*	\$ 51,710,000
US Agency*	1,746,000
Other Government**	385,000
Asset-Backed**	3,201,000
Mortgages**	33,254,000
Aaa	657,000
Aa	6,554,000
A	29,905,000
Baa	17,722,000
Ba	1,372,000
B	250,000
Caa and Below	200,000
Cash	3,295,000
<b>Total</b>	<u><u>\$ 150,251,000</u></u>

\* Implied AAA rating

\*\* There is no rating classification for these investments

**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty, the GESE Trust will not be able to recover the value of its investments that are in the possession of an outside party. The GESE Trust utilizes an independent custodial safekeeping agent for its investments. The GESE Trust’s custodial credit is limited because its investments are registered in the name of the plan.

**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, 2016, 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 20 percent of each manager’s portfolio to be invested in aggregate to Yankee bonds, foreign credits, Eurodollar bonds, and Rule 144A securities. At September 30, 2016, the GESE Trust did not have any foreign denominated fixed income investments.

**Staff Trust**

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

The Staff Trust has adopted the following asset allocation policy as of September 30, 2016:

<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	<u>0%</u>
	100%

**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 6 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 Trust. As of September 30, 2016, 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 \$1,013,400. 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, 2016:

<u>Investment Type/Rating</u>	<u>Fair Value</u>
Government*	\$ 679,000
Aaa	4,000
Aa	49,700
A	123,600
Baa	157,100
<b>Total</b>	<b><u>\$ 1,013,400</u></b>

\* 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 investments. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds are registered in the Plan’s 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, 2016, 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)**

The EORT Trust follows the City’s investment policy. As September 30, 2016, the investments of EORT are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$ 1,253,975
Federal Home Loan Mortgage Corporation	1,253,525
Federal Farm Credit Bank	1,352,821
Federal Home Loan Bank	1,353,186
Money Market Fund	1,537,373
<b>Total</b>	<b><u>\$ 6,750,880</u></b>

The EORT has the following target asset allocation as of September 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S Fixed Income	85%
Cash	<u>15%</u>
	100%

**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, 2016, 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	0.58
Federal Home Loan Mortgage Association	0.75
Federal Home Loan Bank	0.75
Federal Farm Credit Bank	0.25
Money Market Funds	Less than 1 year

The investments at September 30, 2016, were in compliance with the City’s investment policy at the time of purchase.

**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, 2016, 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 investments. All investments are held by the plans custodial bank and registered in the City’s EORT 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, 2016, the EORT Trust did not have any positions with issuers greater than 5 percent.

**Fair Value Measurements** – The City's EORT categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments measured and reported at fair value are classified and disclosed in one of the following categories. Level 1 inputs are investments traded in an active market with available quoted prices for identical assets as of the reporting date. Level 2 inputs are investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date. Level 3 inputs are investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The following table summarizes the valuation of the EORT's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2016:

<b>Investments by level:</b>	<b>Fair Value</b>	<b>Fair Value Measurements Using Significant Other Observable Inputs (Level 2)</b>
<b>Debt Securities:</b>		
Federal National Mortgage Association	\$ 1,253,975	\$ 1,253,975
Federal Home Loan Mortgage Corporation	1,253,525	1,253,525
Federal Farm Credit Bank	1,352,821	1,352,821
Federal Home Loan Bank	1,353,186	1,353,186
Money Market Fund	1,537,373	1,537,373
<b>Total Investments by fair value level</b>	<b>\$ 6,750,880</b>	<b>\$ 6,750,880</b>

**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:

<b>Receivables</b>	<b>General</b>	<b>Special Obligation Bonds</b>	<b>Other Capital Projects</b>	<b>Impact Fee</b>	<b>Non-Major Govt Funds</b>	<b>Total</b>
Accounts	\$ 37,694,490	\$ 333,333	\$ 2,136,406	\$ 251,659	\$ 5,473,138	\$ 45,889,026
Property Tax	2,359,463	-	-	-	236,382	2,595,845
Due From Other Governments	6,757,353	-	8,840,686	-	11,712,593	27,310,632
Loans Receivable	-	13,821,919	-	-	1,794	13,823,713
Gross Receivables	46,811,306	14,155,252	10,977,092	251,659	17,423,907	89,619,216
Less: Allowance for Uncollectibles	(15,735,592)	(13,821,919)	(2,134,833)	(251,659)	(1,503,442)	(33,447,445)
<b>Net Total Receivables</b>	<b>\$ 31,075,714</b>	<b>\$ 333,333</b>	<b>\$ 8,842,259</b>	<b>\$ -</b>	<b>\$ 15,920,465</b>	<b>\$ 56,171,771</b>

The City, the County, HUD and Parrot Jungle and Gardens of Watson Island Inc. (Jungle Island) entered into various agreements that allowed Jungle Island to obtain funding to construct Parrot Jungle Project.

On November 17, 2011, the City, Miami-Dade County, and the U.S. Department of Housing and Urban Development (“HUD”) amended their May 13, 2001 Assumption of Loan Guarantee Assistance Liability and Pledge Agreement in order to refinance the Parrot Jungle Project HUD Section 108 Loan under a new note at a lesser interest rate for the then outstanding principal amount of \$15.6 million. The refinancing under the new note remained in accordance with the pro-rata payment obligations under a continuing 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, 2016, are as follows:

<b>Program</b>	<b>Loans Outstanding</b>	<b>Amount</b>
CDBG	57 loans	\$ 2,230,034
HOME	518 loans	24,813,890
SHIP	281 loans	13,763,735
Other	2 loans	63,073
<b>Total</b>	<b>858 loans</b>	<b>\$ 40,870,732</b>

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

As of September 30, 2016, there are 82 projects aggregating to \$61.3 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, 2016, there are 9 loans aggregating to \$7.1 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, 2015, upon which the 2015-2016 levy was based, was \$44.6 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, 2016, was \$7.6465 per \$1,000. The debt service tax rate for the same period was \$0.6886 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, 2016. 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, 2016:

	<u>Primary Government</u>			
	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 94,308,614	\$ 1,180,370	\$ (67,921)	\$ 95,421,063
Construction in progress	72,756,125	62,420,461	(37,151,447)	98,025,139
<b>Total Capital Assets, not being depreciated</b>	<b>167,064,739</b>	<b>63,600,831</b>	<b>(37,219,368)</b>	<b>193,446,202</b>
Depreciable Assets:				
Buildings	339,711,929	4,655,572	-	344,367,501
Improvements	289,684,240	7,432,688	(95,045)	297,021,883
Machinery and equipment	223,078,260	29,042,758	(8,197,722)	243,923,296
Infrastructure	1,366,820,166	18,068,706	-	1,384,888,872
<b>Total capital assets being depreciated</b>	<b>2,219,294,595</b>	<b>59,199,724</b>	<b>(8,292,767)</b>	<b>2,270,201,552</b>
Less Accumulated Depreciation for:				
Buildings	117,723,496	8,520,113	-	126,243,609
Improvements	153,494,709	21,437,262	(75,509)	174,856,462
Machinery and Equipment	173,106,122	15,235,346	(5,908,170)	182,433,298
Infrastructure	806,192,128	34,321,199	-	840,513,327
<b>Total accumulated depreciation</b>	<b>1,250,516,455</b>	<b>79,513,920</b>	<b>(5,983,679)</b>	<b>1,324,046,696</b>
<b>Total capital assets being depreciated, net</b>	<b>968,778,140</b>	<b>(20,314,196)</b>	<b>(2,309,088)</b>	<b>946,154,856</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,135,842,879</b>	<b>\$ 43,286,635</b>	<b>\$ (39,528,456)</b>	<b>\$ 1,139,601,058</b>

Depreciation expense was charged to governmental functions as follows:

<u>Function/Program Activities</u>	<u>Depreciation Expenses</u>
General Government	\$ 50,050,626
Planning and Development	111,280
Community Development	185,541
Community Redevelopment Areas	961,237
Public Works	6,054,899
Public Safety	9,278,553
Public Facilities	2,700,901
Parks and Recreation	10,170,883
<b>Total depreciation expense</b>	<b>\$ 79,513,920</b>

**Construction Commitments**

As of September 30, 2016, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately \$36.1 million. Funding of these projects will be made primary from proceeds of the bond issues, loans, 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, 2016:

MSEA, CIP, and WBID did not have any capital asset balances at September 30, 2016.

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

	<b>DOSP</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assests, not being depreciated:				
Land	\$ 8,332,754	\$ -	\$ (2,395,543)	\$ 5,937,211
Construction in progress	74,625	853,668	-	928,293
<b>Total capital assets, not being depreciated</b>	<b>8,407,379</b>	<b>853,668</b>	<b>(2,395,543)</b>	<b>6,865,504</b>
Capital assets being depreciated				
Building and structures	74,586,336	456,218	(6,889,292)	68,153,262
Leasehold improvements	10,871,055	65,722	-	10,936,777
Furniture and fixtures	939,153	-	(78,698)	860,455
Equipment	13,690,257	405,583	(759,100)	13,336,740
<b>Total capital assests being depreciated</b>	<b>100,086,801</b>	<b>927,523</b>	<b>(7,727,090)</b>	<b>93,287,234</b>
Less accumulated depreciation for:				
Building and structures	26,799,324	1,966,238	(2,632,495)	26,133,067
Leasehold improvements	9,714,821	214,088	-	9,928,909
Furniture and fixtures	438,644	55,025	(44,580)	449,089
Equipment	11,501,843	693,251	(716,538)	11,478,556
<b>Total accumulated depreciation</b>	<b>48,454,632</b>	<b>2,928,602</b>	<b>(3,393,613)</b>	<b>47,989,621</b>
<b>Total capital assets being depreciated, net</b>	<b>51,632,169</b>	<b>(2,001,079)</b>	<b>(4,333,477)</b>	<b>45,297,613</b>
<b>DOSP capital assests,net</b>	<b>\$ 60,039,548</b>	<b>\$ (1,147,411)</b>	<b>\$ (6,729,020)</b>	<b>\$ 52,163,117</b>



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

	<b>DDA</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets being depreciated:				
Furniture and equipment	\$ 586,795	\$ 20,664	\$ (26,451)	\$ 581,008
Less accumulated depreciation for:				
Furniture and equipment	421,775	28,462	(26,451)	423,786
<b>DDA capital assets, net</b>	<b>\$ 165,020</b>	<b>\$ (7,798)</b>	<b>\$ -</b>	<b>\$ 157,222</b>

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

	<b>BFP</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 516,129	\$ -	\$ -	\$ 516,129
<b>Total capital assets, not being depreciated</b>	<b>516,129</b>	<b>-</b>	<b>-</b>	<b>516,129</b>
Capital assets, being depreciated:				
Buildings	2,637,934	-	-	2,637,934
Public domain and system infrastructure	6,276,058	1,176,013	-	7,452,071
Machinery and equipment	600,599	106,128	-	706,727
<b>Total capital assets being depreciated</b>	<b>9,514,591</b>	<b>1,282,141</b>	<b>-</b>	<b>10,796,732</b>
Less accumulated depreciation for:				
Buildings	1,441,031	52,759	-	1,493,790
Public domain and system infrastructure	2,907,929	274,009	-	3,181,938
Machinery and equipment	452,276	34,997	-	487,273
<b>Total accumulated depreciation</b>	<b>4,801,236</b>	<b>361,765</b>	<b>-</b>	<b>5,163,001</b>
<b>Total capital assets being depreciated, net</b>	<b>4,713,355</b>	<b>920,376</b>	<b>-</b>	<b>5,633,731</b>
<b>BFP capital assets, net</b>	<b>\$ 5,229,484</b>	<b>\$ 920,376</b>	<b>\$ -</b>	<b>\$ 6,149,860</b>

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

	<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	\$ 106,084	\$ 86,203	\$ -	\$ 192,287
Less accumulated depreciation for:				
Furniture and equipment	14,884	19,683	-	34,567
<b>CGBID capital assets, net</b>	<b>\$ 91,200</b>	<b>\$ 66,520</b>	<b>\$ -</b>	<b>\$ 157,720</b>

Summary of the discretely presented component units capital assets at September 30, 2016 are as follows:

	<b>DOSP</b>	<b>DDA</b>	<b>BFP</b>	<b>CGBID</b>	<b>Total</b>
<b>Capital Assets:</b>					
Non-depreciable	\$ 6,865,504	\$ -	\$ 516,129	\$ -	\$ 7,381,633
Depreciable, net	45,297,613	157,222	5,633,731	157,720	51,246,286
<b>Total</b>	<b>\$ 52,163,117</b>	<b>\$ 157,222</b>	<b>\$ 6,149,860</b>	<b>\$ 157,720</b>	<b>\$ 58,627,919</b>

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

<b>Entity</b>	<b>Depreciation Expense</b>
DOSP	\$ 2,928,602
DDA	28,462
BFP	361,765
CGBID	19,683
<b>Total depreciation expense</b>	<b>\$ 3,338,512</b>

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

Accounts payable and accrued liabilities reported in the governmental funds balance sheet at September 30, 2016, consisted of the following:

	General	Other Capital Projects	Impact Fee	Special Obligation Bonds Projects	Non-Major Governmental Funds	Total
Accounts Payables	\$13,253,616	\$6,392,425	\$1,362,502	\$3,410,386	\$8,880,038	\$33,298,967
Retainage	54,485	4,070,748	196,280	649,082	1,310,194	6,280,789
Salaries and Benefits	16,392,624	-	-	-	411,101	16,803,725
<b>Total</b>	<b>\$ 29,700,725</b>	<b>\$ 10,463,173</b>	<b>\$ 1,558,782</b>	<b>\$ 4,059,468</b>	<b>\$ 10,601,333</b>	<b>\$ 56,383,481</b>

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

The balances reflected as due from/due to other funds reported as of September 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Obligation Bonds Projects	\$ 15,420,553
General Fund	Non-Major Governmental Funds	10,541,238
General Fund	Other Capital Projects	1,577,495
	<b>Total</b>	<b>\$ 27,539,286</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 fiscal year ended September 30, 2016:

<u>Transfer Out</u>	<u>Transfer In</u>				Total
	General	Special Obligation Bonds	Other Capital Projects	Non-Major Governmental Funds	
General	\$ -	\$ 22,157,800	\$ 57,554,800	\$ 14,168,600	\$ 93,881,200
Other Capital Projects	-	-	-	1,904,968	1,904,968
Nonmajor Governmental Funds	4,205,760	13,352,300	4,667,800	16,379,917	38,605,777
<b>Total</b>	<b>\$ 4,205,760</b>	<b>\$ 35,510,100</b>	<b>\$ 62,222,600</b>	<b>\$ 32,453,485</b>	<b>\$ 134,391,945</b>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move receipts restricted 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 funds totaled \$93.8 million. This total was comprised of transfers of \$22.1 million for Special Obligation Bonds (SOB) Debt Service payments, \$57.5 million for Other Capital Projects fund and \$14.1 million for other Non-Major Governmental Funds.

The \$22.1 million transferred into the Special Obligations Fund for the payment of debt services includes funds from the Public Service Tax, Parking Surcharge, and Local Option Fuel Tax. Payments for debt service are an allowable use of such revenue. This amount also includes \$2.3 million contribution from the General fund to pay for Vehicle Lease debt service.

The \$57.5 million transferred for Other Capital Projects were from unrestricted sources for various capital improvement projects, including \$20.3 million for Parks' projects, \$13.5 million for General Government, \$7.5 million for capital improvements to public facilities, \$7.3 million for Public Safety, \$3.1 million for Storm Sewers, \$2.7 million for the purchase Solid Waste trucks and \$2.7 million for Streets and Sidewalks.

The \$14.1 million transferred to other Non-Major funds were from unrestricted sources from the General Fund to other City funds for various departmental initiatives including \$6.2 million for Departmental Improvement Initiatives, \$3.6 million for Police E911 operations, \$1.3 million for Public Facilities, \$1.2 million for Fire, \$0.8 million for Community and Economic Development and \$0.6 million for Homeless programs.

Also included in this fiscal year's transfers is \$38.6 million from Non-Major Governmental Funds. This total was comprised of \$4.2 million to the General Fund, \$13.3 million to SOB Debt Service Funds, \$4.6 million to Other Capital Projects and \$16.3 million to Other Non-Major Governmental Funds.

The \$4.2 million consists primarily of \$1.9 million contribution from the J L Knight Center, \$0.6 million transfer from CDBG Program Income resulting from a settlement agreement, \$1.2 million from the OMNI and SEOPW Community Redevelopment Agencies for the enhancement of Police services and \$0.4 million from CRA SEOPW to Gibson Park.

The \$13.3 million transferred into SOB Debt Service includes \$6.1 million contribution from Transportation and Transit to Streets Bonds payments, \$4.2 million from OMNI Community Redevelopment Agency for the Port Tunnel, and \$2.9 million for Marlins Garage contribution to SOB debt.

The \$4.6 million to Other Capital Projects include \$3.1 million contribution from Lane Closure Funds to Streets and Sidewalks Capital Projects.

The \$16.3 million includes \$7.7 transfer from the SEOPW CRA Special Revenue fund for the payment of CRA SEOPW Bonds Debt Service and \$7.8 from the Transportation and Transit Special Revenue to the Transportation and Transit Capital Fund.

**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, 2016:

<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	\$ 205,038,304	\$ 57,240,000	\$ (72,543,304)	\$ 189,735,000	\$ 17,145,000
Special Obligation and Revenue Bonds, Loans and Leases	468,723,244	10,644,628	(16,758,117)	462,609,755	25,703,298
<b>Total Bonds, Loans and Leases</b>	<b>673,761,548</b>	<b>67,884,628</b>	<b>(89,301,421)</b>	<b>652,344,755</b>	<b>42,848,298</b>
Accretion	1,322,502	-	(1,322,502)	-	-
Bond Premium (Discounts)	10,935,255	-	(2,387,911)	8,547,344	-
<b>Total Bond Costs</b>	<b>12,257,757</b>	<b>-</b>	<b>(3,710,413)</b>	<b>8,547,344</b>	<b>-</b>
<b>Total Bonds, Loans and Leases</b>	<b>686,019,305</b>	<b>67,884,628</b>	<b>(93,011,834)</b>	<b>660,892,099</b>	<b>42,848,298</b>
<b>Other Liabilities:</b>					
Compensated Absences	50,266,725	18,562,457	(14,726,139)	54,103,043	9,066,085
Claims Payable	183,818,450	89,651,413	(63,851,650)	209,618,213	36,093,513
Other Post Employment Benefits	316,886,000	80,901,000	(11,832,000)	385,955,000	-
Net Pension Liability	768,304,805	257,960,853	(202,810,905)	823,454,753	-
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 2,005,295,285</b>	<b>\$ 514,960,351</b>	<b>\$ (386,232,528)</b>	<b>\$ 2,134,023,108</b>	<b>\$ 88,007,896</b>

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

Claims payable balance of \$209.6 million includes an accrual of \$8.6 million for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution and \$3.3 million for potential legal claims as discussed in Note 12. Claims payables of \$197.7 million reported in connection with the City’s self-insurance program is discussed in Note 9.

**Bonds, Loans and Leases Outstanding** – The following presents the City’s bonds, loans and leases outstanding at September 30, 2016:

<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>
General Obligation Bonds:					
General Obligation Refunding Bonds Series 2002A	Refunding	9/1/2017	32,510,000	715,000	5.000%
Homeland Defense/Neighborhood CIP Series 2007A (Limited)	Refunding	1/1/2022	103,060,000	92,375,000	4.952%-5.000%
Homeland Defense/Neighborhood CIP Series 2009 (Limited)	Homeland Defense	1/1/2029	51,055,000	39,405,000	4.500%-5.500%
General Obligation Refunding Bond Series 2015	Refunding	1/1/2028	57,240,000	57,240,000	2.640%
<b>Total General Obligation Bonds</b>			<b>\$ 243,865,000</b>	<b>\$ 189,735,000</b>	
Special Obligation and Revenue Bonds, Loans and Leases:					
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	12/1/2020	72,000,000	17,020,000	7.200%
Special Obligation Non-Ad Valorem Refunding Bonds Series 2009	Refunding	12/1/2025	37,435,000	31,835,000	6.676%- 7.550%
Special Obligation Tax-Exempt Revenue Bonds Series 2010A	Parking	7/1/2039	84,540,000	84,540,000	5.000%-5.250%
Special Obligation Tax Revenue Bonds, Garages Series 2010B	Parking	7/1/2027	16,830,000	16,495,000	5.9375%-7.443%
Special Revenue Bonds Series 2007	Street & Sidewalks	1/1/2037	80,000,000	67,445,000	4.000%-5.250%
Special Revenue Bonds Series 2009	Street & Sidewalks	1/1/2039	65,000,000	59,060,000	4.25%-5.625%
Special Obligation Non-Ad Valorem Refunding 2012	Refunding/Port Tunnel	3/1/2030	44,725,000	42,575,000	4.000%-5.000%
Special Obligation Refunding Bonds Series 2011-A	Refunding	2/1/2031	70,645,000	70,645,000	4.794%-6.000%
Special Obligation Refunding Bonds Series 2014	Refunding	7/1/2026	18,049,380	14,816,263	3.280%
CRA SEOPW Tax Increment Revenue Bonds Series 2014A-1	Redevelopment	3/1/2030	50,000,000	45,825,000	5.000%
Gran Central Corporation Loan	Redevelopment	N/A	1,708,864	1,708,864	0.000%
Vehicle Replacement Program	Vehicle Lease	1/1/2021	10,644,628	10,644,628	1.68%
<b>Total Special Obligation Bonds, Revenue Bonds, Loans and Leases</b>			<b>\$ 551,577,872</b>	<b>\$ 462,609,755</b>	
<b>Total Bonds, Loans and Leases</b>			<b>\$ 795,442,872</b>	<b>\$ 652,344,755</b>	

### Annual Debt Service Requirements to Maturity

The annual debt service requirements for all bonds, loans and leases outstanding as of September 30, 2016 are as follows:

Year Ended September 30,	General Obligation Bonds		Special Obligation, Revenue Bonds, Loans and Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 17,145,000	\$ 7,735,853	\$ 25,703,298	\$ 23,885,984	\$ 42,848,298	\$ 31,621,837
2018	18,040,000	6,898,190	26,466,661	22,618,311	44,506,661	29,516,501
2019	18,905,000	6,020,619	25,641,859	21,221,311	44,546,859	27,241,930
2020	19,835,000	5,091,950	25,602,350	19,847,443	45,437,350	24,939,393
2021	21,155,000	4,113,182	21,955,381	18,642,637	43,110,381	22,755,819
2022-2026	65,850,000	10,327,875	97,026,343	78,703,236	162,876,343	89,031,111
2027-2031	28,805,000	1,429,175	112,900,000	49,118,138	141,705,000	50,547,313
2032-2036	-	-	76,275,000	24,757,113	76,275,000	24,757,113
2037-2041	-	-	51,038,863	4,312,328	51,038,863	4,312,328
Total	\$ 189,735,000	\$ 41,616,844	\$ 462,609,755	\$ 263,106,501	\$ 652,344,755	\$ 304,723,345

### Long-Term Debt Issued

The following is a summary of debt issued during the fiscal year September 30, 2016:

**\$57,240,000 Limited Ad-Valorem Tax Refunding Bond, Series 2015** - On December 17, 2015, the City issued \$57,240,000 in Limited Ad-Valorem Tax Refunding Bond, Series 2015 and the cost of issuance thereof. The proceeds from the Series 2015 Bond were used to refund a portion of the City's outstanding Limited General Obligation Bond, Series 2002 and all of the Series 2007B and pay cost of issuance. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2.5 million (deferred loss on refunding). In addition, the refunding resulted in an economic gain of \$8.0 million.

**\$10,644,628 Vehicle Replacement Program** - On September 20, 2016, The City obtained a \$10,644,628 Lease from Santander Bank, N.A. under a Master Lease Purchase Agreement. The lease was issued with an interest rate of 1.68% and a maturity date of January 1, 2021. The purpose of the lease is to purchase police and fleet vehicles and to pay financing costs. At the end of the lease, the City will own the vehicles outright; the City is not pledging any revenue as security for the lease. The vehicles themselves will collateralize the lease.

### Debt Authorized but Unissued

As of September 30, 2016, the City has authorized but not issued the following:

On September 29, 2014, the City adopted resolution #14-0383 declaring the official intent to issue Tax-Exempt and Taxable Special Obligations Bonds in the expected total maximum principal amount of \$10,100,000. Primarily to, reimburse itself from the proceeds of such Bonds for the funds advanced by the City for certain expenses incurred with respect to Citywide Environmental Remediation and certain Capital Improvement Projects.

On January 8, 2015, the City adopted resolution #15-0008 declaring the official intent to issue Tax-Exempt and Taxable Special Obligations Bonds in the expected total maximum principal amount of \$16,000,000. Primarily to, reimburse itself from the proceeds of such Bonds for the funds advanced by the City for certain expenses incurred with respect to Capital Improvement Projects for the areas surrounding the Miami Marine Stadium.

On July 9, 2015, the City adopted resolution #15-0304 approving a design and construction loan to the City of Miami for an amount not to exceed \$22,413,800 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program for the Wagner Creek Seybold Canal Project.

### **Capital Lease Obligations**

The City has entered into an agreement as lessee for financing the acquisition of police and fleet vehicles valued at \$10,644,628. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. At year end the cost and accumulated depreciation of assets under lease were \$10,644,628 and \$732,934 respectively.

The following is a schedule showing the future minimum lease payments under capital lease by years and the present value of the minimum lease payments as of September 30, 2016:

<u>Year Ending September 30,</u>	
2017	\$ 2,242,274
2018	2,228,644
2019	2,210,865
2020	2,192,936
2021	2,174,856
Total minimum lease payments	<u>\$ 11,049,575</u>
Less: Amount representing interest	<u>(404,947)</u>
Present Value of minimum lease payments	<u>\$ 10,644,628</u>



## **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, 2016, the statutory debt limitation of assessed non-exempt property value for the City amounted to \$6.4 billion providing a debt margin of \$6.2 billion after consideration of \$189.7 million of general obligation bonds outstanding at September 30, 2016 and adjusted for the fund balance of \$3.4 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, 2016, the City had approximately \$41.0 million available in the sinking fund to meet this requirement. Principal and interest to be paid in subsequent years totals \$317.2 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 \$2.9 million and \$6.6 million respectively. The current year pledged revenues were (i) \$12.6 million (ii) \$7.1 million and (iii) \$4.2 million respectively. Principal and interest to be paid in subsequent years totals \$109.7 million on the Series 2007 bonds and \$108.9 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 \$163.8 million on the Series 2010A bonds and \$26.0 million on the Series 2010B bonds. Principal payments commenced in fiscal year 2016. The total pledge revenue collected during the year was approximately \$9.2 million and total principal and interest payments during the year were 0.3 million and \$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 \$34.0 million with the Escrow Agent during fiscal year 2016 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. As of September 30, 2016, approximately \$6.8 million of the \$34.0 million remained with the escrow agent for future debt service. The balance of such debt at fiscal year-end related to certain special obligation bonds is \$417 million.

**Purchase of Redemption Right**

On November 10, 2004, Societe Generale, New York Branch, (the “Owner”), a beneficial owner of all Non-Ad-Valorem Revenue Bonds Taxable Pension Series 1995 (the “Bonds”) of the City of Miami, Florida (the “City”) maturing in the years 2015 and 2020 ( the “2015 and 2020 Maturities”), finalized an Agreement with the City to pay \$295,000, annually on each December 1, commencing on December 1, 2005 and ending on December 1, 2025, in exchange for the City’s irrevocable agreement not to exercise its option of redemption with respect to the 2015 and 2020 maturities.

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

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

The changes in DOSP’s long-term debt for 2016 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 67,710,000	-	\$ 1,115,000	\$ 66,595,000	\$ 1,505,000
Premium (discount)	(712,000)	29,000	-	(683,000)	-
Compensated absences	579,000	518,000	437,000	660,000	437,000
Other post-employment benefit obligation	100,000	10,000	-	110,000	-
Loan from primary government	1,500,000	-	150,000	1,350,000	150,000
	<u>\$ 69,177,000</u>	<u>\$ 557,000</u>	<u>\$ 1,702,000</u>	<u>\$ 68,032,000</u>	<u>\$ 2,092,000</u>

The City 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.

On July 21, 2005, DOSP entered into a loan agreement with the City of Miami. The loan was obtained through CDBG program in the amount of \$3 million to be used for the construction of a parking garage facility. The loan bears no interest and is payable in 40 semi-annual installments of \$75,000 which started December 1, 2005. The outstanding balance as of September 30, 2016 is \$1.4 million.

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2016:

<b>Year Ending September 30,</b>	<b>Bonds</b>			<b>Loan Principal</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2017	\$ 1,505,000	\$ 3,243,187	\$ 4,748,187	\$ 150,000
2018	1,585,000	3,157,454	4,742,454	150,000
2019	1,670,000	3,063,784	4,733,784	150,000
2020	1,760,000	2,964,679	4,724,679	150,000
2021	1,860,000	2,883,304	4,743,304	150,000
2022-2026	10,635,000	12,999,132	23,634,132	600,000
2027-2031	13,405,000	10,056,613	23,461,613	-
2032-2036	17,115,000	6,147,444	23,262,444	-
2037-2041	17,060,000	1,369,485	18,429,485	-
<b>Total</b>	<b>\$ 66,595,000</b>	<b>\$ 45,885,082</b>	<b>\$ 112,480,082</b>	<b>\$ 1,350,000</b>
	Range of Rates	<u>4.25%-5.66%</u>		

## NOTE 9. – RISK MANAGEMENT SELF-INSURANCE

### A. Risk Management- Self Insurance

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 present 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 total 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.

The City's master property insurance program provides for a total of \$135 million in insurance limits. The City's total insured value is \$511 million. 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, and \$7.5 million aggregate loss.

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. The budgeting process utilizes information developed in the previous year's actuarial report in addition to historical information and 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. In Addition to specific excess coverage, the City carries annual aggregate excess coverage of approximately \$51 million.

At September 30, 2016, the total estimated undiscounted liability is recorded in the government-wide financial statements. Changes in the claims liability amount in 2015 and 2016 were as follows:

<u>Fiscal Year Ended September 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2016	\$ 183,818,450	\$ 89,651,413	\$ (63,851,650)	\$ 209,618,213
2015	209,080,613	35,896,482	(61,158,645)	183,818,450

**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 in 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 value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plans categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In addition, certain investments of the Pension Trust Funds are measured at the net asset value (“NAV”) per share (or its equivalent).

***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, 2015, the date of the most recent actuarial report valuation, membership in the FIPO consisted of the following:

Retirees and beneficiaries currently receiving benefits and terminated members entitled to benefits but not yet receiving benefits	<u>Members</u> 2,245
Current members	<u>1,650</u>
Total	3,895

*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 9, 1994, the FIPO Trust entered into an agreement with the City with regards to the funding methods, employee benefits, employee contributions and retiree cost of living adjustment (“COLA”). Pursuant to the agreement, members no longer contribute to the original COLA account (“COLA I”) and a new COLA account (“COLA II”) was established. The agreement included the following: (a) the funding method was changed to an aggregate cost method; (b) all accounts were combined for investment purposes (membership and benefits, COLA I, and COLA II); (c) retirees receive additional COLA benefits; and (d) active members no longer contribute 2 percent of pretax earnings to fund the original retiree COLA I account.

The COLA II account is funded annually by a percentage of the excess investment return from the COLA I account assets. The excess earnings contributed to the COLA II account are used to fund a minimum annual payment of \$2.5 million, increasing by 4 percent compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by the annual excess earnings no later than January 1 of the following year. For the year ended September 30, 2016, approximately \$5.9 million 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. The DROP balance for the year ended September 30, 2016 amounted to \$198.1 million.

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, 2012). Firefighter members are also required to contribute 10 percent (9 percent prior to October 1, 2009) 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, 2016 was approximately \$133.1 million. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2016, the average active employee contribution rate was 9 percent of annual pay, and the City's average contribution rate was 37 percent of annual payroll.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of FIPO and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by FIPO. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

Net Pension Liability

The components of the net pension liability for FIPO at September 30, 2016, are as follows:

	<b><u>FIPO</u></b>
Total pension liability	\$ 2,222,547,481
Plan fiduciary net position	<u>(1,700,098,500)</u>
Net pension liability	<u>\$ 522,448,981</u>



Actuarial Assumptions

The total pension liability was based on an October 1, 2015 actuarial valuation rolled forward to the measurement date of September 30, 2016, using the following assumptions, applied to all periods in the measurement:

Actuarial Assumptions

Measurement Date	September 30,2016
Inflation	3.25%
Actuarial cost method	Entry age cost method
Projected salary increases	1.5% for promotions plus salary merit
Cost-of-living adjustments	Amount varies annually with the adjustment on January 1st
Assumed rate of return on investments	7.42% compounded annually, net of pension plan investment expense including inflation.

Mortality rates are calculated with the Florida Retirement System special risk mortality projected scale BB generationally for all healthy retirees. Disabled Mortality rates are calculated based on Florida Retirement System (no projection scale).

The actuarial assumptions used in the October 1, 2015 valuations was based on the results of an actuarial experience study for the period October 1, 2011 to September 30, 2014.

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Fixed Income	2.95%
Domestic Equity	3.90%
Internaltional Equity	4.70%
Real Estate	3.20%
Private Equity	5.20%
Cash and Other	0.42%

Real rates of return are net of the long-term inflation assumption of 3.25% for 2016

Discount Rate

The discount rate used to measure the total pension liability was 7.42 percent. 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.

Changes in Net Pension Liability

The following table shows the FIPO changes in net pension liability based on the actuarial information provided to the City at September 30, 2016:

	<b>FIPO</b>		
	<b>Total Pension Liability</b>	<b>Plan Feduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balance at 10/01/2015</b>	\$ 2,167,482,636	\$ 1,674,671,617	\$ 492,811,019
<b>Changes for the year:</b>			
Service Cost	21,625,163	-	21,625,163
Interest	156,265,650	-	156,265,650
Differences between expected and actual experience	12,725,721	-	12,725,721
Changes of assumptions	30,651,781	-	30,651,781
Contributions - employer	-	48,672,615	(48,672,615)
Contributions - member	-	12,082,805	(12,082,805)
Net investment income	-	132,946,827	(132,946,827)
Benefit payments, including refunds of member contributions	(166,203,470)	(166,203,470)	-
Administrative expenses and other	-	(2,071,894)	2,071,894
Net Changes	55,064,845	25,426,883	29,637,962
<b>Balances at 09/30/2016</b>	\$ 2,222,547,481	\$ 1,700,098,500	\$ 522,448,981

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

The following table illustrates the impact of interest rate sensitivity on the FIPO net pension liability as of September 30, 2016:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>(6.42%)</b>	<b>(7.42%)</b>	<b>(8.42%)</b>
Net Pension Liability	\$ 730,131,214	\$ 522,448,981	\$ 332,514,826

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension*

For the year ended September 30, 2016, the City recognized pension expense of \$65.2 million. At September 30, 2016 the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b><u>FIPO</u></b>	
	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 10,907,761	\$ 14,633,072
Changes of assumptions	36,203,265	-
Net difference between projected and actual earnings on pension plan investments	55,079,455	11,908,427
Total	<u>\$ 102,190,481</u>	<u>\$ 26,541,499</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended September 30:**

2017	\$19,345,638
2018	\$19,345,638
2019	\$20,908,748
2020	\$3,655,388
2021	\$6,196,786
Thereafter	\$6,196,784

***GENERAL EMPLOYEES AND SANITATION EMPLOYEES RETIREMENT TRUST (GESE Trust)***

The Board of Trustees of the GESE Trust administers four defined benefit pension plans: (a) GESE; (b) an Excess Benefit Plan for the City of Miami (the “EBP”); (c) General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (the “Staff Trust”), and (d) General Employees and Sanitation Employees Retirement Trust Staff Excess Benefit Plan (the “Staff Excess Benefit Plan”). 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 Trust***

*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, 2014, the date of the most recent actuarial valuation report, membership in the GESE consisted of the following:

	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	2,031
Terminated members entitled to benefits but not yet receiving benefits	170
Current members	<u>1,376</u>
Total	3,577

### 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 15 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. DROP pension payment for the year ended September 30, 2016 amounted to \$973,975. The DROP balance for the year ended September 30, 2016 amounted to \$39.1 million.

*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. BACKDROP pension payment for the year ended September 30, 2016 amounted to \$40,948.

*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, 2016 was approximately \$71.9 million. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2016, the average active employee contribution rate was 11 percent of annual pay, and the City's average contribution rate was 46 percent of annual payroll.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GESE Trust and additions to/deductions from the GESE Trust fiduciary net position have been determined on the same basis as they are reported by GESE Trust. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

Net Pension Liability

The components of the net pension liability of the GESE Trust at September 30, 2016, are as follows:

	<u>GESE Trust</u>
Total pension liability	\$ 873,799,058
Plan fiduciary net position	<u>(589,051,025)</u>
Net pension liability	<u>\$ 284,748,033</u>

Actuarial Assumptions

The total pension liability was based on an October 1, 2014 actuarial valuation rolled forward to the measurement date of September 30, 2015, using the following assumptions, applied to all periods in the measurement:

Actuarial Assumptions

Measurement Date	September 30, 2015
Inflation	3.5%
Projected salary increases	4% - 8.75%, including inflation
Assumed rate of return on investments	7.6% for periods from October 1, 2015, net of pension plan investment expense and 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. Post-Retirement Disabled Morality rates 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	8.40%
U.S. Small Cap Equity	9.25%
International Equity	8.75%
U.S. Fixed Income	5.00%
Real Estate	8.75%
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 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.

Changes in Net Pension Liability

The following table shows the GESE Trust changes in net pension liability based on the actuarial information provided to the City at September 30, 2016:

	<u>GESE Trust</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Feduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
<b>Balance at 10/01/2015</b>	\$ 881,417,684	\$ 619,561,295	\$ 261,856,389
<b>Changes for the year:</b>			
Service Cost	9,234,478	-	9,234,478
Interest	64,212,607	-	64,212,607
Differences between expected and actual experience	(8,035,778)	-	(8,035,778)
Contributions - employer	-	33,036,318	(33,036,318)
Contributions - member	-	8,163,643	(8,163,643)
Net investment income	-	1,496,395	(1,496,395)
Benefit payments, including refunds of member contributions	(73,029,933)	(73,029,933)	-
Administrative expenses and other	-	(176,693)	176,693
Net Changes	(7,618,626)	(30,510,270)	22,891,644
<b>Balances at 09/30/2016</b>	<u>\$ 873,799,058</u>	<u>\$ 589,051,025</u>	<u>\$ 284,748,033</u>

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

The following table illustrates the impact of interest rate sensitivity on the GESE Trust net pension liability as of September 30, 2016:

	<u>1% Decrease (6.6%)</u>	<u>Current Discount Rate (7.6%)</u>	<u>1% Increase (8.06%)</u>
Net Pension Liability	\$ 372,935,078	\$ 284,748,033	\$ 209,766,857

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended September 30, 2016, the City recognized pension expense of \$22.4 million. At September 30, 2016 the City reported deferred inflows and outflows of resources from the following source:

	<u>GESE Trust</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,399,163
Net difference between projected and actual earnings on pension plan investments	22,434,012	-
Employer contribution made subsequent to measurement date	32,881,500	-
Total	<u>\$ 55,315,512</u>	<u>\$ 6,399,163</u>

There is \$32.9 million reported as deferred outflows of resources related to pension resulting from City contributions made subsequent to the measurement date. Amount will be recognized as a reduction of the net pension liability in the year ended September 3, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30:</b>	
2017	\$2,883,122
2018	\$2,883,122
2019	\$2,883,122
2020	\$7,385,483



***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, 2014, the date of the most recent actuarial report valuation, membership in the EBP consisted of 44 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, 2016 was approximately \$71.9 million. The City's contribution to the plan for the year ended September 30, 2016 was \$648,302 and plan benefit payments were \$653,302. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2016, the City's average contribution rate was 1 percent of annual payroll.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GESE EBP and additions to/deductions from the GESE EBP fiduciary net position have been determined on the same basis as they are reported by GESE EBP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

*Net Pension Liability*

The components of the net pension liability of the GESE EBP at September 30, 2016, are as follows:

	<b><u>GESE EBP</u></b>
Total pension liability	\$ 12,750,481
Plan fiduciary net position	<u>-</u>
Net pension liability	<u>\$ 12,750,481</u>

Actuarial Assumptions

The total pension liability was based on an October 1, 2014 actuarial valuation rolled forward to the measurement date of September 30, 2015 using the following assumptions, applied to all periods in the measurement:

Actuarial Assumptions

Measurement Date	September 30, 2015
Inflation	3.50%
Projected salary increases	4% - 8.75%, including inflation
Investment rate of return	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 rates 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 long term rate of return is not applicable.

Discount Rate

The discount used to measure the total pension liability was 3.78 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 3.78 percent, 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, 2015 was applied to all periods of projected benefit payments. As a result, the Single Equivalent Interest Rate (SEIR) is also 3.78 percent. The SEIR at the beginning of the measurement period was 4.13 percent based on the applicable municipal bond index rate of 4.13 percent as of September 30, 2014 applied to all periods of projected benefit payments. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the City Ordinance and Florida Statutes.

Changes in Net Pension Liability

The following table shows the GESE EBP changes in net pension liability based on the actuarial information provided to the City at September 30, 2016:

	<b><u>GESE EBP</u></b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance at 10/01/2015</b>	\$ 9,834,122	\$ -	\$ 9,834,122
<b>Changes for the year:</b>			
Interest	392,659	-	392,659
Differences between expected and actual experience	3,177,002	-	3,177,002
Contributions - employer	-	648,302	(648,302)
Benefit payments, including refunds of member contributions	(653,302)	(653,302)	-
Administrative expenses and other	-	5,000	(5,000)
Net Changes	2,916,359	-	2,916,359
<b>Balances at 09/30/2016</b>	\$ 12,750,481	\$ -	\$ 12,750,481

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

The following table illustrates the impact of interest rate sensitivity on the GESE EBP net pension liability as of September 30, 2016:

	<b>1% Decrease (2.78%)</b>	<b>Current Discount Rate (3.78%)</b>	<b>1% Increase (4.78%)</b>
	Net Pension Liability	\$ 14,482,923	\$ 12,750,481

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended September 30, 2016, the City recognized pension expense of \$1.1 million. At September 30, 2016 the City reported deferred outflows of resources from the following source:

	<b><u>GESE EBP</u></b>
	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 2,973,154
Employer contribution made subsequent to measurement date	680,534
Total	\$ 3,653,688

There is \$0.3 million reported as deferred outflows of resources related to pension resulting from City contributions made subsequent to the measurement date. Amount will be recognized as a reduction of the net pension liability in the year ended September 3, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30:</b>	
2017	\$807,047
2018	\$807,047
2019	\$770,246
2020	\$588,814

***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.

As of October 1, 2014, the date of the most recent actuarial report valuation, membership in the Staff Trust consisted of the following:

	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	3
Terminated members entitled to benefits but not yet receiving benefits	1
Current members	<u>7</u>
Total	11

*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. The DROP balance for the year ended September 30, 2016 amounted to \$1.2 million.

*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, 2016 was approximately \$0.2 million. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2016, the average active employee contribution rate was 12 percent of annual pay, and the City's average contribution rate was 177 percent of annual payroll.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GESE Staff Trust and additions to/deductions from the GESE Staff Trust fiduciary net position have been determined on the same basis as they are reported by GESE Staff Trust. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

Net Pension Liability

The components of the net pension liability of the GESE Staff Trust at September 30, 2016, are as follows:

	<b><u>GESE Staff Trust</u></b>
Total pension liability	\$ 4,972,592
Plan fiduciary net position	<u>(3,145,336)</u>
Net pension liability	<u>\$ 1,827,256</u>

Actuarial Assumptions

The total pension liability was based on an October 1, 2014 actuarial valuation rolled forward to the measurement date of September 30, 2015, using the following assumptions, applied to all periods in the measurement:

Actuarial Assumptions

Measurement Date	September 30, 2015
Inflation	3.50%
Projected salary increases	6%, including inflation
Investment rate of return	7.6% for periods from October 1, 2015, net of 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 pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
U.S. Large Cap Equity	8.40%
U.S. Small Cap Equity	9.25%
International Equity	8.75%
U.S. Fixed Income	5.00%

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 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.

Changes in Net Pension Liability

The following table shows the GESE Staff Trust changes in net pension liability based on the actuarial information provided to the City at September 30, 2016:

	<b><u>GESE Staff Trust</u></b>		
	<b><u>Increase (Decrease)</u></b>		
	<b><u>Total Pension Liability</u></b> <b><u>(a)</u></b>	<b><u>Plan Feduciary Net Position</u></b> <b><u>(b)</u></b>	<b><u>Net Pension Liability</u></b> <b><u>(a) - (b)</u></b>
<b>Balance at 10/01/2015</b>	\$ 4,816,485	\$ 3,190,324	\$ 1,626,161
<b>Changes for the year:</b>			
Service Cost	43,416	-	43,416
Interest	353,121	-	353,121
Differences between expected and actual experience	99,869	-	99,869
Contributions - employer	-	291,087	(291,087)
Contributions - member	-	19,838	(19,838)
Net investment income	-	(15,614)	15,614
Benefit payments, including refunds of member contributions	(340,299)	(340,299)	-
Net Changes	156,107	(44,988)	201,095
<b>Balances at 09/30/2016</b>	<b>\$ 4,972,592</b>	<b>\$ 3,145,336</b>	<b>\$ 1,827,256</b>

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

The following table illustrates the impact of interest rate sensitivity on the GESE Staff Trust Plan net pension liability as of September 30, 2016:

	<b><u>1% Decrease</u></b> <b><u>(6.6%)</u></b>	<b><u>Current Discount Rate</u></b> <b><u>(7.6%)</u></b>	<b><u>1% Increase</u></b> <b><u>(8.6%)</u></b>
Net Pension Liability	\$ 2,471,267	\$ 1,827,256	\$ 1,306,569

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension*

For the year ended September 30, 2016, the City recognized pension expense of \$0.2 million. At September 30, 2016 the City reported deferred inflows of resources as follows:

	<b><u>GESE Staff Trust</u></b>
	<b><u>Deferred Outflows of Resources</u></b>
Differences between expected and actual experience	\$ 68,365
Net difference between projected and actual earnings on pension plan investments	132,564
Employer contribution made subsequent to measurement date	<u>269,054</u>
Total	<u>\$ 469,983</u>

There is \$0.7 million reported as deferred outflows of resources related to pension resulting from City contributions made subsequent to the measurement date. Amount will be recognized as a reduction of the net pension liability in the year ended September 3, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30:</b>	
2017	\$58,562
2018	\$58,562
2019	\$32,414
2020	\$51,391

***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 Position and Combining Statement of Changes in Fiduciary Net Position located in the Fiduciary Funds section of the City's CAFR.

As of January 1, 2016, the date of the most recent actuarial valuation, membership in the EORT consisted of the following:

	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	6
Terminated members entitled to benefits but not yet receiving benefits	2
Active officers with future range of service from 1 to 3 years	<u>2</u>
Total	10

### 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 effective with the January 1, 2012 actuarial valuation report. 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 City is required to contribute the actuarially determined rate. For the year ended September 30, 2016, the City's average contribution rate was 466 percent of annual payroll. The City's contribution to the plan for the year ended September 30, 2016 was \$860,089.

The payroll for employees covered by EORT for the year ended September 30, 2016 was approximately \$0.10 million.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of EORT and additions to/deductions from the EORT fiduciary net position have been determined on the same basis as they are reported by EORT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

Net Pension Liability

The components of the net pension liability of EORT at September 30, 2016, were as follows:

	<b><u>EORT</u></b>
Total pension liability	\$ 8,642,267
Plan fiduciary net position	<u>(6,962,265)</u>
Net pension liability	<u>\$ 1,680,002</u>

Actuarial Assumptions

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following assumptions, applied to all periods in the measurement (measurement date January 1, 2016):

Actuarial Assumptions

Measurement Date	January 1, 2016
Projected salary increases	0.00%
Assumed rate of return on investments	3.75% for the period Jan 1, 2016 and future periods, net of pension plan investment expense
Inflation Rate	2.5%

Mortality rates after commencement of monthly benefits are calculated with RP -2000 Mortality Table, sex-distinct, rates for annuitants, adjusted for white-collar employees, and with fully-generational mortality improvement projected under Scale BB2D. No mortality is assumed for years prior to the expected commencement date for monthly benefits.

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 by asset class included in the pensions plan's target asset allocation as of September 30, 2016, are as follows:

<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 percent (includes inflation). 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.

Changes in Net Pension Liability

The following table shows the EORT changes in net pension liability based on the actuarial information provided to the City at September 30, 2016:

	<b>EORT</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 10/01/2015</b>	\$ 8,502,039	\$ 6,324,925	\$ 2,177,114
<b>Changes for the year:</b>			
Service Cost	88,956	-	88,956
Interest	316,813	-	316,813
Differences between expected and actual experience	(2,221)	-	(2,221)
Contributions - employer	-	860,089	(860,089)
Net investment income	-	42,971	(42,971)
Benefit payments, including refunds of member contributions	(263,320)	(263,320)	-
Administrative expenses and Other	-	(2,400)	2,400
Net Changes	140,228	637,340	(497,112)
<b>Balances at 9/30/2016</b>	<b>\$ 8,642,267</b>	<b>\$ 6,962,265</b>	<b>\$ 1,680,002</b>

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

The following table illustrates the impact of interest rate sensitivity on the EORT net pension liability as of September 30, 2016:

	<b>1% Decrease (2.75%)</b>	<b>Current Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
	Net Pension Liability	\$ 2,978,121	\$ 1,680,002

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension*

For the year ended September 30, 2016, the City recognized pension expense of \$0.2 million. At September 30, 2016 the City reported deferred outflows of resources from the following sources:

	<b>Deferred Outflow of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 269,048
Employer contribution made subsequent to measurement date	469,450
Total	<u>\$ 738,498</u>

There is \$0.5 million reported as deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date. Amounts will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense at September 30, 2016, follows:

<b>Year ended September 30:</b>	
2017	\$76,143
2018	\$76,143
2019	\$76,143
2020	\$40,619

The following summarizes net pension liability, deferred inflow and outflow of resources at September 30, 2016, for each Pension Plan as previously discussed in Note 10:

<b>Plan</b>	<b>Net Pension Liability</b>	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>
<b>FIPO</b>	\$ 522,448,981	\$ 26,541,499	\$ 102,190,481
<b>GESE Trust</b>	284,748,033	6,399,163	55,315,512
<b>GESE Excess Benefit</b>	12,750,481	-	3,242,208
<b>GESE Staff Trust</b>	1,827,256	-	881,463
<b>EORT</b>	1,680,002	-	738,498
<b>Total</b>	<u>\$ 823,454,753</u>	<u>\$ 32,940,662</u>	<u>\$ 162,368,162</u>

The schedules of changes in the net pension liability and related ratios and the schedules of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan assets and contributions for each of the City's defined benefit pension plan.

***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 plan assets are not recorded in the fiduciary funds of the City.

As of September 30, 2016 the City's participation in this plan was as follows:

Total current year's payroll for all employees	\$ 307,382,972
Current year's payroll for participating employees	6,937,727
Current year employer contributions	503,738

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 plan assets are not recorded in the fiduciary funds. The total of such excise taxes received from the State of Florida and remitted to the plans was \$9.60 million for the year ended September 30, 2016. 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 Fraternal Order of Police (FOP) Health Insurance Trust (HIT) 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 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, 2015, the most recent actuarial valuation date, there are approximately 5,389 covered participants of whom approximately 3,640 are active employees and 1,749 are 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. 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 HIT that is partially self-insured, which provides life, health, and accidental death and dismemberment insurance to substantially all full-time sworn members of the City's Police department, eligible retirees, their families and beneficiaries. The HIT receives a significant source of its funding from the City, pursuant to the terms of a collective bargaining agreement. The agreement requires the City to reimburse the HIT an amount that is required to bring the HIT's minimum fund balance to \$2.35 million annually.

Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate trust funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's cost of the OPEB benefits is funded on a pay-as-you-go basis. The City contributed \$11.8 million for the fiscal year ended September 30, 2016.

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 2.0 percent, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of its 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, 2016 for both Non-Police and Police retirees are as follows:

	<b>Police Retirees</b>	<b>Non-Police Retirees</b>	<b>Total</b>
Annual required contribution (ARC)	\$ 58,957,000	\$ 26,952,000	\$ 85,909,000
Interest on net OPEB obligation	4,795,000	1,543,000	6,338,000
Adjustment to annual required contribution	<u>(9,028,000)</u>	<u>(2,354,000)</u>	<u>(11,382,000)</u>
Annual OPEB cost (expense)	54,724,000	26,141,000	80,865,000
Contributions made	<u>8,245,000</u>	<u>3,551,000</u>	<u>11,796,000</u>
Increase in net OPEB obligation	46,479,000	22,590,000	69,069,000
Net OPEB obligation - beginning of year	<u>239,733,000</u>	<u>77,153,000</u>	<u>316,886,000</u>
Net OPEB obligation - end of year	<u>\$ 286,212,000</u>	<u>\$ 99,743,000</u>	<u>\$ 385,955,000</u>

The City's annual OPEB cost, net OPEB obligations, and percentage of annual OPEB cost contributed, are as follows:

**Police**

<b>Year Ended September 30</b>	<b>Annual OPEB Cost</b>	<b>OPEB Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligations</b>
2016	\$ 54,724,000	\$ 8,245,000	15%	\$ 286,212,000
2015	54,814,000	8,655,000	16%	239,733,000
2014	54,111,000	7,475,000	14%	193,574,000

**Non-Police**

<b>Year Ended September 30</b>	<b>Annual OPEB Cost</b>	<b>OPEB Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligations</b>
2016	\$ 26,141,000	\$ 3,551,000	14%	\$ 99,743,000
2015	18,451,000	3,547,000	19%	77,153,000
2014	17,866,000	3,168,000	18%	62,249,000

Funded status and funding progress

As of October 1, 2015, the most recent actuarial valuation date, the funded status of the Police and Non-Police Retirees OPEB plan was as follows:

	<b>Actuarial Valuation of Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>
Non-Police	\$ -	\$ 256,912,000	\$ 256,912,000	0.00%
Police	-	678,879,000	678,879,000	0.00%
<b>Total</b>	<b>\$ -</b>	<b>\$ 935,791,000</b>	<b>\$ 935,791,000</b>	<b>0.00%</b>
		<b>Non-Police</b>	<b>Police</b>	
	Covered Payroll	\$ 205,181,745	\$ 80,617,980	
	UAAL as a percentage of Payroll	125.2%	842.1%	

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 OPEB Other Than Police plan year was determined as part of the plan's October 1, 2015 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2015
Actuarial cost method:	Entry age normal
Amortization method:	Level percent of payroll
Amortization period:	The unfunded actuarial accrued liability is amortized over a period of 22 years on a closed basis with a starting amortization period of 30 years which began in FY 2008
Actuarial Assumptions:	
Assumed rate of return on investments:	2.00%
Projected salary increases:	3.5% Per annum
Discount rate:	2.00%
Assumed health care cost trend rates:	8.5% for pre-65 medical and 8.5% 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 with MP-2016 Projection Scale, applied on a gender specific basis.

The annual required contribution for the OPEB Police plan year was determined as part of the plan's October 1, 2015 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2015
Actuarial cost method:	Entry age normal
Amortization method:	Level percent of payroll
Actuarial Assumptions:	
Assumed rate of return on investments:	2.00%
Projected salary increases:	3.5% Per annum
Discount rate:	2.00%

Mortality rates are calculated with the RPH 2014 Total Dataset mortality table using the Society of Actuaries Mortality Projection Scale MP-2015.

## 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 Uniform Guidance. 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 Refunding Bonds 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, 2016, 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 \$42.6 million.

**FOP, Miami Lodge No. 20 and Alfredo Vega v. City of Miami, et al.** This is an action by the Fraternal Order of Police ("FOP") and individual law enforcement officers challenging the 1994 police sergeant's examination seeking promotions retroactive to 1994, with back pay and emoluments. The testing company was joined as a party but severed from the present proceedings. The trial court bifurcated the action to address liability separate from damages. The liability portion of this case was tried in 2007, and the trial court ruled that the exam did not comply with the Civil Service Rules. The parties are now in the damages portion. The trial court has ruled that FOP did not have standing to recover any monetary relief, thereby leaving the seven individual Plaintiffs and an additional individual who was permitted to intervene. Additional union members have moved to intervene. The FOP has appealed. The City's potential exposure may exceed \$1,000,000.

**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. The First District affirmed and the Florida Supreme Court has accepted review. The Supreme Court heard oral argument. On Thursday, March 2, 2017, the Florida Supreme Court rendered its opinion in *Headley, et al. v. City of Miami*. The court rejected the first district opinion and remanded for further proceedings consistent with the opinion. As of 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*. On Thursday, March 2, 2017, the Florida Supreme Court rendered its opinion in *Headley, et al. v. City of Miami*. The court

rejected the first district opinion and remanded for further proceedings consistent with the opinion. As of date of the report the City cannot predict the outcome of this case or financial consequences, if any.

**Securities and Exchange Commission v. City of Miami and Former Budget Director**, 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. Former budget director filed his petition for Writ of Certiorari which was denied. After trial, the City and Boudreaux were found liable and a fine of \$1,000,000 was imposed on the City and a fine of \$15,000 was imposed on Boudreaux.

**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 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 on the Series 2007 A Bonds. The series 2007 B bonds were refunded subsequent to year end on December 17, 2015. The City has completed its required spend-down progress on Series 2007 A & B proceeds and interest thereon, and that the City has filed its update Arbitrage Rebate Report with the IRS demonstrating that the City continued to yield restrict any remaining unspent proceeds and interest of the Series 2007 A & B Bonds and therefore, the City was not required to rebate any funds to the IRS.

**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. The 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 minimis 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, but also aims to achieve significant flushing of impacted soils.

**Design and Construction Loan:** In July 9, 2015, the Miami City Commission passed Resolution 15-0304, accepting a design and construction loan of not to exceed \$22,413,800 at 0% interest rate (collectively, "Loan") to the City of Miami ("City") from the State of Florida Department of Environmental Protection ("Department") Clean Water State Revolving Fund Program ("Program") for the Wagner Creek/Seybold Canal Project SW132000 (collectively, the "Project"). This includes 40 semi-annual loan payments beginning on or about October 15, 2017. Additionally, there is a loan service fee of \$448,276 to be paid on or about October 15, 2017, by the City for the Loan through the Program. The City pledged Stormwater Utility Fees ("Stormwater Utility Fees") to secure the Loan, and covenants to budget and appropriate such Stormwater Utility Fees on an annual basis to pay debt service on the Loan. The Stormwater Utility Fees have not been previously pledged to any other debts of the City, and are legally available to be pledged to secure and repay the loan. As the City incurs expenditures for this Project, the City will seek reimbursements from the Department. The amount of the Loan will be known and the corresponding payments and fee will begin after the Project is completed. Consequently as of September 30, 2016, there is no liability for this transaction.

**Post Issuance Ongoing Compliance:** As of September 30, 2016, the City had approximately \$19.7 million of unspent proceeds of the 2009 Streets and Sidewalks Series Bonds Streets and Sidewalks Improvement Program. To address this, the City created a working group consisting of the Office of Management and Budget, the Department of Finance, the Department of Capital Improvement, the City Attorney's Office, and other user departments to evaluate projects and reprioritize funding of projects that will expedite the spending of the remaining proceeds, including interest thereon. Failure by the City to spend these proceeds may result in a future recapture of Transit System Sales Surtax Funds

## **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 and the amount accrued for estimated probable losses to date.

## 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, 2016:

### **Governmental Funds**

#### Major Funds:

Other Capital Projects	\$ 39,960,698
Impact Fee	4,623,011
Non Major Governmental Funds	<u>18,545,780</u>
	\$ 63,129,489

## NOTE 13. – SUBSEQUENT EVENTS

On November 17, 2016, the Miami City Commission approved resolution #16-0563 for a declaration of intent to issue tax-exempt and/or taxable special obligation bonds in the expected total maximum principal amount of \$45,000,000. This was done to reimburse the City for eligible expenses incurred with respect to certain capital improvement projects at the Miami Marine Stadium and the associated Welcome Center and Museum Complex.

On December 8, 2016, the Miami City Commission approved resolution # 16-0617 for the issuance of not to exceed \$50,000,000 of City of Miami, Florida Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds Series 2017 as conduit debt on behalf of Miami Jewish Health Systems Inc. The principal, premium, if any, and interest of the Series 2017 Bonds shall be payable solely from the sources specified from the indenture that belong to the Miami Jewish Health Systems Inc. The Series 2017 Bonds and the debt service shall not be deemed to constitute a debt, liability, obligation or a pledge of the faith and credit or taxing power of the City of Miami.

On January 2, 2017, the Miami City Commission approved resolution #17-0020 for a declaration of intent to issue tax-exempt and/or taxable special purpose improvement bonds in the expected total maximum principal amount of \$18,000,000. This was done to reimburse the City from the proceeds of such special purpose improvement bonds for funds advanced by the City to pay eligible expenses incurred with respect to certain public governmental capital improvement portions of the Miami Central Station Project pursuant to the interlocal agency agreement among the City, the Southeast Overtown/Park West Community Redevelopment Agency, and South Florida Regional Transportation Authority.

On February 9, 2017, the Miami City Commission approved a resolution #17-0071 to issue a City of Miami, Florida Special Obligation Refunding Bonds, Series 2017 (Street and Sidewalk Improvement Program) in an aggregate principal amount not exceeding \$130,000,000, for the purposes of (i) refunding certain obligations of the City, (ii) funding a deposit to the reserve account for the Series 2017 Bonds, if required, and (iii) paying the costs of issuance of the Series 2017 Bonds. The bonds to be refunded are the City of Miami Series 2007 and Series 2009 Street and Sidewalk Bonds. This resolution rescinded resolution #16-0374 adopted by the City commission on July 29, 2016.

On March 22, 2017, the City received a letter of notice from the Internal Revenue Service (IRS) dated, March 15, 2017 informing the City that the Special Obligation Bonds 2007 Series Streets Improvement Program was selected for audit examination. The IRS routinely examines municipal debt issuance for compliance with federal tax requirements. The City will cooperate fully with the audit.

**NOTE 14. – RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS**

The City’s discretely presented component unit the Civilian Investigative Panel restated the October 1, 2015 net position of the governmental activities to report expenses incurred in connection with a settlement. Net position as of October 1, 2015 was restated as follows:

Net Position, October 1, 2015	\$ 86,960
Restatement to report expenses incurred in fiscal 2015	<u>(80,000)</u>
Net Position as restated, October 1, 2015	<u>\$ 6,960</u>

**NOTE 15. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

**GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension***, the scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The adoption of this statement will require the City to record a material liability for the unfunded portion of its plans.

**GASB Statement No. 77, *Tax Abatement Disclosures***, requires governments that enter into tax abatement agreements to disclose any tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients. The provisions of this Statement are effective for reporting periods beginning after December 15, 2015.

**GASB Statement No. 80, *Blending Requirements for Certain Components Units***, this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

**GASB Statement No. 81, *Irrevocable Split-Interest Agreements***, the objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

**GASB Statement No. 82, Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73**, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for the City beginning with its year ending September 30, 2018.

**GASB Statement No. 83, Certain Asset Retirement Obligations**, this Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

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



## 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, 2016 (Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 268,768,800	\$ 268,768,800	\$ 262,607,953	\$ (6,160,847)
Franchise and Other Taxes	104,403,200	107,472,000	107,436,744	(35,256)
Licenses and Permits	58,502,300	61,092,300	70,586,809	9,494,509
Fines and Forfeitures	11,572,900	16,847,900	15,074,723	(1,773,177)
Intergovernmental Revenues	63,742,800	63,742,800	65,515,561	1,772,761
Charges for Services	96,425,900	103,429,400	106,597,140	3,167,740
Investment Earnings (Loss)	2,126,300	2,656,800	2,662,789	5,989
Other	33,511,400	35,686,700	8,412,526	(27,274,174)
<b>Total Revenues</b>	<u>639,053,600</u>	<u>659,696,700</u>	<u>638,894,245</u>	<u>(20,802,455)</u>
<b>Expenditures:</b>				
General Government				
Mayor	1,075,000	1,075,000	962,239	112,761
Board of Commissioners	2,658,400	2,658,400	2,496,909	161,491
Office of City Manager	3,264,600	3,264,600	2,914,689	349,911
Office of Agenda Coordination	341,800	361,800	355,834	5,966
Office of City Clerk	1,624,700	1,624,700	1,596,329	28,371
Office of NET	4,878,400	5,278,400	4,921,216	357,184
Office of Civil Service	435,000	443,000	401,176	41,824
Office of the Auditor General	1,200,900	1,200,900	1,168,866	32,034
Office of Communications	1,079,400	1,079,400	1,038,704	40,696
Human Resources	4,114,000	4,114,000	3,851,014	262,986
Information Technology	8,821,700	8,821,700	8,530,949	290,751
Office of the City Attorney	7,615,100	7,615,100	7,179,948	435,152
Management and Budget	2,135,400	2,135,400	1,848,984	286,416
Procurement	2,162,200	2,162,200	2,126,936	35,264
Office of Equal Opportunity & Diversity	369,900	371,200	371,123	77
Finance	8,506,800	8,506,800	8,482,807	23,993
Capital Improvements Administration	5,330,200	7,557,200	7,565,247	(8,047)
Office of Grants Administration	1,265,500	1,265,500	1,103,360	162,140
City Administration	-	-	151	(151)
Non-Departmental	50,450,300	38,468,800	26,804,790	11,664,010
Risk Management	2,924,900	2,924,900	2,610,605	314,295
Office of Film and Entertainment	381,100	381,100	369,403	11,697
General Government	<u>110,635,300</u>	<u>101,310,100</u>	<u>86,701,279</u>	<u>14,608,821</u>
Planning and Development				
Building	10,361,800	10,361,800	9,698,018	663,782
Planning and Zoning	6,718,600	6,547,100	6,404,654	142,446
Red Light Camera	82,000	82,000	80,052	1,948
Total Planning and Development	<u>17,162,400</u>	<u>16,990,900</u>	<u>16,182,724</u>	<u>808,176</u>
Public Works				
Solid Waste	30,598,900	30,598,900	30,432,627	166,273
General Service Administration	23,131,600	22,395,700	21,514,601	881,099
Public - Works	20,685,800	19,932,800	20,078,292	(145,492)
Total Public Works	<u>74,416,300</u>	<u>72,927,400</u>	<u>72,025,520</u>	<u>901,880</u>
Public Safety				
Office of Code Compliance	5,584,500	5,584,500	5,299,667	284,833
Fire - Rescue	111,880,700	121,730,100	122,215,247	(485,147)
Police	208,836,700	215,842,700	216,326,337	(483,637)
Total Public Safety	<u>326,301,900</u>	<u>343,157,300</u>	<u>343,841,251</u>	<u>(683,951)</u>
Real Estate Asset Management	8,525,100	8,479,200	8,180,927	298,273
Community Development	2,252,700	2,252,700	2,252,167	533
Parks and Recreation	35,613,400	36,485,300	36,360,020	125,280
<b>Total Expenditures</b>	<u>574,907,100</u>	<u>581,602,900</u>	<u>565,543,888</u>	<u>16,059,012</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>64,146,500</u>	<u>78,093,800</u>	<u>73,350,357</u>	<u>(4,743,443)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	4,181,100	6,205,700	4,205,760	(1,999,940)
Transfers Out	(68,361,800)	(84,333,700)	(93,881,200)	(9,547,500)
Proceeds from Sale of Property	34,200	34,200	441,720	407,520
<b>Total Other Financing Sources (Uses)</b>	<u>(64,146,500)</u>	<u>(78,093,800)</u>	<u>(89,233,720)</u>	<u>(11,139,920)</u>
<b>Net Change in Fund Balance</b>	-	-	(15,883,363)	(15,883,363)
<b>Fund Balance - Beginning of Year</b>	-	-	147,404,712	147,404,712
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,521,349</u>	<u>\$ 131,521,349</u>

# Notes to Required Supplementary Information

## City of Miami, Florida Year Ended September 30, 2016 (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 2016, supplemental appropriations totaling \$20.19 million in the General Fund, comprised of increased allocations of \$10.6 million to General Fund expenditures by departments and \$9.56 million in Transfers-In. The Special Revenue Funds budget was also increased in fiscal year 2016 by approximately \$6.87 million, of which \$222,900 was allocated to Fire Rescue Services, \$5.23 million to Urban Areas and Security Initiatives, \$450,000 to Homeless Programs, \$50,000 to Parks and Recreation Services, \$245,900 to Police Services, \$668,400 to Departmental Improvement Initiatives, and \$40,750 to Transportation and Transit. During fiscal year 2016, the General fund had expenditures of approximately \$4.4 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 138.

**Required Supplementary Information**  
**City of Miami, Florida**  
**Other Post Employment Benefits**  
**Schedule of Funding Progress**  
**(Unaudited)**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) 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)
<u>City of Miami Police Other Post Employment Benefits (a)</u>						
10/01/2015	\$ -	\$ 678,879,000	\$ 678,879,000	0%	\$ 80,617,980	842%
10/01/2014	-	746,226,000	746,226,000	0%	77,892,030	958%
10/01/2013	-	424,343,000	424,343,000	0%	75,258,000	564%
<u>City of Miami Other Than Police Other Post Employment Benefits (a)</u>						
10/01/2015	\$ -	\$ 256,912,000	\$ 256,912,000	0%	\$ 205,181,745	125%
10/01/2014	-	210,059,000	210,059,000	0%	198,243,900	106%
10/01/2013	-	162,562,000	162,562,000	0%	191,540,000	85%

a. Amounts based on actuarial valuation. No assets existed in the plan at September 30, 2016. The actuarial valuation dated 10/1/2015 was based on a revised discount rate of 2.0 percent. The prior actuarial valuation dated 10/1/2014 was based on a discount rate of 2.0 percent.

**Required Supplementary Information**  
**City of Miami, Florida**  
**Other Post Employment Benefits**  
**Schedule of Employer Contributions**  
**(Unaudited)**

City of Miami Other Post Employment Benefits - Police				City of Miami Other Post Employment Benefits - Non-Police					
Year Ended September 30,	Annual OPEB Cost		OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Year Ended September 30,	Annual OPEB Cost		OPEB Contributions	Percentage of Annual OPEB Cost Contributed
	\$	\$				\$	\$		
2016	\$ 54,724,000	\$ 8,245,000	15%		2016	\$ 26,141,000	\$ 3,551,000	14%	
2015	54,814,000	8,655,000	16%		2015	18,451,000	3,547,000	19%	
2014	54,111,000	7,475,000	14%		2014	17,866,000	3,168,000	18%	

The information presented in the Required Supplementary Information schedules above 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**  
**Firefighters and Police (FIPO)**  
**Last Three Fiscal Years**  
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 21,625,163	\$ 19,203,823	\$ 17,233,272
Interest	156,265,650	156,479,438	155,338,970
Changes of benefit terms	-	9,453,429	-
Differences between expected and actual experience	12,725,721	(16,970,540)	(6,638,755)
Changes of assumptions	30,651,781	14,895,466	-
Benefit payments, including refunds of member contributions	<u>(166,203,470)</u>	<u>(165,535,327)</u>	<u>(139,860,276)</u>
<b>Net change in total pension liability</b>	55,064,845	17,526,289	26,073,211
Total pension liability - beginning	<u>2,167,482,636</u>	<u>2,149,956,347</u>	<u>2,123,883,136</u>
Total pension liability - ending	<u><u>2,222,547,481</u></u>	<u><u>2,167,482,636</u></u>	<u><u>2,149,956,347</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	48,672,615	48,616,677	47,654,757
Contributions - member	12,082,805	9,317,231	9,462,569
Net investment income	132,946,827	35,529,492	133,609,444
Benefit payments, including refunds of member contributions	(166,203,470)	(165,535,327)	(139,860,276)
Administrative expenses	(2,029,168)	(2,222,561)	(2,086,240)
Other	<u>(42,726)</u>	<u>269,771</u>	<u>(42,726)</u>
<b>Net change in plan fiduciary net position</b>	25,426,883	(74,024,717)	48,737,528
Plan fiduciary net position - beginning	<u>1,674,671,617</u>	<u>1,748,696,334</u>	<u>1,699,958,806</u>
Plan fiduciary net position - ending	<u><u>\$ 1,700,098,500</u></u>	<u><u>\$ 1,674,671,617</u></u>	<u><u>\$ 1,748,696,334</u></u>
City's net position liability	<u><u>\$ 522,448,981</u></u>	<u><u>\$ 492,811,019</u></u>	<u><u>\$ 401,260,013</u></u>
Covered-employee payroll	\$ 106,278,378	\$ 93,705,765	\$ 85,222,842
Net pension liability as a percentage of covered-employee payroll	491.59%	525.91%	470.84%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2015.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**General and Sanitation Employees (GESE)**  
**Last Two Fiscal Years**  
(Unaudited)

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 9,234,478	\$ 8,678,294
Interest	64,212,607	64,248,602
Changes of benefit terms	-	-
Differences between expected and actual experience	(8,035,778)	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	<u>(73,029,933)</u>	<u>(73,771,095)</u>
<b>Net change in total pension liability</b>	<u>(7,618,626)</u>	<u>(844,199)</u>
Total pension liability - beginning	<u>881,417,684</u>	<u>882,261,883</u>
Total pension liability - ending	<u><u>873,799,058</u></u>	<u><u>881,417,684</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	33,036,318	30,710,096
Contributions - member	8,163,643	7,231,235
Net investment income	1,496,395	65,272,884
Benefit payments, including refunds of member contributions	<u>(73,029,933)</u>	<u>(73,771,095)</u>
Administrative expenses	<u>(176,693)</u>	<u>(265,995)</u>
Other	-	-
<b>Net change in plan fiduciary net position</b>	<u>(30,510,270)</u>	<u>29,177,125</u>
Plan fiduciary net position - beginning	<u>619,561,295</u>	<u>590,384,170</u>
Plan fiduciary net position - ending	<u><u>\$ 589,051,025</u></u>	<u><u>\$ 619,561,295</u></u>
City's net position liability	<u><u>\$ 284,748,033</u></u>	<u><u>\$ 261,856,389</u></u>
Covered-employee payroll	\$ 71,924,747	\$ 66,370,246
Net pension liability as a percentage of covered-employee payroll	395.90%	394.54%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2015.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**General and Sanitation Employees Excess Benefit Plan (GESE Excess)**  
**Last Two Fiscal Years**  
(Unaudited)

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ -	\$ -
Interest	392,659	427,362
Changes of benefit terms	-	-
Differences between expected and actual experience	3,177,002	763,199
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(653,302)	(556,805)
<b>Net change in total pension liability</b>	<u>2,916,359</u>	<u>633,756</u>
Total pension liability - beginning	<u>9,834,122</u>	<u>9,200,366</u>
Total pension liability - ending	<u><u>12,750,481</u></u>	<u><u>9,834,122</u></u>
 <b>Plan fiduciary net position</b>		
Contributions - employer	648,302	561,805
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(653,302)	(556,805)
Administrative expenses	5,000	(5,000)
Other	-	-
<b>Net change in plan fiduciary net position</b>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 City's net position liability	<u><u>\$ 12,750,481</u></u>	<u><u>\$ 9,834,122</u></u>
 Covered-employee payroll	\$ 71,924,747	\$ 66,370,246
 Net pension liability as a percentage of covered-employee payroll	17.73%	14.82%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.  
The City implemented GASB No.68 for the fiscal year ended September 30, 2015.  
This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**General and Sanitation Employees Staff Trust Plan (GESE Staff)**  
**Last Two Fiscal Years**  
(Unaudited)

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 43,416	\$ 77,022
Interest	353,121	345,755
Changes of benefit terms	-	-
Differences between expected and actual experience	99,869	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(340,299)	(311,388)
<b>Net change in total pension liability</b>	<u>156,107</u>	<u>111,389</u>
Total pension liability - beginning	4,816,485	4,705,096
Total pension liability - ending	<u><u>4,972,592</u></u>	<u><u>4,816,485</u></u>
 <b>Plan fiduciary net position</b>		
Contributions - employer	291,087	291,968
Contributions - member	19,838	23,377
Net investment income	(15,614)	338,281
Benefit payments, including refunds of member contributions	(340,299)	(311,388)
Administrative expenses	-	-
Other	-	-
<b>Net change in plan fiduciary net position</b>	<u>(44,988)</u>	<u>342,238</u>
Plan fiduciary net position - beginning	3,190,324	2,848,086
Plan fiduciary net position - ending	<u><u>\$ 3,145,336</u></u>	<u><u>\$ 3,190,324</u></u>
City's net position liability	<u><u>\$ 1,827,256</u></u>	<u><u>\$ 1,626,161</u></u>
Covered-employee payroll	\$ 164,547	\$ 298,958
Net pension liability as a percentage of covered-employee payroll	1110.48%	543.94%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.  
The City implemented GASB No.68 for the fiscal year ended September 30, 2015.  
This Schedule will present 10 years as information becomes available.



**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Elected Officers Retirement Trust (EORT)**  
**Last Three Fiscal Years**  
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 88,956	\$ 98,028	\$ 257,052
Interest	316,813	304,126	308,476
Changes of benefit terms			
Differences between expected and actual experience	(2,221)	(20,969)	(250,718)
Changes of assumptions	-	228,310	-
Benefit payments, including refunds of member contributions	<u>(263,320)</u>	<u>(260,660)</u>	<u>(261,135)</u>
<b>Net change in total pension liability</b>	140,228	348,835	53,675
Total pension liability - beginning	<u>8,502,039</u>	<u>8,153,204</u>	<u>8,099,529</u>
Total pension liability - ending	<u><u>8,642,267</u></u>	<u><u>8,502,039</u></u>	<u><u>8,153,204</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	860,089	551,222	-
Contributions - member			
Net investment income	42,971	61,789	(19,893)
Benefit payments, including refunds of member contributions	(263,320)	(260,660)	(261,135)
Administrative expenses	(2,400)	(2,400)	(2,400)
Other			
<b>Net change in plan fiduciary net position</b>	<u>637,340</u>	<u>349,951</u>	<u>(283,428)</u>
Plan fiduciary net position - beginning	<u>6,324,925</u>	<u>5,974,974</u>	<u>6,258,402</u>
Plan fiduciary net position - ending	<u><u>\$ 6,962,265</u></u>	<u><u>\$ 6,324,925</u></u>	<u><u>\$ 5,974,974</u></u>
City's net position liability	<u><u>\$ 1,680,002</u></u>	<u><u>\$ 2,177,114</u></u>	<u><u>\$ 2,178,230</u></u>
Covered-employee payroll	\$ 100,788	\$ 103,194	\$ 298,788
Net pension liability as a percentage of covered-employee payroll	1666.87%	2109.73%	729.02%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2015.

This Schedule will present 10 years as information becomes available.

**City of Miami, Florida**  
**Schedule of Contributions - FIPO**  
**Last 10 Fiscal Years**  
**September 30, 2016**  
(Unaudited)

	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>
Actuarially determined contribution	\$ 48,672,615	\$ 48,616,677	\$ 47,305,679	\$ 45,412,248	\$ 47,418,316
Contributions made in relation to the actuarially determined contribution	48,672,615	48,616,677	47,305,679	45,412,248	47,418,316
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 133,083,231	\$ 106,278,378	\$ 93,705,765	\$ 85,222,842	\$ 82,205,838
Contributions as a percentage of covered-employee payroll	36.57%	45.74%	50.48%	53.29%	57.68%

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	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
Actuarially determined contribution	\$ 47,156,797	\$ 59,025,379	\$ 36,993,395	\$ 36,040,251	\$ 40,542,078
Contributions made in relation to the actuarially determined contribution	47,156,797	59,025,379	36,993,395	36,040,251	40,542,078
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 82,164,617	\$ 80,152,355	\$ 122,212,346	\$ 129,369,531	\$ 103,630,392
Contributions as a percentage of covered-employee payroll	57.39%	73.64%	30.27%	27.86%	39.12%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2016, as reported in the Schedule of Contributions above:

- Valuation date: October 1, 2015
- Actuarial cost method: Entry Age 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: 7.42% net of investment expenses
  - Inflation: 3.25%
  - Projected salary increases: 1.5% for promotions and other increase plus salary merit
  - Expense and or Contingency Loading: \$2,029,168

**City of Miami, Florida**  
**Schedule of Contributions - GESE**  
**Last 10 Fiscal Years**  
**September 30, 2016**  
(Unaudited)

	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>
Actuarially determined contribution	\$ 33,036,318	\$ 30,710,096	\$ 25,568,193	\$ 25,784,849	\$ 20,420,995
Contributions made in relation to the actuarially determined contribution	\$ 33,036,318	\$ 30,710,096	\$ 25,568,193	\$ 25,784,849	\$ 20,420,995
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 71,924,747	\$ 66,370,246	\$ 64,391,195	\$ 65,509,421	\$ 70,825,712
Contributions as a percentage of covered-employee payroll	45.93%	46.27%	39.71%	39.36%	28.83%

	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
Actuarially determined contribution	\$ 24,037,093	\$ 23,191,828	\$ 22,762,902	\$ 24,229,028	\$ 22,018,443
Contributions made in relation to the actuarially determined contribution	\$ 24,037,093	\$ 23,191,828	\$ 22,762,902	\$ 24,229,028	\$ 22,018,443
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 92,746,558	\$ 93,703,886	\$ 82,052,702	\$ 75,609,062	\$ 71,845,284
Contributions as a percentage of covered-employee payroll	25.92%	24.75%	27.74%	32.05%	30.65%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2016, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2014
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, closed
Remaining amortization period:	8 to 20 years
Equivalent single amortization period:	13 years
Asset valuation method:	5-Year Smoothed Market
Actuarial Assumptions:	
Investment rate of return	7.7%
Projected salary increases	4% to 8.75%
Payroll Growth	3.0%
Includes inflation at	3.5%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum

**City of Miami, Florida**  
**Schedule of Contributions - GESE Excess**  
**Last 10 Fiscal Years**  
**September 30, 2016**  
(Unaudited)

	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>
Actuarially determined contribution	\$ 947,666	\$ 722,999	\$ 665,659	\$ 606,589	\$ 585,357
Contributions made in relation to the actuarially determined contribution	648,302	561,805	523,398	514,908	406,243
Contribution deficiency (excess)	\$ 299,364	\$ 161,194	\$ 142,261	\$ 91,681	\$ 179,114
Covered-employee payroll	\$ 71,924,747	\$ 66,370,246	\$ 64,391,195	\$ 65,509,421	\$ 70,825,712
Contributions as a percentage of covered-employee payroll	0.90%	0.85%	0.81%	0.79%	0.57%

	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
Actuarially determined contribution	\$ 625,539	\$ 566,046	\$ 898,149	\$ 823,371	\$ 824,766
Contributions made in relation to the actuarially determined contribution	339,602	464,325	446,916	476,252	463,126
Contribution deficiency (excess)	\$ 285,937	\$ 101,721	\$ 451,233	\$ 347,119	\$ 361,640
Covered-employee payroll	\$ 92,746,558	\$ 93,703,886	\$ 82,052,702	\$ 75,609,062	\$ 71,485,284
Contributions as a percentage of covered-employee payroll	0.37%	0.50%	0.54%	0.63%	0.65%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2016, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2014
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar amounts, closed
Remaining amortization period:	16 years
Asset valuation method:	Not Applicable, the plan has no assets for investment
Actuarial Assumptions:	
Projected salary increases	4% to 8.75%
Includes inflation at	3.5%
Cost of living adjustments	None

**City of Miami, Florida**  
**Schedule of Contributions - GESE Staff**  
**Last 10 Fiscal Years**  
**September 30, 2016**  
(Unaudited)

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Actuarially determined contribution	\$ 291,087	\$ 291,968	\$ 219,774	\$ 226,793	\$ 164,490
Contributions made in relation to the actuarially determined contribution	291,087	291,968	219,774	226,793	164,490
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 164,547	\$ 298,958	\$ 354,937	\$ 735,056	\$ 842,955
Contributions as a percentage of covered-employee payroll	176.90%	97.66%	61.92%	30.85%	19.51%

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	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Actuarially determined contribution	\$ 132,542	\$ 159,837	\$ 109,163	\$ 57,995	\$ 72,380
Contributions made in relation to the actuarially determined contribution	133,487	159,837	109,163	57,995	72,380
Contribution deficiency (excess)	\$ (945)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 738,898	\$ 632,259	\$ 734,116	\$ 643,770	\$ 455,220
Contributions as a percentage of covered-employee payroll	18.07%	25.28%	14.87%	9.01%	15.90%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2016, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2014
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar, closed
Remaining amortization period:	2 to 20 years
Equivalent single amortization period:	11 years
Asset valuation method:	3 year smoothed market
Actuarial Assumptions:	
Investment rate of return	7.7%
Projected salary increases	6.0%
Includes inflation at	3.5%
Cost of living adjustments	None

**City of Miami, Florida**  
**Schedule of Contributions - EORT**  
**Last 6 Fiscal Years**  
**September 30, 2016**  
(Unaudited)

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Actuarially determined contribution	\$ 469,450	\$ 390,314	\$ 570,348	\$ 488,713	\$ 566,252
Contributions made in relation to the actuarially determined contribution	860,089	551,222	-	1,054,965	432,170
Contribution deficiency (excess)	\$ (390,639)	\$ (160,908)	\$ 570,348	\$ (566,252)	\$ 134,082
Covered-employee payroll	\$ 100,788	\$ 103,194	\$ 298,788	\$ 335,952	\$ 209,260
Contributions as a percentage of covered-employee payroll	853.36%	534.16%	0.00%	314.02%	206.52%

**FY 2011**

Actuarially determined contribution	\$ 431,995
Contributions made in relation to the actuarially determined contribution	962,677
Contribution deficiency (excess)	\$ (530,682)
Covered-employee payroll	\$ 209,260
Contributions as a percentage of covered-employee payroll	460.04%

Actuarial valuation reports prior to 2010 are not available.

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2016, as reported in the Schedule of Contributions above:

Valuation date:	January 1, 2016
Actuarial cost method:	Projected Unit Credit Cost Method
Amortization method:	Level dollar, closed
Remaining amortization period:	5 to 9 years
Equivalent single amortization period:	8 years
Asset valuation method:	Market Value
Actuarial Assumptions:	
Investment rate of return	3.75%
Projected salary increases	None
Payroll Growth	None
Includes inflation at	2.50%
Cost of living adjustments	None

**City of Miami, Florida**  
**Schedule of Investment Returns**  
**Last 2 Fiscal Years**  
**September 30, 2016**  
(Unaudited)

<b>Year Ended September 30,</b>	<b>Annual money-weighted rate of return, net of investment expense</b>					
	<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>	
2016	9.70%	0.23%	Not applicable (a)	-0.40%	0.65%	
2015	1.84%	11.20%	Not applicable (a)	12.10%	0.93%	

Note to Schedule:  
This Schedule is presented to illustrate the requirement of GASB 68.  
This Schedule will present 10 years as information becomes available  
(a) The GESE Excess Plan has no assets

## 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.

**Housing Choice 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.



## 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.

**Fire Rescue Services** – To account for the grants revenues and expenditures which supplement the City’s emergency Fire Rescue operations

## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

**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.

## DEBT SERVICE FUNDS

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

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

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

## CAPITAL PROJECTS FUNDS

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

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

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

**General Obligation Bond Projects (G.O.B.)** – To account for the receipt and disbursement of bond proceeds from general obligation debt to be used for constructions and/or acquisition activities for the City.

**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 7,850,618	\$ -	\$ 31,057,088	\$ -	\$ 13,357,375
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	1,794
Accounts Receivable	-	-	-	-	4,953
Property Tax	-	-	-	-	-
Due From Other Governments	36,507	-	456,175	379,900	2,029,592
Accrued Interest	11,558	-	31,007	-	4,753
Prepays	-	-	-	-	-
Other Assets	-	-	22,344	-	-
<b>Total Assets</b>	<b>\$ 7,898,683</b>	<b>-</b>	<b>\$ 31,566,614</b>	<b>\$ 379,900</b>	<b>\$ 15,398,467</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	119,623	-	1,508,556	68,977	1,570,535
Other Liabilities	-	2,834	-	-	4,224
Due to Other Funds	-	-	-	234,104	-
Due to Other Governments	-	-	-	-	447,116
Unearned Revenue	-	-	-	-	-
Deposits	-	-	14,961	-	61,080
<b>Total Liabilities</b>	<b>119,623</b>	<b>2,834</b>	<b>1,523,517</b>	<b>303,081</b>	<b>2,082,955</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	7,779,060	-	30,043,097	76,819	6,583,497
Committed	-	-	-	-	6,732,015
Assigned	-	-	-	-	-
Unassigned	-	(2,834)	-	-	-
<b>Total Fund Balances</b>	<b>7,779,060</b>	<b>(2,834)</b>	<b>30,043,097</b>	<b>76,819</b>	<b>13,315,512</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 7,898,683</b>	<b>\$ -</b>	<b>\$ 31,566,614</b>	<b>\$ 379,900</b>	<b>\$ 15,398,467</b>

**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	Special Revenue Funds				
	Housing Choice Vouchers	SHIP	Convention Center	Economic Development & Planning Services	NET Offices
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 199,775	\$ 1,132,103	\$ 5,904,721	\$ 17,152,593	\$ 1,628,535
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	-	934,435	71,550	1,312
Property Tax	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Accrued Interest	-	242	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 199,775</b>	<b>\$ 1,132,345</b>	<b>\$ 6,839,156</b>	<b>\$ 17,224,143</b>	<b>\$ 1,629,847</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	7,111	75,808	182,994	7,817	11,478
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	324
<b>Total Liabilities</b>	<b>7,111</b>	<b>75,808</b>	<b>182,994</b>	<b>7,817</b>	<b>11,802</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	192,664	1,056,537	-	62,790	13,405
Committed	-	-	-	16,359,487	1,592,519
Assigned	-	-	6,656,162	794,049	12,121
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>192,664</b>	<b>1,056,537</b>	<b>6,656,162</b>	<b>17,216,326</b>	<b>1,618,045</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 199,775</b>	<b>\$ 1,132,345</b>	<b>\$ 6,839,156</b>	<b>\$ 17,224,143</b>	<b>\$ 1,629,847</b>

**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	Special Revenue Funds				
	Parks & Recreation Services	Police Services	Law Enforcement Trust	Public Works Services	City Clerk Services
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 3,055,561	\$ 2,903,984	\$ 1,912,031	\$ 7,794,936	\$ 873,636
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	228	581,697	-	1,725	-
Property Tax	-	-	-	-	-
Due From Other Governments	6,137	1,132,454	-	-	-
Accrued Interest	-	5,231	1,689	485	-
Prepays	-	1,677	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,061,926</b>	<b>\$ 4,625,043</b>	<b>\$ 1,913,720</b>	<b>\$ 7,797,146</b>	<b>\$ 873,636</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	10,547	245,045	38,762	364,539	1,491
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	694,385	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	112,413	-	-
<b>Total Liabilities</b>	<b>10,547</b>	<b>939,430</b>	<b>151,175</b>	<b>364,539</b>	<b>1,491</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	528,317	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>528,317</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	1,676	-	-	-
Spendable Fund Balance					
Restricted	1,441,048	3,130,573	1,762,545	77,854	-
Committed	1,107,653	719,432	-	7,354,753	872,145
Assigned	502,678	-	-	-	-
Unassigned	-	(694,385)	-	-	-
<b>Total Fund Balances</b>	<b>3,051,379</b>	<b>3,157,296</b>	<b>1,762,545</b>	<b>7,432,607</b>	<b>872,145</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,061,926</b>	<b>\$ 4,625,043</b>	<b>\$ 1,913,720</b>	<b>\$ 7,797,146</b>	<b>\$ 873,636</b>

**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	Special Revenue Funds				
	Emergency Services	Fire Rescue Services	General Special Revenues	Departmental Improvement Initiatives	Transportation & Transit
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 2,328,835	\$ 1,506,671	\$ 973,434	\$ 6,263,420	\$ 11,149,393
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	121	-	128,021	-
Property Tax	-	-	-	-	-
Due From Other Governments	-	2,087,773	217,957	15,302	5,350,796
Accrued Interest	-	58	-	-	13,109
Prepays	-	21,897	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,328,835</b>	<b>\$ 3,616,520</b>	<b>\$ 1,191,391</b>	<b>\$ 6,406,743</b>	<b>\$ 16,513,298</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	12,139	748,897	199,440	427,944	3,878,643
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<b>12,139</b>	<b>748,897</b>	<b>199,440</b>	<b>427,944</b>	<b>3,878,643</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	-	2,600,000
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,600,000</b>
Fund Balances (Deficit):					
Non-Spendable Fund Balance					
Non Spendable	-	21,897	-	-	-
Spendable Fund Balance					
Restricted	2,316,696	2,782,991	881,986	1,501,280	10,034,655
Committed	-	62,735	109,965	4,477,519	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,316,696</b>	<b>2,867,623</b>	<b>991,951</b>	<b>5,978,799</b>	<b>10,034,655</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,328,835</b>	<b>\$ 3,616,520</b>	<b>\$ 1,191,391</b>	<b>\$ 6,406,743</b>	<b>\$ 16,513,298</b>



**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	Special Revenue Funds				Total Special Revenue
	Miami Ballpark Parking Facilities	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Solid Waste Recycling Trust	
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ 412,937	\$ 57,955	\$ 1,146,505	\$ 118,662,106
Restricted Cash, Cash Equivalents, and Investments	-	-	20,875	-	20,875
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	1,794
Accounts Receivable	2,233,852	1,500	9,873	-	3,969,267
Property Tax	-	-	-	-	-
Due From Other Governments	-	-	-	-	11,712,593
Accrued Interest	-	71	124	530	68,857
Prepays	-	-	-	-	23,574
Other Assets	-	-	-	-	22,344
<b>Total Assets</b>	<b>\$ 2,233,852</b>	<b>\$ 414,508</b>	<b>\$ 88,827</b>	<b>\$ 1,147,035</b>	<b>\$ 134,481,410</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	2,613	11,555	-	9,494,514
Other Liabilities	-	-	-	-	7,058
Due to Other Funds	67,729	-	-	-	996,218
Due to Other Governments	-	-	-	-	447,116
Unearned Revenue	-	2,700	-	-	2,700
Deposits	-	-	-	-	188,778
<b>Total Liabilities</b>	<b>67,729</b>	<b>5,313</b>	<b>11,555</b>	<b>-</b>	<b>11,136,384</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	-	3,128,317
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,128,317</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	1,000,000	1,023,573
Spendable Fund Balance					
Restricted	2,166,123	409,195	77,272	-	72,390,087
Committed	-	-	-	147,035	39,535,258
Assigned	-	-	-	-	7,965,010
Unassigned	-	-	-	-	(697,219)
<b>Total Fund Balances</b>	<b>2,166,123</b>	<b>409,195</b>	<b>77,272</b>	<b>1,147,035</b>	<b>120,216,709</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,233,852</b>	<b>\$ 414,508</b>	<b>\$ 88,827</b>	<b>\$ 1,147,035</b>	<b>\$ 134,481,410</b>

**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	<b>Debt Service Funds</b>			<b>Capital Projects Funds</b>	
	<b>General Obligation Bonds</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>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ -	\$ -	\$ 1,813	\$ -
Restricted Cash, Cash Equivalents, and Investments	12,994,133	23,389	13,017,522	14,575,452	28,700,804
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	429	-	429	-	-
Property Tax	236,382	-	236,382	-	-
Due From Other Governments	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 13,230,944</b>	<b>\$ 23,389</b>	<b>\$ 13,254,333</b>	<b>\$ 14,577,265</b>	<b>\$ 28,700,804</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	-	-	-	1,106,819
Other Liabilities	-	-	-	-	-
Due to Other Funds	9,545,020	-	9,545,020	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<b>9,545,020</b>	<b>-</b>	<b>9,545,020</b>	<b>-</b>	<b>1,106,819</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	236,382	-	236,382	-	-
<b>Total Deferred Inflows of Resources</b>	<b>236,382</b>	<b>-</b>	<b>236,382</b>	<b>-</b>	<b>-</b>
Fund Balances (Deficit):					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	3,449,542	23,389	3,472,931	14,577,265	27,593,985
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>3,449,542</b>	<b>23,389</b>	<b>3,472,931</b>	<b>14,577,265</b>	<b>27,593,985</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 13,230,944</b>	<b>\$ 23,389</b>	<b>\$ 13,254,333</b>	<b>\$ 14,577,265</b>	<b>\$ 28,700,804</b>

**City of Miami, Florida  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2016**

	Capital Projects Funds		Total Non- Major Governmental Funds
	General Obligation Bonds Projects	Total Capital Projects	
<b>Assets</b>			
Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ 1,813	\$ 118,663,919
Restricted Cash, Cash Equivalents, and Investments	1,469,597	44,745,853	57,784,250
Receivables (Net of Allowance for Uncollectibles):			
Loans Receivable	-	-	1,794
Accounts Receivable	-	-	3,969,696
Property Tax	-	-	236,382
Due From Other Governments	-	-	11,712,593
Accrued Interest	18,912	18,912	87,769
Prepays	-	-	23,574
Other Assets	-	-	22,344
<b>Total Assets</b>	<b>\$ 1,488,509</b>	<b>\$ 44,766,578</b>	<b>\$ 192,502,321</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts Payable and Accrued Liabilities	-	1,106,819	10,601,333
Other Liabilities	-	-	7,058
Due to Other Funds	-	-	10,541,238
Due to Other Governments	-	-	447,116
Unearned Revenue	-	-	2,700
Deposits	-	-	188,778
<b>Total Liabilities</b>	<b>-</b>	<b>1,106,819</b>	<b>21,788,223</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - Other	-	-	3,364,699
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>3,364,699</b>
<b>Fund Balances (Deficit):</b>			
Non-Spendable Fund Balance			
Non Spendable	-	-	1,023,573
Spendable Fund Balance			
Restricted	1,488,509	43,659,759	119,522,777
Committed	-	-	39,535,258
Assigned	-	-	7,965,010
Unassigned	-	-	(697,219)
<b>Total Fund Balances</b>	<b>1,488,509</b>	<b>43,659,759</b>	<b>167,349,399</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,488,509</b>	<b>\$ 44,766,578</b>	<b>\$ 192,502,321</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

	Special Revenue Funds				
	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development
<b>Revenues</b>					
Property Taxes	\$ 14,948,975	\$ 4,702,260	\$ 16,460,269	\$ -	\$ -
Licenses and Permits	-	-	-	-	1,000,061
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	634,919	-	1,678,455	2,267,567	25,461,124
Charges for Services	-	-	-	-	431,167
Investment Earnings (Loss)	62,686	-	184,345	-	2,096
Other	1,502,174	-	636,331	-	-
<b>Total Revenues</b>	<b>17,148,754</b>	<b>4,702,260</b>	<b>18,959,400</b>	<b>2,267,567</b>	<b>26,894,448</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	2,883,003	-
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	22,908,229
Community Redevelopment Areas	9,044,709	4,660,857	10,521,505	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	1,994,076	-	818,913	1,800	2,218,595
<b>Total Expenditures</b>	<b>11,038,785</b>	<b>4,660,857</b>	<b>11,340,418</b>	<b>2,884,803</b>	<b>25,126,824</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>6,109,969</b>	<b>41,403</b>	<b>7,618,982</b>	<b>(617,236)</b>	<b>1,767,624</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	740,582	-	-	612,800	800,000
Transfers Out	(5,521,665)	(43,559)	(8,873,903)	-	(600,000)
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,781,083)</b>	<b>(43,559)</b>	<b>(8,873,903)</b>	<b>612,800</b>	<b>200,000</b>
<b>Net Changes in Fund Balances</b>	<b>1,328,886</b>	<b>(2,156)</b>	<b>(1,254,921)</b>	<b>(4,436)</b>	<b>1,967,624</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>6,450,174</b>	<b>(678)</b>	<b>31,298,018</b>	<b>81,255</b>	<b>11,347,888</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 7,779,060</b>	<b>\$ (2,834)</b>	<b>\$ 30,043,097</b>	<b>\$ 76,819</b>	<b>\$ 13,315,512</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

**Special Revenue  
Funds**

	<b>Housing Choice Vouchers</b>	<b>SHIP</b>	<b>Convention Center</b>	<b>Economic Development &amp; Planning Services</b>	<b>NET Offices</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	24,000	-
Fines and Forfeitures	-	-	39,848	-	1,850
Intergovernmental Revenues	1,792,922	1,321,076	63,761	-	-
Charges for Services	-	-	5,843,030	2,971,332	55,875
Investment Earnings (Loss)	-	209	-	(858)	1,960
Other	-	325,371	501,551	-	-
<b>Total Revenues</b>	<b>1,792,922</b>	<b>1,646,656</b>	<b>6,448,190</b>	<b>2,994,474</b>	<b>59,685</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	68,511	-
Planning and Development	-	-	-	84,966	-
Community Development	1,693,267	815,769	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	160	-
Public Facilities	-	-	3,388,382	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	43,939	-
<b>Total Expenditures</b>	<b>1,693,267</b>	<b>815,769</b>	<b>3,388,382</b>	<b>197,576</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>99,655</b>	<b>830,887</b>	<b>3,059,808</b>	<b>2,796,898</b>	<b>59,685</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	1,324,200	74,000	1,000
Transfers Out	-	-	(3,265,200)	-	-
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,941,000)</b>	<b>74,000</b>	<b>1,000</b>
<b>Net Changes in Fund Balances</b>	<b>99,655</b>	<b>830,887</b>	<b>1,118,808</b>	<b>2,870,898</b>	<b>60,685</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>93,009</b>	<b>225,650</b>	<b>5,537,354</b>	<b>14,345,428</b>	<b>1,557,360</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 192,664</b>	<b>\$ 1,056,537</b>	<b>\$ 6,656,162</b>	<b>\$ 17,216,326</b>	<b>\$ 1,618,045</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

**Special Revenue  
Funds**

	<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>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	32,393	-	-	183,266	-
Fines and Forfeitures	-	-	721,606	-	-
Intergovernmental Revenues	827,764	3,871,666	-	-	-
Charges for Services	817	200,334	-	6,138,435	182,723
Investment Earnings (Loss)	-	2,866	8,085	162	-
Other	128,944	1,500	-	-	-
<b>Total Revenues</b>	<b>989,918</b>	<b>4,076,366</b>	<b>729,691</b>	<b>6,321,863</b>	<b>182,723</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	-	111,752
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	2,000,320	-
Public Safety	-	7,240,958	477,930	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	513,292	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	23,816	800,830	2,819	28,779	18,128
<b>Total Expenditures</b>	<b>537,108</b>	<b>8,041,788</b>	<b>480,749</b>	<b>2,029,099</b>	<b>129,880</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>452,810</b>	<b>(3,965,422)</b>	<b>248,942</b>	<b>4,292,764</b>	<b>52,843</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	88,004	3,595,500	-	215	47,500
Transfers Out	(200,000)	-	-	(3,110,300)	(33,300)
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(111,996)</b>	<b>3,595,500</b>	<b>-</b>	<b>(3,110,085)</b>	<b>14,200</b>
<b>Net Changes in Fund Balances</b>	<b>340,814</b>	<b>(369,922)</b>	<b>248,942</b>	<b>1,182,679</b>	<b>67,043</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>2,710,565</b>	<b>3,527,218</b>	<b>1,513,603</b>	<b>6,249,928</b>	<b>805,102</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 3,051,379</b>	<b>\$ 3,157,296</b>	<b>\$ 1,762,545</b>	<b>\$ 7,432,607</b>	<b>\$ 872,145</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

	Special Revenue Funds				
	Emergency Services	Fire Rescue Services	General Special Revenues	Departmental Improvement Initiatives	Transportation & Transit
<b>Revenues</b>					
Property Taxes	\$ -	\$ (1)	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	80	-
Fines and Forfeitures	-	-	-	1,184,129	-
Intergovernmental Revenues	-	6,637,710	860,241	2,028,442	15,755,819
Charges for Services	-	4,352	-	-	-
Investment Earnings (Loss)	-	49	-	40,123	43,632
Other	-	2,257	497,707	115,019	-
<b>Total Revenues</b>	<b>-</b>	<b>6,644,367</b>	<b>1,357,948</b>	<b>3,367,793</b>	<b>15,799,451</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	702,560	5,153,949	9,122,557
Planning and Development	-	-	-	463,195	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	14,200	-
Public Safety	7,422	7,818,425	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	565,753	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	349,699	1,050	303,512	5,936
<b>Total Expenditures</b>	<b>7,422</b>	<b>8,168,124</b>	<b>703,610</b>	<b>6,500,609</b>	<b>9,128,493</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(7,422)</b>	<b>(1,523,757)</b>	<b>654,338</b>	<b>(3,132,816)</b>	<b>6,670,958</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	1,282,975	156,000	6,241,741	-
Transfers Out	-	-	-	-	(13,998,150)
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,282,975</b>	<b>156,000</b>	<b>6,241,741</b>	<b>(13,998,150)</b>
<b>Net Changes in Fund Balances</b>	<b>(7,422)</b>	<b>(240,782)</b>	<b>810,338</b>	<b>3,108,925</b>	<b>(7,327,192)</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>2,324,118</b>	<b>3,108,405</b>	<b>181,613</b>	<b>2,869,874</b>	<b>17,361,847</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 2,316,696</b>	<b>\$ 2,867,623</b>	<b>\$ 991,951</b>	<b>\$ 5,978,799</b>	<b>\$ 10,034,655</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

	Special Revenue Funds				Total Special Revenue
	Miami Ballpark Parking Facilities	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Solid Waste Recycling Trust	
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 36,111,503
Licenses and Permits	-	-	-	-	1,239,800
Fines and Forfeitures	-	-	-	-	1,947,433
Intergovernmental Revenues	-	349,000	-	-	63,550,466
Charges for Services	5,118,353	-	607,788	-	21,554,206
Investment Earnings (Loss)	-	26	1,208	5,612	352,201
Other	100,000	18,951	6,118	-	3,835,923
<b>Total Revenues</b>	<u>5,218,353</u>	<u>367,977</u>	<u>615,114</u>	<u>5,612</u>	<u>128,591,532</u>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	-	18,042,332
Planning and Development	-	-	-	-	548,161
Community Development	-	-	-	-	25,417,265
Community Redevelopment Areas	-	360,773	-	-	24,587,844
Public Works	-	-	-	34,500	2,049,020
Public Safety	-	-	-	-	15,544,895
Public Facilities	2,131,777	-	-	-	5,520,159
Parks and Recreation	-	-	618,087	-	1,697,132
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	14,107	-	6,625,999
<b>Total Expenditures</b>	<u>2,131,777</u>	<u>360,773</u>	<u>632,194</u>	<u>34,500</u>	<u>100,032,807</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,086,576</u>	<u>7,204</u>	<u>(17,080)</u>	<u>(28,888)</u>	<u>28,558,725</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	-	14,964,517
Transfers Out	(2,959,700)	-	-	-	(38,605,777)
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,959,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,641,260)</u>
<b>Net Changes in Fund Balances</b>	126,876	7,204	(17,080)	(28,888)	4,917,465
<b>Fund Balances (Deficit) - Beginning</b>	<u>2,039,247</u>	<u>401,991</u>	<u>94,352</u>	<u>1,175,923</u>	<u>115,299,244</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 2,166,123</u>	<u>\$ 409,195</u>	<u>\$ 77,272</u>	<u>\$ 1,147,035</u>	<u>\$ 120,216,709</u>



**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

	Debt Service Funds			Capital Projects Funds	
	General Obligation Bonds	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency	Transportation & Transit
<b>Revenues</b>					
Property Taxes	\$ 25,661,731	\$ -	\$ 25,661,731	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-
Charges for Services	-	-	-	-	-
Investment Earnings (Loss)	2,144	-	2,144	5,201	-
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>25,663,875</b>	<b>-</b>	<b>25,663,875</b>	<b>5,201</b>	<b>-</b>
<b>Expenditures</b>					
Current Operating:					
General Government	181,582	-	181,582	-	662,507
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	10,652,509	-
Public Works	-	-	-	-	112,991
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	14,908,304	5,315,000	20,223,304	-	-
Interest and Other Charges	12,655,706	2,397,550	15,053,256	-	-
Capital Outlay	-	-	-	-	4,166,163
<b>Total Expenditures</b>	<b>27,745,592</b>	<b>7,712,550</b>	<b>35,458,142</b>	<b>10,652,509</b>	<b>4,941,661</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,081,717)</b>	<b>(7,712,550)</b>	<b>(9,794,267)</b>	<b>(10,647,308)</b>	<b>(4,941,661)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	7,712,550	7,712,550	-	7,871,450
Transfers Out	-	-	-	-	-
Proceeds Received from Refunding	57,240,000	-	57,240,000	-	-
Payment To Escrow Agent For Refunding	(53,519,351)	-	(53,519,351)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,720,649</b>	<b>7,712,550</b>	<b>11,433,199</b>	<b>-</b>	<b>7,871,450</b>
<b>Net Changes in Fund Balances</b>	<b>1,638,932</b>	<b>-</b>	<b>1,638,932</b>	<b>(10,647,308)</b>	<b>2,929,789</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>1,810,610</b>	<b>23,389</b>	<b>1,833,999</b>	<b>25,224,573</b>	<b>24,664,196</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 3,449,542</b>	<b>\$ 23,389</b>	<b>\$ 3,472,931</b>	<b>\$ 14,577,265</b>	<b>\$ 27,593,985</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2016**

	<b>Capital Projects Funds</b>		<b>Total Non- Major Governmental Funds</b>
	<b>General Obligation Bonds Projects</b>	<b>Total Capital Projects</b>	
<b>Revenues</b>			
Property Taxes	\$ -	\$ -	\$ 61,773,234
Licenses and Permits	-	-	1,239,800
Fines and Forfeitures	-	-	1,947,433
Intergovernmental Revenues	-	-	63,550,466
Charges for Services	-	-	21,554,206
Investment Earnings (Loss)	26,822	32,023	386,368
Other	-	-	3,835,923
<b>Total Revenues</b>	<u>26,822</u>	<u>32,023</u>	<u>154,287,430</u>
<b>Expenditures</b>			
Current Operating:			
General Government	-	662,507	18,886,421
Planning and Development	-	-	548,161
Community Development	-	-	25,417,265
Community Redevelopment Areas	-	10,652,509	35,240,353
Public Works	-	112,991	2,162,011
Public Safety	-	-	15,544,895
Public Facilities	-	-	5,520,159
Parks and Recreation	-	-	1,697,132
Debt Service:			
Principal	-	-	20,223,304
Interest and Other Charges	-	-	15,053,256
Capital Outlay	1,809,920	5,976,083	12,602,082
<b>Total Expenditures</b>	<u>1,809,920</u>	<u>17,404,090</u>	<u>152,895,039</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,783,098)</u>	<u>(17,372,067)</u>	<u>1,392,391</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,904,968	9,776,418	32,453,485
Transfers Out	-	-	(38,605,777)
Proceeds Received from Refunding	-	-	57,240,000
Payment To Escrow Agent For Refunding	(4,115,649)	(4,115,649)	(57,635,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,210,681)</u>	<u>5,660,769</u>	<u>(6,547,292)</u>
<b>Net Changes in Fund Balances</b>	(3,993,779)	(11,711,298)	(5,154,901)
<b>Fund Balances (Deficit) - Beginning</b>	<u>5,482,288</u>	<u>55,371,057</u>	<u>172,504,300</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 1,488,509</u>	<u>\$ 43,659,759</u>	<u>\$ 167,349,399</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Omni CRA**  
**For The Year Ended September 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 15,491,844	\$ 15,491,844	\$ 14,948,975	\$ (542,869)
Intergovernmental Revenues	-	150,000	634,919	484,919
Investment Earnings (Loss)	-	-	62,686	62,686
Other	<u>12,086,792</u>	<u>12,086,792</u>	<u>1,502,174</u>	<u>(10,584,618)</u>
<b>Total Revenues</b>	<u>27,578,636</u>	<u>27,728,636</u>	<u>17,148,754</u>	<u>(10,579,882)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	11,722,807	11,722,807	9,044,709	2,678,098
Capital Outlay	<u>7,942,035</u>	<u>8,092,035</u>	<u>1,994,076</u>	<u>6,097,959</u>
<b>Total Expenditures</b>	<u>19,664,842</u>	<u>19,814,842</u>	<u>11,038,785</u>	<u>8,776,057</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>7,913,794</u>	<u>7,913,794</u>	<u>6,109,969</u>	<u>(1,803,825)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	740,583	740,583	740,582	(1)
Transfers Out	<u>(8,654,377)</u>	<u>(8,654,377)</u>	<u>(5,521,665)</u>	<u>3,132,712</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(7,913,794)</u>	<u>(7,913,794)</u>	<u>(4,781,083)</u>	<u>3,132,711</u>
<b>Net Change in Fund Balance</b>	-	-	1,328,886	1,328,886
<b>Fund Balance - Beginning of Year</b>	-	-	6,450,174	6,450,174
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,779,060</u>	<u>\$ 7,779,060</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 4,855,880	\$ 4,855,880	\$ 4,702,260	\$ (153,620)
<b>Total Revenues</b>	<u>4,855,880</u>	<u>4,855,880</u>	<u>4,702,260</u>	<u>(153,620)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	4,812,321	4,812,321	4,660,857	151,464
<b>Total Expenditures</b>	<u>4,812,321</u>	<u>4,812,321</u>	<u>4,660,857</u>	<u>151,464</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>43,559</u>	<u>43,559</u>	<u>41,403</u>	<u>(2,156)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(43,559)	(43,559)	(43,559)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(43,559)</u>	<u>(43,559)</u>	<u>(43,559)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	(2,156)	(2,156)
<b>Fund Balance - Beginning of Year</b>	-	-	(678)	(678)
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,834)</u>	<u>\$ (2,834)</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 16,217,649	\$ 16,217,649	\$ 16,460,269	\$ 242,620
Intergovernmental Revenues	-	-	1,678,455	1,678,455
Investment Earnings (Loss)	-	-	184,345	184,345
Other	<u>34,858,127</u>	<u>34,858,127</u>	<u>636,331</u>	<u>(34,221,796)</u>
<b>Total Revenues</b>	<u>51,075,776</u>	<u>51,075,776</u>	<u>18,959,400</u>	<u>(32,116,376)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	32,721,467	32,721,467	10,521,505	22,199,962
Capital Outlay	<u>8,025,129</u>	<u>8,025,129</u>	<u>818,913</u>	<u>7,206,216</u>
<b>Total Expenditures</b>	<u>40,746,596</u>	<u>40,746,596</u>	<u>11,340,418</u>	<u>29,406,178</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>10,329,180</u>	<u>10,329,180</u>	<u>7,618,982</u>	<u>(2,710,198)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(10,329,180)</u>	<u>(10,329,180)</u>	<u>(8,873,903)</u>	<u>1,455,277</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(10,329,180)</u>	<u>(10,329,180)</u>	<u>(8,873,903)</u>	<u>1,455,277</u>
<b>Net Change in Fund Balance</b>	-	-	(1,254,921)	(1,254,921)
<b>Fund Balance - Beginning of Year</b>	-	-	<u>31,298,018</u>	<u>31,298,018</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,043,097</u>	<u>\$ 30,043,097</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	1,911,200	2,316,100	2,267,567	(48,533)
Other	<u>352,400</u>	<u>381,500</u>	<u>-</u>	<u>(381,500)</u>
<b>Total Revenues</b>	<u>2,263,600</u>	<u>2,697,600</u>	<u>2,267,567</u>	<u>(430,033)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	2,966,400	3,310,400	2,883,003	427,397
Capital Outlay	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>(1,800)</u>
<b>Total Expenditures</b>	<u>2,966,400</u>	<u>3,310,400</u>	<u>2,884,803</u>	<u>425,597</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(702,800)</u>	<u>(612,800)</u>	<u>(617,236)</u>	<u>(4,436)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>702,800</u>	<u>612,800</u>	<u>612,800</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>702,800</u>	<u>612,800</u>	<u>612,800</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	(4,436)	(4,436)
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>81,255</u>	<u>81,255</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,819</u>	<u>\$ 76,819</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	-	-	1,000,061	1,000,061
Intergovernmental Revenues	50,417,700	48,076,622	25,461,124	(22,615,498)
Charges for Services	-	-	431,167	431,167
Investment Earnings (Loss)	-	-	2,096	2,096
Other	<u>6,990,800</u>	<u>6,990,800</u>	<u>-</u>	<u>(6,990,800)</u>
<b>Total Revenues</b>	<u>57,408,500</u>	<u>55,067,422</u>	<u>26,894,448</u>	<u>(28,172,974)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	55,749,600	54,208,522	22,908,229	31,300,293
Capital Outlay	<u>1,058,900</u>	<u>1,058,900</u>	<u>2,218,595</u>	<u>(1,159,695)</u>
<b>Total Expenditures</b>	<u>56,808,500</u>	<u>55,267,422</u>	<u>25,126,824</u>	<u>30,140,598</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>600,000</u>	<u>(200,000)</u>	<u>1,767,624</u>	<u>1,967,624</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	800,000	800,000	-
Transfers Out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(600,000)</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	1,967,624	1,967,624
<b>Fund Balance - Beginning of Year</b>	-	-	<u>11,347,888</u>	<u>11,347,888</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,315,512</u>	<u>\$ 13,315,512</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Housing Choice Vouchers**  
**For The Year Ended September 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	1,974,700	3,016,325	1,792,922	(1,223,403)
<b>Total Revenues</b>	<u>1,974,700</u>	<u>3,016,325</u>	<u>1,792,922</u>	<u>(1,223,403)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	1,974,700	3,016,325	1,693,267	1,323,058
<b>Total Expenditures</b>	<u>1,974,700</u>	<u>3,016,325</u>	<u>1,693,267</u>	<u>1,323,058</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	99,655	99,655
<b>Net Change in Fund Balance</b>	-	-	99,655	99,655
<b>Fund Balance - Beginning of Year</b>	-	-	93,009	93,009
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,664</u>	<u>\$ 192,664</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - SHIP**  
**For The Year Ended September 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	70,000	1,369,453	1,321,076	(48,377)
Investment Earnings (Loss)	-	-	209	209
Other	-	-	325,371	325,371
<b>Total Revenues</b>	<u>70,000</u>	<u>1,369,453</u>	<u>1,646,656</u>	<u>277,203</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	70,000	1,369,453	815,769	553,684
<b>Total Expenditures</b>	<u>70,000</u>	<u>1,369,453</u>	<u>815,769</u>	<u>553,684</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	830,887	830,887
<b>Net Change in Fund Balance</b>	-	-	830,887	830,887
<b>Fund Balance - Beginning of Year</b>	-	-	225,650	225,650
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056,537</u>	<u>\$ 1,056,537</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	-	-	39,848	39,848
Intergovernmental Revenues	-	-	63,761	63,761
Charges for Services	6,353,800	6,353,800	5,843,030	(510,770)
Other	<u>75,000</u>	<u>75,000</u>	<u>501,551</u>	<u>426,551</u>
<b>Total Revenues</b>	<u>6,428,800</u>	<u>6,428,800</u>	<u>6,448,190</u>	<u>19,390</u>
<b>Expenditures:</b>				
Current Operating:				
Public Facilities	<u>4,487,800</u>	<u>4,487,800</u>	<u>3,388,382</u>	<u>1,099,418</u>
<b>Total Expenditures</b>	<u>4,487,800</u>	<u>4,487,800</u>	<u>3,388,382</u>	<u>1,099,418</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,941,000</u>	<u>1,941,000</u>	<u>3,059,808</u>	<u>1,118,808</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,324,200	1,324,200	1,324,200	-
Transfers Out	<u>(3,265,200)</u>	<u>(3,265,200)</u>	<u>(3,265,200)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,941,000)</u>	<u>(1,941,000)</u>	<u>(1,941,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	1,118,808	1,118,808
<b>Fund Balance - Beginning of Year</b>	-	-	<u>5,537,354</u>	<u>5,537,354</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,656,162</u>	<u>\$ 6,656,162</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	24,000	24,000	24,000	-
Charges for Services	1,985,000	1,985,000	2,971,332	986,332
Investment Earnings (Loss)	-	-	(858)	(858)
Other	<u>13,846,900</u>	<u>15,442,300</u>	<u>-</u>	<u>(15,442,300)</u>
<b>Total Revenues</b>	<u>15,855,900</u>	<u>17,451,300</u>	<u>2,994,474</u>	<u>(14,456,826)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	-	-	68,511	(68,511)
Planning and Development	15,704,900	17,300,300	84,966	17,215,334
Public Safety	-	-	160	(160)
Capital Outlay	<u>225,000</u>	<u>225,000</u>	<u>43,939</u>	<u>181,061</u>
<b>Total Expenditures</b>	<u>15,929,900</u>	<u>17,525,300</u>	<u>197,576</u>	<u>17,327,724</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(74,000)</u>	<u>(74,000)</u>	<u>2,796,898</u>	<u>2,870,898</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	2,870,898	2,870,898
<b>Fund Balance - Beginning of Year</b>	-	-	<u>14,345,428</u>	<u>14,345,428</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,216,326</u>	<u>\$ 17,216,326</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	-	-	1,850	1,850
Charges for Services	-	-	55,875	55,875
Investment Earnings (Loss)	-	-	1,960	1,960
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>59,685</u>	<u>59,685</u>
<b>Expenditures:</b>				
Current Operating:				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>59,685</u>	<u>59,685</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	1,000	1,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<b>Net Change in Fund Balance</b>	-	-	60,685	60,685
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>1,557,360</u>	<u>1,557,360</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,618,045</u>	<u>\$ 1,618,045</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	-	-	32,393	32,393
Intergovernmental Revenues	474,100	505,000	827,764	322,764
Charges for Services	70,000	70,000	817	(69,183)
Other	961,700	1,768,491	128,944	(1,639,547)
<b>Total Revenues</b>	<u>1,505,800</u>	<u>2,343,491</u>	<u>989,918</u>	<u>(1,353,573)</u>
<b>Expenditures:</b>				
Current Operating:				
Parks and Recreation	1,109,100	1,850,000	513,292	1,336,708
Capital Outlay	462,000	381,000	23,816	357,184
<b>Total Expenditures</b>	<u>1,571,100</u>	<u>2,231,000</u>	<u>537,108</u>	<u>1,693,892</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(65,300)</u>	<u>112,491</u>	<u>452,810</u>	<u>340,319</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	65,300	87,509	88,004	495
Transfers Out	-	(200,000)	(200,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>65,300</u>	<u>(112,491)</u>	<u>(111,996)</u>	<u>495</u>
<b>Net Change in Fund Balance</b>	-	-	340,814	340,814
<b>Fund Balance - Beginning of Year</b>	-	-	2,710,565	2,710,565
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,051,379</u>	<u>\$ 3,051,379</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	5,000	5,000	-	(5,000)
Intergovernmental Revenues	5,705,300	6,100,800	3,871,666	(2,229,134)
Charges for Services	886,000	940,900	200,334	(740,566)
Investment Earnings (Loss)	-	-	2,866	2,866
Other	<u>3,485,100</u>	<u>3,485,100</u>	<u>1,500</u>	<u>(3,483,600)</u>
<b>Total Revenues</b>	<u>10,081,400</u>	<u>10,531,800</u>	<u>4,076,366</u>	<u>(6,455,434)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	13,066,600	13,517,000	7,240,958	6,276,042
Capital Outlay	<u>1,050,900</u>	<u>1,050,900</u>	<u>800,830</u>	<u>250,070</u>
<b>Total Expenditures</b>	<u>14,117,500</u>	<u>14,567,900</u>	<u>8,041,788</u>	<u>6,526,112</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,036,100)</u>	<u>(4,036,100)</u>	<u>(3,965,422)</u>	<u>70,678</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>4,036,100</u>	<u>4,036,100</u>	<u>3,595,500</u>	<u>(440,600)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>4,036,100</u>	<u>4,036,100</u>	<u>3,595,500</u>	<u>(440,600)</u>
<b>Net Change in Fund Balance</b>	-	-	(369,922)	(369,922)
<b>Fund Balance - Beginning of Year</b>	-	-	3,527,218	3,527,218
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,157,296</u>	<u>\$ 3,157,296</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	650,000	650,000	721,606	71,606
Investment Earnings (Loss)	-	-	8,085	8,085
Other	<u>1,579,500</u>	<u>1,513,600</u>	<u>-</u>	<u>(1,513,600)</u>
<b>Total Revenues</b>	<u>2,229,500</u>	<u>2,163,600</u>	<u>729,691</u>	<u>(1,433,909)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	1,618,000	1,552,100	477,930	1,074,170
Capital Outlay	<u>611,500</u>	<u>611,500</u>	<u>2,819</u>	<u>608,681</u>
<b>Total Expenditures</b>	<u>2,229,500</u>	<u>2,163,600</u>	<u>480,749</u>	<u>1,682,851</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>248,942</u>	<u>248,942</u>
<b>Net Change in Fund Balance</b>	-	-	248,942	248,942
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>1,513,603</u>	<u>1,513,603</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,762,545</u>	<u>\$ 1,762,545</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	-	-	183,266	183,266
Charges for Services	2,200,000	2,200,000	6,138,435	3,938,435
Investment Earnings (Loss)	-	-	162	162
Other	4,920,700	6,165,900	-	(6,165,900)
<b>Total Revenues</b>	<u>7,120,700</u>	<u>8,365,900</u>	<u>6,321,863</u>	<u>(2,044,037)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Works	4,010,400	5,255,600	2,000,320	3,255,280
Capital Outlay	-	-	28,779	(28,779)
<b>Total Expenditures</b>	<u>4,010,400</u>	<u>5,255,600</u>	<u>2,029,099</u>	<u>3,226,501</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,110,300</u>	<u>3,110,300</u>	<u>4,292,764</u>	<u>1,182,464</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	215	215
Transfers Out	(3,110,300)	(3,110,300)	(3,110,300)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,110,300)</u>	<u>(3,110,300)</u>	<u>(3,110,085)</u>	<u>215</u>
<b>Net Change in Fund Balance</b>	-	-	1,182,679	1,182,679
<b>Fund Balance - Beginning of Year</b>	-	-	6,249,928	6,249,928
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,432,607</u>	<u>\$ 7,432,607</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	75,000	75,000	182,723	107,723
Other	<u>542,400</u>	<u>804,800</u>	<u>-</u>	<u>(804,800)</u>
<b>Total Revenues</b>	<u>617,400</u>	<u>879,800</u>	<u>182,723</u>	<u>(697,077)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	664,900	927,300	111,752	815,548
Capital Outlay	<u>-</u>	<u>-</u>	<u>18,128</u>	<u>(18,128)</u>
<b>Total Expenditures</b>	<u>664,900</u>	<u>927,300</u>	<u>129,880</u>	<u>797,420</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(47,500)</u>	<u>(47,500)</u>	<u>52,843</u>	<u>100,343</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	47,500	47,500	47,500	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(33,300)</u>	<u>(33,300)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>47,500</u>	<u>47,500</u>	<u>14,200</u>	<u>(33,300)</u>
<b>Net Change in Fund Balance</b>	-	-	67,043	67,043
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>805,102</u>	<u>805,102</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,145</u>	<u>\$ 872,145</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other	100,000	100,000	-	(100,000)
<b>Total Revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	100,000	100,000	7,422	92,578
<b>Total Expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>7,422</u>	<u>92,578</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(7,422)	(7,422)
<b>Net Change in Fund Balance</b>	-	-	(7,422)	(7,422)
<b>Fund Balance - Beginning of Year</b>	-	-	2,324,118	2,324,118
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,316,696</u>	<u>\$ 2,316,696</u>

**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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental Revenues	33,200	7,009,183	6,637,710	(371,473)
Charges for Services	-	-	4,352	4,352
Investment Earnings (Loss)	-	-	49	49
Other	4,910,400	7,282,618	2,257	(7,280,361)
<b>Total Revenues</b>	<u>4,943,600</u>	<u>14,291,801</u>	<u>6,644,367</u>	<u>(7,647,434)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	6,223,600	12,682,992	7,818,425	4,864,567
Capital Outlay	-	2,888,809	349,699	2,539,110
<b>Total Expenditures</b>	<u>6,223,600</u>	<u>15,571,801</u>	<u>8,168,124</u>	<u>7,403,677</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,280,000)</u>	<u>(1,280,000)</u>	<u>(1,523,757)</u>	<u>(243,757)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,280,000	1,280,000	1,282,975	2,975
<b>Total Other Financing Sources (Uses)</b>	<u>1,280,000</u>	<u>1,280,000</u>	<u>1,282,975</u>	<u>2,975</u>
<b>Net Change in Fund Balance</b>	-	-	(240,782)	(240,782)
<b>Fund Balance - Beginning of Year</b>	-	-	3,108,405	3,108,405
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,867,623</u>	<u>\$ 2,867,623</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	918,300	925,400	860,241	(65,159)
Other	25,700	376,800	497,707	120,907
<b>Total Revenues</b>	<u>944,000</u>	<u>1,302,200</u>	<u>1,357,948</u>	<u>55,748</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	918,300	1,432,900	702,560	730,340
Public Works	25,700	25,300	-	25,300
Capital Outlay	-	-	1,050	(1,050)
<b>Total Expenditures</b>	<u>944,000</u>	<u>1,458,200</u>	<u>703,610</u>	<u>754,590</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(156,000)</u>	<u>654,338</u>	<u>810,338</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	156,000	156,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>156,000</u>	<u>156,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	810,338	810,338
<b>Fund Balance - Beginning of Year</b>	-	-	181,613	181,613
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 991,951</u>	<u>\$ 991,951</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	-	-	80	80
Fines and Forfeitures	320,000	320,000	1,184,129	864,129
Intergovernmental Revenues	2,052,600	2,466,800	2,028,442	(438,358)
Investment Earnings (Loss)	-	-	40,123	40,123
Other	<u>2,018,400</u>	<u>3,242,676</u>	<u>115,019</u>	<u>(3,127,657)</u>
<b>Total Revenues</b>	<u>4,391,000</u>	<u>6,029,476</u>	<u>3,367,793</u>	<u>(2,661,683)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	7,670,700	10,335,976	5,153,949	5,182,027
Planning and Development	439,400	777,300	463,195	314,105
Public Works	14,200	14,200	14,200	-
Parks and Recreation	-	701,900	565,753	136,147
Capital Outlay	-	<u>438,700</u>	<u>303,512</u>	<u>135,188</u>
<b>Total Expenditures</b>	<u>8,124,300</u>	<u>12,268,076</u>	<u>6,500,609</u>	<u>5,767,467</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,733,300)</u>	<u>(6,238,600)</u>	<u>(3,132,816)</u>	<u>3,105,784</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>3,733,300</u>	<u>6,238,600</u>	<u>6,241,741</u>	<u>3,141</u>
<b>Total Other Financing Sources (Uses)</b>	<u>3,733,300</u>	<u>6,238,600</u>	<u>6,241,741</u>	<u>3,141</u>
<b>Net Change in Fund Balance</b>	-	-	3,108,925	3,108,925
<b>Fund Balance - Beginning of Year</b>	-	-	<u>2,869,874</u>	<u>2,869,874</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,978,799</u>	<u>\$ 5,978,799</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	15,742,900	15,742,900	15,755,819	12,919
Investment Earnings (Loss)	-	-	43,632	43,632
Other	<u>5,833,500</u>	<u>9,069,500</u>	<u>-</u>	<u>(9,069,500)</u>
<b>Total Revenues</b>	<u>21,576,400</u>	<u>24,812,400</u>	<u>15,799,451</u>	<u>(9,012,949)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	9,619,200	10,855,000	9,122,557	1,732,443
Capital Outlay	<u>-</u>	<u>-</u>	<u>5,936</u>	<u>(5,936)</u>
<b>Total Expenditures</b>	<u>9,619,200</u>	<u>10,855,000</u>	<u>9,128,493</u>	<u>1,726,507</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>11,957,200</u>	<u>13,957,400</u>	<u>6,670,958</u>	<u>(7,286,442)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(11,957,200)</u>	<u>(13,957,400)</u>	<u>(13,998,150)</u>	<u>(40,750)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(11,957,200)</u>	<u>(13,957,400)</u>	<u>(13,998,150)</u>	<u>(40,750)</u>
<b>Net Change in Fund Balance</b>	-	-	(7,327,192)	(7,327,192)
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>17,361,847</u>	<u>17,361,847</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,034,655</u>	<u>\$ 10,034,655</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	5,536,900	5,536,900	5,118,353	(418,547)
Other	<u>1,061,500</u>	<u>1,061,500</u>	<u>100,000</u>	<u>(961,500)</u>
<b>Total Revenues</b>	<u>6,598,400</u>	<u>6,598,400</u>	<u>5,218,353</u>	<u>(1,380,047)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Facilities	<u>3,638,700</u>	<u>3,638,700</u>	<u>2,131,777</u>	<u>1,506,923</u>
<b>Total Expenditures</b>	<u>3,638,700</u>	<u>3,638,700</u>	<u>2,131,777</u>	<u>1,506,923</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,959,700</u>	<u>2,959,700</u>	<u>3,086,576</u>	<u>126,876</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(2,959,700)</u>	<u>(2,959,700)</u>	<u>(2,959,700)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,959,700)</u>	<u>(2,959,700)</u>	<u>(2,959,700)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	126,876	126,876
<b>Fund Balance - Beginning of Year</b>	-	-	<u>2,039,247</u>	<u>2,039,247</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,166,123</u>	<u>\$ 2,166,123</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	199,000	349,000	349,000	-
Investment Earnings (Loss)	-	-	26	26
Other	427,843	427,843	18,951	(408,892)
<b>Total Revenues</b>	<u>626,843</u>	<u>776,843</u>	<u>367,977</u>	<u>(408,866)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	626,843	776,843	360,773	416,070
<b>Total Expenditures</b>	<u>626,843</u>	<u>776,843</u>	<u>360,773</u>	<u>416,070</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	7,204	7,204
<b>Net Change in Fund Balance</b>	-	-	7,204	7,204
<b>Fund Balance - Beginning of Year</b>	-	-	401,991	401,991
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,195</u>	<u>\$ 409,195</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	590,000	590,000	607,788	17,788
Investment Earnings (Loss)	-	-	1,208	1,208
Other	<u>146,000</u>	<u>146,000</u>	<u>6,118</u>	<u>(139,882)</u>
<b>Total Revenues</b>	<u>736,000</u>	<u>736,000</u>	<u>615,114</u>	<u>(120,886)</u>
<b>Expenditures:</b>				
Current Operating:				
Parks and Recreation	699,000	699,000	618,087	80,913
Capital Outlay	<u>37,000</u>	<u>37,000</u>	<u>14,107</u>	<u>22,893</u>
<b>Total Expenditures</b>	<u>736,000</u>	<u>736,000</u>	<u>632,194</u>	<u>103,806</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(17,080)</u>	<u>(17,080)</u>
<b>Net Change in Fund Balance</b>	-	-	(17,080)	(17,080)
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>94,352</u>	<u>94,352</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,272</u>	<u>\$ 77,272</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings (Loss)	-	-	5,612	5,612
Other	1,194,800	1,175,900	-	(1,175,900)
<b>Total Revenues</b>	<u>1,194,800</u>	<u>1,175,900</u>	<u>5,612</u>	<u>(1,170,288)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Works	1,194,800	1,175,900	34,500	1,141,400
<b>Total Expenditures</b>	<u>1,194,800</u>	<u>1,175,900</u>	<u>34,500</u>	<u>1,141,400</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(28,888)	(28,888)
<b>Net Change in Fund Balance</b>	-	-	(28,888)	(28,888)
<b>Fund Balance - Beginning of Year</b>	-	-	1,175,923	1,175,923
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,035</u>	<u>\$ 1,147,035</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 26,103,500	\$ 26,103,500	\$ 25,661,731	\$ (441,769)
Investment Earnings (Loss)	-	-	2,144	2,144
<b>Total Revenues</b>	<u>26,103,500</u>	<u>26,103,500</u>	<u>25,663,875</u>	<u>(439,625)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	29,200	29,200	181,582	(152,382)
Debt Service:				
Principal	14,908,400	14,908,400	14,908,304	96
Interest and Other Charges	11,165,900	11,165,900	12,655,706	(1,489,806)
<b>Total Expenditures</b>	<u>26,103,500</u>	<u>26,103,500</u>	<u>27,745,592</u>	<u>(1,642,092)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(2,081,717)	(2,081,717)
<b>Other Financing Sources (Uses):</b>				
Proceeds Received from Refunding	-	-	57,240,000	57,240,000
Payment To Escrow Agent For Refunding	-	-	(53,519,351)	(53,519,351)
<b>Total Other Financing Sources (Uses)</b>	-	-	<u>3,720,649</u>	<u>3,720,649</u>
<b>Net Change in Fund Balance</b>	-	-	1,638,932	1,638,932
<b>Fund Balance - Beginning of Year</b>	-	-	1,810,610	1,810,610
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,449,542</u>	<u>\$ 3,449,542</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	3,000,000	3,000,000	4,083,335	1,083,335
Investment Earnings (Loss)	-	-	24,088	24,088
<b>Total Revenues</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>4,107,423</u>	<u>1,107,423</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	6,500	6,500	26,000	(19,500)
Debt Service:				
Principal	13,800,200	13,800,200	11,443,117	2,357,083
Interest and Other Charges	22,355,000	22,355,000	22,354,597	403
<b>Total Expenditures</b>	<u>36,161,700</u>	<u>36,161,700</u>	<u>33,823,714</u>	<u>2,337,986</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(33,161,700)</u>	<u>(33,161,700)</u>	<u>(29,716,291)</u>	<u>3,445,409</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	33,161,700	35,510,100	35,510,100	-
Transfers Out	-	(2,348,400)	-	2,348,400
<b>Total Other Financing Sources (Uses)</b>	<u>33,161,700</u>	<u>33,161,700</u>	<u>35,510,100</u>	<u>2,348,400</u>
<b>Net Change in Fund Balance</b>	-	-	5,793,809	5,793,809
<b>Fund Balance - Beginning of Year</b>	-	-	35,257,963	35,257,963
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,051,772</u>	<u>\$ 41,051,772</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures:</b>				
Current Operating:				
Debt Service:				
Principal	-	-	5,315,000	(5,315,000)
Interest and Other Charges	-	-	2,397,550	(2,397,550)
<b>Total Expenditures</b>	-	-	7,712,550	(7,712,550)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(7,712,550)	(7,712,550)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	7,712,550	7,712,550
<b>Total Other Financing Sources (Uses)</b>	-	-	7,712,550	7,712,550
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of Year</b>	-	-	23,389	23,389
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,389</u>	<u>\$ 23,389</u>

There is no adopted budget for this fund

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, 2016**

	<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	\$ 61,261,694	\$ 332,753	\$ 26,814	\$ 47,153	\$ -	\$ 61,668,414
Accounts Receivable	15,604,231	4,427,011	40,097	-	-	20,071,339
Capital Assets, Net	1,829,010	1,761,132	-	-	-	3,590,142
	<u>78,694,935</u>	<u>6,520,896</u>	<u>66,911</u>	<u>47,153</u>	<u>-</u>	<u>85,329,895</u>
<b>Investments:</b>						
U.S. Government Obligations	89,248,441	83,532,690	-	-	-	172,781,131
Corporate Bonds	378,546,869	62,509,660	-	1,011,696	-	442,068,225
Corporate Stocks	366,947,862	417,045,620	-	2,408,244	-	786,401,726
Money Market Funds and Commercial Paper	-	24,482,264	-	-	6,750,880	31,233,144
International Equity	204,203,057	-	-	-	-	204,203,057
Mutual Funds	198,092,739	-	-	-	-	198,092,739
Real Estate	163,546,860	27,412,254	-	-	-	190,959,114
Private Equity	138,484,218	-	-	-	-	138,484,218
Absolute Return Funds	96,102,335	-	-	-	-	96,102,335
<b>Total Investments</b>	<u>1,635,172,381</u>	<u>614,982,488</u>	<u>-</u>	<u>3,419,940</u>	<u>6,750,880</u>	<u>2,260,325,689</u>
Securities Lending Collateral	146,627,092	-	-	-	-	146,627,092
<b>Total Assets</b>	<u>1,860,494,408</u>	<u>621,503,384</u>	<u>66,911</u>	<u>3,467,093</u>	<u>6,750,880</u>	<u>2,492,282,676</u>
<b>Liabilities</b>						
Obligations Under Security Lending Transactions	146,627,092	-	-	-	-	146,627,092
Accounts Payable	439,430	696,585	66,911	1,862	-	1,204,788
Payable for Securities Purchased	13,329,386	3,101,858	-	-	-	16,431,244
<b>Total Liabilities</b>	<u>160,395,908</u>	<u>3,798,443</u>	<u>66,911</u>	<u>1,862</u>	<u>-</u>	<u>164,263,124</u>
<b>Net Position</b>						
Restricted for Pension Benefits	<u>\$ 1,700,098,500</u>	<u>\$ 617,704,941</u>	<u>\$ -</u>	<u>\$ 3,465,231</u>	<u>\$ 6,750,880</u>	<u>\$ 2,328,019,552</u>

**City of Miami, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2016**

	<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	\$ 48,672,615	\$ 32,881,500	\$ 680,534	\$ 269,054	\$ 469,450	\$ 82,973,153
Plan Members	12,082,805	9,595,465	-	19,316	-	21,697,586
<b>Total Contributions</b>	<b>60,755,420</b>	<b>42,476,965</b>	<b>680,534</b>	<b>288,370</b>	<b>469,450</b>	<b>104,670,739</b>
Investment Earnings:						
Net Increase (Decrease) in Fair Value of Investments	111,458,267	51,293,466	-	291,831	(11,593)	163,031,971
Interest	14,441,049	4,494,520	-	-	-	18,935,569
Dividends	11,922,491	6,201,593	-	72,248	-	18,196,332
Other	330,611	41,857	-	-	-	372,468
<b>Total Investment Earnings</b>	<b>138,152,418</b>	<b>62,031,436</b>	<b>-</b>	<b>364,079</b>	<b>(11,593)</b>	<b>200,536,340</b>
Security Lending Activities:						
Security Lending Income	655,152	-	-	-	-	655,152
Security Lending Fees and Rebates	(163,656)	-	-	-	-	(163,656)
<b>Net Income From Security Lending Activities</b>	<b>491,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491,496</b>
Less Investment Expenses	(5,697,087)	(1,794,082)	-	-	-	(7,491,169)
<b>Net Investment Earnings</b>	<b>132,946,827</b>	<b>60,237,354</b>	<b>-</b>	<b>364,079</b>	<b>(11,593)</b>	<b>193,536,667</b>
Reimbursement From City for Administrative Costs	-	3,199,333	103,183	-	-	3,302,516
<b>Total Additions</b>	<b>193,702,247</b>	<b>105,913,652</b>	<b>783,717</b>	<b>652,449</b>	<b>457,857</b>	<b>301,509,922</b>
<b>Deductions</b>						
Benefits/Payments	141,474,741	71,859,673	680,534	319,459	263,320	214,597,727
Refunds upon Resignation, Death, Other	384,403	1,967,393	-	13,095	-	2,364,891
Distribution to Retirees	24,344,326	-	-	-	-	24,344,326
Administrative and Other Expenses	2,071,894	3,432,670	103,183	-	2,400	5,610,147
<b>Total Deductions</b>	<b>168,275,364</b>	<b>77,259,736</b>	<b>783,717</b>	<b>332,554</b>	<b>265,720</b>	<b>246,917,091</b>
<b>Change in Net Position</b>	<b>25,426,883</b>	<b>28,653,916</b>	<b>-</b>	<b>319,895</b>	<b>192,137</b>	<b>54,592,831</b>
<b>Net Position- Beginning of Year</b>	<b>1,674,671,617</b>	<b>589,051,025</b>	<b>-</b>	<b>3,145,336</b>	<b>6,558,743</b>	<b>2,273,426,721</b>
<b>Net Position- End of Year</b>	<b>\$ 1,700,098,500</b>	<b>\$ 617,704,941</b>	<b>-</b>	<b>\$ 3,465,231</b>	<b>\$ 6,750,880</b>	<b>\$ 2,328,019,552</b>



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.elected officials.

**CITY OF MIAMI, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Primary Government										
Net Investment in Capital Assets	\$ 616,752,804	\$ 614,080,419	\$ 651,485,412	\$ 626,017,000	\$ 657,452,000	\$ 693,247,000	\$ 752,507,000	\$ 791,006,000	\$ 773,960,000	\$ 730,273,000
Restricted	273,730,365	237,584,556	86,209,162	93,376,000	90,078,000	95,873,000	88,297,000	77,577,000	147,707,000	102,602,000
Unrestricted (Deficit)	(1,224,962,154)	(1,163,152,861)	(947,529,448)	(327,113,000)	(331,776,000)	(341,277,000)	(306,024,000)	(242,954,000)	(211,486,000)	(93,713,000)
Total Primary Government Net Position	\$ (334,478,985)	\$ (311,487,886)	\$ (209,834,874)	\$ 392,280,000	\$ 415,754,000	\$ 447,843,000	\$ 534,780,000	\$ 625,629,000	\$ 710,181,000	\$ 739,162,000

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  
(ACCRUAL BASIS OF ACCOUNTING)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental Activities:										
General Government	158,677,568	168,655,624	241,295,603	144,909,293	104,495,000	164,006,000	152,727,000	155,198,000	140,681,000	121,694,000
Planning and Development	15,513,166	15,479,449	50,647,846	11,688,186	16,397,000	10,801,000	12,019,000	15,465,000	16,218,000	16,923,000
Community Development	27,937,279	30,519,798	45,476,324	38,926,526	38,100,000	40,852,000	39,655,000	37,126,000	42,029,000	35,487,000
Community Redevelopment Areas	36,149,769	58,062,764	18,087,177	20,836,076	17,041,000	4,696,000	29,288,000	20,566,000	13,904,000	7,011,000
Public Works	78,763,459	74,434,887	155,556,138	68,732,553	83,062,000	65,604,000	69,970,000	72,003,000	72,573,000	75,073,000
Public Facilities	446,865,144	385,120,293	776,125,991	337,347,418	352,526,000	333,431,000	371,351,000	375,402,000	370,007,000	343,470,000
Parks and Recreation	16,758,483	16,560,573	23,126,368	15,403,258	16,330,000	11,242,000	16,848,000	13,179,000	15,354,000	16,691,000
Interest on Long-Term Debt	50,207,864	42,585,419	78,558,325	43,340,882	44,977,000	39,223,000	39,776,000	43,441,000	39,550,000	39,893,000
Contribution to Port Tunnel	32,606,891	33,747,629	31,932,034	43,544,000	37,426,000	43,336,000	27,533,000	36,091,000	27,207,000	23,859,000
Unallocated Depreciation	-	-	-	-	-	50,000,000	-	-	-	-
Total Primary Government Expenses	863,479,623	825,166,436	1,420,805,808	724,728,191	710,697,000	763,191,000	759,167,000	768,471,000	737,523,000	709,649,000
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	78,570,413	66,617,814	65,843,123	50,687,215	51,265,000	48,814,000	38,703,000	35,587,000	40,062,000	33,404,000
Planning and Development	47,586,059	45,385,722	36,879,821	18,848,000	15,328,000	13,125,000	9,719,000	9,611,000	13,077,000	24,558,000
Community Development	1,766,173	5,009,547	824,248	1,555,000	709,000	1,585,000	155,000	-	703,000	2,302,000
Community Redevelopment Areas	2,157,456	1,138,695	416,337	62,000	39,000	224,000	1,275,000	1,065,000	1,141,000	1,415,000
Public Works	56,113,613	53,711,146	50,257,847	47,175,977	41,533,000	49,349,000	46,480,000	47,792,000	48,489,000	46,588,000
Public Safety	28,477,126	24,708,571	25,426,372	26,207,867	23,321,000	15,997,000	22,152,000	17,785,000	16,578,000	22,952,000
Parks and Recreation	35,324,297	37,455,509	29,219,001	27,353,000	18,244,000	14,636,000	15,459,000	15,459,000	16,660,000	6,559,000
Operating Grants and Contributions	7,845,180	8,454,738	5,613,643	7,111,007	7,184,000	6,224,000	6,247,000	4,827,000	4,107,000	3,488,000
Capital Grants and Contributions	88,478,479	84,631,766	105,483,092	103,176,700	88,608,000	94,339,000	73,139,000	64,646,000	63,179,000	71,071,000
Total Primary Government Program Revenue	11,315,519	9,253,860	2,598,400	17,042,000	29,303,000	21,824,000	27,113,000	33,964,000	54,174,000	69,141,000
Total Primary Government Net Expense	357,634,315	336,367,368	324,268,392	301,084,767	284,643,767	269,725,000	239,619,000	230,736,000	258,170,000	281,478,000
<b>Net(Expense)/Revenue</b>										
Total Primary Government Net Expense	(505,845,308)	(488,799,068)	(1,096,537,416)	(423,643,424)	(426,054,000)	(493,466,000)	(519,548,000)	(537,735,000)	(479,353,000)	(428,171,000)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	298,719,456	269,303,313	241,721,842	232,082,786	223,386,000	233,193,000	264,548,000	283,516,000	269,785,000	275,013,000
Property Taxes, Levied for Debt Service	25,661,731	24,848,727	24,853,248	26,425,030	26,887,000	28,132,000	22,663,000	21,378,000	21,328,000	19,887,000
Franchise Taxes	47,416,360	47,560,134	46,311,659	44,698,943	44,650,000	44,882,000	43,121,000	42,824,000	42,298,000	42,257,000
State Revenue Sharing - Unrestricted	14,836,385	14,389,530	13,389,054	12,673,362	12,367,000	11,430,000	10,515,000	22,567,000	12,187,000	13,074,000
Sales and Other Use Taxes	32,699,735	31,254,199	29,490,981	27,737,964	25,803,000	25,988,000	22,666,000	22,567,000	24,861,000	25,505,000
Public Service Taxes	60,020,384	59,576,109	60,395,502	59,322,198	58,046,000	59,427,000	61,967,000	64,010,000	62,258,000	58,099,000
Investment Earnings (Losses) - Unrestricted	3,500,158	4,761,254	4,298,129	(2,653,269)	2,826,000	2,393,000	3,218,000	7,718,000	17,656,000	23,837,000
Gain (Loss) on Disposal of Capital Assets	-	(546,835)	9,960,348	(115,656)	-	1,087,000	-	-	-	1,502,000
Other General Revenues	-	-	-	-	-	-	-	378,000	-	-
Special Item - Impairment Loss on Capital Assets	-	-	-	-	-	-	-	-	-	(23,595,000)
Total Primary Government	482,854,209	451,146,431	430,420,763	400,171,358	393,965,000	406,532,000	428,698,000	464,958,000	450,373,000	435,579,000
<b>Change in Net Position</b>										
Total Primary Government	(22,991,099)	(37,652,637)	(666,116,653)	(23,472,066)	(32,089,000)	(86,934,000)	(90,850,000)	(72,777,000)	(28,980,000)	7,408,000

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
2016	\$ 298,719,456	\$ 25,661,731	\$ 47,416,360	\$ 32,699,735	\$ 60,020,384	\$ 464,517,666
2015	269,303,313	24,848,727	47,560,134	31,254,199	59,576,109	432,542,482
2014	241,721,842	24,853,248	46,311,659	29,490,981	60,395,502	402,773,232
2013	232,082,786	26,425,030	44,698,943	27,737,964	59,322,198	390,266,921
2012	223,386,064	26,887,032	26,649,826	17,793,928	58,045,986	352,762,836
2011	233,193,302	28,131,853	44,881,126	25,987,633	59,426,883	391,620,797
2010	264,548,387	22,662,573	43,120,713	22,665,743	61,966,455	414,963,871
2009	283,516,182	21,377,549	42,823,572	22,566,791	64,010,537	434,294,631
2008	269,785,445	21,327,853	42,298,452	24,860,795	62,257,072	420,529,617
2007	275,012,727	19,886,776	42,257,282	25,505,412	58,099,069	420,761,266

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

	2016	2015	2014	2013	2012	2011	2010
Fund Balances (Deficit):							
Non-Spendable Fund Balance							
Non Spendable	\$ 3,033,309	\$ 3,474,396	\$ 3,975,000	\$ 3,554,000	\$ 8,141,000	\$ 4,897,000	\$ 3,808,000
Spendable Fund Balance							
Restricted	310,576,099	297,118,841	226,564,000	261,858,000	333,199,000	382,134,000	444,802,000
Committed	133,813,871	92,342,101	110,418,000	20,881,000	16,512,000	18,349,000	20,741,000
Assigned	44,240,127	61,350,740	56,487,000	73,642,000	52,161,000	18,908,000	16,230,000
Unassigned	36,487,814	58,533,534	54,180,000	(3,399,000)	(9,324,000)	(4,978,000)	(19,469,000)
<b>Total Fund Balances (Deficit)</b>	<b>\$ 528,151,220</b>	<b>\$ 512,819,612</b>	<b>\$ 451,624,000</b>	<b>\$ 356,536,000</b>	<b>\$ 400,689,000</b>	<b>\$ 419,310,000</b>	<b>\$ 466,112,000</b>

Note: Years prior to fiscal year 2010 have not been presented due to the implementation of GASB Statement No. 54, which provided for new categories for classifying governmental fund balances. Changes to the fund balance is being presented prospectively.

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

	2016	2015	2014	2013	2012
<b>Revenues</b>					
Property Taxes	\$ 324,381,187	\$ 294,152,040	\$ 266,575,890	\$ 258,507,816	\$ 250,273,000
Franchise and Other Taxes	107,436,744	107,136,243	106,706,981	104,021,141	102,696,000
Licenses and Permits	71,826,609	65,136,838	60,905,490	35,894,264	35,726,000
Fines and Forfeitures	17,022,156	13,606,546	12,633,258	11,822,487	5,538,000
Intergovernmental Revenues	144,464,881	144,172,756	147,318,713	169,377,430	152,387,000
Charges for Services	128,520,198	127,031,324	109,858,728	123,088,110	106,717,000
Investment Earnings (Loss)	3,500,158	4,761,254	4,298,129	(2,653,269)	2,826,000
Impact Fees	25,491,632	20,848,627	21,561,620	9,121,554	4,338,000
Other	14,979,722	15,858,407	11,227,804	7,446,994	14,934,000
<b>Total Revenues</b>	<b>837,623,287</b>	<b>792,704,035</b>	<b>741,086,613</b>	<b>716,626,527</b>	<b>675,435,000</b>
<b>Expenditures</b>					
General Government	108,025,194	96,682,018	93,731,826	94,827,268	187,595,000
Planning and Development	16,530,501	17,528,545	13,886,927	11,938,108	7,922,000
Community Development	27,669,432	30,618,655	32,773,187	38,461,763	36,706,000
Community Redevelopment Areas	35,240,353	57,374,849	16,496,169	20,408,076	22,041,000
Public Works	75,620,054	70,748,795	64,297,681	62,775,496	48,949,000
Public Safety	358,151,070	320,578,664	309,032,876	311,799,509	221,066,000
Public Facilities	14,172,514	14,182,077	11,558,522	12,422,038	12,708,000
Parks and Recreation	40,252,541	34,176,174	30,933,658	32,461,502	25,879,000
Contribution to Port Tunnel	-	-	-	-	-
Organizational Support	-	-	-	-	-
Non-Departmental	-	-	-	-	-
Debt Service:					
Principal	31,666,421	23,134,356	47,423,659	73,066,874	22,934,000
Interest and Other Charges	37,407,853	43,562,774	42,414,727	44,111,501	41,185,000
Debt Issuance Costs	-	-	-	-	-
Capital Outlay	88,247,094	87,743,237	65,700,078	52,579,857	66,897,000
<b>Total Expenditures</b>	<b>832,983,027</b>	<b>796,330,144</b>	<b>728,249,310</b>	<b>754,851,992</b>	<b>693,882,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,640,260	(3,626,109)	12,837,303	(38,225,465)	(18,447,000)
<b>Other Financing Sources (Uses)</b>					
Transfers In	134,391,945	113,353,457	130,317,671	79,854,462	114,263,000
Transfers Out	(134,391,945)	(113,353,457)	(130,317,670)	(79,854,460)	(114,263,000)
Proceeds from Sale of Property	441,720	1,957,890	10,607,538	304,345	-
Proceeds Received from Refunding	57,240,000	-	-	-	-
Payment To Escrow Agent For Refunding	(57,635,000)	-	-	-	-
Proceeds Received From Long-Term Debt	-	-	-	-	-
Premium from Issuance of Debt	-	-	4,330,862	-	-
Issuance of Debt	10,644,628	-	73,934,380	50,028,639	-
Capital Leases	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>10,691,348</b>	<b>1,957,890</b>	<b>88,872,781</b>	<b>50,332,986</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 15,331,608</b>	<b>\$ (1,668,219)</b>	<b>\$ 101,710,084</b>	<b>\$ 12,107,521</b>	<b>\$ (18,447,000)</b>

Debt Service as a Percentage of Non-Capital Expenditures	9.28%	9.41%	13.56%	16.69%	10.23%
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**CITY OF MIAMI, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2011	2010	2009	2008	2007
<b>Revenues</b>					
Property Taxes	\$ 261,325,000	\$ 287,211,000	\$ 304,894,000	\$ 291,113,000	\$ 294,900,000
Franchise and Other Taxes	104,309,000	105,090,000	106,834,000	104,556,000	100,356,000
Licenses and Permits	34,031,000	25,348,000	26,105,000	29,845,000	32,848,000
Fines and Forfeitures	6,454,000	5,208,000	7,441,000	6,978,000	7,542,000
Intergovernmental Revenues	170,755,000	153,416,000	141,254,000	157,269,000	150,040,000
Charges for Services	94,711,000	88,420,000	85,927,000	86,387,000	89,589,000
Investment Earnings (Loss)	2,393,000	3,218,000	7,718,000	17,656,000	23,837,000
Impact Fees	1,355,000	12,000	332,000	4,679,000	4,017,000
Other	10,102,000	9,106,000	10,757,000	10,103,000	9,370,000
<b>Total Revenues</b>	<b>685,435,000</b>	<b>677,029,000</b>	<b>691,262,000</b>	<b>708,586,000</b>	<b>712,499,000</b>
<b>Expenditures</b>					
General Government	166,671,000	180,608,000	158,902,000	171,040,000	146,494,000
Planning and Development	8,328,000	9,340,000	11,350,000	11,236,000	11,863,000
Community Development	40,432,000	39,158,000	36,413,000	41,037,000	35,325,000
Community Redevelopment Areas	4,395,000	29,084,000	20,144,000	15,947,000	5,314,000
Public Works	46,644,000	51,337,000	55,173,000	55,068,000	56,484,000
Public Safety	218,698,000	249,749,000	266,285,000	265,498,000	256,692,000
Public Facilities	9,803,000	12,556,000	11,660,000	13,020,000	13,456,000
Parks and Recreation	26,540,000	27,545,000	33,211,000	29,056,000	30,638,000
Contribution to Port Tunnel	50,000,000	-	-	-	-
Organizational Support	30,524,000	32,219,000	41,315,000	27,752,000	35,122,000
Non-Departmental	-	-	-	-	28,490,000
Debt Service:					
Principal	29,492,000	27,261,000	23,566,000	21,343,000	20,887,000
Interest and Other Charges	39,648,000	38,065,000	31,928,000	28,921,000	24,346,000
Debt Issuance Costs	2,048,000	-	-	-	6,989,000
Capital Outlay	113,888,000	55,696,000	106,863,000	114,577,000	124,264,000
<b>Total Expenditures</b>	<b>787,111,000</b>	<b>752,618,000</b>	<b>796,810,000</b>	<b>794,495,000</b>	<b>796,364,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(101,676,000)</u>	<u>(75,589,000)</u>	<u>(105,548,000)</u>	<u>(85,909,000)</u>	<u>(83,865,000)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	100,560,000	146,557,000	196,099,000	227,563,000	278,006,000
Transfers Out	(100,560,000)	(146,557,000)	(196,099,000)	(227,563,000)	(278,006,000)
Proceeds from Sale of Property	1,087,000	-	-	-	1,502,000
Proceeds Received from Refunding	68,894,000	-	-	133,099,000	138,842,000
Payment To Escrow Agent For Refunding	(68,572,000)	-	(32,366,000)	-	(131,775,000)
Proceeds Received From Long-Term Debt	1,712,000	-	108,490,000	-	50,969,000
Premium from Issuance of Debt	-	-	(794,000)	1,345,000	-
Issuance of Debt	51,751,000	-	-	-	-
Capital Leases	-	(1,392,000)	-	-	-
Sale of Capital Assets	-	166,370,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>54,872,000</b>	<b>164,978,000</b>	<b>75,330,000</b>	<b>134,444,000</b>	<b>59,538,000</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (46,804,000)</b>	<b>\$ 89,389,000</b>	<b>\$ (30,218,000)</b>	<b>\$ 48,535,000</b>	<b>\$ (24,327,000)</b>
Debt Service as a Percentage of Non-Capital Expenditures	10.27%	9.37%	8.04%	7.39%	6.73%

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

<u>Fiscal Year</u>	<u>Ad Valorem Taxes General Purpose</u>	<u>Ad Valorem Taxes Debt Service</u>	<u>Franchise Taxes</u>	<u>Sales and Other Use Taxes</u>	<u>Communication Service Taxes</u>	<u>Total</u>
2016	\$ 298,719,456	\$ 25,661,731	\$ 47,416,360	\$ 32,699,735	\$ 60,020,384	\$ 464,517,666
2015	269,303,313	24,848,727	47,560,134	31,254,199	59,576,109	432,542,482
2014	241,722,642	24,853,248	46,311,659	29,490,981	60,395,322	402,773,852
2013	232,082,786	26,425,030	44,698,943	27,737,964	59,322,198	390,266,921
2012	223,386,063	26,887,032	44,649,826	25,803,387	58,045,986	378,772,294
2011	233,193,302	28,131,853	44,881,126	25,987,633	59,426,883	391,620,797
2010	264,548,387	22,662,573	43,120,713	22,665,743	61,966,455	414,963,871
2009	283,516,182	21,377,549	42,823,572	22,566,791	64,010,537	434,294,631
2008	269,785,445	21,327,853	42,298,452	24,860,795	62,257,072	420,529,617
2007	275,012,727	19,886,776	42,257,282	25,505,412	58,099,069	420,761,266



**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					
2016	\$ 27,319,085,749	\$ 15,141,552,949	\$ 2,141,666,844	\$ 44,602,305,542	8.3351	\$ 60,628,790,417	73.57%	
2015	24,605,804,321	13,199,485,300	2,097,769,007	39,903,058,628	8.3850	54,280,943,197	73.51%	
2014	21,934,172,831	11,333,504,297	2,017,164,410	35,284,841,538	8.4310	44,910,824,446	78.57%	
2013	20,102,680,659	10,558,773,418	2,074,115,500	32,735,569,577	8.4710	39,674,594,000	82.51%	
2012	19,106,566,634	10,336,397,326	1,890,870,077	31,333,834,037	8.5010	43,557,261,093	71.94%	
2011	18,536,983,090	10,078,997,005	1,736,766,113	30,352,746,208	8.6441	42,365,151,484	71.65%	
2010	23,341,894,079	11,921,087,043	1,686,540,244	36,949,521,366	8.3335	52,146,883,603	70.86%	
2009	23,572,178,928	11,890,691,413	1,686,320,651	37,149,190,992	8.2543	52,185,972,858	71.19%	
2008	24,279,025,389	11,727,240,945	1,749,572,760	37,755,839,094	7.8775	55,249,891,635	68.34%	
2007	20,320,801,612	11,038,460,135	1,673,647,599	33,032,909,346	8.9955	47,925,276,742	68.93%	

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

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

(1) Includes tax-exempt property.

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

City of Miami, Florida		Overlapping Rates (1)																	
Fiscal Year	Tax Roll Year	General Operations	Debt Service	Total City	Miami-Dade County				Miami-Dade Children's Trust			Miami-Dade County Library System			South Florida Water Management District		Florida Inland Navigation District		Total Direct and Overlapping Rates
					Miami-Dade Board	Miami-Dade County	Miami-Dade Children's Trust	Miami-Dade County Library System	South Florida Water Management District	Environmental Projects	Florida Inland Navigation District								
2016	2015	7.64650	0.6886	8.3351	7.6120	5.1169	0.5000	0.2840	0.3045	0.0506	0.0320	22.23510							
2015	2014	7.64650	0.7385	8.3850	7.9740	5.1169	0.5000	0.2840	0.3294	0.0548	0.0345	22.67860							
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							

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	2016			2007		
	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	\$ 535,078,335	1	1.20%	\$ 256,476,419	3	0.78%
200 S Biscayne TIC 1 LLC	247,609,522	2	0.56%			
CP Miami Center LLC	198,555,245	3	0.45%			
T C 701 Brickell LLC	172,085,196	4	0.39%			
1450 Brickell LLC	160,067,796	5	0.36%			
Plantation General Hospital	154,290,662	6	0.35%			
PR 1111 Brickell LLC	139,998,093	7	0.31%			
Brickell Holding LLC	134,815,800	8	0.30%			
Met II Office LLC	126,923,994	9	0.28%			
Resorts World Miami LLC	126,391,313	10	0.28%			
Teachers Ins and Annuity Assoc of America				262,400,000	1	0.79%
SRI Miami Ventures LP				287,500,000	2	0.87%
Crescent Miami Center				163,000,000	4	0.49%
111 Brickell Office LLC				128,800,000	5	0.39%
Miami Herald Publishing Co.				121,636,670	6	0.37%
City National Bank of Fla.				96,241,152	7	0.29%
Trustees of L and B				92,005,919	8	0.28%
Blue Capital US East				91,200,000	9	0.28%
Cedars Healthcare Group				89,351,175	10	0.27%
<b>Total</b>	<b>\$ 1,995,815,956</b>		<b>4.47%</b>	<b>\$ 1,588,611,335</b>		<b>4.81%</b>
Net Assessed Value- Citywide	\$ 44,602,305,542			\$ 33,032,909,346		

Source: Miami-Dade Property Appraiser

**ITY 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
2016	\$ 353,176,443	\$ 320,048,201	90.62%	\$ 4,332,986	\$ 324,381,187	91.85%
2015	315,966,185	286,106,822	90.55%	8,045,210	294,152,032	93.10%
2014	281,070,226	260,389,830	92.64%	6,206,637	266,596,467	94.85%
2013	262,193,908	251,210,062	95.81%	6,852,822	258,062,884	98.42%
2012	252,157,463	238,225,003	94.47%	12,048,092	250,273,095	99.25%
2011	258,028,695	240,648,308	93.26%	20,676,849	261,325,157	101.28%
2010	319,395,358	275,812,810	86.35%	11,398,150	287,210,960	89.92%
2009	309,582,783	298,355,830	96.37%	7,537,901	305,893,731	98.81%
2008	297,421,622	285,910,801	96.13%	5,202,498	291,113,299	97.88%
2007	297,147,536	291,072,303	97.96%	3,178,849	294,251,152	99.03%

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					Premium (Discounts) Accretions	Total	Percent of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Obligation and Revenue Bonds	Loans Payable	Capital Leases					
2016	\$ 189,735,000	\$ 451,965,127	\$ -	\$ 10,644,628	\$ 8,547,344	\$ 660,892,099	0.00%	1,449	
2015	205,038,304	468,723,244	-	-	12,257,757	686,019,305	2.77%	1,561	
2014	217,378,253	479,517,651	1,236,279	-	21,334,989	719,467,172	2.43%	1,723	
2013	228,970,771	441,414,430	2,436,000	-	23,465,911	696,287,112	2.37%	1,682	
2012	239,988,415	407,366,796	54,971,864	-	-	702,327,075	2.21%	1,758	
2011	251,566,791	418,172,682	57,119,793	-	-	726,859,266	2.08%	1,820	
2010	265,804,455	358,571,022	79,902,293	-	-	704,277,770	2.09%	1,763	
2009	276,113,503	199,629,250	89,426,363	-	-	565,169,116	2.33%	1,559	
2008	235,393,765	198,484,539	73,656,764	-	-	507,535,068	2.56%	1,400	
2007	245,689,409	125,969,708	24,120,164	658,722	-	396,438,003	3.30%	1,094	

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 219 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)
2016	\$ 189,735,000	\$ 3,449,542	\$ 186,285,458	0.418%	408
2015	205,038,305	1,810,610	203,227,695	0.509%	462
2014	217,378,253	3,053,873	214,324,380	0.607%	513
2013	228,970,000	3,588,864	225,381,136	0.688%	545
2012	239,988,415	1,951,991	238,036,424	0.961%	657
2011	251,566,791	336,520	251,230,271	0.906%	693
2010	265,804,455	(41,370)	265,845,825	0.827%	733
2009	276,113,503	1,496,363	274,617,140	0.702%	758
2008	235,393,765	2,138,512	233,255,253	0.487%	644
2007	245,689,409	2,304,217	243,385,192	0.441%	671

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 209 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 218 for population data.

**CITY OF MIAMI, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2016**

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	\$ 1,597,781,000	19.00%	\$ 303,578,390
Miami-Dade County School Board	499,129,000	19.00%	<u>94,834,510</u>
Subtotal, Overlapping Debt			398,412,900
City of Miami, Florida Direct Debt (Includes special obligation, revenue bonds, loans, premium (discount) accretion and capital leases)			<u>660,892,099</u>
Total Direct and Overlapping Debt			<u>\$ 1,059,304,999</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**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 6,391,518,217	\$ 5,688,668,194	\$ 4,990,151,631	\$ 4,599,936,687	\$ 4,533,761,406	\$ 4,383,368,881	\$ 5,370,834,055	\$ 5,372,349,749	\$ 5,400,939,914	\$ 4,954,936,402
Total Net Debt Applicable to Limit	186,285,458	203,204,305	214,300,991	225,381,907	238,036,415	251,229,541	265,845,455	274,617,503	233,254,515	243,385,409
Legal Debt Margin	\$ 6,205,232,759	\$ 5,485,463,889	\$ 4,775,850,640	\$ 4,374,554,780	\$ 4,295,724,991	\$ 4,132,139,340	\$ 5,104,988,600	\$ 5,097,732,246	\$ 5,167,685,399	\$ 4,711,550,993
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	2.91%	3.57%	4.29%	4.90%	5.25%	5.73%	4.95%	5.11%	4.32%	4.91%
Net Assessed Value	\$ 44,602,305,542									
Less Homestead Exempt Valuation	(1,992,184,097)									
Total Assessed Value	42,610,121,445									
Debt Limit for Bonds (1.5% of Total Assessed Value)	6,391,518,217									
Present Debt Application of Debt Limitation	189,735,000									
General Obligation Debt Fund	(3,449,542)									
Total Net Debt Applicable to Limit	186,285,458									
Legal Debt Margin	\$ 6,205,232,759									



**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		
2016	\$ 324,381,187	\$ 14,908,304	\$ 9,123,918	\$ 48,064,444	6.75
2015	294,152,040	12,339,949	13,741,375	52,162,648	5.64
2014	266,575,890	11,592,499	13,780,696	50,746,390	5.25
2013	258,507,816	11,017,644	13,732,200	49,499,688	5.22
2012	250,273,095	11,578,375	13,673,035	50,502,820	4.96
2011	261,325,154	14,237,664	13,782,766	56,040,860	4.66
2010	287,210,960	10,309,047	13,865,476	48,349,046	5.94
2009	304,893,731	10,335,262	12,228,340	45,127,204	6.76
2008	291,113,298	10,465,644	11,379,849	43,690,986	6.66
2007	294,252,080	10,514,753	14,627,989	50,285,484	5.85

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)
2016	456,089	\$ -	\$ -	39	356,480	5.0%
2015	439,509	19,021,071	43,278	39	355,913	5.5%
2014	417,650	17,492,435	41,883	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%

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
- FY 2016 Personal Income Information not available

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

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	33,477	1	2.4%	50,000	1	4.1%
Miami-Dade County Employer	25,502	2	1.9%	32,000	2	2.6%
Federal Government	19,200	3	1.5%	20,400	3	1.7%
Florida State Government	17,100	4	1.5%	17,000	4	1.4%
University of Miami	12,818	5	1.1%	9,874	8	0.8%
Baptist Health South Florida	11,353	6	1.0%	10,826	6	0.9%
American Airlines	11,031	7	0.9%	9,000	9	0.7%
Jackson Health System	9,797	8	0.6%	10,500	7	0.8%
City of Miami	4,179	9	0.4%			
Florida International University	3,534	10	0.3%			
Publix Super Markets				11,000	5	0.9%
Miami-Dade College				6,500	10	0.5%
<b>Total</b>	<b>147,991</b>		<b>11.6%</b>	<b>177,100</b>		<b>14.4%</b>

Sources: The Beacon Council/U.S. Department of Labor-Bureau of Labor Statistics  
City of Miami Budget Office

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of Employees:										
General Government	608	519	538	540	533	505	538	511	641	644
Planning and Development	138	135	126	124	111	96	102	123	128	142
Community Development	35	38	40	43	43	60	54	55	61	52
Public Works	517	506	452	443	442	442	436	521	525	526
Public Safety	2,548	2,448	2,338	2,286	2,282	2,283	2,368	2,390	2,310	2,288
Public Facilities	54	41	41	42	41	41	41	41	54	56
Parks and Recreation	279	196	192	178	178	182	186	265	207	191
Total Number of Employees	4,179	3,883	3,727	3,656	3,630	3,609	3,725	3,906	3,926	3,899

Source: City of Miami, Budget Department

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Community Development:</b>										
Entitlements/Grants Received	\$ 19,287	\$ 19,034	\$ 19,239	\$ 18,794	\$ 24,364	\$ 33,491	\$ 37,815	\$ 26,275	\$ 30,267	\$ 29,943
<b>Public Safety:</b>										
Police:										
Part 1 Crimes - (1)	23,043	23,709	25,208	25,898	28,070	27,045	26,097	25,761	27,907	27,302
Part 1 Arrests - (1)	3,239	3,108	3,715	3,837	4,166	4,295	4,393	4,536	4,741	4,635
Part 2 Arrests - (2)	21,732	22,564	27,580	26,329	25,155	22,269	26,670	32,826	31,211	32,738
Fire:										
Number of Fire Calls	14,445	13,970	12,736	13,131	15,122	16,686	14,493	10,411	18,191	14,472
Number of EMS Calls	87,977	86,038	83,697	79,544	79,279	81,638	76,747	73,017	69,870	72,757
Number of Alarms	102,422	100,008	96,433	92,675	94,401	98,324	91,240	83,428	88,061	87,229
<b>Planning and Development:</b>										
Certificate of Use Permits Used	26,739	21,191	23,399	20,860	20,907	20,775	20,156	22,724	21,482	22,000
Business Tax Receipts Issued	26,661	22,566	33,877	29,686	23,117	22,478	29,548	22,092	22,498	42,000
<b>Culture and Recreation:</b>										
Summer Food Program - Meals Served (Lunches)	N/A	N/A	123,925	119,603	98,129	92,737	59,785	N/A	N/A	104,472
Summer Food Program - Meals Served (Snacks)	N/A	N/A	123,425	122,512	106,449	87,963	62,983	N/A	N/A	114,670
<b>Solid Waste:</b>										
Refuse Collected (Tons/Day)	562	693	675	643	586	551	566	N/A	717	629
Recyclables Collected (Tons/Day)	52	39	48	52	14	14	11	N/A	16	13

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<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	3	3	2
<b>Fire:</b>										
Fire Stations	15	15	14	14	14	14	14	14	14	14
<b>Solid Waste:</b>										
Collection Trucks	148	141	143	144	144	160	160	N/A	181	175
<b>Public Works:</b>										
Streets (Miles - Paved)	663.2	663.5	663.5	663.8	662.1	662.1	662.1	662.1	662.2	662.2
Streets (Miles - Unpaved)	0.84	0.84	0.84	0.92	1.12	1.1	1.1	1.1	N/A	1.2
<b>Transportation:</b>										
Steet Resurfacing (Miles)	24.02	40.98	27.7	23.7	23.7	18.3	15.8	N/A	21.6	23.3
<b>Culture and Recreation:</b>										
Parks Acreage	1,497	936	897	897	897	894	894	894	894	894
Parks	143	131	127	127	127	112	112	112	112	112
Swimming Pools	15	15	15	15	15	15	15	15	11	11
Tennis Courts	61	61	61	61	61	61	61	61	55	55
Community Centers	34	43	35	34	34	34	34	34	32	32
Basketball Courts	71	71	71	71	71	71	71	71	63	63
Water Playgrounds	5	5	4	4	3	2	2	2	2	2
Soccer Fields	15	15	15	15	13	13	13	13	11	11
Football Fields	9	9	9	9	9	9	9	9	10	10
Baseball Fields	30	30	30	30	30	30	30	30	27	27
Open Practice Fields	2	2	2	2	2	2	2	2	2	2
Cricket Field	-	1	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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About the Cover

Bronze Statue of Founder and

Mother of Miami Julia Tuttle

Located at Bayfront Park,

Downtown Miami

**City of Miami, Florida**

**Finance Department**

444 SW 2 Avenue, 6th Floor

Miami, Florida 33130





2016



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED September 30, 2016

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