

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2014

CITY OF MIAMI BEACH, FLORIDA



City of Miami Beach, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

Jimmy L. Morales
City Manager

Patricia D. Walker
Chief Financial Officer

Report prepared by: Finance Department

Cover picture
Beach Entrance 5th Street, Miami Beach, Florida
<http://web.miamibeachfl.gov/>

**City of Miami Beach, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2014**

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INTRODUCTORY SECTION



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

March 25, 2015

Honorable Mayor and Members of the City Commission:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Miami Beach, Florida (the "City"), for the fiscal year ended September 30, 2014.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, business-type activities, fiduciary activities, and discretely presented components units of the City. All disclosures necessary to enable the reader to gain an understanding of the financial activities of the City have been included.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statutes require an annual audit by independent certified public accountants and for the City Commission to appoint an audit committee to make the selection of the independent auditors. Crowe Horwath LLP was selected by the audit committee and then approved by the City Commission. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 as amended and the State of Florida Single Audit Act in accordance with OMB Circular A-133 and Florida Rules of the Auditor General, Section 10.550, respectively. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

As a recipient of federal, state, and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the Internal Audit Department of the City.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, Chapter 7672, Laws of Florida (1917). The City is governed by an elected Mayor and six Commissioners. The City operates under a Commission-Manager form of government. The term for the Mayor is two years, with a lifetime term limit of three two-year terms. The term for the Commissioners is four years, with a lifetime term limit of two four-year terms. The Commission is responsible, among other things, for passing ordinances, adopting the budget, approval of property tax levies, authorizing and approving debt secured by the full faith and credit of the City or any of its revenue streams, appointing committees, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments with the consent of the City Commission.

The accompanying financial statements present the City and its component units, entities for which the City is considered financially responsible. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The City provides a full range of services. These services include police and fire protection, recreational activities, cultural events, sanitation services, water, sewer and storm water services, neighborhood and community services, and the construction and maintenance of streets and infrastructure. This report includes activities of the Miami Beach Visitor and Convention Authority, Miami Beach Employee's Retirement Plan, the City Pension Fund for Firefighters and Police Officers, Firemen's and Policemen's Relief and Pension Funds, Other Post Employment Benefits (OPEB) Trust, the Miami Beach Health Facilities Authority, and the Miami Beach Redevelopment Agency (the "Agency").

The annual budget serves as the foundation for the City's financial planning and control. Prior to the first public hearing required by state law, the City Commission is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means for funding them. After Commission review and two public hearings, the budget is adopted. The budget is approved by fund and department. Management may transfer amounts between line items within a department as long as the transfer does not result in an increase in the department budget. Increases to funds or department budgets and transfers between departments require Commission approval. Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the capital projects fund, which adopts project-length budgets. Budget-to-actual comparisons are provided in the required supplementary information section of this report for the general fund, the resort tax special revenue fund, and the Miami Beach Redevelopment Agency special revenue fund. Funds and grants that have multi-year project budgets are not presented in the statements.

Local Economy

The City is located on a barrier island surrounded by the Atlantic Ocean to the east and Biscayne Bay to the west. Tourism is the largest sector of the City's economy with over \$2.2 billion in direct tourist spending on hotel, food, and beverage, and also a large portion of the City's \$1 billion retail marketplace. In 2013, the City's hotels hosted more than 5 million overnight visitors, and approximately 7 million tourists visited South Beach and the Art Deco Historic district with 2014 results showing a continued upward trend. Additionally, the City is a regional destination with approximately 7 to 9 million day-trips by residents of the surrounding area, making the City one of the most popular attractions in Florida.

Hotel room sales in Miami Beach increased by 7% from 2013, following the 9% increase a year earlier demonstrating the continued strength of the Miami Beach lodging market, and its role as the key driver of tourism in South Florida. 2014 hotel room occupancy remains stable at 77%, as in 2013, reflecting continued absorption of an inventory of hotel rooms that has increased significantly from 13,506 at the beginning of 2008 to 17,751 for 2014. This additional inventory has provided the City with additional hotel room resources and product that will continue to attract visitors and additional investment over the long term. It is important to note that, with the exception of a de minimis 1% decline in the first quarter of 2008, room night demand has shown year over year increases in every quarter from the third quarter of 2007 through 2014.

Moreover, the overall economy of the City remained stable, with an estimated gross 2013 City product of \$8.2 billion, up from \$7.7 billion in 2012. The City's 2014 unemployment rate of 5.3%, is below comparable geographies, such as 7.9% for the Greater Miami Metropolitan statistical area, 5.6% for Florida, and the national rate of 5.6%. It was also a significant drop from a local unemployment rate of 9.5% in 2011.

In recent years, the City has diversified beyond its traditional tourism based economy to become a leading multi-industry business center with entertainment, health care, culture, and professional services industries. We have attracted major television series to the City, including Burn Notice (USA), Magic City (Starz) and Ballers (HBO) and features including Iron Man 3, Step Up Revolution, Pain & Gain and Ride Along 2. The City hosted the inaugural eMerge Americas Conference showcasing the best and brightest technology innovators and entrepreneurs, including Rokk3rlabs a tech hub that is based in Miami Beach. In December 2013, the world's most prestigious art fair, Art Basel, based in Switzerland, celebrated the twelfth anniversary of its Miami Beach exhibition, with attendance and sales increasing every year.

Retail tenants continue to open locations and expand in the City, joining established operations such as Armani Exchange, Kenneth Cole, Urban Outfitters, Diesel, Nicole Miller, Forever 21, H&M and Gap's new two story location. New retailers that joined the Miami Beach market in 2014 included Athleta & Intermix with Lululemon, Zadiq and Voltaire and Kiko Milano scheduled for 2015. As of September 30 2014, Class A office space in prime locations continues to generate interest with a vacancy rate of approximately 9.9%, anchored by corporate tenants such as LNR Property Corporation, Terranova, and Benetton.

Although there are industrial factors well beyond the City's control, the entertainment industry continues as an important part of the City's economy. The City remains a key location for the production of movies, fashion campaigns, and TV series; and many international talent and model agencies have established and continue operations in the City. The City continues to grow as an international destination for major events. In addition to Art Basel Miami Beach, Design Miami, the South Beach Food and Wine Festival, the Miami International Auto Show, the South Beach Comedy Festival, the Miami Beach International Boat Show, and the Winter Music Conference continue to provide a strong base that supplements the meeting and trade show segment.

The City also remains a leader in the real estate industry, as the median price of homes and condominiums continued to stabilize through 2014. Development in the City continues to grow, specifically in North Beach, an area historically overlooked for significant projects by developers. Growth management initiatives in the late 1990's resulted in more limited supply, somewhat reducing the exposure of excess new residential inventory that was experienced in some other cities. Since the end of 2008, as recessionary pressures eased on the economy, the City has had quarterly increases of units sold, and a decline in the number of condominium units for sale, from over 4,000 in early 2008, to 1,470 in December 2013. In 2014 however due to rising prices and a strengthening dollar, the sales velocity of the market has eased, with the condo listing inventory increasing to 3,409 in 2014 from record lows in 2013.

Centennial Celebration

The City of Miami Beach will be turning 100 years old in 2015. To commemorate this historic event, the City will host a spectacular 100-hour non-stop celebration in March, 2015 featuring a fashion show, a car show, a world class tennis exhibition, and an Oceanside mega concert. The centennial concert will include performances by some of the world's leading artists, providing an unprecedented platform from which the City will focus on protecting the spectacular marine and coastal ecology with an emphasis on climate change strategies for the future and creating awareness for a global climate initiative.

Infrastructure

The 2014 Community Survey identified storm drainage as a key issue for residents. Only 25% of residents rated storm drainage as excellent or good. In fact, nearly nine out of 10 residents (87%) claimed they would support the City spending tax dollars to address rising sea levels. Two new committees were formed to address the City's current and future drainage issues, the Mayor's Blue Ribbon Panel on Flooding and Sea Rise and the Sustainability & Resiliency Committee.

Budgeting

Although the development of our budget this year has been challenging, through rigorous review and good leadership, the Adopted Work Plan and Budget for fiscal year ended September 30, 2014 was balanced and enables the City to continue delivering outstanding, enhanced services to our residents, businesses and visitors, and continuing structural enhancements to ensure the long-term sustainability of the City. The General Fund operating budget is only 7% more than the fiscal year ending September 30, 2007 budget, in spite of 16% growth in the Consumer Price Index (CPI) during a similar period, 127% growth in pension costs, and many new facilities and projects coming on line.

Adopted tax rates: The millage rate is the tax per dollar of assessed value of property. The rate is expressed in "mills", where one mill is one-tenth of a cent (\$0.001). The City Commission adopted a total combined millage rate for the City of 6.1163 mills. The total adopted operating millage is 5.8634 mills, including a general operating millage rate of 5.7551 mills and a general fund capital renewal and replacement rate of 0.1083 mills. The adopted voted debt service millage rate is decreased from 0.2568 to 0.2529, a decrease of 0.0039 mills. Further, although the City increased the operating tax rate by 0.56 mills in fiscal year ended September 30, 2011, the City has decreased the millage by 0.3521 mills in the last three years and combined millage rates today are 0.3862 mills lower than the fiscal year ending in 2010.

Property Values and Ad Valorem Taxes: To arrive at the 2014 Ad Valorem tax levy, the City obtained the 2013 Certification of Taxable Value from the Property Appraiser stating that the taxable value for the City was \$24.7 billion including \$78.1 million in new construction. The preliminary 2013 value represents an increase of \$1.6 billion or 6.9% greater than the July 1, 2012 Certification of Taxable Value of \$23.1 billion. On July 1, 2014, the City received the 2014 Certification of Taxable Value from the Property Appraiser stating that the taxable value for the City of Miami Beach is \$27.1 billion including \$152.2 million in new construction.

Determining the Voted Debt Service Millage Levy: The general obligation debt service payment for fiscal year 2014 is approximately \$5.9 million. To arrive at the 2014 debt service millage levy, the City obtained the 2013 Certification of Taxable Value from the Property Appraiser. Based on the value, the bonds would require the levy of a voted debt service millage of 0.2282 mills. This represents a decrease of 0.0286 mills.

Efficiencies and Reductions: As with the preparation of budgets for the last four years, departments continued to analyze and present their budgets from two perspectives: 1) reviewing for potential efficiencies, reorganizations to reduce cost, etc., without impacting services; and 2) performing a modified zero-based analysis of each department budget, identifying potential service reduction alternatives versus core functions. For each of the potential service reductions, departments provided the type of impact and magnitude of potential service impacts. Core functions were defined as those functions which, if cut, render it impossible for the department to provide basic service at a reasonable level. In spite of the significant reductions in the General Fund over the last six years, we continue to be proactive in locating additional efficiencies in the General Fund. For fiscal year 2014, approximately \$617,000 of efficiencies are built into the adopted General Fund budget.

Debt Administration

The City continues to maintain its Aa2 rating with Moody's while S&P increased the City's ratings to AA+. Under current state statutes, general obligation bonded debt issued by the City is subject to a legal limitation based on 15% of total assessed value of real and personal property. As of September 30, 2014, the general obligation bonded debt of the City totaling \$57 million was well below the legal limit of \$3.2 billion. The City's total debt per capita equaled \$4,785 at September 30, 2014.

Awards and Acknowledgements

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 for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the twenty-seventh (27) consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

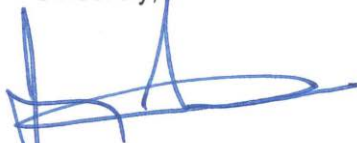
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the comprehensive annual financial report was made possible by the dedicated work and tireless efforts of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Mayor and City Commission, preparation of this report would not have been possible.

Sincerely,



Jimmy L. Morales
City Manager



Patricia D. Walker
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Miami Beach
Florida**

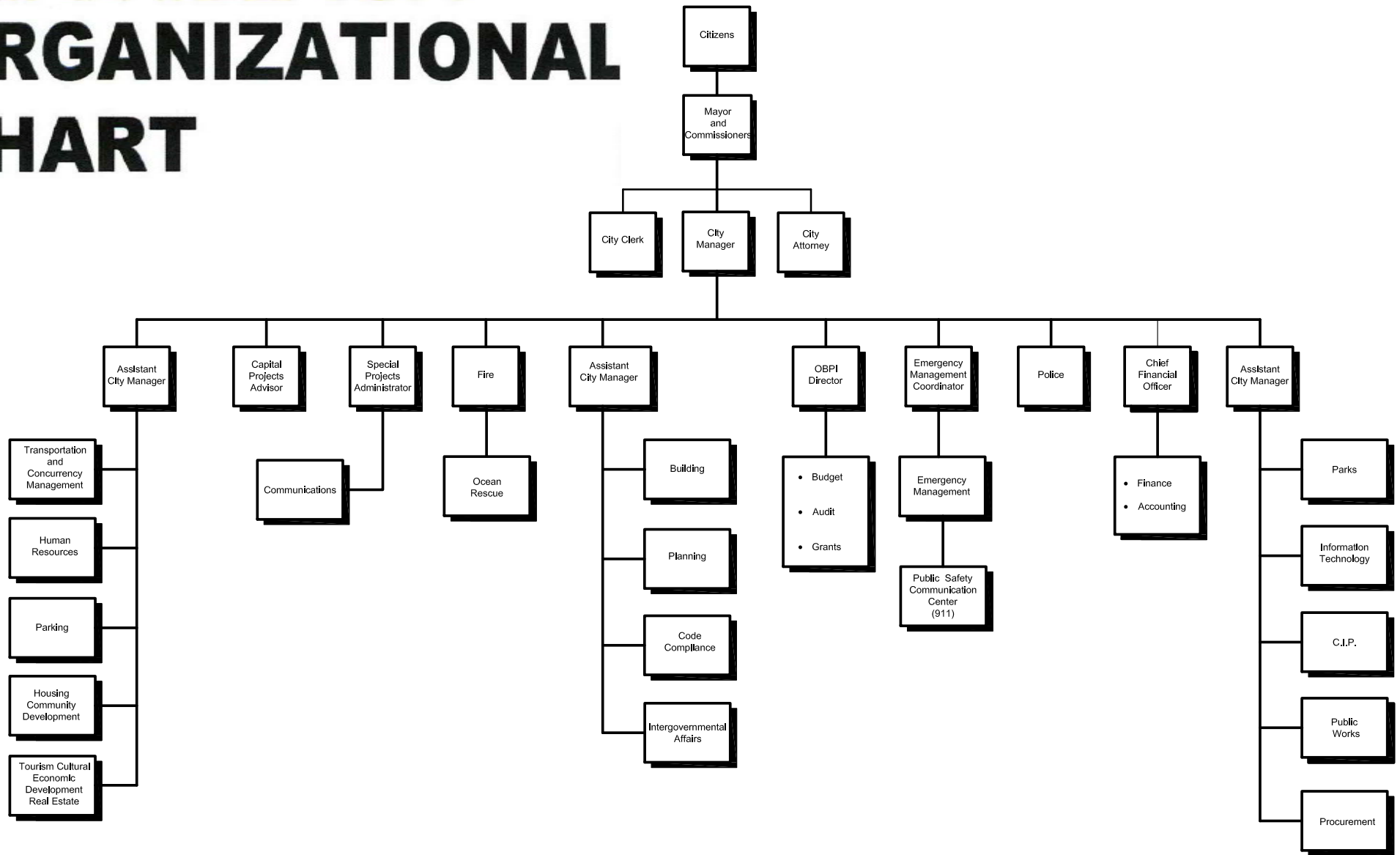
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

MIAMI BEACH

ORGANIZATIONAL CHART



CITY OF MIAMI BEACH, FLORIDA
List of Elected Officials and Administration

September 30, 2014

City Commission

Philip Levine, Mayor

Michael Grieco, Commissioner

Joy Malakoff, Commissioner

Micky Steinberg, Commissioner

Edward L. Tobin, Commissioner

Deede Weithorn, Commissioner

Jonah Wolfson, Commissioner

Administration

Jimmy L Morales, City Manager

Patricia D. Walker, Chief Financial Officer

Jose Jimenez, Assistant City Manager

Kathie G. Brooks, Assistant City Manager

John M. Taxis, Assistant City Manager

Allison R. Williams, Chief Accountant

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Miami Beach Florida Employees' Retirement Plan and the City Pension Fund for Firefighters and Police Officers, which represent 33 percent, 34 percent, and 26 percent; and 49 percent, 51 percent, and 34 percent, respectively, of the assets, net position/fund balances, and revenues/additions of the financial statements of the aggregate remaining fund information of the City. 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 City of Miami Beach Florida Employees' Retirement Plan and the City Pension Fund for Firefighters and Police Officers, is 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. The financial statements of the City Pension Fund for Firefighters and Police Officers was not audited in accordance with *Government Auditing Standards*.

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 financial statement 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof 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 II. A. to the financial statements, in March 2012, the GASB issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. The provisions of this Statement are effective for the City's fiscal year ended September 30, 2014, with earlier application being encouraged. The City has implemented this statement retroactively for their fiscal year ended September 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. As a result, net position was restated as of October 1, 2013 for the cumulative effect of the application of this pronouncement. Our opinion is not modified with respect to this matter.

As discussed in Note II. A. to the financial statements, in June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. The provisions of this Statement are effective for the City's fiscal year ended September 30, 2014, with earlier application being encouraged. The City's pension plans', reported as pension trust funds of the City, have implemented this statement retroactively for their fiscal year ended September 30, 2014. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. 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 management's discussion and analysis, the schedule of funding progress, and the budgetary comparison schedules on pages 12 through 27, 91, and 92 through 94, respectively, 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 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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Crowe Horwath LLP

Fort Lauderdale, Florida
March 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Our discussion and analysis of the City of Miami Beach's (the "City") financial performance provides an overview of the City's financial activities for the year ended September 30, 2014. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2014 by \$1.3 billion (net position). Of this amount, \$773.2 million was net investment in capital assets. Additionally, \$234.9 million was restricted by laws, agreements, or debt covenants. The City has unrestricted net position of \$328.7 million.
- During fiscal year 2014, the City's net position increased by \$62.4 million. Of this increase, \$45.7 million was in governmental activities and the remaining increase of \$16.7 million in business-type activities. For the governmental activities, revenues from charges for services increased by \$4.9 million or 5.8%, operating grants and contributions decreased \$.3 million or 1.7%, capital grants and contributions decreased \$.5 million or 14.2% and general revenues increased by \$20.1 million or 8.4%, while expenses increased by \$20.1 million or 8.4%. For the business-type activities, charges for services increased \$3.9 million or 2.6%, while expenses increased by \$13 million or 4.1% over the prior year.
- Overall the City's assets and deferred outflows increased from \$1,859 million to \$1,921 million. Major changes occurring in this area were; \$31.5 million in capital asset additions, \$32 million increase in cash, \$3.3 million addition of unamortized refunding costs and \$4.5 million reduction relating to prepaid costs as a result of GASB 65.
- The City's overall liabilities and deferred inflows decreased from \$584.8 million to \$584 million. Major changes occurring in this area were; \$26.4 million in principal reduction, \$8.5 million additions to OPEB, \$4.5 million in new loans, \$4.3 million addition to claims and a \$3.3 million addition of unamortized refunding costs a result of GASB 65.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have the following 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 that of a private-sector business.

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

The statement of activities presents information showing how the City's net position changed during each fiscal year. 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 in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Both the statement of net position and the statement of activities of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities of the City include general government, public safety,

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

physical environment, transportation, economic development, human services, and culture and recreation. The business-type activities of the City includes storm water, water and sewer, parking, convention center complex, sanitation, and Miami Beach Redevelopment Agency's parking and leasing operations.

The government-wide financial statements include not only the City itself, but also a legally separate Visitor and Convention Authority and a legally separate Health Facilities Authority. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary 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. 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 a fiscal year. Such information may be useful in evaluating 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 the comparison between governmental funds and governmental activities.

The City maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, resort tax special revenue fund, Miami Beach Redevelopment Agency special revenue fund, and capital projects fund which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, its resort tax special revenue fund, and its Miami Beach Redevelopment Agency's special revenue fund. A budgetary comparison statement has been provided for all of the above funds to demonstrate compliance with the fund's budget. The City also adopts a multi-year capital budget which is not included in this report, but can be found at the City's website.

The governmental funds financial statements can be found on pages 30-33 of this report.

Proprietary Funds. The City maintains seven different types of enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its storm water utilities, water and sewer utilities, parking, convention center complex, sanitation, and Miami Beach Redevelopment Agency's parking and leasing. The City maintains 6 internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management, property management, central services, risk management self insurance, health self insurance and communications operations. Since these services predominantly benefit governmental rather than business-type functions, they have been included within

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements separate information for the storm water utilities, water and sewer, parking, and convention center complex, which are considered to be major funds of the City. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The fiduciary funds include the four Pension Trust Funds, one OPEB Trust Fund and one general agency fund.

The fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-90 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees. Required supplemental information can be found on pages 91-94 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 96-115 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Government-wide Financial Analysis

The table below summarizes the statement of net position:

CITY OF MIAMI BEACH Net Position (in thousands)

	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 408,561	\$ 438,103	\$ 286,207	\$ 283,388	\$ 694,768	\$ 721,491
Capital assets	586,934	603,504	577,544	592,509	1,164,478	1,196,013
Deferred outflows		1,311		1,997		3,308
Total assets and deferred outflows	<u>995,495</u>	<u>1,042,918</u>	<u>863,751</u>	<u>877,894</u>	<u>1,859,246</u>	<u>1,920,812</u>
Long-term liabilities						
outstanding	281,263	280,934	267,135	259,995	548,398	540,929
Other liabilities	23,177	24,944	13,216	17,142	36,393	42,086
Deferred inflows		245		675		920
Total liabilities and deferred inflows	<u>304,440</u>	<u>306,123</u>	<u>280,351</u>	<u>277,812</u>	<u>584,791</u>	<u>583,935</u>
Net position:						
Net investment in capital assets	429,860	429,990	382,255	392,350	812,115	822,340
Restricted	129,616	146,377	40,086	39,437	169,702	185,814
Unrestricted	131,579	160,428	161,059	168,295	292,638	328,723
Total net position	<u>\$ 691,055</u>	<u>\$ 736,795</u>	<u>\$ 583,400</u>	<u>\$ 600,082</u>	<u>\$ 1,274,455</u>	<u>\$ 1,336,877</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.3 billion at September 30, 2014, an increase of \$62.4 million or 4.9% from the prior year.

The largest portion of the City's net position, \$823.3 million or 61.5%, reflects its investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment), less any related debt used to 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$185.8 million or 13.9% represents resources that are subject to external restrictions on how they may be used. This includes but is not limited to grant proceeds, Redevelopment Agency tax increments, Resort Tax proceeds, impact fees, Interlocal agreements, and debt service requirements. The remaining balance of unrestricted net position, which is \$328.7 million or 24.6% consists of \$160.4 million from governmental activities and \$168.3 million from business type activities. For financial reporting purposes, these balances are considered unrestricted, however, the majority of these balances are committed or assigned at the fund level by the City Commission.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. The City's net position increased by \$62.4 million, or 4.9%, during the current fiscal year. Governmental activities accounted for an increase of \$45.7 million while Business-type activities accounted for the remaining \$16.7 million of the increase.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Changes in Net Position Governmental Activities for the fiscal year ended September 30, (in thousands)

	2013	2014
Revenues:		
Program revenues:		
Charges for services	\$ 83,490	\$ 88,352
Operating grants and contributions	19,529	19,206
Capital grants and contributions	3,449	3,938
General revenues:		
Taxes:		
Property taxes, levied for general purposes	111,812	115,939
Property taxes, levied for debt services	5,352	5,657
Resort taxes	58,618	61,761
Tax increment	43,297	49,962
Utility taxes	11,392	12,364
Local business	4,412	4,493
Communication services	4,583	4,679
Miscellaneous	983	1,155
Unrestricted investment earnings	3,494	3,089
Total revenues	<u>350,411</u>	<u>370,595</u>
Expenses:		
General government	45,986	43,366
Public safety	188,421	197,240
Physical environment	2,740	3,168
Transportation	11,843	14,387
Economic environment	4,538	4,877
Human services	2,139	2,213
Culture and recreation	49,424	53,476
Interest on long-term debt	9,468	8,819
Total expenses	<u>314,559</u>	<u>327,546</u>
Increase in net position before transfers and gain on sale of capital assets	35,852	43,049
Gain on sale of capital assets	491	200
Unrealized Loss on Investments	(5,241)	
Transfers	4,410	4,664
Increase in net position	<u>35,512</u>	<u>47,913</u>
Net position - beginning, as restated.	655,543	688,882
Net position - ending	<u><u>\$ 691,055</u></u>	<u><u>\$ 736,795</u></u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Governmental activities. Governmental activities increased the City's net position by \$45.7 million, thereby accounting for 73.3% of the total growth in the net position of the City. Key elements of the net increase are as follows:

Governmental activities revenues consisted of program revenues which amounted to \$111.5 million and general revenues which amounted to \$259.1 million, for a total of \$370.6 million. Property tax revenue for general purposes which represents 31.3% of total revenues was \$116 million. This is an increase of \$4.1 million or 3.7% from the prior year.

Property taxes are levied by the City based on the Miami-Dade County property appraisers determined property values in the City. The Miami-Dade County Property Appraiser determined that certified taxable property values in the City increased from \$23.07 billion in 2013 to \$24.66 billion in 2014, an increase of \$1.59 billion. The City's operating millage rate decreased from 6.0909 in fiscal year 2013 to 5.8634 in 2014, a decrease of .2275 mills.

Charges for services which represent 23.8% of total revenues was \$88.4 million. This amounted is an increase of \$4.9 million or 5.8% over the prior year. These charges at the government wide statement level are primarily derived from Parks and Recreation (including Golf Courses) user fees, ambulance fees, off duty services, franchise fees, rents and leases, license, permits, fines, forfeitures and administrative fees from enterprise funds and some forms of intergovernmental revenues.

Tax increment revenue which represents 13.5% of the revenues was \$50 million. This amount is an increase of \$6.7 million or 15.4% from the prior year. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the County) multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations. Fluctuations in tax increment revenue are based on real estate property values City wide.

Resort tax which represents 16.7% of revenues was \$61.8 million which is an increase of \$3.1 million or 5.4% from the prior year. Resort tax is a 3% tax on the rent of a room or rooms in any hotel, motel, rooming house or apartment house and 2% on the total sales price of all food and beverage (included beer and wine sold at retail in any restaurant). Fluctuations in resort tax revenues are based on the fluctuation in the sales of the above items and varies from one year to another based on the economy.

Governmental activities expense consisted of functional expenses for the City's general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation and interest on long-term debt. These functional expenses amounted to \$327.5 million. Significant portions of these expenses were in the public safety, general government and culture and recreation functions.

Public safety function expense was \$197.2 million and represents 60.2% of total expenses. The City's public safety function includes the personnel and operations for police, fire, ocean rescue, building operations, emergency 911 services and other. In addition, grant funded expenses for police, fire and other public safety activities are reported under this category. Expenses in this function increased by \$8.8 million or 4.7% from the prior year.

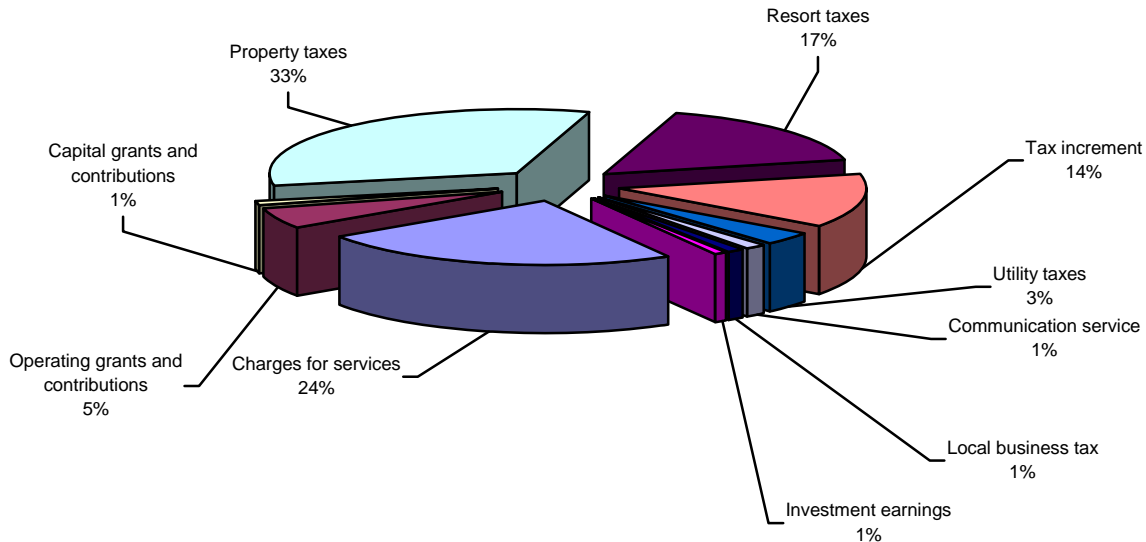
General government function expense was \$43.4 million and represents 13.2% of total expense. The City's general government function includes the City attorney's office, public works department, planning department, capital investment and upkeep office, budget and finance office, office of procurement, city manager's office, city clerk's office, human resources office and other special projects. Expenditures in this function decreased by \$2.6 million or 5.7% from the prior year.

Culture and recreation function expense was \$53.5 million and represents 16.3% of total expenses. The City's culture and recreation function includes expenses for grant funded culture and recreation activities,

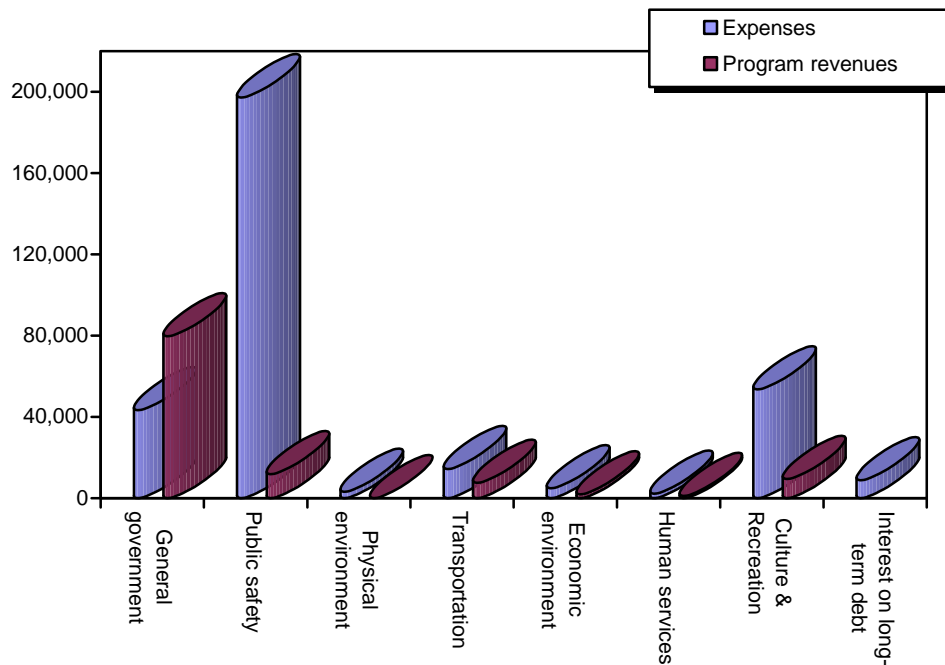
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

the City's parks and recreation department, Office of Tourism and Cultural Development, Bryon and Colony theater operations, golf course operations, and a variety of arts, cultural and entertainment programs. Expenses in this function had a net increase of \$4.1 million or 8.2% from the prior year.

Revenue by Source – Governmental Activities for the year ended September 30, 2014 (in thousands)



Expenses and Program Revenues – Governmental Activities for the year ended September 30, 2014 (in thousands)



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Changes in Net Position Business-type Activities for the fiscal year ended September 30, (in thousands)

	2013	2014
Revenues:		
Program revenues:		
Charges for services	\$ 147,135	\$ 151,029
Operating grants and contributions	10,025	10,622
General revenues:		
Tax increments	3,671	3,671
Unrestricted investment earnings	1,334	1,115
Total revenues	<u>162,165</u>	<u>166,437</u>
Expenses:		
Storm water	7,651	7,877
Water	28,798	28,965
Sewer	31,187	31,374
Parking	33,137	37,072
Convention Center	17,153	17,418
Sanitation	15,689	15,876
Redevelopment Agency's Parking	3,837	3,792
Redevelopment Agency's Leasing	504	464
Total expenses	<u>137,956</u>	<u>142,838</u>
Increase in net position before transfers and gain on sale of capital assets and investments	24,209	23,599
Gain on sale of capital assets	73	108
Unrealized loss on investments	(178)	(12)
Transfers	(4,410)	(4,664)
Increase in net position	<u>19,694</u>	<u>19,031</u>
Net position - beginning, as restated.	563,706	581,051
Net position - ending	<u>\$ 583,400</u>	<u>\$ 600,082</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Business-type activities. Business-type activities increased the City's net position by \$16.7 million, thereby accounting for 26.7% of the total growth in the net position of the City.

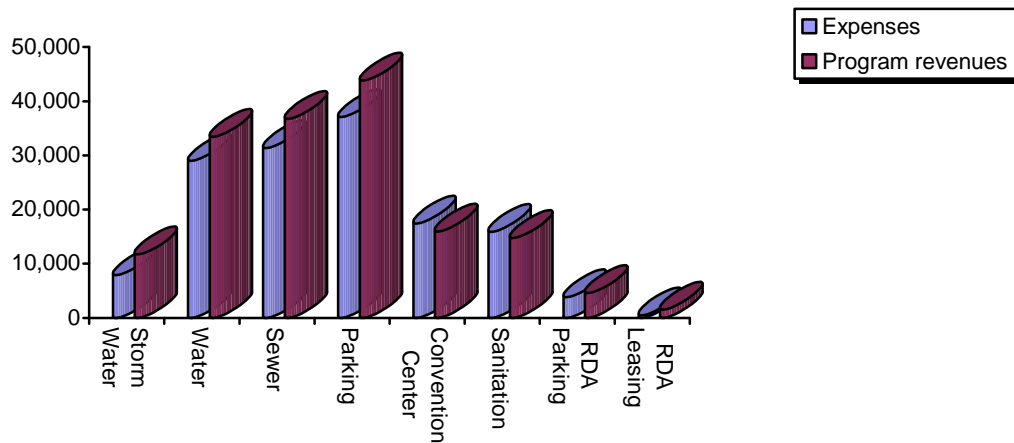
Key elements of the net increase are as follows:

- The Stormwater fund had a change in net position of \$3.4 million. Operating revenues increased by \$43,585 or .4% and operating expenses increased by \$.4 million or 6.6% from the prior year. Net non-operating expenses were \$1.8 million, and consisted of \$2 million in interest and fiscal charges, \$23,284 in gains on disposal of capital assets, \$81,605 in unrealized losses on investments and \$223,638 in interest income. Fiscal Year 2014 saw no increase in Stormwater rates. Rates were maintained flat at \$9.06 per Equivalent Residential Unit (ERU).
- The Water and Sewer fund had a change in net position of \$10.3 million. Operating revenues increased by \$1.9 million or 2.8% and operating expenses decreased by \$219,579 or .4% from the prior year. Net non-operating expenses were \$2.7 million and consisted of \$3.1 million in interest and fiscal charges, \$38,393 in gain on disposal of capital assets, \$51,151 in unrealized gain on investments and \$258,938 in interest income. Fiscal Year 2014 saw no increase in both the Water and Sewer rates. Water rates were maintained at \$4.36 per 1,000 gallons and Sewer rates at \$6.34 per 1,000 gallons.
- The Parking System fund had a change in net position of \$1.8 million. Operating revenues decreased by \$253,431 or .6% and operating expenses increased by \$4.1 million or 12.7% from the prior year. Net non-operating revenues were \$ 2.7 million and consisted of \$666,355 in interest and fiscal charges, \$27,438 in gain on disposal of capital asset, \$18,066 in unrealized gain on investments and \$417,423 in interest income. Also included in this amount is \$3 million in intergovernmental revenues for the City's share in parking ticket revenue from Miami-Dade County. Intergovernmental revenue decreased by \$545,519 or 15.5% from the prior year. The decrease in revenues was impacted by construction related projects that occupied many parking areas. The Parking System hourly rates for metered parking in the South Beach Parking Zone, is \$1.75 and is enforced between the hours of 9 am to 3 am. Metered parking hourly rates in the middle and north areas continue to be \$1.00 and hours of enforcement are 8 am to 6 pm.
- The Convention Center fund had a change in net position or loss of \$2.1 million. Operating revenues decreased by \$1.2 million or 12.6% and operating expenses increased by \$240,957 or 1.4% from the prior year. Net non-operating revenues were \$7.7 million consisting of \$70,301 in interest income. Also included in this amount is \$7.6 million in intergovernmental revenue for the City's share of Convention Development Taxes (CDT) received from Miami-Dade County. Intergovernmental revenues increased by \$1.1 million or 17.6% from the prior year. The Convention Center's largest operating expenses were depreciation expense on capital assets and personal services costs. Historically, the Convention Center Fund has had net operating losses with \$3.2 million in 2011, \$2.9 million in 2012, and \$1.7 million in 2013.
- Other Enterprise funds, which include the Sanitation, Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds, had a change in net position of \$5.7 million. The Parking funds accounts for the Anchor garage and Penn garage. The Leasing funds accounts for the Anchor Shoppe and Penn Shoppe. In the combined funds, operating revenues increased by \$3.4 million or 19.29% and operating expenses increased by \$122,664 or .6% from the prior year. Net non-operating revenues were \$3.8 million and consisted of \$13,869 in interest and fiscal charges, \$18,694 in gain on disposal of capital assets and \$144,106 in interest income. Also included in this amount is \$3.7 million in tax increments; which was the same amount as the prior year.

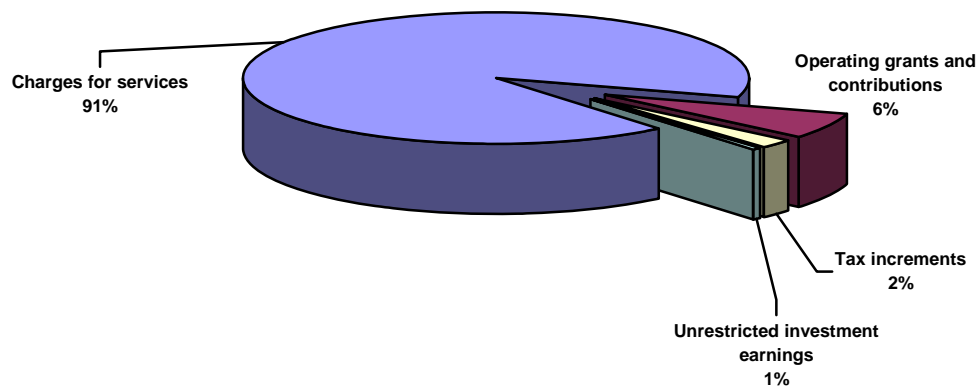
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The following chart shows a comparison of expenses to program revenues for business-type activities for fiscal year 2014:

**Expenses and Program Revenues – Business-type Activities
for the year ended September 30, 2014 (in thousands)**



**Revenue by Source – Business-type Activities
for the year ended September 30, 2014 (in thousands)**



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds.

Governmental Funds (in thousands)

	General	Resort Tax	Miami Beach Redevel- opment Agency	Capital Projects	Other Govern- mental Funds	Total Govern- mental Funds
Fund balances						
Sep. 30, 2013	\$ 54,138	\$ 19,991	\$ 17,311	\$ 172,385	\$ 75,110	\$ 338,935
Revenues	219,948	62,504	37,788	17,977	25,183	363,400
Expenditures	(252,380)	(12,515)	(18,812)	(22,706)	(42,201)	(348,614)
Other financing sources (uses)	28,797	(50,393)	(20,788)	16,704	30,747	5,067
Fund balances						
Sept. 30, 2014	<u>\$ 50,503</u>	<u>\$ 19,587</u>	<u>\$ 15,499</u>	<u>\$ 184,360</u>	<u>\$ 88,839</u>	<u>\$ 358,788</u>

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 funding requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's general fund is required to adopt an annual budget prepared on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP). Surpluses from any prior fiscal years cannot be appropriated in future fiscal years.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the general fund was \$50.5 million. This consisted of \$4.8 million restricted for the future funding of the City's building department operations, \$43.7 million for emergencies, \$346,608 in purchase commitments, and \$1.7 million assigned by the City Commission future year's shortfall.

The general fund's net decrease in fund balance for the fiscal year was \$3.6 million. Overall revenues had a net increase of \$3.9 million or 4 % over the prior year. Ad-valorem tax, which is 53% of the general fund revenue collected, increased by \$3.9 million or 3.5%. There were also increases in permitting revenue of \$1.7 million or 9.7% and an increase in utility revenue of \$1 million or 9.7%. Expenditures in the general fund increased by \$4.6 million or 1.9%, primarily in the public safety function, which account for 68.3% of general fund expenditures. Net other financing sources decreased by \$745,991 or 2.5% over the prior fiscal year.

The resort tax fund accounts for the collection of special tax levied city-wide on food, beverage and room rents used to support tourist related activities. At the end of the current fiscal year, fund balance of the resort tax fund was \$19.6 million. Resort tax collected during the year was \$61.8 million, an increase of \$3.1 million or 5.4% from the prior fiscal year. Net other financing uses, which was \$50.4 million increased by \$7.1 million or 16.3% and expenditures increased by \$905,794 or 7.8%. The resort tax fund balance decreased by \$404,706 or 2% from the prior fiscal year and represents 157% of total resort tax fund expenditures for the fiscal year.

The Miami Beach Redevelopment Agency (the Agency) Special Revenue Fund accounts for the operations

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

of the Miami Beach Redevelopment Agency, a tax increment district of the City. The Agency was established in 1976 under the provisions of Chapter 163 of the Florida Statutes to spur development and redevelopment in the South Shore and City Center/Historic Convention Village Redevelopment and Revitalization Area of the City. Tax increments collected during the year was \$37.5 million, which is an increase of \$5.4 million or 16.8%, and net other financing uses increased by 1.4 million or 7.1% and expenditures increased by \$7.1 million or 60.4%. This includes approximately \$6.2 million in capital outlay for the architectural design of the convention center renovations. The fund balance of the Miami Beach Redevelopment Agency Special Revenue Fund decreased by \$1.8 million or 10.5% from the prior fiscal year and represents 82.4% of total Agency fund expenditures for the current fiscal year.

The City's capital projects fund accounts for the funding of the City's capital program. The primary resources are obtained from the issuance of City debt, tax increments and intergovernmental revenues. Intergovernmental revenues was \$3.3 million a decrease of \$1.3 million or 61.4% from the prior fiscal year. Tax increment which was \$12.5 million increased by \$1.3 million or 11.4% from the prior fiscal year. Net other financing sources which was \$16.7 million increased by \$3.7 million or 28.5% from the prior fiscal year. Capital outlay totaled \$22.7 million in the current year. The capital projects fund balance increased by \$12 million or 6.9% from the prior fiscal year and represents 811.9% of total capital project fund expenditures for the current fiscal year.

The other governmental funds consist of the City's debt service funds and other special revenue funds, which accounts primarily for grants. Ad Valorem tax collected for debt service was \$5.7 million, and was an increase of \$268,020 or 5% over the prior year. Intergovernmental revenue decreased by \$2.3 million or 38.4% and net other financing sources which was \$30.7 million increased by \$5.4 million or 21.2%. Expenditures in the fund increased by \$806,667 or 1.9%. The fund balance increased by \$13.7 million or 18.3% from the prior year and represents 210.5% of the other governmental funds total expenditures for the current fiscal year.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The total growth in net position for all enterprise funds was \$16.7 million and included a restatement of \$2.3 million in order to comply with the provisions of GASB 65. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The following information is presented to assist the reader in comparing the original budget (adopted budget), and the final amended budget (amended budget), and reflects how actual results compare to these budgeted amounts. The amended budget can be modified subsequent to the end of the fiscal year. Detailed budget information can be found in the RSI section of this document.

There were variances between final budget revenues and actual revenues, with a net difference of \$7.7 million under budget. This variance resulted from the City appropriating \$9.9 million of revenue as a carry forward from unused dollars from prior years, to help balance the fiscal year 2014 budget. While this carryover of \$9.9 million is appropriated as revenue and increases the final budget of the City for budgetary purposes, it does not represent actual revenue of the City from a financial point of view, resulting in a difference between budget and actual. In addition, \$1.5 million in actual property tax revenues were under budget due to more adjustments and appeals that budgeted (1.3%), even though the City budgets at the minimum level of 95% permitted by state law, as well as actual permit fees collected were \$1.9 million in excess of budget. There were also variances between final budget expenditure and actual expenditure, with a net difference of 4.1 million under budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

General Fund Revenues for the fiscal year ended September 30, 2014 (in thousands)

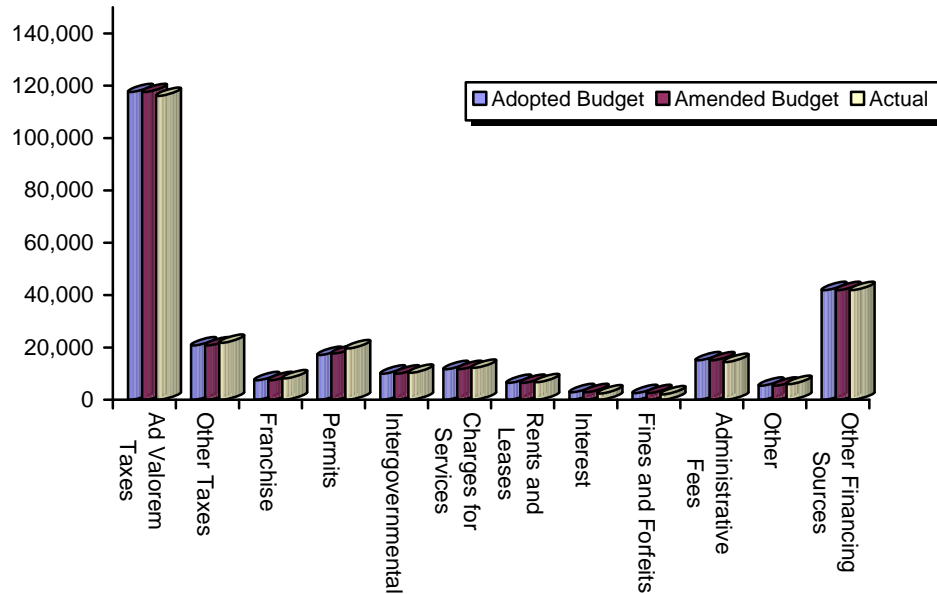
	Original Adopted Budget	Final Amended Budget	Actual
Taxes:			
Property	117,558	\$ 117,558	\$ 116,050
Sales, use, fuel	979	979	1,017
Utility	10,322	10,322	11,572
Local business	4,517	4,517	4,494
Communication Service	4,945	4,945	4,679
Taxes	<u>138,321</u>	<u>138,321</u>	<u>137,812</u>
Other than taxes:			
Franchise	7,498	7,498	8,206
Permits	17,118	17,703	19,638
Intergovernmental	10,010	10,010	10,324
Charges for services	11,715	11,740	12,217
Rents and leases	6,476	6,476	6,735
Interest income	2,921	2,921	2,427
Fines and forfeits	2,583	2,583	2,107
Administrative fees	15,092	15,092	14,447
Other	5,403	5,403	6,033
Other financing sources	41,925	41,925	41,934
Fund balance	3,713	9,914	
Other than taxes	<u>124,454</u>	<u>131,265</u>	<u>124,068</u>
Total revenues	<u><u>\$ 262,775</u></u>	<u><u>\$ 269,586</u></u>	<u><u>\$ 261,880</u></u>

General Fund Expenditures for the fiscal year ended September 30, 2014 (in thousands)

	Original Adopted Budget	Final Amended Budget	Actual
General government	\$ 38,690	\$ 39,360	\$ 38,244
Public safety	171,890	173,696	172,442
Physical environment	2,353	2,353	2,165
Transportation	4,005	4,062	3,807
Economic environment	1,062	1,062	972
Human services	1,647	1,652	1,451
Culture and recreation	32,082	32,065	31,568
Capital Outlay	770	847	379
Debt service	1,321	1,352	1,350
Other financing uses	8,955	13,137	13,137
Total expenditure	<u><u>\$ 262,775</u></u>	<u><u>\$ 269,586</u></u>	<u><u>\$ 265,515</u></u>

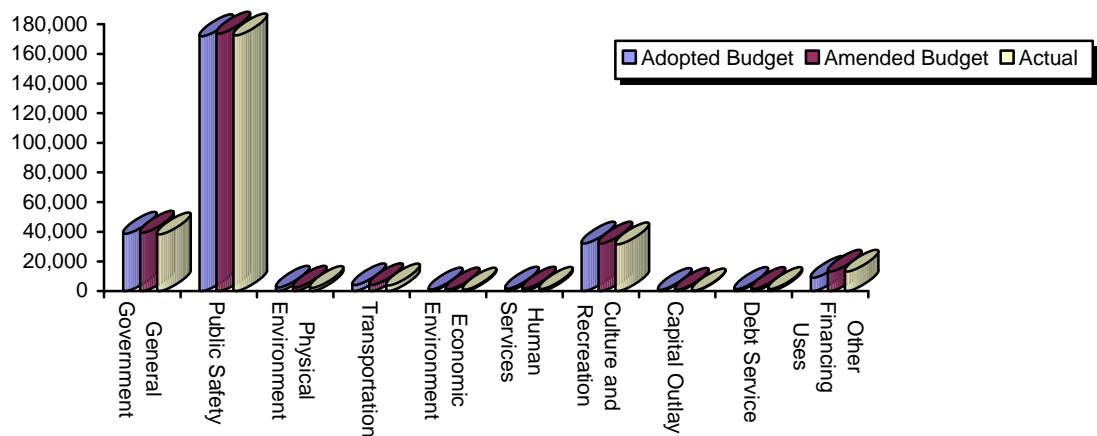
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

General Fund Revenues
for the year ended September 30, 2014 (in thousands).



The following chart and table summarizes actual expenditures by function/program for fiscal year 2014 and compares expenditures with Adopted Budget, Amended Budget and Actual.

General Fund Expenditure
for the year ended September 30, 2014 (in thousands).



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2014 amounts to \$1.2 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, water & sewer distribution, storm drainage systems, lighting systems, sidewalks, curbs, signage, equipment, street improvements, air rights and parks, which are detailed as follows (net of accumulated depreciation):

	Capital Assets (in thousands)					
	Governmental		Business-Type		Total	
	2013	2014	2013	2014	2013	2014
Land	\$ 52,357	\$ 52,224	\$ 25,835	\$ 25,835	\$ 78,192	\$ 78,059
Intangible assets	4,182	4,182	4,318	4,318	8,500	8,500
Construction						
work-in-progress	109,674	86,291	138,975	125,341	248,649	211,632
Building & Structure	71,443	76,376	184,690	187,532	256,133	263,908
Permanent						
improvements	251,712	268,215	10,864	10,864	262,576	279,079
Furniture, Fixtures						
& Equipment	18,548	24,992	46,627	54,912	65,175	79,904
Infrastructure	79,018	91,224	166,235	183,707	245,253	274,931
Total	<u>\$ 586,934</u>	<u>\$ 603,504</u>	<u>\$ 577,544</u>	<u>\$ 592,509</u>	<u>\$ 1,164,478</u>	<u>\$ 1,196,013</u>

The City has developed various capital improvement programs to improve the quality of life of its residents. Major projects include citywide water, wastewater and storm water improvements, streetscape enhancements and improvements to parks, beaches, and fire stations. Major capital asset events in progress during the current fiscal year included the following:

- Completed construction of Sunset Island 3 and 4 which included hardscape, landscape, and security improvements for the right of way area approaching Sunset Island 4 bridge.
- Completed the 53rd street restroom renovations which included the replacement of the deteriorated existing facility. The new facility includes a 288 square foot office space for the Ocean Rescue Department, currently occupying a storage room in the existing structure.
- Completed construction of the South Pointe Pier, a brand new pier which connects to South Pointe Park.
- Completed reallocating water and wastewater funds in the Neighborhood Right of Way Infrastructure Improvement Program to replace underground water and sewer lines at Indian Creek between 28th St and 41st.
- Continued construction of the Beachwalk II project that will establish a southern link between Lummus Park and South Pointe Park. Beachwalk II will be a .6 mile path running north-south, west of the dune system and east of Ocean Drive. The project will include an extensive dune enhancement component with use of turtle friendly lighting, native plants, and sand fencing. Additional objectives of the project include physical improvement to support multimodal transportation, link bicycle and pedestrian destinations, and improve pedestrian and bicycle safety. This is a component of a City wide initiative to increase pedestrian and bicycle facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

- Continued construction of Sunset Harbor Pump Stations that will provide a greater level of stormwater service for the community.

Additional information on the City's capital assets can be found in [Note D](#) to the financial statements.

Long-term Debt

At the end of the current fiscal year the City had total bonded debt, loans and other long-term debt of \$451 million. Governmental activities had a net debt decrease of \$14.5 million or 7.4% while business-type activities debt decreased by \$7.3 million or 2.9%.

Throughout the fiscal year, the City received additional equipment loan proceeds of \$4 million.

Outstanding Debt						
General Obligation, Special Obligation, Revenue Bonds and Loans						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
General obligation	\$ 60,715	\$ 57,280	\$	\$	\$ 60,715	\$ 57,280
Special obligation	110,426	98,810			110,426	98,810
Revenue bonds			252,419	245,595	252,419	245,595
Loans	12,374	13,558	1,793	1,270	14,167	14,828
Other debt	13,551	12,882			13,551	12,882
Total	<u>\$ 197,066</u>	<u>\$ 182,530</u>	<u>\$ 254,212</u>	<u>\$ 246,865</u>	<u>\$ 451,278</u>	<u>\$ 429,395</u>

Additional information on the City's long-term debt can be found in [Note H](#) to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City of Miami Beach's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The City of Miami Beach, Finance Department, 1700 Convention Center Drive, Miami Beach, Florida 33139.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 401,927,524	\$ 161,297,296	\$ 563,224,820	\$ 3,014,165
Cash with fiscal agent	250,000		250,000	
Receivables (net)	13,810,479	15,999,521	29,810,000	322,803
Due from other governments	704,306	3,144,636	3,848,942	
Internal balances	192,234	(192,234)		
Prepaid expenses	1,353,928	268,413	1,622,341	13,836
Inventories	362,392	1,226,610	1,589,002	
Restricted cash and investments	19,501,937	101,643,676	121,145,613	
Capital assets not being depreciated:				
Land	52,223,503	25,835,429	78,058,932	
Intangible assets	4,181,941	4,318,059	8,500,000	
Construction in progress	86,291,419	125,340,606	211,632,025	
Capital assets net of accumulated depreciation:				
Buildings and structures	76,376,389	187,532,213	263,908,602	
Permanent improvements	268,214,561	10,863,577	279,078,138	
Machinery and equipment	24,992,320	54,912,586	79,904,906	176,891
Infrastructure	91,224,094	183,706,707	274,930,801	
Total assets	1,041,607,027	875,897,095	1,917,504,122	3,527,695
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding costs	1,310,994	1,996,550	3,307,544	
Total deferred outflows of Resources	1,310,994	1,996,550	3,307,544	
LIABILITIES				
Accounts payable	12,454,554	10,793,031	23,247,585	
Retainage payable	2,649,627	2,350,691	5,000,318	
Accrued expenses	3,796,043	3,529,129	7,325,172	506,446
Accrued interest payable	1,528,577		1,528,577	
Unearned revenue	4,458,750	443,521	4,902,271	
Due to other governments	55,028	26,102	81,130	
Noncurrent liabilities:				
Due within one year	36,533,377	18,561,637	55,095,014	
Due in more than one year	244,401,098	241,432,954	485,834,052	
Total liabilities	305,877,054	277,137,065	583,014,119	506,446
DEFERRED INFLOWS OF RESOURCES				
Unavailable other revenues	245,597	675,000	920,597	
Total deferred inflows of Resources	245,597	675,000	920,597	
NET POSITION				
Net investment in capital assets	429,989,670	392,349,743	822,339,413	176,891
Restricted for:				
Debt Service	9,972,641	36,869,985	46,842,626	
Economic development	16,116,396		16,116,396	
Capital Improvement	55,842,512		55,842,512	
Convention center		2,567,208	2,567,208	
Transportation	40,226,521		40,226,521	
Building operations	4,752,809		4,752,809	
Public safety	2,227,699		2,227,699	
Quality of life improvement	17,239,123		17,239,123	
Unrestricted	160,427,999	168,294,644	328,722,643	2,844,358
Total net position	\$ 736,795,370	\$ 600,081,580	\$ 1,336,876,950	\$ 3,021,249

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 43,365,675	\$ 72,088,018	\$ 7,561,315	\$	\$ 36,283,658	\$	\$ 36,283,658	\$
Public safety	197,239,550	8,101,151	2,608,224	1,105,361	(185,424,814)		(185,424,814)	
Physical environment	3,168,494		29,397		(3,139,097)		(3,139,097)	
Transportation	14,386,802	42,993	5,508,418	2,053,771	(6,781,620)		(6,781,620)	
Economic environment	4,876,697		1,951,357		(2,925,340)		(2,925,340)	
Human services	2,212,540		1,066,295		(1,146,245)		(1,146,245)	
Culture and recreation	53,476,429	8,120,209	481,313	778,230	(44,096,677)		(44,096,677)	
Interest on long-term debt	8,819,846				(8,819,846)		(8,819,846)	
Total governmental activities	327,546,033	88,352,371	19,206,319	3,937,362	(216,049,981)		(216,049,981)	
Business-type activities:								
Storm Water	7,876,993	11,715,299				3,838,306	3,838,306	
Water	28,965,261	33,403,046				4,437,785	4,437,785	
Sewer	31,373,772	36,737,566				5,363,794	5,363,794	
Parking	37,071,518	40,049,313	2,973,729			5,951,524	5,951,524	
Convention Center	17,417,988	8,302,873	7,648,637			(1,466,478)	(1,466,478)	
Sanitation	15,875,968	14,732,846				(1,143,122)	(1,143,122)	
Redevelopment Agency's Parking	3,792,240	4,560,878				768,638	768,638	
Redevelopment Agency's Leasing	463,838	1,527,048				1,063,210	1,063,210	
Total business-type activities	142,837,578	151,028,869	10,622,366			18,813,657	18,813,657	
Total primary government	\$ 470,383,611	\$ 239,381,240	\$ 29,828,685	\$ 3,937,362	(216,049,981)	18,813,657	(197,236,324)	
Component units:								
Visitor and Convention Health Facilities	\$ 2,021,338	\$	\$ 49,500	\$				(1,971,838)
	175							(175)
Total component units	\$ 2,021,513	\$	\$ 49,500	\$				(1,972,013)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					115,939,079		115,939,079	
Property taxes, levied for debt service					5,656,909		5,656,909	
Resort taxes					61,760,518		61,760,518	2,397,661
Tax increment					49,962,380	3,671,000	53,633,380	
Utility taxes					12,364,114		12,364,114	
Local business tax					4,493,950		4,493,950	
Communication service tax					4,678,905		4,678,905	
Miscellaneous					1,154,512		1,154,512	4,795
Gain on sale of capital assets					200,295	107,809	308,104	
Unrealized loss on investments						(12,388)	(12,388)	
Unrestricted investment earnings					3,088,992	1,114,406	4,203,398	7,020
Transfers					4,663,756	(4,663,756)		
Total general revenues and transfers					263,963,410	217,071	264,180,481	2,409,476
Change in net position					47,913,429	19,030,728	66,944,157	437,463
Net position - beginning, as restated. See Footnote III (M)					688,881,941	581,050,852	1,269,932,793	2,583,786
Net position - ending					\$ 736,795,370	\$ 600,081,580	\$ 1,336,876,950	\$ 3,021,249

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

**CITY OF MIAMI BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014**

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 54,291,791	\$ 17,175,100	\$ 16,849,114	\$ 189,950,428	\$ 90,100,058	\$ 368,366,491
Receivables (net of allowance for uncollectibles)	6,753,605	4,596,342	10,625	44,579	789,359	12,194,510
Accrued interest	1,029,259			199,371		1,228,630
Due from other funds	1,840,515		737,604		373,953	2,952,072
Due from other governments				419,456	284,850	704,306
Total assets	<u>\$ 63,915,170</u>	<u>\$ 21,771,442</u>	<u>\$ 17,597,343</u>	<u>\$ 190,613,834</u>	<u>\$ 91,548,220</u>	<u>\$ 385,446,009</u>
LIABILITIES						
Accounts payable	\$ 3,048,156	\$ 311,079	\$ 1,209,555	\$ 2,367,985	\$ 1,153,440	\$ 8,090,215
Retainage payable				2,609,686	39,941	2,649,627
Accrued expenditures	1,949,095	855,016	36,853	270,000	768,046	3,879,010
Unearned revenues	4,413,738				45,012	4,458,750
Due to other governments	25,231				29,797	55,028
Due to other funds	1,280,051	1,018,798	851,973	1,005,814	314,520	4,471,156
Total liabilities	<u>10,716,271</u>	<u>2,184,893</u>	<u>2,098,381</u>	<u>6,253,485</u>	<u>2,350,756</u>	<u>23,603,786</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	2,696,008				112,334	2,808,342
Unavailable other revenues					245,597	245,597
Total deferred inflows of resources	<u>2,696,008</u>				<u>357,931</u>	<u>3,053,939</u>
FUND BALANCES						
Restricted	4,752,809	19,586,549	15,498,962	157,333,677	74,184,974	271,356,971
Committed	29,505,725			28,242,217	15,046,286	72,794,228
Assigned	16,244,357				752,927	16,997,284
Unassigned				(1,215,545)	(1,144,654)	(2,360,199)
Total fund balances	<u>50,502,891</u>	<u>19,586,549</u>	<u>15,498,962</u>	<u>184,360,349</u>	<u>88,839,533</u>	<u>358,788,284</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,915,170</u>	<u>\$ 21,771,442</u>	<u>\$ 17,597,343</u>	<u>\$ 190,613,834</u>	<u>\$ 91,548,220</u>	<u>\$ 385,446,009</u>

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

CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2014

Total fund balances - governmental funds **\$ 358,788,284**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$	51,614,983	
Intangible assets		4,181,941	
Construction in progress		86,275,419	
Building and structure		127,132,340	
Permanent improvements		372,473,812	
Machinery and equipment		19,556,604	
Infrastructure		203,259,637	
Accumulated depreciation		<u>(280,178,836)</u>	
Total capital assets			584,315,900

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	\$	(156,090,264)	
Loans payable		(12,881,589)	
Net premium on bonds		(2,527,297)	
Deferred refunding costs		1,310,994	
Compensated absences		(16,342,228)	
Accrued interest payable		(1,528,577)	
OPEB		<u>(47,201,973)</u>	
Total long term liabilities			(235,260,934)

Deferred inflows have met the earned criteria for recognition in the Statement of Activities. 2,808,342

Internal service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 26,143,778

Net position of governmental activities	\$	<u>736,795,370</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2014

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 116,049,581	\$	\$	\$	\$ 5,661,513	\$ 121,711,094
Sales, use and fuel	1,017,321				3,074,964	4,092,285
Utility	11,572,156				791,958	12,364,114
Resort		61,760,518				61,760,518
Local business	4,493,950					4,493,950
Tax increment			37,456,562	12,505,818		49,962,380
Communication service	4,678,905					4,678,905
Other					2,463,814	2,463,814
Franchise fees	8,206,099					8,206,099
Permits	19,638,114					19,638,114
Intergovernmental	10,324,245			3,318,851	3,647,276	17,290,372
Charges for services	17,805,777				3,714,766	21,520,543
Rents and leases	6,735,472		66,465			6,801,937
Interest	2,426,960	109,636	151,810	54,565	114,204	2,857,175
Fines and forfeitures	2,107,466				1,035,816	3,143,282
Administrative fees	14,446,790					14,446,790
Special assessment		620,616		26,529		647,145
Impact fees					4,439,358	4,439,358
Other	444,875	13,067	112,831	2,071,299	239,648	2,881,720
Total revenues	<u>219,947,711</u>	<u>62,503,837</u>	<u>37,787,668</u>	<u>17,977,062</u>	<u>25,183,317</u>	<u>363,399,595</u>
EXPENDITURES						
Current:						
General government	38,244,062	1,097,907	5,253,374		353,264	44,948,607
Public safety	172,441,556		4,037,998		7,836,505	184,316,059
Physical environment	2,165,283			24,425	576,034	2,765,742
Transportation	3,807,409				2,136,596	5,944,005
Economic environment	972,019		2,234,710	113,616	1,208,647	4,528,992
Human services	1,451,131				771,073	2,222,204
Culture and recreation	31,568,458	11,417,173	774,512	294,778	1,918,542	45,973,463
Capital Outlay	378,692		6,511,117	22,273,145	4,326,103	33,489,057
Debt service:						
Principal retirement	825,000				14,894,650	15,719,650
Interest and fiscal charges	526,377	633			8,179,119	8,706,129
Total expenditures	<u>252,379,987</u>	<u>12,515,713</u>	<u>18,811,711</u>	<u>22,705,964</u>	<u>42,200,533</u>	<u>348,613,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,432,276)</u>	<u>49,988,124</u>	<u>18,975,957</u>	<u>(4,728,902)</u>	<u>(17,017,216)</u>	<u>14,785,687</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	18,935		1,915			20,850
Transfers in	41,915,000		5,885,927	22,028,285	32,128,563	101,957,775
Transfers out	(13,136,948)	(50,392,830)	(26,676,168)	(5,323,530)	(1,381,346)	(96,910,822)
Total other financing sources (uses)	<u>28,796,987</u>	<u>(50,392,830)</u>	<u>(20,788,326)</u>	<u>16,704,755</u>	<u>30,747,217</u>	<u>5,067,803</u>
Net change in fund balances	(3,635,289)	(404,706)	(1,812,369)	11,975,853	13,730,001	19,853,490
Fund balances - beginning of year	<u>54,138,180</u>	<u>19,991,255</u>	<u>17,311,331</u>	<u>172,384,496</u>	<u>75,109,532</u>	<u>338,934,794</u>
Fund balances - end of year	<u>\$ 50,502,891</u>	<u>\$ 19,586,549</u>	<u>\$ 15,498,962</u>	<u>\$ 184,360,349</u>	<u>\$ 88,839,533</u>	<u>\$ 358,788,284</u>

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

CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

Net change in fund balance - total governmental funds **\$ 19,853,490**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital outlay	\$	33,489,057	
Contributions proprietary funds, net		(453,594)	
Contributions external sources		4,617,223	
Deletions		(2,596,479)	
Depreciation expense		<u>(20,501,797)</u>	
Excess of capital outlay over depreciation expense			14,554,410

The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations is an expenditure in the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

In the current year, these amounts consist of:

Bonds principal retirement	\$	15,050,238	
Loans principal retirement		669,412	
Net bond premium		528,200	
Net deferred refunding costs		(145,915)	
OPEB		<u>(8,469,000)</u>	
Total long term-debt retirement and related transactions			7,632,935

Expenses 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.

These activities consist of:

Increase in compensated absences	\$	(272,894)	
Decrease in accrued interest expense		<u>181,160</u>	
Total additional expense			(91,734)

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes.	(115,106)
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Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds.	6,079,434
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Change in net position of governmental activities	<u>\$ 47,913,429</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 11,042,822	\$ 41,991,666	\$ 55,937,665	\$ 15,783,132	\$ 36,542,011	\$ 161,297,296	\$ 53,062,970
Cash with fiscal agent							250,000
Restricted cash and investments:							
Revenue bonds covenant	5,555,084	10,380,285	6,001,209			21,936,578	
Accounts receivable (net of allowance for uncollectibles)	1,128,366	7,719,937	5,380,073	309,320	1,414,472	15,952,168	387,339
Accrued interest receivable	35,299	10,324	1,730			47,353	
Due from other governments				3,144,636		3,144,636	
Due from other funds			35,665		252,645	288,310	1,782,278
Prepaid expenses			58,753	205,177	4,483	268,413	1,353,928
Inventories		1,226,610				1,226,610	362,392
Total current assets	<u>17,761,571</u>	<u>61,328,822</u>	<u>67,415,095</u>	<u>19,442,265</u>	<u>38,213,611</u>	<u>204,161,364</u>	<u>57,198,907</u>
Noncurrent assets:							
Restricted cash and investments:							
Customer deposits and advance sales		6,555,838	423,685	1,897,939	305,496	9,182,958	
Interlocal agreement				2,567,208		2,567,208	
Revenue bonds covenant	23,595,041	36,250,368	8,111,523			67,956,932	
Capital assets:							
Land		1,492,598	18,844,498	2,089,371	3,408,962	25,835,429	608,520
Intangible assets			4,318,059			4,318,059	
Buildings and structures		7,948,552	97,273,145	178,830,414	31,579,161	315,631,272	2,601,827
Parking lots			9,197,779			9,197,779	
Mains and lines	69,318,162	153,552,453				222,870,615	
Meters and hydrants		12,937,962	17,570,353			30,508,315	
Machinery and equipment	1,843,497	51,686,802	6,066,138	18,710,717	3,091,362	81,398,516	63,201,813
Construction in progress	64,081,313	60,071,257	1,175,486	12,550		125,340,606	16,000
Less accumulated depreciation	(6,893,124)	(68,291,485)	(38,632,902)	(98,173,394)	(10,600,509)	(222,591,414)	(47,239,833)
Total capital assets (net of accumulated depreciation)	<u>128,349,848</u>	<u>219,398,139</u>	<u>115,812,556</u>	<u>101,469,658</u>	<u>27,478,976</u>	<u>592,509,177</u>	<u>19,188,327</u>
Total noncurrent assets	<u>151,944,889</u>	<u>262,204,345</u>	<u>124,347,764</u>	<u>105,934,805</u>	<u>27,784,472</u>	<u>672,216,275</u>	<u>19,188,327</u>
Total assets	<u>169,706,460</u>	<u>323,533,167</u>	<u>191,762,859</u>	<u>125,377,070</u>	<u>65,998,083</u>	<u>876,377,639</u>	<u>76,387,234</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred refunding amount	962,511	355,530	678,509			1,996,550	
Total deferred outflows of resources	<u>962,511</u>	<u>355,530</u>	<u>678,509</u>			<u>1,996,550</u>	
LIABILITIES							
Current liabilities:							
Accounts payable	4,658,206	4,118,486	917,489	395,520	703,330	10,793,031	4,364,339
Retainage payable	1,754,486	499,273	88,001	3,945	4,986	2,350,691	
Accrued expenses	505,831	1,574,824	324,174	608,830	515,470	3,529,129	187,033
Due to other funds	36,400	170,133	117,457		156,554	480,544	70,960
Due to other governments			922		25,180	26,102	
Bonds payable	2,620,000	4,935,000	2,134,228			9,689,228	
Loans payable	35,173	137,464	137,757		146,204	456,598	3,912,951
Deposits		6,555,838		1,897,939		8,453,777	
Accrued compensated absences	110,876	346,653	501,898	8,929	389,025	1,357,381	533,868
Unearned revenues			392,026		51,495	443,521	
Pending insurance claims							7,840,000
Total current liabilities	<u>9,720,972</u>	<u>18,337,671</u>	<u>4,613,952</u>	<u>2,915,163</u>	<u>1,992,244</u>	<u>37,580,002</u>	<u>16,909,151</u>
Noncurrent liabilities:							
Pending insurance claims							5,296,217
Insurance claims incurred but not reported							17,680,685
Deposits			31,659		254,001	285,660	
Accrued compensated absences	82,446	137,079	295,476	33,440	213,129	761,570	711,991
Environmental remediation liability					200,000	200,000	
Loans payable	113,432	230,707	192,754		276,621	813,514	9,645,412
Revenue bonds payable (net of unamortized discounts)	<u>89,867,264</u>	<u>109,557,409</u>	<u>38,552,190</u>			<u>237,976,863</u>	
Total noncurrent liabilities	<u>90,063,142</u>	<u>109,925,195</u>	<u>39,072,079</u>	<u>33,440</u>	<u>943,751</u>	<u>240,037,607</u>	<u>33,334,305</u>
Total liabilities	<u>99,784,114</u>	<u>128,262,866</u>	<u>43,686,031</u>	<u>2,948,603</u>	<u>2,935,995</u>	<u>277,617,609</u>	<u>50,243,456</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable other revenues				675,000		675,000	
Total deferred inflows of resources				<u>675,000</u>		<u>675,000</u>	
NET POSITION							
Net investment in capital assets	58,355,849	122,466,356	83,010,660	101,465,713	27,051,165	392,349,743	5,629,964
Restricted:							
Interlocal agreement				2,567,208		2,567,208	
Debt covenant	11,234,165	19,634,611	6,001,209			36,869,985	
Unrestricted	<u>1,294,843</u>	<u>53,524,864</u>	<u>59,743,468</u>	<u>17,720,546</u>	<u>36,010,923</u>	<u>168,294,644</u>	<u>20,513,814</u>
Total net position	<u>\$ 70,884,857</u>	<u>\$ 195,625,831</u>	<u>\$ 148,755,337</u>	<u>\$ 121,753,467</u>	<u>\$ 63,062,088</u>	<u>\$ 600,081,580</u>	<u>\$ 26,143,778</u>

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for services	\$ 11,659,582	\$ 69,899,267	\$ 38,483,390	\$ 8,302,873	\$ 13,053,654	\$ 141,398,766	\$ 78,342,464
Permits, rentals, and other	55,717	241,345	1,565,923		7,767,118	9,630,103	1,154,513
Total operating revenues	11,715,299	70,140,612	40,049,313	8,302,873	20,820,772	151,028,869	79,496,977
Operating expenses:							
Personal services	2,290,564	8,337,856	11,591,813	5,675,921	7,688,944	35,585,098	11,905,575
Operating supplies	3,011	166,244	56,823	170,030	13,940	410,048	3,940,477
Contractual services	441,718	36,612,715	8,107,560	3,164,729	7,637,370	55,964,092	10,979,445
Utilities	69,343	823,035	1,728,924	1,122,524	159,433	3,903,259	2,369,744
Insurance			217,538	109,917		327,455	9,219,889
Internal charges	357,511	2,655,096	3,375,776	1,303,721	1,612,042	9,304,146	1,487,300
Depreciation	2,115,910	4,745,853	6,917,621	5,399,758	1,071,101	20,250,243	4,786,722
Administrative fees	435,000	3,087,000	1,863,000	349,000	1,455,000	7,189,000	1,100,000
Claims and judgements							27,910,350
Other operating	124,955	647,084	2,308,523	26,457	364,097	3,471,116	569,017
Total operating expenses	5,838,012	57,074,883	36,167,578	17,322,057	20,001,927	136,404,457	74,268,519
Operating income (loss)	5,877,287	13,065,729	3,881,735	(9,019,184)	818,845	14,624,412	5,228,458
Nonoperating revenues (expenses):							
Tax increments					3,671,000	3,671,000	
Intergovernmental			2,973,729	7,648,637		10,622,366	
Interest and fiscal charges	(2,011,965)	(3,076,815)	(666,355)		(13,869)	(5,769,004)	(294,877)
Gain (loss) on disposal of capital assets	23,284	38,393	27,438		18,694	107,809	179,445
Unrealized gains (losses) on investments	(81,605)	51,151	18,066			(12,388)	
Interest income	223,638	258,938	417,423	70,301	144,106	1,114,406	231,817
Total nonoperating revenues (expenses)	(1,846,648)	(2,728,333)	2,770,301	7,718,938	3,819,931	9,734,189	116,385
Income (loss) before contributions and transfers	4,030,639	10,337,396	6,652,036	(1,300,246)	4,638,776	24,358,601	5,344,843
Capital contributions		77	(517,538)		283,500	(233,961)	687,632
Transfers in			4,627,530		779,765	5,407,295	395,000
Transfers out	(645,224)		(9,010,159)	(837,600)	(8,224)	(10,501,207)	(348,041)
Change in net position	3,385,415	10,337,473	1,751,869	(2,137,846)	5,693,817	19,030,728	6,079,434
Net position - beginning, as restated. See Footnote III (M)	67,499,442	185,288,358	147,003,468	123,891,313	57,368,271	581,050,852	20,064,344
Total net position - ending	<u>\$ 70,884,857</u>	<u>\$ 195,625,831</u>	<u>\$ 148,755,337</u>	<u>\$ 121,753,467</u>	<u>\$ 63,062,088</u>	<u>\$ 600,081,580</u>	<u>\$ 26,143,778</u>

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash flows from operating activities:							
Receipts received from customers	\$ 11,539,737	\$ 69,024,577	\$ 38,267,570	\$ 9,076,078	\$ 13,698,866	\$ 141,606,828	\$ 78,375,072
Payments to suppliers	443,729	(37,742,413)	(12,549,060)	(4,802,980)	(8,497,285)	(63,148,009)	(25,749,003)
Payments to employees	(2,265,069)	(8,318,006)	(11,553,368)	(5,804,082)	(7,710,045)	(35,650,570)	(11,866,161)
Payments for claims and judgements							(23,575,320)
Payments for interfund services used	(792,511)	(5,742,096)	(5,238,776)	(1,652,721)	(2,198,839)	(15,624,943)	(3,680,863)
Receipts for other operating revenues	55,717	241,345	1,565,923		7,767,118	9,630,103	1,564,545
Net cash provided by (used in) operating activities	8,981,603	17,463,407	10,492,289	(3,183,705)	3,059,815	36,813,409	15,068,270
Cash flows for non-capital financing activities:							
Contributions from other governments			2,973,729	6,509,918	3,671,000	13,154,647	
Transfers in			4,627,530		779,765	5,407,295	395,000
Transfers out	(645,224)		(9,010,159)	(837,600)	(8,224)	(10,501,207)	(348,041)
Net cash provided by (used in) non-capital financing activities	(645,224)		(1,408,900)	5,672,318	4,442,541	8,060,735	46,959
Cash flows from capital and related financing activities:							
Proceeds from loan							4,455,721
Principal paid on loan	(33,776)	(135,522)	(139,314)		(214,672)	(523,284)	(3,271,370)
Interest and fiscal charges	(2,019,935)	(3,074,602)	(679,172)		(13,526)	(5,787,235)	(261,590)
Principal paid on bond	(1,590,000)	(3,185,000)	(2,049,762)			(6,824,762)	
Purchase of capital assets	(18,669,719)	(9,161,077)	(4,561,685)	151,967	(326,699)	(32,567,213)	(6,154,558)
Proceeds from sale of capital assets	23,284	21,393	33,432		23,337	101,446	218,898
Net cash provided by (used in) capital and related financing activities	(22,290,146)	(15,534,808)	(7,396,501)	151,967	(531,560)	(45,601,048)	(5,012,899)
Cash flows from investing activities:							
Unrealized gain (loss) on investment	(81,605)	51,151	18,066			(12,388)	
Interest on investments	240,484	281,881	427,423	70,301	144,106	1,164,195	231,817
Net cash provided by investing activities	158,879	333,032	445,489	70,301	144,106	1,151,807	231,817
Net increase (decrease) in cash and equivalents	(13,794,888)	2,261,631	2,132,377	2,710,881	7,114,902	424,903	10,334,147
Cash and investments - beginning of year	53,987,835	92,916,526	68,341,705	17,537,398	29,732,605	262,516,069	42,978,823
Cash and investments - end of year	<u>\$ 40,192,947</u>	<u>\$ 95,178,157</u>	<u>\$ 70,474,082</u>	<u>\$ 20,248,279</u>	<u>\$ 36,847,507</u>	<u>\$ 262,940,972</u>	<u>\$ 53,312,970</u>
Classified as:							
Current assets	\$ 11,042,822	\$ 41,991,666	\$ 55,937,665	\$ 15,783,132	\$ 36,542,011	\$ 161,297,296	\$ 53,312,970
Restricted assets	29,150,125	53,186,491	14,536,417	4,465,147	305,496	101,643,676	
Total cash and investments	<u>\$ 40,192,947</u>	<u>\$ 95,178,157</u>	<u>\$ 70,474,082</u>	<u>\$ 20,248,279</u>	<u>\$ 36,847,507</u>	<u>\$ 262,940,972</u>	<u>\$ 53,312,970</u>
Non-cash transactions affecting financial position:							
Change in construction and related liabilities	\$ 2,860,844	\$ 105,451	\$ 3,878	\$ (99,807)	\$ 4,986	\$ 2,875,352	\$ 687,632
Capital contributions			(517,538)		283,500	(234,038)	
Change in deferred refunding costs	159,262	38,785	85,707			283,754	
Change in bond discount/premium	(152,477)	11,268	(86,930)			(228,139)	
Deferred loan issuance costs					418	418	33,550
Unrealized gain (loss) on investment	(81,605)	51,151	18,066			(12,388)	
Total Non-cash transactions affecting financial position	<u>\$ 2,786,024</u>	<u>\$ 206,655</u>	<u>\$ (496,817)</u>	<u>\$ (99,807)</u>	<u>\$ 288,904</u>	<u>\$ 2,684,959</u>	<u>\$ 721,182</u>

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

(continued)

	<u>Storm Water Utility Fund</u>	<u>Water and Sewer Fund</u>	<u>Parking System Fund</u>	<u>Convention Center Complex Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating income (loss)	\$ 5,877,287	\$ 13,065,729	\$ 3,881,735	\$ (9,019,184)	\$ 818,845	\$ 14,624,412	\$ 5,228,458
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:							
Depreciation	2,115,910	4,745,853	6,917,621	5,399,758	1,071,101	20,250,243	4,786,722
Provision for uncollectible accounts	202,411	645,025	117,405	(436)	253,111	1,217,516	20,894
Changes in assets/liabilities and deferred inflows:							
(Increase) decrease in inventories		4,394				4,394	4,643
(Increase) decrease in accounts receivable	(358,656)	(672,799)	(392,745)	677,933	(551,403)	(1,297,670)	361,172
(Increase) decrease in due from other funds		125	(35,185)		1,888,207	1,853,147	(1,033,927)
(Increase) decrease in prepaid expense		7,967	11,969	(103,007)	19,155	(63,916)	288,781
Increase (decrease) in accounts payable	1,359,396	393,088	(135,218)	(391,169)	(27,362)	1,198,735	1,506,498
Increase (decrease) in accrued expenses	(267,115)	110,087	6,343	124,812	448,574	422,701	(124,074)
Increase (decrease) in deposits		(1,017,174)	3,723	(69,402)	(16,686)	(1,099,539)	
Increase (decrease) in due to other governments			643		20,719	21,362	
Increase (decrease) in due to other funds	36,400	170,133	99,773		(36,877)	269,429	(306,583)
Increase (decrease) in deferred inflows				165,110		165,110	
Increase (decrease) in unearned revenues			(8,791)		940	(7,851)	
Increase in pending insurance claims							1,245,369
(Decrease) in insurance claims incurred but not reported							3,089,661
Increase (decrease) in enviromental remediation liability					(800,000)	(800,000)	
Increase (decrease) in accrued compensated absences	15,970	10,979	25,016	31,880	(28,509)	55,336	656
Total adjustments	3,104,316	4,397,678	6,610,554	5,835,479	2,240,970	22,188,997	9,839,812
Net cash provided by (used in) operating activities	<u>\$ 8,981,603</u>	<u>\$ 17,463,407</u>	<u>\$ 10,492,289</u>	<u>\$ (3,183,705)</u>	<u>\$ 3,059,815</u>	<u>\$ 36,813,409</u>	<u>\$ 15,068,270</u>

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2014

	<u>Trust Funds</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 3,620,440	\$ 9,041,350
Receivables:		
Accounts, net		279,429
Accrued interest	2,502,768	
Contributions	1,191,599	
Other	215,311	
Prepaid expenses	4,068	
Investments, at fair value:		
Short-term investments	23,579,055	
U.S. Government securities	125,321,058	
Corporate bonds and notes	207,983,002	
Bond Funds	55,873,645	
Foreign Bonds	52,541,284	
Common stocks and index funds	657,268,610	
Foreign Stocks	119,873,284	
Real estate funds	36,892,451	
Mutual funds	46,357,828	
Total investments	<u>1,325,690,217</u>	
 Total assets	 <u>1,333,224,403</u>	 <u>\$ 9,320,779</u>
Liabilities		
Accounts payable	81,591	\$ 176,168
Accrued expenses	569,491	
Deposits		<u>9,144,611</u>
 Total liabilities	 <u>651,082</u>	 <u>\$ 9,320,779</u>
Net Position		
Held in trust for pension and OPEB benefits	<u>\$ 1,332,573,321</u>	

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Fiscal Year Ended September 30, 2014

	<u>Trust Funds</u>
Additions:	
Contributions -	
Employer	\$ 62,356,807
Employee	12,632,381
State of Florida	2,463,814
Total contributions	<u>77,453,002</u>
Investment Income (loss) -	
Net increase/(decrease) in fair value of investments	110,221,217
Interest and dividends income	21,921,539
	<u>132,142,756</u>
Investment management expenses	(4,289,215)
Net investment income	<u>127,853,541</u>
Total additions	<u>205,306,543</u>
Deductions:	
Benefit paid	94,093,077
Contributions refunded	1,143,866
Administrative expenses	1,754,491
Total deductions	<u>96,991,434</u>
Net increase	<u>108,315,109</u>
Net position - amount held in trust for pension and OPEB benefits -	
beginning of year	1,207,649,677
Prior period adjustment - GASB 67	<u>16,608,535</u>
Net position - amount held in trust for pension	
and OPEB benefits - beginning of year, restated	1,224,258,212
Net position - amount held in trust for pension and OPEB benefits -	
end of year	<u><u>\$ 1,332,573,321</u></u>

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

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

I. Summary of Significant Accounting Policies

The financial statements of the City of Miami Beach, Florida (the "City") have been prepared in accordance with Accounting Principles Generally Accepted in the United State of America (GAAP) as applied to governmental units. 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.

A. Reporting entity

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, Chapter 7672, Laws of Florida (1917). The City is governed by an elected mayor and six-member commission. The City operates under a Commission-Manager form of government.

Financial accountability includes such aspects as appointment of governing body members, budget review, approval of property tax levies, outstanding debt secured by the full faith credit of the City or its revenue stream, and responsibility for funding deficits.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable, or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units presented herein, although legally separate entities, are substantively the same as the governing body of the primary government, and management of the primary government has operational responsibility for the component unit. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The component units are described below.

1. Blended Component Units:

Miami Beach Redevelopment Agency

The Miami Beach Redevelopment Agency (the "Agency") was created under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. The Agency's Board of Directors is the City Commission. The Agency's executive director is the City Manager. The Agency's budget is adopted by its directors, and over 50% of the Agency's operating revenue is derived from the City's tax increment contributions.

Miami Beach Neighborhood Improvement District No. 1

The Miami Beach Neighborhood Improvement District No. 1 (the "NID No.1") was created under Chapter 87-243, Section 55-73, of the Florida Statutes. The NID No. 1's Board of Directors is the City Commission. The NID No.1 had no financial activity during fiscal year 2014.

Miami Beach Neighborhood Improvement District No. 2

The Miami Beach Neighborhood Improvement District No. 2 (the "NID No. 2") was created under Chapter 87-243, Section 55-73, of the Florida Statutes. The NID No. 2's Board of Directors is the City Commission. The NID No. 2 had no financial activity during fiscal year 2014.

Miami Beach Neighborhood Improvement District No. 3

The Miami Beach Neighborhood Improvement District No. 3 (the "NID No.3") was created under Chapter

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87-243, Section 55-73, of the Florida Statutes. The NID No. 3's Board of Directors is the City Commission. The NID No. 3 had no financial activity during fiscal year 2014.

Normandy Shores Local Government Neighborhood Improvement District

The Miami Beach Normandy Shores Local Government Neighborhood Improvement District (the "NSNID") was created under Chapter 163.506, of the Florida Statutes. The NSNID's Board of Directors is the City Commission. The NSNID's revenues are derived from ad valorem taxes. The NSNID is accounted for as a blended component unit in the City's Governmental Funds financial statements under the column entitled, "Other Governmental Funds". It is also reported in the supplementary information, Non-Major Special Revenue Funds under the column "Other Special Revenue Fund".

2. Discretely Presented Component Units-Governmental Fund Type:

Miami Beach Health Facilities Authority

The Miami Beach Health Facilities Authority (the "Authority") was created under the Health Facilities Authorities Law, Chapter 154, Part III of the Florida Statutes. The Authority's Board is appointed by the City Commission, serves a four-year term and is subject to reappointment. The revenue of the Authority is derived from fees generated from the sale of bonds to finance health facilities within Miami Beach. The City receives all funds of the Authority in excess of operational needs of the Authority. Debt issued under the oversight of the Authority is not debt of the City or the Authority and therefore is not included in the accompanying financial statements. The Authority is accounted for as a discretely presented component unit in the City's financial statements. The Authority accounts for its financial activities using only a general fund.

Miami Beach Visitor and Convention Authority

The Miami Beach Visitor and Convention Authority (the "VCA") was created under Chapter 67-930, Section 8, of the Florida Statutes. The VCA is appointed by the City Commission to administer a portion of the collections of the municipal resort tax in order to promote tourism and convention business. The VCA is accounted for as a discretely presented component unit in the City's financial statements.

Complete financial statements for the component units may be obtained at the entity's offices:

Miami Beach Redevelopment Agency
1700 Convention Center Drive
Miami Beach, Florida 33139

Miami Beach Visitor and Convention Authority
777 17th Street, Suite 402A
Miami Beach, Florida 33139

B. Government-wide and fund financial statements

The government-wide financial statements report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the government-wide Statement of Net Position, both the governmental and business-type activities columns reflect a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include 1) charges to customers or applicants who

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purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments necessary to reconcile the fund based financial statements to the government-wide presentation.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for the agency fund which has no measurement focus and is reported using the accrual basis of accounting. Revenues, including charges for services 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 have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, pensions, pollution remediation obligation and other postemployment benefits are recorded only when payment is due, or when the City has made a decision to fund those obligations with current available resources.

Property taxes, when levied for, charges for services, franchise taxes, licenses, grants and intergovernmental revenues, when all eligibility requirements are met, and interest associated with the current fiscal period, if measurable and available, have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable when the City receives the cash.

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Governmental funds – typically are used to account for tax-supported activities. The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources that relate to the general operations of the City, except those required to be accounted for in another fund.
- The *Resort Tax Special Revenue Fund* accounts for the collection of the special tax levied city-wide on food, beverage and room rents used to support tourist related activities.
- The *Miami Beach Redevelopment Agency Special Revenue Fund* accounts for the operations of the Miami Beach Redevelopment Agency, a tax increment district of the City. The Agency was established in 1976 under the provisions of Chapter 163 of the Florida Statutes to spur development and redevelopment in the South Pointe and City Center/Historic Convention Village Redevelopment and Revitalization Area of the City. The South Pointe District under the jurisdiction of the Agency has expired and South Pointe is now under jurisdiction of the City.
- The *Capital Projects Fund* accounts for proceeds of the City's bond sales and other revenues whose expenditure is restricted to the construction and acquisition of major capital assets.

Proprietary funds – are used to account for activities supported, at least in part, by fees or charges. The City reports the following major proprietary funds:

- The Storm Water Utility Fund accounts for the storm water utility operations of the City.
- The Water and Sewer Fund accounts for the water and sewer operations of the City.
- The Parking System Fund accounts for the parking operations of the City.
- The Convention Center Complex Fund accounts for the Convention Center and the Theatre of Performing Arts (TOPA) operations of the City.

Other fund types:

Internal service funds - account for services provided to other departments or agencies of the government. The internal service operations include:

- Fleet Management – accounts for the warehouse operations and the purchase and maintenance of the City's fleet of vehicles.
- Property Management – accounts for the cleaning, operating and renovations of City buildings.
- Central Services – accounts for the operation of the office supplies warehouse, central printing function and central mail facility.
- Risk Insurance – accounts for the City's Risk insurance operations, both retained and insured.
- Health Insurance – accounts for the City's Health insurance operations, both retained and insured.
- Communications – accounts for centralized telecommunications and information technology operations.

Fiduciary Funds - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other Governments and other funds. The City reports the following fiduciary fund types:

- *Pension trust funds* include:
 - Retirement System for Miami Beach Employees',
 - Retirement System for Firefighters and Police Officers,
 - Policemen's Relief and Pension Fund,
 - Firemen's Relief and Pension Fund, and
 - Post Employment Benefits Other Than Pensions (OPEB).
- *General Agency fund* – this fund accounts for general deposits held in trust until obligations are met or refunds are made.

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As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and the General Fund as well as cost reimbursement transactions between the enterprise funds and various other functions of City government. Elimination of these charges would distort the direct costs and program revenues reported for those sectors. The following describes the four basic types of *interfund transactions* made during the year and the related accounting policies:

1. Transactions for services rendered or facilities provided are recorded as revenue in the receiving fund and expenditures, either as internal charges or administrative fees, in the disbursing fund;
2. Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund;
3. Transactions which are recurring annual transfers between two or more budgetary funds are recorded as transfers in and out; and
4. Transactions recording capital contributions between funds are recorded in the proprietary funds and are net to zero in the government-wide statement of activities. The governmental funds do not record capital assets or capital transfers of assets.

Amounts reported as *program revenues* include: charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included in general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance or Equity

1. *Cash and investments*

All cash and investments are reflected as pooled cash and investments except for amounts held by fiscal agent. Cash and investments consist of demand deposits with banks, United States Treasury Obligations, State or Municipal Obligations, Money Market Funds, and Repurchase Agreements. Investments are recorded at fair value, except for those investments with remaining maturities of one year or less at the time of purchase, which are recorded at amortized cost. For the purpose of the Statement of Cash Flows for the Proprietary Fund Types, pooled cash and investments are considered cash and cash equivalents.

The cash and investments for the retirement system are maintained in separate cash and investment accounts. The retirement system investments are held in United States Treasury Obligations, loans guaranteed by Government agencies, Mutual and Money Market Funds, General Obligation or Revenue Bonds issued by States and Municipalities, dividend paying stocks of domestic corporations, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations. The retirement system's investments are recorded at fair market value.

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2. *Receivables and payables*

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, balances of interfund amounts receivable or payable have been reflected. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 90 days that are not deemed collectible, comprise the allowance for uncollectibles.

Following are the significant components of the receivables due to the City at September 30, 2014:

- a. Water, Sewer and Waste Fees – This amount represents the unpaid, unbilled and billed charges for various fines and municipal services;
- b. Taxes, Franchise Fees and Rents – This amount represents Ad Valorem taxes, including delinquent taxes, communication and utility taxes, along with franchise fees and rent payments due by September 30, 2014, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30, 2014, but not collected as of that date;
- d. Storm Water Receivable – This amount represents the unpaid, billed charges for treating water runoff from impervious areas; and
- e. Accrued Interest Receivable – This amount represents the interest earned but not collected on the City's investments at September 30, 2014.
- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2014 and state revenue sharing received within 45 days of year end.

3. *Inventories and prepaid*

Material and supplies in inventory are reported as current assets of the proprietary funds and on the government –wide financial statements at the lower of cost or market value. Governmental funds inventory is stated at the lower of cost or market value and accounted for on the consumption basis. Fund balance includes a nonspendable amount for the amount of the inventory since inventories are not available for appropriation and expenditure.

Expenditures made for services that will benefit periods beyond September 30, 2014 are recorded as prepaid items in the government-wide financial statements. Accordingly a portion of fund balance has been reserved to indicate that these funds are not available for appropriation.

4. *Restricted assets*

Certain proceeds of the storm water enterprise fund revenue bonds, water and sewer enterprise fund revenue bonds, and the parking system enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Certain proceeds in the convention center complex enterprise fund are restricted as a result of an interlocal agreement between Miami-Dade County and the City to fund the cost of capital improvements to the Convention Center and the Theatre of Performing Arts (TOPA). Customer deposits are restricted for in the water and sewer fund, parking system fund, convention center fund and other non-major enterprise funds. The governmental fund types report unspent bond proceeds as restricted on the statement of net position.

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5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or at valuations, which approximate cost. In the case of initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. Gifts or contributions of property received are recorded at their estimated fair market value at the time received by the City. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. During the construction phase of capital assets, interest of business-type activities is included as part of the capitalized value of the assets constructed. Interest expense capitalized is offset by interest earned on project specific unspent bond proceeds.

Property, plant, and equipment of the City, as well as the component units, is depreciated over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Capital Assets Category	Capitalizing Threshold	Estimated Useful Life (in years)
Land	Capitalize all	Not depreciable
Intangible assets	Capitalize all	Not depreciable
Construction in progress	\$ 100,000	Not depreciable
Building and structure	100,000	50 years
Permanent improvements	100,000	Limited to useful life of bldg. not to exceed 35 years
Furniture & equipment	5,000	7 years
Motor vehicles	5,000	5 years
Motor vehicles greater than \$50,000	50,000	10 years
Maintenance and heavy moving equipment	5,000	15 years
Infrastructure	100,000	30-50 years

In the governmental funds, capital assets are recorded as expenditure and no depreciation expense is recorded.

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. When terminated, an employee is paid for accumulated vacation leave and a percent of unused sick leave hours, subject to certain limitations. All vacation and sick pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

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Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt principal payments are reported as debt service expenditures.

8. *Unearned Revenue*

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the fund financial statements.

9. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. A deferred charge on refunding reported in the government-wide and proprietary fund statement of net position. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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. The City has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable property taxes, is reported only in the governmental funds balance sheet. The government wide statement reports deferred inflows as a result of receiving grants with grantor stipulations that funds received cannot be used until future periods. These amounts are capitalized and recognized as an inflow of resources in the period that the time requirements have been met and the amounts may be spent.

10. *Net Position/ Fund Equity*

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported 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.

On June 5, 1996, the City Commission adopted Resolution No. 96-22014 which appropriated \$10 million into a reserve for contingencies in the General Fund. This resolution called for this reserve to remain at 11% of the General Fund operating budget of the ensuing year. On February 18, 1998, the City Commission adopted Resolution No. 98-22661 which defined a public emergency for which funds could be used as well as stipulating that expenditure specifically requires a 5/7 vote rather than a majority of the Commission.

On September 21, 2006, the Commission adopted Resolution No. 2006-26341 which stated that in addition to the 11% of General Fund operating budget emergency reserve, the City shall have a goal to maintain a General Fund reserve for contingencies equal to 6% of the General Fund operating budget. In combination with the 11% of emergency reserve, this represents 2 months of the General Fund operating budget expenditures. If the reserve for contingencies level falls below the 6% level, a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

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When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

The City reports the following fund balance classifications for the governmental fund balance:

- **Restricted Fund Balance** - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed Fund Balance** - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Commission through an ordinance or resolution which are equally binding as the highest decision making authority. The Commission adopts a City resolution, which includes the amount to be committed and the reason for the commitment. Only an adopted resolution by the Commission can establish, modify or rescind the commitment.
- **Assigned Fund Balance** – amounts that are constrained by the City Commission intent to be used for specific purposes, but are neither restricted nor committed. Some amounts are approved and committed by the City commission subsequent to September 30, 2014.
- **Unassigned Fund Balance** – may include residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- a. **Net Investment in Capital Assets** – is intended to reflect the portion of net position which are associated with capital assets, less outstanding capital assets related debt, net of unspent bond and loan proceeds.
- b. **Restricted Net Position** – have third party (statutory, bond covenant or granting agency) limitations on their use, or enabling legislation.
- c. **Unrestricted Net Position** – have no third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Commission has the unrestricted authority to revisit or alter these managerial decisions.

11. *Restricted Component of Net Position*

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2014, the Government-wide statement of net position reports \$185,814,894 in restricted net position. Of this amount, \$183,632,938 is restricted as a result of enabling legislation.

12. *Use of estimates*

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's estimates.

13. *Risk Management*

The City is exposed to various risks of loss from civil liability to other parties (automobile liability, general liability, police professional liability, public official liability); statutory workers' compensation benefits for injured employees; and the theft or accidental damage to City property (buildings and business contents).

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The City established an internal service Risk Insurance Fund (the "Fund") to account for its risk financing activities. The Fund charges the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end, including claims incurred but not yet reported. The Fund pays for all claims and judgments made against the City for accidental losses for which the City is self-insured, and the premium costs for insurance policies to protect the City's property.

14. *Employee Benefits Plans and Net Pension Asset/Obligation*

The City provides separate defined benefit pension plans for general employees and for police and fire department personnel. The City no longer offers benefits under a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) to new employees. However, current employees are still participating in the plan. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 Plan and the 401(a) Plan are not included in the City's financial statements. The City reported no pension assets or obligations at September 30, 2014.

15. *Post Employment Benefits Other Than Pensions (OPEB)*

Pursuant to Section 112.08, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City has a single employer OPEB plan with benefits based on age and date of employment. The City has established an irrevocable trust fund to hold the assets of the OPEB plan. OPEB liabilities reported in the statement of activities are typically liquidated from the general fund.

16. *Health Self Insurance*

Pursuant to City Code Chapter 78, Article II, Sections 78 through 81, the City provides for employees health care coverage with the cost of such coverage shared between the employee and the City. In addition, the collective bargaining agreements of the American Federation of State, County and Municipal Employees (ASFCME), the Communication Workers of America (CWA), and the Government Supervisors Association (GSA) all require the City to provide group health care coverage to their members. Currently the City provides its active, full time employees and retirees the opportunity to purchase group health care coverage (medical and dental). The City's group health plan excludes coverage for members of the Fraternal Order of Police (FOP) and the International Association of Fire Fighters (IAFF). FOP members are eligible to participate in the City's dental plan. The City and the employee/ retiree contribute to the cost of this coverage, at different rates, based on the plan elected.

The City established an internal service Health Insurance Fund (the "Fund") to account for Medical and Dental activities. Revenues from employee and City premiums are recorded in the Fund. The Fund pays for all claims and the premium cost of "stop loss" insurance coverage. Both medical and dental claims are administered by a third party service provider.

II. Stewardship, compliance, and accountability

A. New accounting standards adopted

On October 1, 2013 the City adopted Statement No. 65, Items Previously Reported as Assets and Liabilities. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements, deferred outflows of resources, and deferred inflows of resources to ensure consistency in financial reporting.

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On October 1, 2013, the City's pension plans adopted GASB Statement No. 67, Financial Reporting for Pension Plans. GASB Statement No. 67 replaces the requirements of GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plan and Note Disclosure for Defined Contribution Plans and GASB Statement No. 50, Pension Disclosures, as they relate to pension plans that are administered through the trust or equivalent arrangements that meet certain criteria. For defined benefit plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits provided through the pension plan (net pension liability), about which information is required to be presented.

B. Unrestricted Net Position

At September 30, 2014 the City's Internal Service Risk Insurance Fund has a cumulative deficit of approximately \$1.6 million. This is the same balance as the prior year. During the fiscal year, the self-insurance funds received \$17.8 million in operating revenues and \$.1 million in interest income. It also incurred \$18 million in operating expenses which includes \$4.5 million in actuarially determined liabilities. It is the City's intention to continue to increase revenues and thus reduce the deficit in future years.

III. Detailed notes on all funds

A. Deposits and Investments

City's Pooled Portfolio Investments:

Interest Rate Risk Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The City's Investments are made based on prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. If the yield of the portfolio can be improved by the sale of an investment, prior to its maturity, with the reinvestment of the proceeds, then this provision is allowed. As a means of limiting exposure to fair value losses, the City's investment policy limits maturity of its investments to seven (7) years or less.

As of September 30, 2014, the City had the following investments in its portfolio:

City's Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	6-7
U.S. government agency	\$ 161,886,009	\$ 10,177,880	\$ 144,898,193	\$ 6,809,936
U.S. treasuries	305,334,569	98,334,527	207,000,042	
Commercial paper	19,791,268	19,791,268		
Corporate bonds	39,454,977	3,515,925	35,939,052	
Israeli bonds	5,000,000	2,000,000	3,000,000	
Money Market Trust	7,636,824	7,636,824		
Repurchase agreement	101,215,053	101,215,053		
Total	\$ 640,318,700	\$ 242,671,477	\$ 390,837,287	\$ 6,809,936

Concentration of Credit Risk The City's investment plan limits the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. The investment policy allows for a maximum of 100% of the portfolio in Time Deposits, U.S. Treasury Bills, U.S. Treasury Notes and Money Market Mutual/Trust Funds, 50% in U.S. Government Agencies and Municipal Obligations, 25% in Fixed Income

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Mutual Funds sponsored by the Florida League of Cities, 20% in Fixed Term Repurchase Agreements, Bankers Acceptances, Commercial Paper, Corporate Bond and Notes and Externally Managed Funds requiring specific approval by the City Commission, 15% in Mortgage Backed Securities, and 10% in Interest Rate Swaps.

Credit Risk This 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. State law limits investments in commercial paper and corporate bonds rated in one of the top two ratings issued by the Nationally Recognized Statistical Rating Organization (NRSROs). It is the City's policy to limit its exposure in these investment types to the top rating issued by NRSROs. U.S. government agencies are only implicitly guaranteed by the U.S. Government. U.S. Government Treasuries explicitly guaranteed by the U. S. Government are not considered to have credit risk exposure.

As of September 30, 2014 the City's investments were rated by Moody's Investors Service and Standard & Poor's as follow:

Investment Type	Issuer	Standard & Poor's	Moody's	Fair Value
US Government Agencies:				
	FHLB	AA+	Aaa	\$ 43,327,719
	FNMA	AA+	Aaa	59,019,449
	FHLMC	AA+	Aaa	49,627,041
	FFCB	AA+	Aaa	9,911,800
				<u>161,886,009</u>
US Government Treasuries:				
	U. S. Government	AAA	Aaa	305,334,569
				<u>305,334,569</u>
Commercial Paper:				
	ING Funding	A-1	P-1	9,999,500
	UBS	A-1	P-1	9,791,768
				<u>19,791,268</u>
Corporate Bonds:				
	GE Capital	AA+	Aa3	5,022,900
	IBM Corporation	AA-	Aa3	7,147,357
	Procter & Gamble	AA-	Aa3	6,700,446
	Toyota Motor Credit	AA-	Aa3	8,528,925
	Berkshire Hathaway	AA	Aa2	7,138,110
	3M Company	AA-	Aa2	4,917,239
				<u>39,454,977</u>
Israeli Bonds:				
	State of Israel	A+	A1	5,000,000
				<u>5,000,000</u>
Money Market Trust:				
	U. S. Government	AA+	Aaa	7,444,080
	Other	N/A	N/A	192,744
				<u>\$ 7,636,824</u>

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The City's cash and investments held at September 30, 2014 (including restricted cash and cash with paying agent) are shown below:

	<u>Carrying Amount</u>	<u>% of Portfolio</u>
U.S. government agency	\$ 161,801,200	25.3 %
U.S. treasuries	305,089,320	47.7
Corporate bonds	39,442,977	3.1
Israeli Bond	5,000,000	6.1
Commercial paper	19,788,579	0.8
Money market trust	7,636,824	1.2
Repurchase agreements	101,215,053	15.8
Total City Investments	<u>639,973,953</u>	<u>100.0 %</u>

City funds managed by others:

Cash with fiscal agent	250,000
Common stock	46,493
Demand deposit	<u>53,391,337</u>
Total cash and investments	<u>\$ 693,661,783</u>

Schedule of cash and investments by funds:

General	\$ 54,291,791
Resort Tax	17,175,100
Redevelopment Agency	16,849,114
Capital Projects	189,950,428
Storm Water	40,192,947
Water & Sewer	95,178,157
Parking	70,474,082
Convention Center Complex	20,248,279
Internal Service	53,312,970
Agency	9,041,350
Nonmajor Governmental	90,100,058
Nonmajor Enterprise	<u>36,847,507</u>
Total cash and investments	<u>\$ 693,661,783</u>

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the City's deposits may not be returned to it.

Deposits All deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, United States governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the City. The security can not be released,

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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(Continued)

substituted or sold without the City's approval and release of the security.

Investments The City's investment policy requires that securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City's name and all securities are registered in the City's name.

Employee Retirement Systems Investments:

The City has adopted ordinances which govern the investment of funds for all of the Employee's Retirement Systems (the System). Each Plan is allowed to invest in a wide range of instruments including but not limited to United States Treasury obligations, loans guaranteed by government agencies, Mutual and Money Market funds, Private Placement, Real Estate funds, General Obligation or Revenue Bonds issued by states and municipalities, dividend paying stocks of domestic corporations, International Equity Funds, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations. Each Plan has a Board of Trustees who authorizes the investment policy.

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 change in the market interest rate.

Information about the sensitivity of fair value of the System's investments to market interest rate fluctuations is provided in the table below that shows the distribution of the Systems investment by maturity at September 30, 2014.

City Pension Fund for Firefighters and Police Officers:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	More than 6
U.S. Government Securities	\$ 20,122,576	\$ 2,505,664	\$ 12,296,610	\$ 5,320,302
Corporate bonds and notes	201,231,499	10,112,190	85,327,264	105,792,045
Foreign Bonds	17,823,650	3,039,753		14,783,897
Private Placement	34,187,023	602,876	8,019,605	25,564,542
Total	\$ <u>273,364,748</u>	\$ <u>16,260,483</u>	\$ <u>105,643,479</u>	\$ <u>151,460,786</u>

Employees' Retirement Plan:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
Corporate bonds and notes	\$ 104,115,494	\$ 104,115,494	\$
Bond Funds	55,873,645		55,873,645
Total	\$ <u>159,989,139</u>	\$ <u>104,115,494</u>	\$ <u>55,873,645</u>

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(Continued)

Firemen's Relief and Pension Fund:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	More than 6
U.S. Government Securities	\$ 705,161	\$	\$ 389,008	\$ 316,153
Corporate bonds and notes	4,826,374	358,052	1,694,313	2,774,009
Total	\$ 5,531,535	\$ 358,052	\$ 2,083,321	\$ 3,090,162

Policemen's Relief and Pension Fund:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	More than 6
U.S. Government Securities	\$ 377,827	\$ 62,604	\$ 165,369	\$ 149,854
Corporate bonds and notes	2,177,615	204,023	644,915	1,328,677
Short-term obligations	775,490	775,490		
Total	\$ 3,330,932	\$ 1,042,117	\$ 810,284	\$ 1,478,531

Credit Risk and Concentration of Credit Risk The System's investment policy utilizes portfolio diversification in order to control credit risk. The Systems have no limit imposed on fixed income securities issued directly by the U.S. Government or any agency or instrumentality thereof.

The City pension fund for firefighters and police officers limits corporate debt securities (bonds, notes, debentures at the time of purchase) to only the highest three categories of quality by any of the following listed services: Moody's, Standards and Poors or Fitch's Manual. Any issue which is downgraded to investment grade fourth category may be held. Any issue if downgraded below investment grade by two of the three of the above mentioned ratings services must either be sold or specifically approved for retention by the Board. Commercial paper must be rated Moody's P1 or Standard and Poors A1. Bonds issued by the State of Israel may also be purchased. The City employee's retirement system limits commercial paper to those rated only in the highest category. Other fixed income securities that are classified "Investment Grade" in the top four rating by Standard & Poor's and Moody's can also be purchased. The firefighters and police officers pension funds follows state law, which limit investments in debt securities to those with the top three ratings issued by a nationally recognized statistical rating organization.

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Foreign Currency Risk Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan has exposure through international holding in a private placement trust fund. The Plan has exposure to currency fluctuations at September 30, 2014 as follows:

	Holdings Valued in U.S. Dollars Private Placement City Pension Fund for Police and Fire
Australian Dollar	\$ 5,089,719
Brazilian Real	1,727,823
British Pound Sterling	2,729,379
Canadian Dollar	(73,573)
Euro	10,680,017
Hungarian Forint	9,693
Japanese Yen	(117,506)
Mexican Peso	1,662,751
Norwegian Krone	1,407,153
South African Rand	1,004,053
Swedish Krona	2,487,770
Other	6,035,073
Total	\$ <u>32,642,352</u>

Credit risk is generally measured by the assignment of a rating by a nationally recognized rating organization. The following table discloses credit ratings by investment type at September 30, 2014.

City Pension Fund for Firefighters and Police Officers:

	Fair Value	Percentage of Portfolio
U.S. Government Securities	\$ 20,122,576	7.36 %
Quality rating of credit risk debt securities		
AAA	8,768,843	3.21
AA+	12,918,367	4.73
AA	11,210,475	4.10
AA-	25,203,432	9.22
A+	32,295,224	11.81
A	67,611,046	24.73
A-	53,727,816	19.65
BBB+	21,552,463	7.88
BBB	14,181,564	5.19
BBB-	4,245,283	1.55
BB+	88,705	0.03
BB	231,017	0.08
BB-	146,343	0.05
B+	238,856	0.09
B	449,960	0.16
B-	372,778	0.14
Total credit risk debt securities	<u>253,242,172</u>	<u>92.64</u>
Total fixed income securities	\$ <u>273,364,748</u>	<u>100.00 %</u>

CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2014
(Continued)

Fireman's Relief and Pension Fund:

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 705,161	12.75	%
Quality rating of credit risk debt securities			
Aa1	151,721	2.74	
Aa2	222,671	4.03	
Aa3	419,781	7.59	
BAA1	542,105	9.80	
BAA2	252,318	4.56	
A1	924,445	16.71	
A2	1,516,948	27.42	
A3	796,385	14.40	
Total credit risk debt securities	<u>4,826,374</u>	<u>87.25</u>	
Total fixed income securities	\$ <u>5,531,535</u>	<u>100.00</u>	%

Miami Beach Employees' Retirement Plan:

	Fair Value	Percentage of Portfolio	
Quality rating of credit risk debt securities			
AA+	\$ 104,115,494	65.08	%
AA	55,873,645	34.92	
Total credit risk debt securities	<u>159,989,139</u>	<u>100.00</u>	

Policeman's Relief and Pension Fund:

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 377,827	14.79	%
Quality rating of credit risk debt securities			
AA+	99,453	3.89	
AA-	95,782	3.75	
A+	328,756	12.86	
A	784,314	30.69	
A-	549,783	21.51	
BBB+	319,527	12.51	
Total credit risk debt securities	<u>2,177,615</u>	<u>85.21</u>	
Total fixed income securities	\$ <u>2,555,442</u>	<u>100.00</u>	%

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

As of September 30, 2014 the System had the following cash and investments in its portfolio:

	Fair Value
Short term investments	\$ 23,579,055
U.S. government securities	125,321,058
Corporate bonds and notes	207,983,002
Bond funds	55,873,645
Foreign bonds	52,541,284
Common stock and index funds	657,268,610
Aggregated equity funds	119,873,284
Real estate funds	36,892,451
Mutual funds	46,357,828
Cash	3,620,440
Total cash and investments	<u>\$ 1,329,310,657</u>

Investments are reported at fair value. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Fair value for stocks is determined by using the closing price listed on the national securities exchanges at September 30. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. Commercial paper, time deposits and short-term investment pools are valued at cost which approximates market.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the System's deposits may not be returned to it. Consistent with the System's investment policy, the investments are held by the System's custodial bank and registered in the System's name. All System's deposits are insured and or collateralized by a financial institution separate from the System's depository financial institution.

Discretely Presented Component Units

Component unit's cash and investment in the amount of \$3,014,165 consists of demand deposit and money market deposit accounts. These accounts are not subjected to interest rate risks, credit risks or concentration of credit risks. All deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, United States governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the component unit. The security can not be released, substituted or sold without the component unit's approval and release of the security.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

B. Receivables

Receivables at September 30, 2014 for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities							
	General	Resort Tax	Redevelopment Agency	Capital Projects	Internal Service	Nonmajor Funds	Total
Receivables:							
Accounts	\$ 7,561,162	\$ 3,492,029	\$ 29,584	\$	\$ 439,288	\$ 1,958,608	\$ 13,480,671
Special Assessments		1,104,313		44,579			1,148,892
Taxes	<u>2,696,008</u>					<u>112,334</u>	<u>2,808,342</u>
Gross receivables	10,257,170	4,596,342	29,584	44,579	439,288	2,070,942	17,437,905
Less: allowance for uncollectible accounts	<u>(3,503,565)</u>		<u>(18,959)</u>		<u>(51,949)</u>	<u>(1,281,583)</u>	<u>(4,856,056)</u>
Net total receivables	<u>\$ 6,753,605</u>	<u>\$ 4,596,342</u>	<u>\$ 10,625</u>	<u>\$ 44,579</u>	<u>\$ 387,339</u>	<u>\$ 789,359</u>	<u>\$ 12,581,849</u>

Business-type Activities						
	Storm Water	Water and Sewer	Parking	Convention Center Complex	Nonmajor Funds	Total
Receivables:						
Accounts	\$ 1,851,022	\$ 9,811,070	\$ 5,570,392	\$ 309,320	\$ 2,479,885	\$ 20,021,689
Gross receivables	1,851,022	9,811,070	5,570,392	309,320	2,479,885	20,021,689
Less: allowance for uncollectible accounts	<u>(722,656)</u>	<u>(2,091,133)</u>	<u>(190,319)</u>		<u>(1,065,413)</u>	<u>(4,069,521)</u>
Net total receivables	<u>\$ 1,128,366</u>	<u>\$ 7,719,937</u>	<u>\$ 5,380,073</u>	<u>\$ 309,320</u>	<u>\$ 1,414,472</u>	<u>\$ 15,952,168</u>

C. Property Taxes

Property values are assessed (levied) by the Miami-Dade County Property Assessor as of January 1 of each year, at which time taxes become an enforceable lien on property. State of Florida Amendment No. 10 to the Florida Constitution known as "Save our Homes" limits assessment increases on homestead property to the lesser of 3% or the consumer price index. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of personal property taxes by seizure of the property or by the sale of the property or by the sale of interest bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

D. Capital assets

Capital asset activities for the year ended September 30, 2014 were as follows:

Primary Government
Governmental activities:

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 52,356,979	\$ 539,006	\$ 672,482	\$ 52,223,503
Intangible assets	4,181,941			4,181,941
Construction work-in-progress	109,674,237	30,254,418	53,637,236	86,291,419
Total capital assets, not being depreciated	<u>166,213,157</u>	<u>30,793,424</u>	<u>54,309,718</u>	<u>142,696,863</u>
Capital assets, being depreciated:				
Building	123,047,435	7,310,053	623,321	129,734,167
Permanent improvements	345,671,966	26,809,432	7,586	372,473,812
Furniture & fixtures	2,834,304	2,797,359	10,154	5,621,509
Equipment	69,051,889	10,246,888	2,161,869	77,136,908
Infrastructure	185,477,733	18,295,554	513,650	203,259,637
Total capital assets, being depreciated	<u>726,083,327</u>	<u>65,459,286</u>	<u>3,316,580</u>	<u>788,226,033</u>
Less: accumulated depreciation for:				
Building	51,604,739	2,372,127	619,088	53,357,778
Permanent improvements	93,959,530	10,300,268	547	104,259,251
Furniture & fixtures	2,596,983	525,468	13,573	3,108,878
Equipment	50,741,699	6,001,195	2,085,675	54,657,219
Infrastructure	106,459,732	6,089,461	513,650	112,035,543
Total accumulated depreciation	<u>305,362,683</u>	<u>25,288,519</u>	<u>3,232,533</u>	<u>327,418,669</u>
Total capital assets, being depreciated, net	<u>420,720,644</u>	<u>40,170,767</u>	<u>84,047</u>	<u>460,807,364</u>
Governmental activities capital assets, net	<u>\$ 586,933,801</u>	<u>\$ 70,964,191</u>	<u>\$ 54,393,765</u>	<u>\$ 603,504,227</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

Primary Government
Business-type activities:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,835,429	\$	\$	\$ 25,835,429
Intangible assets	4,318,059			4,318,059
Construction work-in-progress	138,974,849	32,489,846	46,124,089	125,340,606
Total capital assets, not being depreciated	<u>169,128,337</u>	<u>32,489,846</u>	<u>46,124,089</u>	<u>155,494,094</u>
Capital assets, being depreciated:				
Main & lines	200,768,133	22,102,482		222,870,615
Building & structure	293,007,528	11,206,734	634,529	303,579,733
Meters & hydrants	20,054,537	10,453,778		30,508,315
Furniture, equipment & vehicles	76,281,848	5,620,794	504,126	81,398,516
Improvements other than building	21,249,318			21,249,318
Total capital assets, being depreciated	<u>611,361,364</u>	<u>49,383,788</u>	<u>1,138,655</u>	<u>659,606,497</u>
Less: accumulated depreciation for:				
Main & lines	34,533,303	4,630,605		39,163,908
Building & structure	108,317,162	7,847,349	116,991	116,047,520
Meters & hydrants	10,146,568	3,234,365		13,380,933
Furniture, equipment & vehicles	39,562,474	4,537,924	487,086	43,613,312
Improvements other than building	10,385,741			10,385,741
Total accumulated depreciation	<u>202,945,248</u>	<u>20,250,243</u>	<u>604,077</u>	<u>222,591,414</u>
Total capital assets, being depreciated, net	<u>408,416,116</u>	<u>29,133,545</u>	<u>534,578</u>	<u>437,015,083</u>
Business-type activities, combined capital assets, net	<u>\$ 577,544,453</u>	<u>\$ 61,623,391</u>	<u>\$ 46,658,667</u>	<u>\$ 592,509,177</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 6,509,429
Public safety	2,722,428
Physical environment	396,740
Transportation	8,366,404
Economic environment	297,286
Human Services	1,564
Culture and recreation	<u>6,994,668</u>
Total depreciation expense - governmental activities	<u>\$ 25,288,519</u>

Business-type activities

Storm Water	\$ 2,115,910
Water & Sewer	4,745,853
Parking Systems	6,917,621
Convention Center Complex	5,399,758
Nonmajor enterprise	<u>1,071,101</u>
Total depreciation expense - business-type activities	<u>\$ 20,250,243</u>

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$4,786,722 of depreciation expenses for internal services.

E. Construction, other Commitments and Capitalized Interest

At September 30, 2014 the City funds had active construction projects which includes, but is not limited to water; waste water and storm water improvements; as well as a variety of streetscape enhancement projects. The following table sets forth these commitments by fund:

Capital Projects	\$ 42,593,382
Storm Water Utility	13,314,435
Water & Sewer	6,534,563
Sanitation	219,033
Parking Systems	2,596,333
Non-major Enterprise	<u>237,795</u>
	<u>\$ 65,495,541</u>

The City funds had the following encumbrance commitments at September 30, 2014

General	\$ 346,653
Redevelopment Agency	134,843
Capital Project	42,593,382
Other Governmental	<u>8,577,775</u>
	<u>\$ 51,652,653</u>

The following is a schedule by fund, of interest expense and the amounts included as part of the cost of capital assets under construction.

	<u>Interest Charges</u>	<u>Amount Capitalized</u>
Storm Water Utility	\$ 4,258,872	\$ 2,296,197
Water and Sewer	5,476,074	2,597,963
Parking Systems	1,977,231	1,311,573

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

F. Interfund receivables, payables and transfers

Interfund balances at September 30, 2014 consist of the following:

Due To	Due From										Total
	General	Resort Tax	Redevelopment Agency	Capital Projects	Other Governmental	Storm Water	Water & Sewer	Parking Fund	Other Enterprise	Internal Service	
General	\$	\$	\$ 536,443	\$ 1,005,814	\$ 235,202	\$	\$	\$	\$ 56,810	\$ 6,246	\$ 1,840,515
Redevelopment Agency	15,919	716,620			3,293				1,772		737,604
Other Governmental	90	299,095			74,768						373,953
Parking									35,665		35,665
Other Enterprise	12,779		232,486					5,491	1,889		252,645
Internal Service	1,251,263	3,083	83,044		1,257	36,400	170,133	111,966	60,418	64,714	1,782,278
	<u>\$ 1,280,051</u>	<u>\$ 1,018,798</u>	<u>\$ 851,973</u>	<u>\$ 1,005,814</u>	<u>\$ 314,520</u>	<u>\$ 36,400</u>	<u>\$ 170,133</u>	<u>\$ 117,457</u>	<u>\$ 156,554</u>	<u>\$ 70,960</u>	<u>\$ 5,022,660</u>

The outstanding balances between fund result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made. All outstanding balances will be paid within the subsequent fiscal year. Interfund transfers for the year ended September 30, 2014 consisted of the following:

Transfer Out	Transfer In										Total
	General	Resort Tax	Redevelopment Agency	Capital Projects	Other Governmental	Storm Water	Parking	Convention Center	Other Enterprise	Internal Service	
General	\$	\$ 32,965,000	\$	\$	\$	\$	8,950,000	\$	\$	\$	41,915,000
Redevelopment Agency		5,885,927									5,885,927
Capital Projects	5,400,000		16,628,285								22,028,285
Other Governmental	7,341,948	11,541,903	9,905,118	696,000	1,381,346	8,224	60,159	837,600	8,224	348,041	32,128,563
Parking				4,627,530							4,627,530
Other Enterprise			142,765			637,000					779,765
Internal Service	395,000										395,000
	<u>\$ 13,136,948</u>	<u>\$ 50,392,830</u>	<u>\$ 26,676,168</u>	<u>\$ 5,323,530</u>	<u>\$ 1,381,346</u>	<u>\$ 645,224</u>	<u>\$ 9,010,159</u>	<u>\$ 837,600</u>	<u>\$ 8,224</u>	<u>\$ 348,041</u>	<u>\$ 107,760,070</u>

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, and (3) move unrestricted general revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Major transfers for the year were:

The General Fund transferred \$5.1 million for debt service payments, \$1.9 million for capital renewal and replacement, \$1.4 million to the pay as you go capital fund and \$4.0 million for capital projects. \$32.0 million was transferred from the resort tax fund to the general fund to support south beach, middle beach and north beach services, various culture and recreation events, and tourism related citywide expenditures. The resort

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tax fund also transferred \$5.9 million to the Redevelopment Agency Fund for debt service payments, \$1.2 million for debt services, \$1.2 million for transportation, \$1.2 million for cultural arts council programs and \$7.9 million to other funds to fund various south beach, middle and north beach approved projects. \$16.6 million was transferred from the Redevelopment Agency Fund to the capital projects fund to finance various projects in the City Center District, along with \$9.9 million to other governmental funds for debt service payments. \$3.9 million was transferred from south pointe capital fund to reimburse parking for the construction of the 5th and Alton parking garage and \$8.9 million was transferred from the parking systems fund to the general fund for operating activities.

G. Operating Leases

The City serves as the lessor for tenants leasing various parking facilities, marina, and offices and retail facilities. The tenant leases are considered operating leases, which expire at various dates through fiscal year 2053. Future minimum lease receivables under the operating leases at September 30, 2014, are as follows:

September 30	Business-type Operating Leases	Governmental Operating Leases
2015	\$ 1,471,123	\$ 2,734,727
2016	1,422,319	2,676,080
2017	1,436,172	2,620,323
2018	1,388,426	2,606,579
2019	1,300,877	2,271,704
2020 and thereafter	23,140,900	18,172,090
	<u>\$ 30,159,817</u>	<u>\$ 31,081,503</u>

The following schedule provides an analysis of the City's investment in property under operating leases and property held for lease by major classes as of September 30, 2014:

Parking facilities	\$ 7,947,504
Recreational facilities	15,831,132
Retail space	51,023,410
Marina	5,654,752
	<u>80,456,798</u>
Less: Accumulated depreciation	<u>(42,999,962)</u>
Net book value of leased assets	<u>\$ 37,456,836</u>

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H. Long-Term debt

1. General Obligation Bonds – Governmental Activities

The City issues general obligation bonds to provide funds for the acquisition, construction and improvements of major capital facilities. General obligation bonds have been issued for governmental activities. The amount of outstanding general obligation bonds issued is \$57,280,000. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 20-year serial bonds.

The General Obligation Bonds outstanding at September 30, 2014 consist of the following:

Issue Name	Interest Rate	Year Issued	Final Maturity	Original Issue	Outstanding 9/30/2014
General Obligation - Series 2003	2.00-5.25	2003	2033	\$ 62,465,000	\$ 28,080,000
General Obligation - Series 2011	3.00-5.00	2011	2023	34,840,000	29,200,000
Total General Obligation Bonds				\$ 97,305,000	\$ 57,280,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending September 30	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2015	\$ 3,525,000	\$ 2,385,769	\$ 5,910,769
2016	3,635,000	2,280,019	5,915,019
2017	3,740,000	2,170,969	5,910,969
2018	3,845,000	2,058,769	5,903,769
2019	3,995,000	1,904,969	5,899,969
2020-2024	12,760,000	7,334,293	20,094,293
2025-2029	13,075,000	4,638,725	17,713,725
2030-2033	12,705,000	1,460,475	14,165,475
	57,280,000	24,233,988	81,513,988
Plus: Unamortized Bond Premium	2,058,292		2,058,292
	\$ 59,338,292	\$ 24,233,988	\$ 83,572,280

On July 22, 2003, the City issued General Obligation Bonds, Series 2003, in the amount of \$62,465,000. These bonds were issued to provide funds to pay the cost of improving neighborhood infrastructure in the City, consisting of streetscape and traffic calming measures, shoreline stabilization and related maintenance facilities, and Fire Safety Projects and the Parks and Beaches projects. The Bonds will be repaid solely from ad-valorem taxes assessed, levied and collected. On December 1, 2011, the \$62,465,000 General Obligation Bonds, Series 2003 were partially refinanced by the issuance of the \$34,840,000 General Obligation Refunding Bonds, Series 2011.

On December 1, 2011, the City issued \$34,840,000 in General Obligation Refunding Bonds, Series 2011. This Series of bonds were issued by the City for the purpose of (i) refunding the Series 2000 General Obligation Bonds maturing after December 1, 2011, and the Series 2003 General Obligation Bonds maturing on and after September 1, 2014 through and including September 1, 2023, and (ii) paying the

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costs of issuance of the Bonds. The General Obligation Refunding Bonds, Series 2011 will be payable from ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City. The Series 2011 Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2023.

At September 30, 2014, the City did not have any defeased General Obligation debt.

2. Special Obligation Bonds – Governmental Activities

At September 30, 2014 the outstanding principal of special obligation bond issues and repayment sources are as follows:

Issue Name		Repayment Source	Total Original Issue	Total Outstanding Principal
1985B	Gulf Breeze fixed rate	Non Ad-Valorem	\$ 2,200,000	\$ 410,000
1985C	Series 2001 Gulf Breeze fixed rate	Non Ad-Valorem	14,301,954	2,625,264
1985E	Gulf Breeze fixed rate	Non Ad-Valorem	22,500,000	8,475,000
1998A	Tax Increment Revenue Bonds	RDA Tax increment Revenue	29,105,000	10,000,000
2005	Pension Refunding Bonds	Non Ad-Valorem	53,030,000	26,935,000
2005A	Tax Increment Revenue Refunding Bonds	RDA Tax increment Revenue	51,440,000	31,450,000
2005B	Tax Increment Revenue Refunding Bonds	RDA Tax increment Revenue	29,330,000	18,915,000
Total Special Obligation Bonds			<u>\$ 201,906,954</u>	<u>\$ 98,810,264</u>

On September 1, 2005 the City issued \$53,030,000 in taxable Series 2005 Special Obligation Bonds for the purposes of, together with other legally available funds of the City, refunding the City's outstanding Taxable Special Obligation Bonds (Pension Funding Project), Series 1994 maturing September 1, 2015 and September 1, 2021, making the required payment with respect to a Hedge Agreement and paying the costs of issuing the Series 2005 and refunding the Refunded Bonds, including the premiums for the Bond Insurance Policy and Reserve Account Surety Bond. The Series 2005 bonds were issued with interest rates of 4.24% to 5.23% payable semiannually on March 1 and September 1.

On July 1, 1998, the Agency issued \$29,105,000 (Series 1998A) and \$9,135,000 (Series 1998B) in tax-increment bonds. The Series 1998A bonds were issued with interest rates of 6.70% to 7.00% payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2020. The Series 1998B bonds were paid off on December 1, 2008. The bonds are subject to a trust indenture, which requires that annual debt service requirements be fully funded upon receipt of trust fund revenue. The Series 1998A Tax-increment bonds were partially refunded/defeased by the issuance of the Series 2005A and 2005B tax increment revenue refunding bonds on September 22, 2005. The Series 1998A bonds had a remaining outstanding principle balance of \$10,000,000 at September 30, 2014.

On September 22, 2005, the Agency issued \$51,440,000 (Series 2005A) and \$29,330,000 (Series 2005B) in tax-increment bonds. The Series 2005A bonds were issued with interest rates of 4.31% to 5.22% payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2022. The Series 2005B bonds were issued with interest rates of 3.25% to 5.00% payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2022. The bonds are subject to a trust indenture, which requires that annual debt service requirements be fully funded upon receipt of trust fund revenue. At September 30, 2014, the Agency did not have any defeased debt.

On August 1, 2001, the City executed three loan agreements with the City of Gulf Breeze, Florida, Local Government Pool to borrow \$47,145,000 on fixed rate notes. The Gulf Breeze Series B, in the amount of \$2,200,000, principal is to be repaid in fourteen annual installments commencing December 1, 2002 with interest paid semi-annually. The Gulf Breeze Series C, in the amount of \$22,445,000, principal is to be

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repaid in fourteen annual installments commencing December 1, 2002 with interest paid semi-annually. The Gulf Breeze Series E, in the amount of \$22,500,000, principal is to be repaid in nineteen annual installments commencing December 1, 2002 with interest paid semi-annually. \$17,115,000 was used to repay the outstanding balance of the City Gulf Breeze, Florida Local Government Loan Program Series 1985C variable rate notes. \$14,977,000 was used to repay a portion of the outstanding principal from the Sunshine State Loan. The remaining funds will be used for the renovation and improvement of two City owned golf courses and their related facilities. A portion of the Gulf breeze 1985C outstanding debt relates to the construction of a Parking Garage. The Parking Enterprise Fund includes an outstanding amount of \$1,494,728 that relates to this debt.

On August 15, 2007, the City defeased the Resort Tax Refunding Bonds, Series 1996. As a result, the outstanding balance of \$3,060,000 was removed from the governmental activities column of the statement of net position. At September 30, 2014, \$1,470,000 is still considered defeased.

At September 30, 2014 debt service requirements to maturity for special obligation bonds are as follows:

Fiscal Year Ending September 30	Debt Service Requirements Special Obligation Bonds		
	Principal	Interest	Total
2015	\$ 12,175,772	\$ 4,930,957	\$ 17,106,729
2016	12,754,492	4,328,256	17,082,748
2017	11,055,000	3,711,768	14,766,768
2018	11,645,000	3,113,007	14,758,007
2019	12,245,000	2,479,309	14,724,309
2020-2024	38,935,000	3,771,537	42,706,537
	98,810,264	22,334,834	121,145,098
Plus: Net unamortized Bond Premium	469,005		469,005
	\$ 99,279,269	\$ 22,334,834	\$ 121,614,103

For the fiscal year ended September 30, 2014, debt service on the tax increment bonds was \$8,404,739 and the tax increment revenues totaled \$37,456,562 and net customer revenues were \$9,573,968. Remaining outstanding principal and interest is \$75,817,020.

3. Revenue bonds – Business-Type Activities

a. Parking Fund

On August 1, 2001, the City executed three loan agreements with the City of Gulf Breeze, Florida, Local Government Pool to borrow \$47,145,000 on fixed rate notes. A portion of the \$22,445,000, Gulf Breeze Series 1985C, one of three loans, is allocated to the Fund. The principal is to be repaid in 14 annual installments commencing December 1, 2002 with interest paid semiannually. A portion of the Gulf Breeze 1985C outstanding debt relates to the construction of a parking garage. The Fund includes an outstanding amount of \$1,494,728 related to this debt.

On November 16, 2010, the City issued \$17,155,000 in Parking Revenue Refunding Bonds, Series 2010A and \$27,405,000 in Parking Revenue Bonds, Series 2010B. The Series 2010A Bonds are being issued by the City for the purpose of providing funds, together with other available moneys, to (i) current refund the City's outstanding Parking Revenue Bonds, Series 1997, previously issued in the aggregate principal amount of \$21,000,000, (ii) fund a deposit to the Reserve Account and (iii) pay costs of issuance of the

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Series 2010A Bonds. The Series 2010A Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2022. The Series 2010B Bonds are being issued by the City for the purpose of providing funds, together with other available moneys, to (i) pay the costs of acquiring and constructing a new parking garage and other capital improvements to the Parking System, (ii) fund a deposit to the Reserve Account and (iii) pay costs of issuance of the Series 2010B Bonds. The Series 2010B Bonds were issued with interest rates of 4.00% to 5.15% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2040.

Parking Revenue Fund indebtedness at September 30, 2014, is comprised of the following issued indebtedness:

\$ 8,143,046	Series 2001 (1985C) Gulf Breeze Loan Pool due in annual installments through 2015: interest at 3.875% - 4.75% <u>\$ 1,494,728</u>
\$ 17,155,000	Series 2010A Parking Revenue Refunding Bonds due in annual installments through 2022: interest at 3.00% - 5.00% <u>\$ 11,800,000</u>
\$ 27,405,000	Series 2010B Parking Revenue Bonds due in annual installments through 2040: interest at 4.00% - 5.00% <u>\$ 27,405,000</u>

At September 30, 2014, none of the bonds outstanding are considered defeased.

The aggregate maturities of Long-Term Debt at September 30, 2014, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2015	\$ 2,134,228	\$ 1,888,344	\$ 4,022,572
2016	2,230,500	1,796,643	4,027,143
2017	1,525,000	1,719,863	3,244,863
2018	1,590,000	1,649,112	3,239,112
2019	1,660,000	1,585,513	3,245,513
2020-2024	7,285,000	6,796,262	14,081,262
2025-2029	5,730,000	5,431,625	11,161,625
2030-2034	7,215,000	3,944,338	11,159,338
2035-2039	9,205,000	1,957,000	11,162,000
2040-2040	2,125,000	106,250	2,231,250
	40,699,728	26,874,950	67,574,678
Less: net unamortized Bond discount	13,310		13,310
	\$ <u>40,686,418</u>	\$ <u>26,874,950</u>	\$ <u>67,561,368</u>

The Series 2010A and 2010B revenue bonds are payable from and secured by a lien on and pledge of net revenues derived from the operation of the City's parking system. The total principal and interest remaining to be paid on all Parking bonds is \$ 67,574,678. Principal and interest paid for the current year and total customer net revenues were \$4,026,993 and \$9,095,676 respectively.

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b. Water and Sewer Fund

The Water & Sewer Fund issued \$54,310,000 in Water and Sewer Revenue Bonds, Series 2000, on September 1, 2000. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility. This bond was partially refunded by the issuance of the Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1A and 2009J-1B. The portion of the Series 2000 bonds refunded was \$23,480,000.

On May 1, 2006, the City obtained four loans from the City of Gulf Breeze, Florida Local Government Loan Pool Program. The City of Miami Beach intends to use a loan from the City of Gulf Breeze, Florida, Series 1985B Bond proceeds and a loan from the City of Gulf Breeze, Florida, Series 1985C proceeds to refund all of the City of Miami Beach's outstanding Water & Sewer Revenue Bonds, Series 1995. In addition, the City intends to use a loan from the City of Gulf Breeze, Florida, Series 1985B Bond proceeds and a loan of the City of Gulf Breeze, Florida, Series 1985E Bond proceeds to pay the cost of certain improvements to its water and sewer utility. As evidence of such loans, the City's Water and Sewer Fund issued \$8,500,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2006B-1, \$18,300,000 in Water and Sewer Revenue Bonds, Taxable Series 2006B-2, \$27,500,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series, 2006C, and \$5,700,000 in Water and Sewer Revenue Bonds, Taxable Series 2006E. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The Refunding bonds were issued to refund the Water and Sewer Revenue Bonds, Series 1995, and the other two bonds were issued to construct various improvements and extensions to the Water and Sewer utility.

On February 17, 2010, the City obtained three loans from the City of Gulf Breeze, Florida Local Government Loan Pool Program. The City intends to use one of the loans from the City of Gulf Breeze, Florida, Series 1985J proceeds to pay the cost of certain improvements to its water and sewer utility. As evidence of such loans, the City's Water and Sewer Fund issued \$13,590,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1A, \$10,000,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B, and \$30,000,000 in Water and Sewer Revenue Bonds, Taxable Series 2009J-1C. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The two refunding bonds were issued to partially refund the Water and Sewer Revenue Bonds, Series 2000, and the other bond was issued to construct various improvements and extensions to the Water and Sewer utility.

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Indebtedness of the Water and Sewer Fund at September 30, 2014 is as follows:

\$ 54,310,000	2000 Revenue Bonds due in annual installments through 2030: Interest at 5.00% - 5.75%	<u>\$ 30,830,000</u>
\$ 8,500,000	2006B-1 Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985B due in annual installments through 2015: Interest at 4.25% - 4.50%	<u>\$ 6,220,000</u>
\$ 18,300,000	2006B-2 Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985B due in annual installments through 2019: Interest at 4.40% - 4.50%	<u>\$ 18,300,000</u>
\$ 27,500,000	2006C Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985C due in annual installments through 2014: Interest at 4.00% - 4.50%	<u>\$ -</u>
\$ 5,700,000	2006E Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985E due in annual installments through 2020: Interest at 5.00%	<u>\$ 5,700,000</u>
\$ 13,590,000	2009J-1A Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2020: Interest at 4.10% - 4.50%	<u>\$ 13,590,000</u>
\$ 10,000,000	2009J-1B Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2023: Interest at 4.82% - 5.00%	<u>\$ 10,000,000</u>
\$ 30,000,000	2009J-1C Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2039: Interest at 5.00%	<u>\$ 30,000,000</u>

At September 30, 2014, none of the bonds outstanding are considered defeased.

The aggregate maturities of Long-term debt as of September 30, 2014 are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2015	\$ 4,935,000	\$ 5,299,541	\$ 10,234,541
2016	3,770,000	5,111,733	8,881,733
2017	6,415,000	4,889,445	11,304,445
2018	6,700,000	4,603,255	11,303,255
2019	6,995,000	4,300,719	11,295,719
2020-2024	28,720,000	17,876,550	46,596,550
2025-2029	21,995,000	12,330,337	34,325,337
2030-2034	13,685,000	7,126,375	20,811,375
2035-2039	17,405,000	3,265,625	20,670,625
2040	4,020,000	100,500	4,120,500
	<u>114,640,000</u>	<u>64,904,080</u>	<u>179,544,080</u>
Less:			
Unamortized Discount	<u>147,591</u>		<u>147,591</u>
	<u>\$ 114,492,409</u>	<u>\$ 64,904,080</u>	<u>\$ 179,396,489</u>

The Series 2000, 2006 and 2009 revenue bonds are payable from and secured by a lien on and pledge of net revenues of the water and sewer utility and to the extent provided in the bond resolution, from impact fees, and from all moneys held in the funds and accounts established under the bond resolution.

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The total principal and interest remaining to be paid on the bonds is \$179,544,080. Principal and interest paid for the current year and total customer net revenues were \$8,661,072 and \$17,432,773 respectively.

c. Storm Water

On February 17, 2010, the City obtained a loan from the City of Gulf Breeze, Florida Local Government Loan Pool Program. The City intends to use this loan from the City of Gulf Breeze, Florida, Series 1985J proceeds to partially refund the Series 2000 bonds. As evidence of such loan, the City's Storm Water Fund issued \$16,185,000 in Storm Water Revenue Refunding Bonds, Taxable Series 2009J-2. The bonds will be repaid solely from pledged revenues of the Storm Water system. They are registered transcripts and insured.

On December 7, 2011, the City issued \$52,130,000 in Storm Water Revenue Bonds, Series 2011A and \$26,575,000 in Storm Water Revenue Refunding Bonds, Series 2011B. The Series 2011A Bonds are being issued by the City for the purpose of providing funds to (i) pay the costs of certain capital improvements to its Storm Water Utility, (ii) fund a deposit to the Reserve Account, and (iii) pay the costs of issuing the Series 2011A Bonds. The Series 2011A Bonds were issued with interest rates of 4.00% to 5.25% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2041. The Series 2011B Bonds are being issued by the City for the purpose of providing funds, together with other available moneys of the City, to (i) refund, defease and redeem the outstanding Series 2000 Bonds, including interest to accrue to their redemption date, and (ii) paying the costs of such issuance, refunding, defeasance and redemption. The Series 2011B Bonds were issued with interest rates of 2.00% to 5.25% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2030. Both Series 2011A and 2011B Bonds will be repaid solely from pledged revenues of the Storm Water System.

Indebtedness of the Storm Water Fund at September 30, 2014 is as follows:

\$16,185,000	2009J-2 Storm Water Revenue Refunding Bonds Due in annual installments through 2020: Interest at 2.00% - 4.50%	<u>\$11,885,000</u>
\$52,130,000	2011A Storm Water Revenue Bonds Due in annual installments through 2041: Interest at 4.00% - 4.25%	<u>\$52,130,000</u>
\$26,575,000	2011B Storm Water Revenue Refunding Bonds Due in annual installments through 2030: Interest at 2.00% - 5.25%	<u>\$26,240,000</u>

The aggregate maturities of Long-term debt at September 30, 2014 are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2015	\$ 2,620,000	\$ 4,208,297	\$ 6,828,297
2016	2,720,000	4,109,261	6,829,261
2017	2,815,000	4,000,507	6,815,507
2018	2,935,000	3,884,112	6,819,112
2019	3,065,000	3,747,837	6,812,837
2020-2024	18,065,000	16,493,244	34,558,244
2025-2029	23,355,000	11,536,290	34,891,290
2030-2034	14,300,000	6,655,080	20,955,080
2035-2039	13,860,000	3,612,120	17,472,120
2040-2041	6,520,000	471,338	6,991,338
	<u>90,255,000</u>	<u>58,718,086</u>	<u>148,973,086</u>
Plus Unamortized Premium	<u>2,232,264</u>		<u>2,232,264</u>
	<u>\$ 92,487,264</u>	<u>\$ 58,718,086</u>	<u>\$ 151,205,350</u>

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Series 2009J-2, the Series 2011A and the Series 2011B bonds are payable from and secured by a lien on and pledge of net revenues of the stormwater utility and from all moneys held in the funds and accounts established under the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$148,973,086. Principal and interest paid for the current year and total customer net revenues were \$5,848,873 and \$7,902,307 respectively.

4. Loans

On February 20, 2008, the City entered into a new loan agreement which allows the City to be reimbursed for the purchase of machinery and equipment up to a maximum of \$37,500,000. The interest rates on this loan agreement range from 1.9% to 4.5%. At September 30, 2014, the City was indebted for \$14,828,475

The aggregate maturities of loans at September 30, 2014 are as follows:

Fiscal Year Ending September 30	Loans		
	Principal	Interest	Total
2015	\$ 4,369,549	\$ 303,651	\$ 4,673,200
2016	3,433,662	202,522	3,636,184
2017	2,712,624	132,803	2,845,427
2018	2,011,376	78,399	2,089,775
2019	1,394,978	38,329	1,433,307
2020-2023	906,286	28,366	934,652
	<u>\$ 14,828,475</u>	<u>\$ 784,070</u>	<u>\$ 15,612,545</u>

The above debt has been recorded in the following funds:

Internal Service	\$ 13,558,363
Stormwater	148,605
Water & Sewer	368,171
Parking	330,511
Other Enterprise	422,825
	<u>\$ 14,828,475</u>

5. Other Obligations

On May 25, 2010, the City entered into an equipment lease purchase financing agreement with a financial institution for the construction/purchase of energy saving equipment. At September 30, 2014, the outstanding balance on this loan was \$12,881,589. The interest rate on this loan is a fixed 4.18%. Principal and interest payment are made monthly. The first payment was made on May 25, 2012 and the last payment will be made on April 25, 2025.

The aggregate maturities of other long-term obligations at September 30, 2014 are as follows:

Fiscal Year Ending September 30	Long-term Obligation	Interest	Total
2015	\$ 744,201	\$ 524,535	\$ 1,268,736
2016	823,894	491,921	1,315,815
2017	908,761	455,877	1,364,638
2018	999,090	416,183	1,415,273
2019	1,095,182	372,604	1,467,786
2020-2024	7,256,688	1,047,653	8,304,341
2025	1,053,773	14,734	1,068,507
	<u>\$ 12,881,589</u>	<u>\$ 3,323,507</u>	<u>\$ 16,205,096</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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On May 21, 2014, the City of Miami Beach issued Resolution No. 2014-28599 which authorized the issuance of a line of credit not to exceed an aggregate principal amount of \$60 million to pay the costs of capital projects. The line of credit was obtained from one financial institution. Tax-exempt draws against the line of credit will have a variable interest rate of 70% of Libor rate plus 0.50%, and the taxable draws will have a variable rate equal to Libor rate plus 0.75%. There will be an annual fee of 0.20% on the unused portion of the line of credit payable on a quarterly basis. The City shall pay the financial institution the entire unpaid principal balance together with all accrued and unpaid interest on May 30, 2016 (the "Maturity Date"). As of September 30, 2014, no amounts have been drawn down from this line of credit.

6. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2014 is as follows:

Governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation	\$ 60,715,000	\$	\$ 3,435,000	\$ 57,280,000	\$ 3,525,000
Special obligation	110,425,502		11,615,238	98,810,264	12,175,772
Plus: Net unamortized bond Premium	3,062,046		529,494	2,532,552	485,986
Less: Net unamortized bond Discount	6,549		1,294	5,255	
Less: unamortized deferred ref. cost	1,456,909		1,456,909		
Total bonds payable	<u>172,739,090</u>		<u>14,121,529</u>	<u>158,617,561</u>	<u>16,186,758</u>
Claims and judgments	26,481,872	27,910,350	23,575,320	30,816,902	7,575,660
Compensated absences	17,314,537	9,725,580	9,452,030	17,588,087	7,777,767
Other obligations	13,551,001		669,412	12,881,589	1,080,241
OPEB obligation	38,732,973	8,469,000		47,201,973	
Loans payable	12,374,012	4,455,721	3,271,370	13,558,363	3,912,951
Environmental remediation liability	<u>70,000</u>	<u>200,000</u>		<u>270,000</u>	
Governmental activity					
Long-term liabilities	<u>\$ 281,263,485</u>	<u>\$ 50,760,651</u>	<u>\$ 51,089,661</u>	<u>\$ 280,934,475</u>	<u>\$ 36,533,377</u>

Business-type activities:

Revenue bonds payable	\$ 252,419,490	\$	\$ 6,824,762	\$ 245,594,728	\$ 9,689,228
Plus: Unamortized bond Premium	2,952,751		264,655	2,688,096	253,820
Less: Unamortized bond Discount	653,250		36,517	616,733	36,517
Less: Unamortized deferred costs	<u>2,280,303</u>		<u>2,280,303</u>		
Total bonds payable	<u>252,438,688</u>		<u>4,772,597</u>	<u>247,666,091</u>	<u>9,906,531</u>
Loans payable	1,793,396		523,284	1,270,112	456,598
Environmental remediation liability	1,000,000		800,000	200,000	
Compensated absences	2,063,615	1,517,654	1,462,318	2,118,951	1,357,381
Deposits	<u>9,838,976</u>	<u>6,699,304</u>	<u>7,798,843</u>	<u>8,739,437</u>	<u>6,841,127</u>
Business-type activity					
Long-term liabilities	<u>\$ 267,134,675</u>	<u>\$ 8,216,958</u>	<u>\$ 15,357,042</u>	<u>\$ 259,994,591</u>	<u>\$ 18,561,637</u>

The City's internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At September 30, 2014, \$1,245,859 internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the internal service and general fund respectively.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

I. Governmental Fund – Fund balance

Below is a table of fund balance categories and classifications at September 30, 2014 for the City's governmental funds:

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental
Fund balances:					
Restricted:					
General government	\$	\$	\$	\$	\$ 886,485
Building operations reserves	4,752,809				
Public safety				874,637	3,288,373
Human services					258,222
Physical environment					19,145
Economic environment			15,498,962		628,650
Quality of life improvement					17,104,808
Transportation					41,246,835
Culture and recreation		19,586,549		10,082,363	779,815
Sewer improvement				81,683	
Street improvement				270,354	
Energy efficiency				355,525	
Infrastructure				20,939	
Communications				78,488	
RDA City Center improvement				52,484,631	
Other capital projects				17,135,027	
Neighborhood improvement				19,413,503	
South Pointe improvement				56,536,527	
Debt service					9,972,641
Committed:					
General government				6,173,349	
Public safety				52,297	
Culture and recreation				70,665	6,594,254
Transportation				488,726	
Physical environment				28,358	
Emergencies	29,159,117				
Encumbrances	346,608				
Reserved for pay as you go projects				8,917,621	
Capital Reserve				11,857,313	
Other capital projects				653,888	
Capital renewal and replacement					8,452,032
Assigned:					
Reserve set aside for future budgets	1,726,000				
Contingencies	14,518,357				
Public safety					752,927
Unassigned:					
Reimbursable grants funds				(1,221,469)	(582,061)
Reimbursable boardup/ Relocation charges					40,874
Non-reimbursable grant funds				(88,557)	(603,467)
Unrealized gains				94,481	
Total Fund Balance	\$ 50,502,891	\$ 19,586,549	\$ 15,498,962	\$ 184,360,349	\$ 88,839,533

The City is pending reimbursement from various grantors for the reimbursable grant funds balance of \$1,803,530. The non- reimbursable grant fund consists of \$692,024 from the State of Florida HRS grant, capital and other grants. Expenditures incurred against these grants were not reimbursed by the grantor and as such, will be funded by the City's other funding sources over time based on available resources.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

J. Risk Management

The City is exposed to various risks of loss from civil liability to other parties (automobile liability, general liability, police professional liability, public official liability); statutory workers' compensation benefits for injured employees; and the theft or accidental damage to City property (buildings and business contents). The City established an internal service Self-Insurance Fund (the "Fund") to account for its risk financing activities. The Fund pays for all claims and judgments made against the City for accidental losses for which the City is self-insured, and the premium costs for insurance policies to protect the City's property.

A third party insurer provides coverage for losses to City buildings above various deductible amounts. The City maintains no excess coverage with independent insurance carriers for the workers' compensation, general, automobile, police professional and public official liability self-insurance program. Premiums are charged to the respective City funds and determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. There were no settlements in excess of applicable insurance for the past three years. During fiscal year 2014 the City's paid \$2.0 million in property insurance premium.

The Fund derives revenue from all City departments through an allocation formula and from investment income earned on cash and investments within the Fund. The Fund accrues an amount based on an external actuarial computation which includes known claims and an estimate for claims incurred but not yet reported, regardless of the ultimate date of payment or disposition.

The following are the changes in the funds' claims liability amount during fiscal years 2013 and 2014 respectively:

	2013	2014
Unpaid claims, beginning of year	\$ 24,712,063	\$ 25,221,791
Incurred claims (includes incurred but not yet reported)	7,166,818	11,070,369
Less: claim payments	6,657,090	6,610,918
Unpaid claims, end of year	<u>\$ 25,221,791</u>	<u>\$ 29,681,242</u>

The City established an internal service Health Insurance Fund (the "Fund") to account for Medical and Dental activities. Revenues from employee and City premiums are recorded in the Fund. The Fund pays for all claims and the premium cost of "stop loss" insurance coverage. Both medical and dental claims are administered by a third party service provider.

The following are the changes in the funds' claims liability amount during fiscal years 2013 and 2014 respectively:

	2013	2014
Unpaid claims, beginning of year	\$ 1,199,000	\$ 1,260,081
Incurred claims (includes incurred but not yet reported)	16,546,631	16,839,981
Less: claim payments	16,485,550	16,964,402
Unpaid claims, end of year	<u>\$ 1,260,081</u>	<u>\$ 1,135,660</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

K. Pollution Remediation

GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations establishes accounting and financial reporting standards for pollution remediation obligations. The City has identified five (5) sites that are undergoing pollution remediation activities. These sites and activities are as follows:

1. Miami Beach Golf Course Material Recovery Facility(MRF) - ammonia contamination
2. Miami Beach Golf Course - arsenic investigation
3. Normandy Shores Golf Course - arsenic investigation
4. Maurice Gibb Park - hydrocarbon contamination
5. Fleet Management Mechanical Maintenance Facility - Synthetic Oil Investigation

As of September 30, 2014, the City has recorded a pollution remediation liability of \$200,000 in Sanitation fund and in the business-type activities for the Miami Beach Golf Course and \$270,000 in the capital project fund and governmental-type activities for the Maurice Gibb Park. Other remediation or monitoring costs were deemed immaterial and will be paid from annual operating expenses.

L. Significant Commitments and Contingencies

1. The City, in the normal course of operations, is a party to various other actions in which plaintiffs have alleged certain damages. In all cases, management does not believe the disposition of these matters will materially affect the financial position of the City. Probable losses are accrued in the City's Risk Self-Insurance fund.
2. The City participates in a number of Federal and State assisted grant programs, which are subject to financial and compliance audits. Audits for these programs are to be conducted at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.

M. Change in accounting principle

On October 1, 2013, the City implemented the requirements of GASB Statement No. 65 (GASB 65), "Items Previously Reported as Assets and Liabilities". This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB 65 changed the treatment of debt issuance costs, the classification of related prepaid insurance, and classification of deferred amounts on refunding. With the exception of prepaid insurance, debt issuance costs related to services provided for the issuance of new debt should be expensed as incurred. As such, prior period adjustments were recorded in the Government-wide statement, Storm Water, Water and Sewer and Parking Funds to account for the balances from the prior year. The effect of the restatement on net position is presented below:

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

	<u>Storm Water Utility Fund</u>	<u>Water and Sewer Fund</u>	<u>Parking System Fund</u>	<u>Business-type Activities Total</u>
Business-Type Activities				
Net Position, October 1, 2013	\$ 68,226,256	\$ 186,428,164	\$ 147,485,719	\$ 583,399,723
Restatement for:				
Deferred Bond Issuance Costs	(726,814)	(1,139,806)	(482,251)	(2,348,871)
	<u>67,499,442</u>	<u>185,288,358</u>	<u>147,003,468</u>	<u>581,050,852</u>
Restated Net Position, October 1, 2013				
	<u>\$ 67,499,442</u>	<u>\$ 185,288,358</u>	<u>\$ 147,003,468</u>	<u>\$ 581,050,852</u>
Governmental Activities				
Net Position, October 1, 2013	\$ 691,054,747			
Restatement for:				
Deferred Bond Issuance Costs	(2,172,806)			
	<u>688,881,941</u>			
Restated Net Position, October 1, 2013				
	<u>\$ 688,881,941</u>			

N. Subsequent Events

There are no subsequent events to report for the Fiscal Year Ended September 30, 2014.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

IV. Pension Plan

a. Miami Beach Employees' Retirement System

i. Summary of Significant Accounting Principles

The Plan financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date.

Investments are recorded at fair value in the Statement of Plan Net Position. Fair value 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 diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 (GASB Statement No. 67). GASB Statement No. 67 applies to pension plans that administer pension benefits for governments through a trust or equivalent arrangement that meets certain specified criteria. GASB Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the net pension liability of employers for benefits provided through the pension plan. The adoption changed various reporting terminology, footnote disclosures, and required supplementary information to be disclosed. The adoption of GASB 67 also required a restatement of prior years' liabilities in accordance with GASB 67.

ii Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 The City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The Miami Beach Employees' Retirement Plan (the Plan) is a single employer defined benefit pension plan for general employees established by the City of Miami Beach, Florida (the City) effective March 18, 2006. The Miami Beach Employees' Retirement System was created under and by the authority of Chapter 18691, Laws of Florida, Act of 1937, as amended, by merging the "Retirement System for General Employees of the City of Miami Beach" created by Ordinance 1901 with the "Retirement System for Unclassified Employees and Elected Officials of the City of Miami Beach" created by Ordinance 88-2603, as amended.

Members are full-time employees, classified and unclassified positions, who work more than 30 hours per week except for policemen and firemen and persons who elect to join the defined contribution retirement Plan sponsored by the City. Membership consisted of the following as of October 1, 2013, the date of the latest accrual valuation:

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(Continued)

Inactive plan members and beneficiaries currently receiving benefits	1,055
Inactive plan members entitled but not yet receiving benefits	125
Active plan members	<u>1,014</u>
 Total members	 <u><u>2,194</u></u>

The plan provides for retirement benefits as well as death and disability benefits at three different tiers depending on when the members entered the Plan:

The First Tier is for members that entered the Plan prior to the Second Tier Dates. The Second Tier is for members that entered the Plan on or after the Second Tier Dates, but before the Third Tier Dates. The Third Tier is for members that entered the Plan on or after the Third Tier Dates. Both the Second Tier and Third Tier Dates were established when each of the unions bargained with the City to establish new guidelines for retirement benefits relating to employees associated with their Unions. The Second Tier Dates are April 30, 1993 for members of AFSCME; August 1, 1993 for those classified as Other and GSAF, and February 21, 1994 for members of CWA. The Third Tier Dates are September 30, 2010 for members of AFSCME, GSAF and for those classified as other, and October 27, 2010 for members of CWA.

Classified members administered under the First Tier are eligible for normal retirement at age 50 and five years of Creditable Service and are entitled to benefits of 3% of Final Average Monthly Earnings (FAME) multiplied by the first 15 years of Creditable Service plus 4% of FAME multiplied by years of service in excess of 15 years, with the total not to exceed 90% of FAME. First Tier unclassified members accrued 4% for creditable service before October 18, 1992. Unclassified First Tier members accrued 3% per year of service after October 18, 1992, with the total not to exceed 80% of FAME. Classified and unclassified members administered under the Second Tier are eligible for Normal Retirement at age 55 and five years of creditable service and are entitled to benefits of 3% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. Classified and unclassified members administered under the Third Tier are eligible for Normal Retirement at age 55 with at least 30 years of creditable service, or age 62 with at least five years of creditable service and are entitled to benefits of 2.5% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. For elected officials, City Manager or City Attorney, the benefit is 4% of FAME for each year of creditable service as an elected official, city manager or city attorney plus the retirement benefit as defined above for any other period of city employment, subject to a maximum of 80% of FAME.

Final average monthly earnings (FAME) means one-twelfth of the average annual earnings during the highest two paid years of credible service. For Unclassified First Tier members who became a member prior to October 18, 1992 and was continuously a member from that date until March 18, 2006, FAME is defined as the larger of one-twelfth average covered salary during the two highest paid years of creditable service or one-twelfth of the pay of the year immediately preceding March 18, 2006. Effective as of September 30, 2010, FAME for members who have obtained normal retirement age or are within 24 months from normal retirement age is defined as average covered salary during the two highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 24 and 36 months from normal retirement age is defined as average covered salary during the three highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 36 and 48 months from normal retirement age is defined as average covered salary during the four highest paid years of creditable service. FAME for those members who as of September 30, 2010 are more than 48 months from normal retirement age is defined as average covered salary during the five highest paid years of creditable service. A Member with five or more years of creditable

CITY OF MIAMI BEACH, FLORIDA
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(Continued)

service may, at any time prior to retirement, elect to purchase a maximum of two years additional creditable service. Effective September 30, 2013, Members whose classification is included in the CWA and GSAF bargaining unit and Members who are not included in any collective bargaining unit shall not be eligible to purchase additional creditable service. Effective April 23, 2015, members whose classifications are included in the AFSCME bargaining unit are not eligible to purchase additional creditable service.

Any First Tier member who terminates employment may either request a refund of their own contributions plus interest, or receive their accrued benefit beginning at age 50, if at least five years of creditable service are completed. Any Second Tier member who entered on or after the Second Tier Date and who terminates employment after five years of creditable service may either request a refund of their own contributions plus interest or receive their accrued benefit beginning at age 55. Any Third Tier member who entered on or after the Third Tier Date and who terminates employment after five years of creditable service but prior to the normal or early retirement date shall be eligible to receive a normal retirement benefit at age 62.

iii. Deferred retirement option plan (DROP)

A DROP was enacted on January 28, 2009 by Ordinance 2009-3626. Under this Plan, First and Second Tier members who have attained eligibility for Normal Retirement may continue working with the City for up to three years, while receiving a retirement benefit that is deposited into a DROP account. Third Tier members may participate in a DROP account for up to five years. Effective July 17, 2013, Members within classifications in the CWA bargaining unit who were hired prior to October 27, 2010, and Members not included in any bargaining unit who were hired prior to September 10, 2010, may elect to retire for the purposes of the Plan but continue employment with the City for up to sixty months, and have their monthly retirement benefit paid into a DROP account during the DROP period. Effective October 1, 2013, any member within classifications in the GSAF bargaining may elect to retire for the purposes of the Program but continue employment with the City for up to sixty months, and have their monthly retirement paid into a DROP account during the DROP period. Effective April 23, 2014, members within classifications in the AFSCME bargaining unit who were hired prior to September 30, 2010, may elect to retire for the purposes of the Plan but continue employment with the City for up to sixty months, and have their monthly retirement benefits paid into a DROP account during the DROP period. The amount of the benefit is calculated as if the participant had retired on the date of DROP commencement. Upon termination with the City, the accumulated value of the DROP account is distributed to the participant. A member's creditable service, accrued benefit and compensation calculation shall be frozen.

A series of investment vehicles which are established by the board of trustees are made available to DROP participants to choose from. Any losses, charges, or expenses incurred by the participant in their DROP account are not made up by the City or the Trust, but shall be borne by the participant. Upon termination of employment, a member may receive distributions in accordance with the Plan.

A DROP participant shall not be entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there shall be no accidental death benefit for pension purposes. DROP participation 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. First and Second Tier members receive an annual cost-of-living adjustment (COLA) of 2.5%. The COLA is not payable while members are in the DROP. For Third Tier members the COLA is 1.5%. As of September 30, 2014, there were 94 members in the DROP and the value of DROP investment was \$7,434,014 which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$165,000 loans were outstanding as of September 30, 2014.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

iv. Funding Policy, Contributions Required and Contributions Made

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the members. All First Tier members who participate are required to contribute 12% of their covered salary to the Plan. All Second and Third Tier members are required to contribute 10% of their covered salary.

For the fiscal year ended September 30, 2014, the City was required to make contributions of \$25,602,030 or 40.3% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2013. For the year ended September 30, 2014, the employees contributed \$7,373,407 and buybacks were \$1,143,866.

The Plan uses the following actuarial valuations at 10/01/13:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	4%
Salary Increases	4.5% to 7% depending on service, including inflation
Investment Rate of Return	8%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after year 2000 to the year 2010 using Scale AA.

v. Net Pension Liability of the City

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

Total pension liability	\$ 679,514,531
Plan's fiduciary net position	(516,387,785)
City net pension liability	<u>\$ 163,126,746</u>

vi. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due, as follows:

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contribution	Annual Pension Cost	Percentage of Annual Pension Cost Contributed
2012	16,243,133	16,312,068	100%
2013	21,222,051	21,222,051	100%
2014	25,602,030	25,602,030	100%

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

vii. Funded Status and Funding Progress

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of the funded status as of the latest actuarial valuation date is as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/2013	\$ 440,912,751	\$ 649,797,221	\$ 208,884,470	67.9%	\$ 63,526,903	328.8%

b. Retirement System for Firefighters and Police Officers

i. Summary of Significant Accounting Principles

The Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenues when due pursuant to actuarial valuations. Share plan contributions are recognized as revenues in the period in which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend rate.

Investments are recorded at fair value in the Statement of Fiduciary Net Position. Fair value 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 diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates.

The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 (GASB Statement No. 67). GASB Statement No. 67 applies to pension plans that administer pension benefits for governments through a trust or equivalent arrangement that meets certain specified criteria. GASB Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the net pension liability of employers for benefits provided through the pension plan. The adoption changed various reporting terminology, footnote disclosures, and required supplementary information to be disclosed. The adoption of GASB 67 also required a restatement of prior years' liabilities in accordance with GASB 67.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

ii. Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 The City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The plan is a single employer defined benefit plan established by the City of Miami Beach, Florida (The "City") and was created under Chapter 23414, Laws of Florida, Special Acts of 1945, as amended through September 30, 2013. The Plan's governing board is the Board of Trustees, which comprises nine members: three of which are elected by the fire department, three of which are elected by the police department, and three of which are appointed by the mayor. Members are substantially all police officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following three tiers:

Tier One members are those hired prior to July 14, 2010

Tier Two members are those hired on or after July 14, 2010, but prior to September 30, 2013.

Tier Three members are those hired on or after September 30, 2013.

Tier One members

Members who met eligibility to retire prior to September 30, 2013 may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when age and length of creditable service equals to at least 70 years. Members eligible to retire on or after September 30, 2013 may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when the member attains age 47 and length of creditable service equals to at least 70 years.

Upon retirement, a member who met eligibility to retire prior to September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 15 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 15 years, provided that the pension does not exceed 90% of the average monthly salary. Members who met eligibility to retire on or after to September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. All retirees and beneficiaries receiving a monthly pension as of September 30, 2010 will receive a 2.5% increase in benefits on October 1st of each year. Members that retire on or after September 30, 2010 will receive a 2.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Two members

Any member may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when the member attains age 48 and length of creditable service equals to at least 70 years.

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the three highest paid years prior to the date of retirement or the average of the last three paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

Tier Three members

Any member may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when the member attains age 48 and length of creditable service equals to at least 70 years.

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the five highest paid years prior to the date of retirement or the average of the last three paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Any member of the plan who becomes totally and permanently disabled at any time as a result of illness or injury suffered in the line of duty may be retired on an accidental disability pension. For a service connected disability, the minimum pension payable is 85% of monthly salary of the employee at the time of disability retirement, less any offset for worker's compensation. Any member who becomes totally or permanently disabled after 5 years of creditable service as a result of illness or injury not suffered in the line of duty may be retired on an ordinary disability retirement pension. Upon disability retirement, a member received a monthly pension equal to their service retirement benefits. For a non-service connected disability, the pension is the accrued benefit after 5 years of creditable service. The plan also provides death benefits for beneficiaries or members for service connected and non-service connected death.

If a member resigns or is lawfully discharged before retirement, their contributions with 3% interest per annum are returned to them. The Plan also provides a special provision for vested benefits for members who terminate after 5 years of service.

In the alternative and in lieu of the normal form of benefit, the member may, at any time prior to retirement, elect to receive a lifetime retirement benefit with 120 monthly payments guaranteed. If the member should die before 120 monthly payments are made, benefits will continue to be paid to the member's designated beneficiary for the balance of the 120 month period. If the retired member is living after 120 monthly payments are made, the payments shall be continued for the member's remaining lifetime. In case of termination of the Plan, benefits accrued to members to the extent funded will be non-forfeitable.

At October 1, 2013 the plan membership consisted of the following:

	As of October 1, 2013
Active Members	
Deferred Vested Members	458
Retired Members:	15
a. Service	540*
b. Disabled	58
c. Beneficiaries	98
	696
Total	1,169

* Including members in the drop

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

iii. Deferred retirement option plan

An active member of Tier One may enter into a DROP on the first day of any month after meeting eligibility to retire. Upon becoming eligible to participate in the DROP, a member may elect to enter that program for a period not to exceed 36 months. Members who enter the DROP on or after September 1, 2012 shall be eligible to participate for a period not to exceed 60 months. All members shall receive a 2.5% COLA increase in benefits annually on the anniversary date of the member's retirement. The exception is members who entered the DROP on or after September 1, 2012 and before September 30, 2013 shall receive a 0% COLA adjustment for the 3rd and 4th annual adjustment dates, regardless of whether the member remains in the DROP for the maximum 60 month period. Further, any member who exits the DROP within 6 months following the date of DROP entry shall be eligible to the 2.5% COLA adjustment.

An active member of Tier Two or Three may enter into the DROP on the first day of any month after attainment of age 50 or, if earlier, the date when the member attains age 48 and age and length of creditable service equals to at least 70 years. Upon becoming eligible to participate in the DROP, a member may elect to enter that program for a period not to exceed 60 months. All members shall receive a 1.5% COLA increase in benefits annually on the anniversary date of the member's retirement.

At September 30, 2014, \$15,135,801 the total amount of the Deferred Retirement Option Plan payable represents the balance of the self-directed participants as all of the participants are now in the self-directed DROP.

iv. Funding Policy, Contributions Required and Contributions Made.

The City (the "Employer") is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable. All Tier One and Tier Two members are required to contribute 10% of their salary to the Plan, while all Tier Three members are required to contribute 10.5% of their salary to the Plan.

The actual contribution from the City of Miami Beach, and the State of Florida for active employees for the fiscal year ended September 30, 2014, was \$35,960,326 and covered payroll excluding DROP members was approximately \$50,750,000. The contribution required from the City and the State of Florida for the fiscal year ended September 30, 2014, was actuarially determined by the October 1, 2012 valuation to be \$35,960,326. The actuarially computed annual covered payroll used in the October 1, 2012 valuation was \$46,313,650. The annual pension cost was \$35,960,326 for the fiscal year ended September 30, 2014.

The Plan uses the following actuarial valuations at 10/01/13:

Actuarial cost method	Entry age Normal
Amortization method	Level percentage, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial Assumptions:	
Investment rate of return	8% compounded annually, net of pension plan investment expense, including inflation.
Projected salary increases	2.87% - 9.87%
Inflation	3%
COLA	1.5%, 2%, or 2.5%

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

v. Net Pension Liability of the City

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

Total pension liability	\$ 991,506,019
Plan's fiduciary net position	<u>(769,298,572)</u>
City net pension liability	<u>\$ 222,207,447</u>

vi. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due, as follows:

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contribution	Annual Pension Cost	Percentage of Annual Pension Cost Contributed
2012	36,296,459	36,297,459	100%
2013	39,492,050	39,492,050	100%
2014	35,960,326	35,960,326	100%

vii. Funded Status and Funding Progress

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of the funded status as of the latest actuarial valuation date is as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/2013	\$ 663,233,454	\$ 955,238,606	\$ 292,005,152	69.4%	\$ 47,164,032	619.1%

c. Florida's Federal-State Social Security Agreement

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 The City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. Instead, it provides eligible employees a comprehensive defined benefit pension plan, as discussed in note IV(a) and IV(b). Contributions to Social Security for fiscal year 2014 and 2013 would have been \$8,279,495 and \$7,976,924, respectively. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare and withholds taxes accordingly.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

d. Firemen's and Police Relief and Pension Funds

The City's firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within City limits. This tax, which is collected from insurers by the State of Florida, is remitted to the Plans' Boards of Trustees. The City is under no obligation to make any further contributions to the plans. The excise taxes received from the State of Florida and remitted to the plans for the year ended September 30, 2014 was \$1,704,136 for firefighters and \$759,678 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year.

Plan benefits are allocated to participants based upon their service during the year and the level of funding received during the year. Participants are fully vested after 10 years of service with no benefits vested prior to 10 years of service, except those prior to June 1983. All benefits are paid in a lump sum format, except for the Police Relief Funds, where participants may also elect not to withdraw or to partially withdraw, his or her retirement funds.

e. Defined Contribution Retirement Plan-401(A)

Effective October 18, 1992 City's Ordinance No. 92-2813 provided for the creation of a Defined Contribution Retirement Plan (the "Plan") under section 401(A) of the internal revenue code of 1986. The Plan provides retirement and other related benefits for eligible employees as an option over the other retirement systems sponsored by the City.

Any person employed on or after October 18, 1992, in the unclassified service of the City, has the right to select the Plan as an optional retirement plan to the Unclassified Employees and Elected Officials Retirement System. At the time of the Ordinance, employees of the City who were members of the Unclassified Employee and Elected Official Retirement System (the "System") had the irrevocable right to elect to transfer membership from the System to the Plan for a limited period of time. Effective March 19, 2006 the Plan is no longer offered to new employees of the City. Employees participating in the Plan prior to March 19, 2006 were given the option to transfer membership to the System.

The Plan is administrated by a Board of Trustees, which has the general responsibility for the proper operation and management of the Plan. The Plan complies with the provisions of section 401(A) of the Internal Revenue Code of 1986 and may be amended by the City Commission of the City. The City has no fiduciary responsibility for the Plan, consequently, amounts accrued for benefits are not recorded in the fiduciary fund.

Employees in the Plan hired prior to February 21, 1994 are required to contribute 10% of their salary while those hired subsequent to February 21, 1994 are required to contribute 8% of their salary. The City matches the employee's contribution 100%. The Plan of each employee is the immediate property of the employee. Employee have a choice of plan administrators, Nationwide Retirement Solutions (formerly Public Employee Benefits Services Corporation – PEBSCO) and IMCA-RC. In addition, the employee is responsible for the investment of their funds amongst choices of investment vehicles offered by their selected plan administrator.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

Plan information as of and for the fiscal year ended September 30, 2014 is as follows:

Members in the Plan		32
City's contribution	\$ 149,422.11	
Percentage of covered payroll		8.20%
Employees' contribution	149,109.11	
Percentage of covered payroll		8.18%

f. Postemployment Benefits Other than Pension Benefits (OPEB)

i. Plan description

Pursuant to Section 112.08, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City's single employer OPEB Plan (the Plan) currently provides the following Post Employment Benefits:

1. Health and Dental Insurance - Employees hired prior to March 18, 2006 are eligible to receive a 50% health insurance contribution of the total premium cost. At age 65, if the retiree is eligible for Medicare Part B, the City contributes 50% of the Medicare Part B payment. Employees hired after March 18, 2006, after vesting in City's retirement plans, are eligible to receive an offset to the retiree premium equal to \$10 per year of credible service, up to a maximum of \$250 per month until age 65 and \$5 per year of credible service up to a maximum of \$125, thereafter.
2. Life Insurance (\$1,000)

At September 30, 2008 the City established an OPEB Trust (the Trust) and began funding its OPEB obligation. Stand alone financial statements for the Trust are not prepared.

At October 1, 2012, the date of the most recent actuarial valuation, plan participation consisted of

OPEB plan participants	1,941
Retirees receiving benefits	1,175

ii. Funding policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2014, the City paid \$7.9 million in OPEB benefits on a pay-as-go basis and \$915,000 to the Trust. The City's net OPEB obligation at September 30, 2014 was \$47.2 million. It is the City's intent to base future Trust contributions on the annual required contribution (ARC) in subsequent annual actuarial reports, however, no Trust contributions are legally or contractually required.

iii. Annual OPEB Cost and Net OPEB Obligation

The annual cost (expense) of the City's Plan is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed, and the change in the net OPEB obligation.

Annual required contribution	\$ 16,490,000
Interest on net OPEB obligation	3,099,000
Adjustment to annual required contribution	<u>(2,238,000)</u>
Annual OPEB cost (expense)	17,351,000
Contributions made	<u>8,882,000</u>
Net OPEB obligation	8,469,000
Net OPEB obligation - beginning of year	<u>38,733,000</u>
Net OPEB obligation - end of year	<u><u>\$ 47,202,000</u></u>

iv. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due, as follows:

<u>Year Ended September 30,</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 19,064,000	\$ 11,104,000	58%	\$ 30,835,000
2013	16,212,000	8,314,000	51	38,733,000
2014	17,351,000	8,882,000	51	47,202,000

v. Funded status and funding progress

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of the funded status as of the most updated actuarial information is as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Participants Covered Payroll</u>	<u>UAAL as % of Participants Covered Payroll</u>
10/1/2013	\$ 22,167,000	\$ 203,809,000	\$ 181,642,000	10.9%	\$ 107,951,095	168.3%

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

vi. Actuarial methods and assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Premiums detailed in Plan provisions are sufficient for the under 65 population and 65+ population. However, since the premiums for retirees under age 65 are determined for a combined active/ retiree population, there is an implicit subsidy associated with retirees under age 65. The implicit rate subsidy was accounted for by adjusting the fully insured premiums to reflect the expected cost difference due to a retiree's age from the average age assumed in the development of the blended premium. There is no implicit subsidy for retirees over age 65, since premiums are developed specifically for this group of retirees.

The actuarial methods are:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of projected payroll
Amortization period - closed	30 years
Asset valuation method	Fair Market Value

The actuarial assumptions are:

Investment discount rate (long term expectation of investment return on assets)	8.0%
Projected annual salaries increases	3.5%
Inflation rate assumption	3.0%
Healthcare cost trend rate	

	<u>Select</u>		<u>Ultimate</u>
Pre 65 Medical & Rx	9.5	%	5
Post 65 Medical & Rx	8.5		5
Medicare Part B	5.5		5
Dental	5		5

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(Continued)

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2014 are as follows:

Statement of Fiduciary Net Position September 30, 2014		Statement of Change in Fiduciary Net Position September 30, 2014	
<hr/>		<hr/>	
Cash	\$ 23,842,186	Additions	
Receivable	919,055	Employer contribution	\$ 915,000
Total Assets	<u>24,761,241</u>	Change in fair value	1,232,175
		Interest and dividends income	<u>571,088</u>
		Total Additions	2,718,263
		Deductions:	
Liabilities	<hr/>	Administrative Expense	<u>124,395</u>
Total liabilities	<hr/>	Total Deductions	124,395
		Net increase	2,593,868
		Net position - held in Trust	
		Beginning of year	<u>22,167,373</u>
Net Position	\$ <u>24,761,241</u>	End of Year	\$ <u>24,761,241</u>

f. Financial Statements

Each of the Retirement Systems are audited separately. Complete financial statements can be obtained at the following offices:

City of Miami Beach
Employee Retirement System
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Firefighters and Police Officers
1691 Michigan Ave. Suite 555
Miami Beach, Florida 33139

Miami Beach Policemen's Relief
and Pension Fund
999 11th Street
Miami Beach, Florida 33139

Miami Beach Firemen's Relief and Pension Fund
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

**CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF FUNDING PROGRESS
RETIREMENT SYSTEMS (in thousands)
(Unaudited)**

Miami Beach Employees' Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/1/11	\$ 425,781	\$ 602,577	\$ 176,796	70.7	\$ 66,347	266.5 %
10/1/12	421,376	637,364	215,988	66.1	65,054	332.0
10/1/13	440,913	649,797	208,884	67.9	63,527	328.8

City Pension for Firefighters and Police Officers

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/1/11	\$ 531,821	\$ 871,119	\$ 339,298	61.1	\$ 49,187	689.8 %
10/1/12	545,068	902,778	357,710	60.4	46,314	772.4
10/1/13	663,233	955,239	292,006	69.4	47,164	619.1

Postemployment Benefits Other Than Pension (OPEB)

Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/1/11	\$ 14,136	\$ 208,959	\$ 194,823	6.8	\$ 107,418	181.4 %
10/1/12	19,015	191,353	172,338	9.9	108,263	159.2
10/1/13	22,167	203,809	181,642	10.9	107,951	168.3

*Actuarial valuations are completed biannually as permitted by GASB Statement No. 45

Each of the Retirement Systems are audited separately. Complete financial statement, including schedule of employer contributions and 10 year schedule of pension plan investments annual money-weighted rate of return can be obtained at the following offices:

City of Miami Beach
Employees Retirement System
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Firefighters and Police Officers
1691 Michigan Avenue, Suite 555
Miami Beach, Florida 33139

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2014
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 117,558,000	\$ 117,558,000	\$ 116,049,581	\$ (1,508,419)
Sales, use and fuel taxes	979,000	979,000	1,017,321	38,321
Utility	10,322,000	10,322,000	11,572,156	1,250,156
Local business	4,517,000	4,517,000	4,493,950	(23,050)
Communication Service	4,945,000	4,945,000	4,678,905	(266,095)
Franchise fees	7,498,000	7,498,000	8,206,099	708,099
Permits	17,118,000	17,653,000	19,638,114	1,985,114
Intergovernmental	10,010,000	10,010,000	10,324,245	314,245
Charges for services	16,529,000	16,604,000	17,805,777	1,201,777
Rents and leases	6,476,000	6,476,000	6,735,472	259,472
Interest income	2,921,000	2,921,000	2,426,960	(494,040)
Fines and forfeits	2,583,000	2,583,000	2,107,466	(475,534)
Administrative fees	15,092,000	15,092,000	14,446,790	(645,210)
Other	589,000	589,000	444,875	(144,125)
Total revenues	217,137,000	217,747,000	219,947,711	2,200,711
Expenditures				
General government:				
Mayor and Commission	1,713,000	1,732,000	1,715,136	16,864
City Manager	2,884,000	2,994,000	2,850,029	143,971
City Clerk	1,324,000	1,324,000	1,284,512	39,488
Budget and Performance Management	2,290,000	2,265,663	2,188,052	77,611
Finance	4,606,000	4,643,000	4,568,398	74,602
Human Resources	1,815,000	1,931,000	1,691,191	239,809
Procurement	1,135,000	1,264,000	1,219,326	44,674
City Attorney	4,631,000	4,782,739	4,571,039	211,700
Planning	3,440,000	3,448,862	3,388,692	60,170
Media Relations	836,000	939,000	921,312	17,688
Public Works	2,993,200	2,946,828	2,831,825	115,003
Capital Improvement	4,959,000	4,558,664	4,485,225	73,439
Unclassified	6,064,144	6,529,978	6,529,325	653
Total general government	38,690,344	39,359,734	38,244,062	1,115,672
Public safety:				
Building Services	11,915,000	12,214,039	11,511,919	702,120
Code Compliance	4,841,000	4,635,826	4,248,240	387,586
Fire	59,579,000	59,048,820	58,942,595	106,225
Police	95,555,000	97,606,872	97,566,710	40,162
Emergency Management		190,000	172,092	17,908
Total public safety	171,890,000	173,695,557	172,441,556	1,254,001
Physical Environment	2,352,650	2,352,903	2,165,283	187,620
Transportation	4,005,150	4,062,118	3,807,409	254,709
Economic Environment	1,062,000	1,062,000	972,019	89,981
Human Services	1,647,250	1,652,250	1,451,131	201,119
Culture and recreation	32,081,606	32,065,473	31,568,458	497,015
Capital Outlay	770,000	846,965	378,692	468,273
Debt service:				
Principal retirement	1,216,000	825,000	825,000	
Interest and fiscal charges	105,000	527,000	526,377	623
Total expenditures	253,820,000	256,449,000	252,379,987	4,069,013
Excess (deficiency) of revenues over (under) expenditures	(36,683,000)	(38,702,000)	(32,432,276)	6,269,724
Other financing sources (uses)				
Transfers in	41,915,000	41,915,000	41,915,000	
Transfers out	(8,955,000)	(13,137,000)	(13,136,948)	52
Sale of capital assets	10,000	10,000	18,935	8,935
Total other financing sources	32,970,000	28,788,000	28,796,987	8,987
Net change in fund balances	(3,713,000)	(9,914,000)	(3,635,289)	6,278,711
Fund balances - beginning of year	54,138,180	54,138,180	54,138,180	
Fund balances - end of year	\$ 50,425,180	\$ 44,224,180	\$ 50,502,891	\$ 6,278,711

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2014
(Unaudited)

	Resort Tax Revenue Fund				Miami Beach Redevelopment Agency			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
Revenues								
Resort taxes	\$ 58,778,000	\$ 58,778,000	\$ 61,760,518	\$ 2,982,518	\$	\$	\$	\$
Tax increment					37,589,000	37,589,000	37,456,562	(132,438)
Rents and leases							66,465	66,465
Interest income	96,000	96,000	109,636	13,636	25,000	25,000	151,810	126,810
Special assessment	626,000	626,000	620,616	(5,384)				
Other	7,000	7,000	13,067	6,067			112,831	112,831
Total revenues	59,507,000	59,507,000	62,503,837	2,996,837	37,614,000	37,614,000	37,787,668	173,668
Expenditures								
General government	1,302,000	1,302,000	1,097,907	204,093	6,405,000	6,405,000	5,253,374	1,151,626
Public safety					4,280,830	4,280,830	4,037,998	242,832
Economic environment					2,353,000	2,353,000	2,234,710	118,290
Culture and recreation	12,915,000	12,302,000	11,417,173	884,827	832,000	832,000	774,512	57,488
Capital Outlay					50,170	6,511,217	6,511,117	100
Debt Service:								
Interest and fiscal charges		1,000	633	367				
Total expenditures	14,217,000	13,605,000	12,515,713	1,089,287	13,921,000	20,382,047	18,811,711	1,570,336
Excess (deficiency) of revenues over (under) expenditures	45,290,000	45,902,000	49,988,124	4,086,124	23,693,000	17,231,953	18,975,957	1,744,004
Other financing sources (uses)								
Transfers in					5,386,000	5,386,000	5,885,927	499,927
Transfers out	(45,290,000)	(50,393,000)	(50,392,830)	170	(29,079,000)	(29,079,000)	(26,676,168)	2,402,832
Sale of capital assets							1,915	1,915
Total other financing sources (uses)	(45,290,000)	(50,393,000)	(50,392,830)	170	(23,693,000)	(23,693,000)	(20,788,326)	2,904,674
Net change in fund balances		(4,491,000)	(404,706)	4,086,294		(6,461,047)	(1,812,369)	4,648,678
Fund balances - beginning of year	19,991,255	19,991,255	19,991,255		17,311,331	17,311,331	17,311,331	
Fund balances - end of year	\$ 19,991,255	\$ 15,500,255	\$ 19,586,549	\$ 4,086,294	\$ 17,311,331	\$ 10,850,284	\$ 15,498,962	\$ 4,648,678

CITY OF MIAMI BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014
(Unaudited)

1. Budgetary Policy

A. Budgetary Data

The City is required to prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles.

The City' has legally adopted annual budgets for the General Fund, and the City's two (2) major special revenue funds which are the Resort Tax Fund and the Miami Beach Redevelopment Agency Fund. Budget to actual comparisons for the General Fund, Resort Tax Fund and Miami Beach Redevelopment Agency Fund are presented in the Required Supplementary Information section of this report.

Pursuant to the City's Charter, the City Manager shall make public a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1st. The budgets are approved by fund and department, and authorized at the department level. Management may transfer amounts between line items within a department as long as the transfer does not result in an increase in the department's budget. Increases to funds or department budgets and transfers between departments require City Commission approval.

There were seven (5) supplemental budgetary appropriations for the funds mentioned above; five (5) operating and two (2) capital during fiscal year ended September 30, 2014.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the City. Budgets are adopted on the modified accrual basis of accounting. All appropriations lapse at year end.

This City's original General Fund adopted budget included net \$3.7 million from fund balance which was set aside from prior year for future funding. The final amended budget included an additional net \$6.2 million for fiscal year 2014 expenditures and transfers to other funds.

Encumbrance accounting, under which purchase order commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as commitments of fund balances, since they do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant Fund: This fund accounts for the receipt and expenditure of funds under this Federal Program.

State Housing Initiatives Partnership Fund: This fund accounts for the receipt and expenditure of funds under this State Program.

Parking Impact Fees Fund: This fund accounts for impact fee revenue paid, primarily by owners of new and existing construction, in lieu of their ability to provide adequate parking spaces as defined by City Ordinance. The fund is also responsible for the disbursement of funds for various parking related projects in the impacted areas.

Transportation Concurrency Management Fund: This fund oversees, maintains, directs the City's concurrency management system, the land use/transportation planning and traffic management efforts and projects.

Police Confiscation and Training Fund: This fund accounts for revenues received that are restricted to police related expenditures with multiple restrictions.

HOME Investment Partnership Program Grant Fund: This fund accounts for revenues and expenditures that are governed by the HOME grant agreements between the Federal Government and the City.

Other Special Revenue Fund: This fund accounts for the revenues and expenditures of a series of small grants.

Debt Service Funds:

Debt Service Funds account for the payment of interest and principal of the current portion on long-term debt, primarily from tax proceeds and earnings on temporary investments.

General Obligation Fund: This fund accounts for principal and interest payments made for general obligations.

Pension Special Obligation Fund: This fund accounts for principal and interest payments made for the Pension Special Obligation Bonds

Gulf Breeze Special Obligation Fund: This fund accounts for principal and interest payments made for the Gulf Breeze VRDS.

Miami Beach Redevelopment Agency Fund: This fund accounts for principal and interest payments made for the Tax Increment Revenue Special Obligation Bonds.

Sunshine State Special Obligation Fund: This fund accounts for principal and interest payments made for the Sunshine State VRDS.

Other Debt Service Fund: This fund accounts for principal and interest payment on the Resort Tax Special Obligation bonds and the Ameresco loan. .

**CITY OF MIAMI BEACH, FLORIDA
COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 80,123,099	\$ 9,976,959	\$ 90,100,058
Receivables, net	677,025	112,334	789,359
Due from other funds	373,953		373,953
Due from other governments	284,850		284,850
	<u>81,458,927</u>	<u>10,089,293</u>	<u>91,548,220</u>
Total assets	<u>\$ 81,458,927</u>	<u>\$ 10,089,293</u>	<u>\$ 91,548,220</u>
LIABILITIES			
Accounts payable	\$ 1,153,440	\$	\$ 1,153,440
Retainage payable	39,941		39,941
Accrued expenditures	763,728	4,318	768,046
Unearned revenues	45,012		45,012
Due to other governments	29,797		29,797
Due to other funds	314,520		314,520
	<u>2,346,438</u>	<u>4,318</u>	<u>2,350,756</u>
Total liabilities	<u>2,346,438</u>	<u>4,318</u>	<u>2,350,756</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes		112,334	112,334
Unavailable other revenues	245,597		245,597
	<u>245,597</u>	<u>112,334</u>	<u>357,931</u>
Total deferred inflows of resources	<u>245,597</u>	<u>112,334</u>	<u>357,931</u>
FUND BALANCES			
Restricted	64,212,333	9,972,641	74,184,974
Committed	15,046,286		15,046,286
Assigned	752,927		752,927
Unassigned	(1,144,654)		(1,144,654)
	<u>78,866,892</u>	<u>9,972,641</u>	<u>88,839,533</u>
Total fund balances	<u>78,866,892</u>	<u>9,972,641</u>	<u>88,839,533</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 81,458,927</u>	<u>\$ 10,089,293</u>	<u>\$ 91,548,220</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2014

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$	\$ 5,661,513	\$ 5,661,513
Sales , Use and Fuel Taxes	3,074,964		3,074,964
Utility taxes	791,958		791,958
Other taxes	2,463,814		2,463,814
Federal grants	2,359,237		2,359,237
State grants	187,294		187,294
Grants from other local units	1,100,745		1,100,745
Charges for services	3,714,766		3,714,766
Fines and forfeitures	1,035,816		1,035,816
Impact Fees	4,439,358		4,439,358
Interest income	112,840	1,364	114,204
Miscellaneous	239,648		239,648
	<hr/>	<hr/>	<hr/>
Total revenues	19,520,440	5,662,877	25,183,317
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	353,264		353,264
Public safety	7,836,505		7,836,505
Physical environment	576,034		576,034
Transportation	2,136,596		2,136,596
Economic environment	1,208,647		1,208,647
Human services	771,073		771,073
Culture and recreation	1,918,542		1,918,542
Capital Outlay	4,326,103		4,326,103
Debt Service:			
Principal		14,894,650	14,894,650
Interest		8,157,829	8,157,829
Other		21,290	21,290
	<hr/>	<hr/>	<hr/>
Total expenditures	19,126,764	23,073,769	42,200,533
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	393,676	(17,410,892)	(17,017,216)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,225,266	18,903,297	32,128,563
Transfers out	(10,000)	(1,371,346)	(1,381,346)
	<hr/>	<hr/>	<hr/>
Total other financing sources	13,215,266	17,531,951	30,747,217
	<hr/>	<hr/>	<hr/>
Net change in fund balances	13,608,942	121,059	13,730,001
	<hr/>	<hr/>	<hr/>
Fund balances - beginning of year	65,257,950	9,851,582	75,109,532
	<hr/>	<hr/>	<hr/>
Fund balances - end of year	\$ 78,866,892	\$ 9,972,641	\$ 88,839,533
	<hr/>	<hr/>	<hr/>

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

September 30, 2014

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Other Special Revenue Fund	Total
ASSETS								
Cash and investments	\$ 46,077	\$ 378,411	\$ 12,505,727	\$ 14,657,093	\$ 1,919,734	\$ 101,331	\$ 50,514,726	\$ 80,123,099
Receivables, net			106,200	25,461	27,393		517,971	677,025
Due from other funds						90	373,863	373,953
Due from other governments	144,597					1,478	138,775	284,850
Total assets	<u>\$ 190,674</u>	<u>\$ 378,411</u>	<u>\$ 12,611,927</u>	<u>\$ 14,682,554</u>	<u>\$ 1,947,127</u>	<u>\$ 102,899</u>	<u>\$ 51,545,335</u>	<u>\$ 81,458,927</u>
LIABILITIES								
Accounts payable	\$ 33,856	\$	\$ 1,534	\$ 63,277	\$ 76,131	\$ 425	\$ 978,217	\$ 1,153,440
Retainage payable							39,941	39,941
Accrued expenditures	1,889				47,000	813	714,026	763,728
Unearned revenue							45,012	45,012
Due to other funds	154,845					79,480	80,195	314,520
Due to other governments							29,797	29,797
Total liabilities	<u>190,590</u>		<u>1,534</u>	<u>63,277</u>	<u>123,131</u>	<u>80,718</u>	<u>1,887,188</u>	<u>2,346,438</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable other revenues		245,597						245,597
Total deferred inflows of resources		<u>245,597</u>						<u>245,597</u>
FUND BALANCES								
Restricted	84	132,814	12,610,393	14,619,277	1,823,996	22,181	35,003,588	64,212,333
Committed							15,046,286	15,046,286
Assigned							752,927	752,927
Unassigned							(1,144,654)	(1,144,654)
Total fund balances	<u>84</u>	<u>132,814</u>	<u>12,610,393</u>	<u>14,619,277</u>	<u>1,823,996</u>	<u>22,181</u>	<u>49,658,147</u>	<u>78,866,892</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 190,674</u>	<u>\$ 378,411</u>	<u>\$ 12,611,927</u>	<u>\$ 14,682,554</u>	<u>\$ 1,947,127</u>	<u>\$ 102,899</u>	<u>\$ 51,545,335</u>	<u>\$ 81,458,927</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2014

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Other Special Revenue Fund	Total
Revenues:								
Sales, Use and Fuel Taxes	\$	\$	\$	\$	\$	\$	\$ 3,074,964	\$ 3,074,964
Utility taxes							791,958	791,958
Other taxes							2,463,814	2,463,814
Federal grants	845,686				446,532	105,158	961,861	2,359,237
State grants		643			178,649		8,002	187,294
Grants from other local units					42,640		1,058,105	1,100,745
Charges for services							3,714,766	3,714,766
Fines and forfeitures							1,035,816	1,035,816
Impact Fees			2,500,286	1,939,072				4,439,358
Interest income	59	1,559	72,887		14,041	18	24,276	112,840
Miscellaneous		3,583			3,575		232,490	239,648
Total revenues	845,745	5,785	2,573,173	1,939,072	685,437	105,176	13,366,052	19,520,440
Expenditures:								
Current:								
General government							353,264	353,264
Public safety					586,044		7,250,461	7,836,505
Physical environment							576,034	576,034
Transportation			11,594	99,671			2,025,331	2,136,596
Economic environment	845,686	643				104,733	257,585	1,208,647
Human services							771,073	771,073
Culture and recreation							1,918,542	1,918,542
Capital Outlay			21,276	11,203	568,130	425	3,725,069	4,326,103
Total expenditures	845,686	643	32,870	110,874	1,154,174	105,158	16,877,359	19,126,764
Excess (deficiency) of revenues over (under) expenditures	59	5,142	2,540,303	1,828,198	(468,737)	18	(3,511,307)	393,676
OTHER FINANCING SOURCES (USES)								
Transfers in							13,225,266	13,225,266
Transfers out							(10,000)	(10,000)
Total other financing sources (uses)							13,215,266	13,215,266
Net change in fund balances	59	5,142	2,540,303	1,828,198	(468,737)	18	9,703,959	13,608,942
Fund balances - beginning of year	25	127,672	10,070,090	12,791,079	2,292,733	22,163	39,954,188	65,257,950
Fund balances - end of year	\$ 84	\$ 132,814	\$ 12,610,393	\$ 14,619,277	\$ 1,823,996	\$ 22,181	\$ 49,658,147	\$ 78,866,892

**CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET**

September 30, 2014

	General Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Other Debt Service Funds	Total
ASSETS							
Cash and investments	\$ 765,403	\$ 668	\$ 2,055,351	\$ 7,028,932	\$ 126,547	\$ 58	\$ 9,976,959
Receivables, net	112,334						112,334
Total assets	<u>\$ 877,737</u>	<u>\$ 668</u>	<u>\$ 2,055,351</u>	<u>\$ 7,028,932</u>	<u>\$ 126,547</u>	<u>\$ 58</u>	<u>\$ 10,089,293</u>
LIABILITIES							
Accrued expenditures	\$ 4,318	\$	\$	\$	\$	\$	\$ 4,318
Total liabilities	<u>4,318</u>						<u>4,318</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable property taxes	112,334						112,334
Total deferred inflows of resources	<u>112,334</u>						<u>112,334</u>
FUND BALANCES							
Restricted	761,085	668	2,055,351	7,028,932	126,547	58	9,972,641
Total fund balances	<u>761,085</u>	<u>668</u>	<u>2,055,351</u>	<u>7,028,932</u>	<u>126,547</u>	<u>58</u>	<u>9,972,641</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 877,737</u>	<u>\$ 668</u>	<u>\$ 2,055,351</u>	<u>\$ 7,028,932</u>	<u>\$ 126,547</u>	<u>\$ 58</u>	<u>\$ 10,089,293</u>

**CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

For the Fiscal Year Ended September 30, 2014

	General Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Other Debt Service Funds	Total
Revenues							
Property taxes	\$ 5,661,513	\$	\$	\$	\$	\$	\$ 5,661,513
Interest income	616			748			1,364
Total revenues	5,662,129			748			5,662,877
Expenditures							
Debt Service:							
Principal	3,435,000	3,615,000	2,050,238	5,125,000		669,412	14,894,650
Interest	2,488,819	1,570,422	265,919	3,278,739		553,930	8,157,829
Other	350	808	13,755			6,377	21,290
Total expenditures	5,924,169	5,186,230	2,329,912	8,403,739		1,229,719	23,073,769
Excess of expenditures over revenues	(262,040)	(5,186,230)	(2,329,912)	(8,402,991)		(1,229,719)	(17,410,892)
Other financing sources (uses):							
Transfers in		5,186,232	2,582,346	9,905,119		1,229,600	18,903,297
Transfers out				(1,371,346)			(1,371,346)
Total other financing sources		5,186,232	2,582,346	8,533,773		1,229,600	17,531,951
Net change in fund balances	(262,040)	2	252,434	130,782		(119)	121,059
Fund balances at beginning of year	1,023,125	666	1,802,917	6,898,150	126,547	177	9,851,582
Fund balances at end of year	\$ 761,085	\$ 668	\$ 2,055,351	\$ 7,028,932	\$ 126,547	\$ 58	\$ 9,972,641

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED NONMAJOR DEBT SERVICE FUNDS

For the Fiscal Years Ended September 30, 2014

	General Obligation Debt Service Fund			Miami Beach Redevelopment Agency Special Obligation Debt Service Fund			
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues							
Property taxes	\$ 5,924,000	\$ 5,661,513	\$ (262,487)	\$	\$	\$ 748	\$ 748
Interest income	8,000	616	(7,384)				
Total revenues	5,932,000	5,662,129	(269,871)			748	748
Expenditures							
Debt Service:							
Principal payments	3,435,000	3,435,000		5,125,000	5,125,000	5,125,000	
Interest payments	2,489,000	2,488,819	181	3,425,000	3,425,000	3,278,739	146,261
Other	8,000	350	7,650				
Total expenditures	5,932,000	5,924,169	7,831	8,550,000	8,550,000	8,403,739	146,261
Excess (deficiency) of revenues over (under) expenditures		(262,040)	(262,040)	(8,550,000)	(8,550,000)	(8,402,991)	147,009
Other financing sources (uses)							
Transfers in				9,922,000	9,922,000	9,905,119	(16,881)
Transfers out				(1,372,000)	(1,372,000)	(1,371,346)	654
Total other financing sources				8,550,000	8,550,000	8,533,773	(16,227)
Net change in fund balances		(262,040)	(262,040)			130,782	130,782
Fund balances - beginning	1,023,125	1,023,125		6,898,150	6,898,150	6,898,150	
Fund balances - ending	\$ 1,023,125	\$ 761,085	\$ (262,040)	\$ 6,898,150	\$ 6,898,150	\$ 7,028,932	\$ 130,782

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2014

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 13,785,145	\$ 14,578,738	\$ 8,178,128	\$ 36,542,011
Accounts receivable (net of allowance for uncollectibles)	1,050,182	118,863	245,427	1,414,472
Due from other funds	234,376	14,456	3,813	252,645
Prepaid expenses			4,483	4,483
Total current assets	<u>15,069,703</u>	<u>14,712,057</u>	<u>8,431,851</u>	<u>38,213,611</u>
Noncurrent assets:				
Cash and investments				
Customer deposits and advance sales		58,005	247,491	305,496
Capital assets:				
Land	405,680	2,793,052	210,230	3,408,962
Buildings and structures	1,036,831	28,206,138	2,336,192	31,579,161
Machinery and equipment	2,743,426	338,532	9,404	3,091,362
Less accumulated depreciation	<u>(2,429,185)</u>	<u>(7,547,145)</u>	<u>(624,179)</u>	<u>(10,600,509)</u>
Total capital assets (net of accumulated depreciation)	<u>1,756,752</u>	<u>23,790,577</u>	<u>1,931,647</u>	<u>27,478,976</u>
Total noncurrent assets	<u>1,756,752</u>	<u>23,848,582</u>	<u>2,179,138</u>	<u>27,784,472</u>
Total assets	<u>16,826,455</u>	<u>38,560,639</u>	<u>10,610,989</u>	<u>65,998,083</u>
LIABILITIES				
Current liabilities:				
Accounts payable	483,751	219,579		703,330
Retainage payable	4,986			4,986
Accrued expenses	74,304	441,166		515,470
Due to other funds	41,604	85,811	29,139	156,554
Due to other governments		23,558	1,622	25,180
Loan payable	146,204			146,204
Accrued compensated absences	389,025			389,025
Unearned revenues		51,495		51,495
Total current liabilities	<u>1,139,874</u>	<u>821,609</u>	<u>30,761</u>	<u>1,992,244</u>
Noncurrent liabilities:				
Deposits		6,510	247,491	254,001
Accrued compensated absences	213,129			213,129
Environmental remediation liability	200,000			200,000
Loan payable	<u>276,621</u>			<u>276,621</u>
Total noncurrent liabilities	<u>689,750</u>	<u>6,510</u>	<u>247,491</u>	<u>943,751</u>
Total liabilities	<u>1,829,624</u>	<u>828,119</u>	<u>278,252</u>	<u>2,935,995</u>
NET POSITION				
Net investment in capital assets	1,328,941	23,790,577	1,931,647	27,051,165
Unrestricted	13,667,890	13,941,943	8,401,090	36,010,923
Total net position	<u>\$ 14,996,831</u>	<u>\$ 37,732,520</u>	<u>\$ 10,332,737</u>	<u>\$ 63,062,088</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2014

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating revenues:				
Charges for services	\$ 9,034,706	\$ 4,018,948	\$	\$ 13,053,654
Permits, rentals, and other	5,698,140	541,930	1,527,048	7,767,118
Total operating revenues	14,732,846	4,560,878	1,527,048	20,820,772
Operating expenses:				
Personal services	7,688,944			7,688,944
Operating supplies	12,075	1,865		13,940
Contractual services	4,973,842	2,362,634	300,894	7,637,370
Utilities	37,933	121,500		159,433
Internal charges	1,397,346	194,696	20,000	1,612,042
Depreciation	276,563	726,031	68,507	1,071,101
Administrative fees	1,041,000	363,000	51,000	1,455,000
Other operating	332,304	9,675	22,118	364,097
Total operating expenses	15,760,007	3,779,401	462,519	20,001,927
Operating income (loss)	(1,027,161)	781,477	1,064,529	818,845
Nonoperating revenues (expenses):				
Tax Increments	3,671,000			3,671,000
Interest and fiscal charges	(13,869)			(13,869)
Gain (Loss) on disposal of capital assets	18,694			18,694
Interest income	65,257	48,908	29,941	144,106
Total nonoperating expenses	3,741,082	48,908	29,941	3,819,931
Income before contributions and transfers	2,713,921	830,385	1,094,470	4,638,776
Capital contribution			283,500	283,500
Transfers in	637,000	142,765		779,765
Transfers out	(8,224)			(8,224)
Change in net position	3,342,697	973,150	1,377,970	5,693,817
Total net position - beginning	11,654,134	36,759,370	8,954,767	57,368,271
Total net position - ending	\$ 14,996,831	\$ 37,732,520	\$ 10,332,737	\$ 63,062,088

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2014

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Cash flows from operating activities:				
Receipts received from customers	\$ 9,738,704	\$ 4,002,680	\$ (42,518)	\$ 13,698,866
Payments to suppliers	(6,047,629)	(2,138,953)	(310,703)	(8,497,285)
Payments to employees	(7,710,045)			(7,710,045)
Payments for interfund services used	(2,420,346)	137,276	84,231	(2,198,839)
Receipts for other operating revenue	5,698,140	541,930	1,527,048	7,767,118
Net cash provided by (used in) operating activities	<u>(741,176)</u>	<u>2,542,933</u>	<u>1,258,058</u>	<u>3,059,815</u>
Cash flows for non-capital financing activities:				
Contributions from other governments	3,671,000			3,671,000
Transfers in	637,000	142,765		779,765
Transfers out	(8,224)			(8,224)
Net cash provided by non-capital financing activities	<u>4,299,776</u>	<u>142,765</u>		<u>4,442,541</u>
Cash flows from capital and related financial activities:				
Principal paid on loan	(214,672)			(214,672)
Interest and fiscal charges	(13,526)			(13,526)
Purchase of capital assets	(197,622)	(129,077)		(326,699)
Proceeds from sale of capital assets	23,337			23,337
Net cash used in capital and related financial activities	<u>(402,483)</u>	<u>(129,077)</u>		<u>(531,560)</u>
Cash flows from investing activities:				
Interest on investments	65,257	48,908	29,941	144,106
Net cash provided by investing activities	<u>65,257</u>	<u>48,908</u>	<u>29,941</u>	<u>144,106</u>
Net increase in cash and investments	3,221,374	2,605,529	1,287,999	7,114,902
Cash and investments - beginning of year	<u>10,563,771</u>	<u>12,031,214</u>	<u>7,137,620</u>	<u>29,732,605</u>
Cash and investments - end of year	<u>\$ 13,785,145</u>	<u>\$ 14,636,743</u>	<u>\$ 8,425,619</u>	<u>\$ 36,847,507</u>
Classified as:				
Current assets	\$ 13,785,145	\$ 14,578,738	\$ 8,178,128	\$ 36,542,011
Restricted assets		58,005	247,491	305,496
Total cash and investments	<u>\$ 13,785,145</u>	<u>\$ 14,636,743</u>	<u>\$ 8,425,619</u>	<u>\$ 36,847,507</u>
Non-cash transactions affecting financial position:				
Deferred loan issuance costs	\$ 418	\$	\$	\$ 418
Change in construction and related liabilities	4,986			4,986
Capital contributions			283,500	283,500
Total non-cash transactions affecting financial position:	<u>\$ 5,404</u>	<u>\$</u>	<u>\$ 283,500</u>	<u>\$ 288,904</u>

CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY
OPERATING ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2014

(continued)

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating income (loss)	\$ (1,027,161)	\$ 781,477	\$ 1,064,529	\$ 818,845
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:				
Depreciation	276,563	726,031	68,507	1,071,101
Provision for uncollectible accounts	67,344	1,367	184,400	253,111
Changes in assets/liabilities and deferred inflows:				
(Increase) decrease in accounts receivable	(322,596)	(10,896)	(217,911)	(551,403)
(Increase) decrease in due from other funds	959,250	734,499	194,458	1,888,207
(Increase) decrease in prepaid expense		7,000	12,155	19,155
Increase (decrease) in accounts payable	84,921	(110,815)	(1,468)	(27,362)
Increase (decrease) in accrued expenses	7,408	441,166		448,574
Increase (decrease) in deposits		(7,679)	(9,007)	(16,686)
Increase (decrease) in due to other governments		19,097	1,622	20,719
Increase (decrease) in environmental remediation liability	(800,000)			(800,000)
Increase (decrease) in due to other funds	41,604	(39,254)	(39,227)	(36,877)
Increase (decrease) in unearned revenues		940		940
Increase (decrease) in accrued compensated absences	(28,509)			(28,509)
Total adjustments	285,985	1,761,456	193,529	2,240,970
Net cash provided by (used in) operating activities	\$ (741,176)	\$ 2,542,933	\$ 1,258,058	\$ 3,059,815

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2014

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Total
ASSETS							
Current assets:							
Cash and investments	\$ 6,046,467	\$ 4,082,117	\$ 1,062,715	\$ 27,251,366	\$ 4,735,592	\$ 9,884,713	\$ 53,062,970
Cash with fiscal agent				250,000			250,000
Accounts receivable, net	13,475	8,104	2,828		351,412	11,520	387,339
Due from other funds	13,896	36,985	447	50,889	1,671,246	8,815	1,782,278
Prepaid expenses				1,353,928			1,353,928
Inventories	263,370	74,629	24,393				362,392
Total current assets	<u>6,337,208</u>	<u>4,201,835</u>	<u>1,090,383</u>	<u>28,906,183</u>	<u>6,758,250</u>	<u>9,905,048</u>	<u>57,198,907</u>
Noncurrent assets:							
Capital assets:							
Land	608,520						608,520
Buildings and structures	2,582,551	19,276					2,601,827
Machinery and equipment	34,260,895	3,376,097	121,839	252,479		25,190,503	63,201,813
Construction in progress						16,000	16,000
Less accumulated depreciation	(21,444,368)	(2,849,022)	(121,631)	(252,479)		(22,572,333)	(47,239,833)
Total capital assets (net of accumulated depreciation)	<u>16,007,598</u>	<u>546,351</u>	<u>208</u>			<u>2,634,170</u>	<u>19,188,327</u>
Total noncurrent assets	<u>16,007,598</u>	<u>546,351</u>	<u>208</u>			<u>2,634,170</u>	<u>19,188,327</u>
Total assets	<u>22,344,806</u>	<u>4,748,186</u>	<u>1,090,591</u>	<u>28,906,183</u>	<u>6,758,250</u>	<u>12,539,218</u>	<u>76,387,234</u>
LIABILITIES							
Current liabilities:							
Accounts payable	1,748,483	231,196	29,209	677,091	1,020,582	657,778	4,364,339
Accrued expenses	24,838	48,930	4,261	44,561	1,464	62,979	187,033
Due to other funds	6,933	14,567	1,367	2,050	26,610	19,433	70,960
Accrued compensated absences	84,346	195,767	21,382	13,407	3,395	215,571	533,868
Loan payable	3,162,601	109,786				640,564	3,912,951
Pending insurance claims				7,840,000			7,840,000
Total current liabilities	<u>5,027,201</u>	<u>600,246</u>	<u>56,219</u>	<u>8,577,109</u>	<u>1,052,051</u>	<u>1,596,325</u>	<u>16,909,151</u>
Noncurrent liabilities:							
Accrued compensated absences	105,153		14,338	52,875	24,525	515,100	711,991
Loan payable	9,009,696	252,100				383,616	9,645,412
Pending insurance claims				5,296,217			5,296,217
Insurance claims incurred but not reported				16,545,025	1,135,660		17,680,685
Total noncurrent liabilities	<u>9,114,849</u>	<u>252,100</u>	<u>14,338</u>	<u>21,894,117</u>	<u>1,160,185</u>	<u>898,716</u>	<u>33,334,305</u>
Total liabilities	<u>14,142,050</u>	<u>852,346</u>	<u>70,557</u>	<u>30,471,226</u>	<u>2,212,236</u>	<u>2,495,041</u>	<u>50,243,456</u>
NET POSITION							
Net investment in capital assets	3,835,301	184,465	208			1,609,990	5,629,964
Unrestricted	4,367,455	3,711,375	1,019,826	(1,565,043)	4,546,014	8,434,187	20,513,814
Total net position	<u>\$ 8,202,756</u>	<u>\$ 3,895,840</u>	<u>\$ 1,020,034</u>	<u>\$ (1,565,043)</u>	<u>\$ 4,546,014</u>	<u>\$ 10,044,177</u>	<u>\$ 26,143,778</u>

See accompanying independent auditors' report

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2014

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Total
Operating revenues:							
Charges for services	\$ 9,825,310	\$ 9,177,559	\$ 1,165,750	\$ 17,368,723	\$ 26,473,792	\$ 14,331,330	\$ 78,342,464
Miscellaneous	102,726			443,812	607,975		1,154,513
Total operating revenues	<u>9,928,036</u>	<u>9,177,559</u>	<u>1,165,750</u>	<u>17,812,535</u>	<u>27,081,767</u>	<u>14,331,330</u>	<u>79,496,977</u>
Operating expenses:							
Personal services	1,842,540	4,104,208	430,054	596,719	133,203	4,798,851	11,905,575
Operating supplies	3,053,083	65,097	1,009	16,850		804,438	3,940,477
Contractual services	1,250,019	2,390,004	339,129	2,338,009	829,280	3,833,004	10,979,445
Utilities	56,283	590,097	1,773	563		1,721,028	2,369,744
Internal charges	356,739	575,182	69,312	36,936		449,131	1,487,300
Administrative fees				1,100,000			1,100,000
Depreciation	2,970,566	183,493	3,422	13,097		1,616,144	4,786,722
Insurance				2,497,027	6,722,862		9,219,889
Claims and judgements				11,070,369	16,839,981		27,910,350
Other operating	48,749	19,034	37,219	299,093	125,485	39,437	569,017
Total operating expenses	<u>9,577,979</u>	<u>7,927,115</u>	<u>881,918</u>	<u>17,968,663</u>	<u>24,650,811</u>	<u>13,262,033</u>	<u>74,268,519</u>
Operating income (loss)	<u>350,057</u>	<u>1,250,444</u>	<u>283,832</u>	<u>(156,128)</u>	<u>2,430,956</u>	<u>1,069,297</u>	<u>5,228,458</u>
Nonoperating revenues (expenses):							
Interest and fiscal charges	(215,521)	(10,714)				(68,642)	(294,877)
Gain (loss) on sale of capital assets	166,410	3,383		5,970		3,682	179,445
Interest income	22,227	12,876	4,787	155,377		36,550	231,817
Total nonoperating revenues (expenses)	<u>(26,884)</u>	<u>5,545</u>	<u>4,787</u>	<u>161,347</u>		<u>(28,410)</u>	<u>116,385</u>
Income (loss) before contributions and transfers	323,173	1,255,989	288,619	5,219	2,430,956	1,040,887	5,344,843
Capital contributions	687,632						687,632
Transfers in						395,000	395,000
Transfers out	(7,000)	(270,187)	(3,112)	(5,187)		(62,555)	(348,041)
Change in net position	1,003,805	985,802	285,507	32	2,430,956	1,373,332	6,079,434
Net position-beginning	<u>7,198,951</u>	<u>2,910,038</u>	<u>734,527</u>	<u>(1,565,075)</u>	<u>2,115,058</u>	<u>8,670,845</u>	<u>20,064,344</u>
Net position-ending	<u>\$ 8,202,756</u>	<u>\$ 3,895,840</u>	<u>\$ 1,020,034</u>	<u>\$ (1,565,043)</u>	<u>\$ 4,546,014</u>	<u>\$ 10,044,177</u>	<u>\$ 26,143,778</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND INVESTMENTS

For the Fiscal Year Ended September 30, 2014

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Totals
Cash flows from operating activities:							
Receipts from users	\$ 9,825,310	\$ 9,185,094	\$ 1,166,801	\$ 17,371,114	\$ 26,445,554	\$ 14,381,199	\$ 78,375,072
Payments to suppliers	(3,729,470)	(3,049,011)	(383,063)	(4,755,391)	(7,598,728)	(6,233,340)	(25,749,003)
Payments to employees	(1,800,221)	(4,098,122)	(451,443)	(567,444)	(130,396)	(4,818,535)	(11,866,161)
Payments for claims and judgements				(6,610,918)	(16,964,402)		(23,575,320)
Payments for interfund services used	(356,739)	(478,794)	(64,251)	(1,136,936)	(1,195,012)	(449,131)	(3,680,863)
Receipts from other operating revenues	488,615	24,143		443,812	607,975		1,564,545
Net cash provided by (used in) operating activities	4,427,495	1,583,310	268,044	4,744,237	1,164,991	2,880,193	15,068,270
Cash flows for non-capital financing activities:							
Transfers in						395,000	395,000
Transfers out	(7,000)	(270,187)	(3,112)	(5,187)		(62,555)	(348,041)
Net cash provided by (used in) non-capital financing activities	(7,000)	(270,187)	(3,112)	(5,187)		332,445	46,959
Cash flows from capital and related financial activities:							
Proceeds from loan	4,455,721						4,455,721
Principal paid on loan	(2,446,887)	(106,907)				(717,576)	(3,271,370)
Interest and fiscal charges	(202,347)	(10,714)				(48,529)	(261,590)
Purchase of capital assets	(5,342,495)	(80,478)				(731,585)	(6,154,558)
Proceeds from sale of capital assets	205,863	3,383		5,970		3,682	218,898
Net cash used in capital and related financial activities	(3,330,145)	(194,716)		5,970		(1,494,008)	(5,012,899)
Cash flows from investing activities:							
Interest on investments	22,227	12,876	4,787	155,377		36,550	231,817
Net cash provided by investing activities	22,227	12,876	4,787	155,377		36,550	231,817
Net increase (decrease) in cash and investments	1,112,577	1,131,283	269,719	4,900,397	1,164,991	1,755,180	10,334,147
Cash and investments - beginning of year	4,933,890	2,950,834	792,996	22,600,969	3,570,601	8,129,533	42,978,823
Cash and investments - end of year	<u>\$ 6,046,467</u>	<u>\$ 4,082,117</u>	<u>\$ 1,062,715</u>	<u>\$ 27,501,366</u>	<u>\$ 4,735,592</u>	<u>\$ 9,884,713</u>	<u>\$ 53,312,970</u>
Classified as:							
Cash and investments-current	<u>\$ 6,046,467</u>	<u>\$ 4,082,117</u>	<u>\$ 1,062,715</u>	<u>\$ 27,501,366</u>	<u>\$ 4,735,592</u>	<u>\$ 9,884,713</u>	<u>\$ 53,312,970</u>
Non-cash transactions affecting financial position:							
Deferred loan issuance costs	\$ 8,348	\$	\$	\$	\$	\$ 25,202	\$ 33,550
Capital contributions of capital assets	687,632						687,632
Total Non-cash transactions affecting financial position	<u>\$ 695,980</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 25,202</u>	<u>\$ 721,182</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES
For the Fiscal Year Ended September 30, 2014

(continued)

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Totals
Operating income (loss)	\$ 350,057	\$ 1,250,444	\$ 283,832	\$ (156,128)	\$ 2,430,956	\$ 1,069,297	\$ 5,228,458
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	2,970,566	183,493	3,422	13,097		1,616,144	4,786,722
Provision for uncollectible accounts		7,535	1,494		11,847	18	20,894
Changes in assets and liabilities:							
(Increase) decrease in inventories	(40,865)	48,169	(2,661)				4,643
(Increase) decrease in accounts receivable	370,449	24,143	(443)	2,391	(40,085)	4,717	361,172
(Increase) decrease in due from other funds	15,440	96,388	3,694	15,379	(1,190,529)	25,701	(1,033,927)
Increase in prepaid expense				288,781			288,781
Increase (decrease) in accounts payable	755,902	38,931	(1,272)	392,383	78,899	241,655	1,506,498
Increase (decrease) in accrued compensated absences	22,307	(6,190)	(21,917)	29,428	2,681	(25,653)	656
Increase (decrease) in due to other funds	6,933	9,892	1,367	(339,725)	(4,483)	19,433	(306,583)
Increase (decrease) in pending insurance claims				1,245,369			1,245,369
(Decrease) in insurance claims incurred but not reported				3,214,082	(124,421)		3,089,661
Increase (decrease) in accrued expenses	(23,294)	(69,495)	528	39,180	126	(71,119)	(124,074)
Total adjustments	4,077,438	332,866	(15,788)	4,900,365	(1,265,965)	1,810,896	9,839,812
Net cash provided by (used in) operating activities	\$ 4,427,495	\$ 1,583,310	\$ 268,044	\$ 4,744,237	\$ 1,164,991	\$ 2,880,193	\$ 15,068,270

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS

September 30, 2014

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Assets						
Cash and cash equivalents	\$ 1,179,625	\$ 659,346	\$ 1,657,281	\$ 70,015	\$ 54,173	\$ 3,620,440
Accrued interest receivable	94,096	2,334,730	55,491	18,451		2,502,768
Contribution receivable			272,544		919,055	1,191,599
Other receivables	164,669	40,955	9,687			215,311
Prepaid insurance				4,068		4,068
Investments, at fair value:						
Short-term investments		22,803,566		775,489		23,579,055
U.S. Government securities	104,115,494	20,122,576	705,161	377,827		125,321,058
Corporate bonds and notes		201,231,499	4,573,888	2,177,615		207,983,002
Bond Funds	55,873,645					55,873,645
Foreign Bonds		52,010,673	252,486	278,125		52,541,284
Common stocks and index funds	262,508,080	384,146,024	7,259,391	3,355,115		657,268,610
Foreign Stocks	85,158,862	34,416,123		298,299		119,873,284
Real estate funds		36,892,451				36,892,451
Mutual funds	7,434,014	15,135,801			23,788,013	46,357,828
Total investments	<u>515,090,095</u>	<u>766,758,713</u>	<u>12,790,926</u>	<u>7,262,470</u>	<u>23,788,013</u>	<u>1,325,690,217</u>
Total assets	<u>516,528,485</u>	<u>769,793,744</u>	<u>14,785,929</u>	<u>7,355,004</u>	<u>24,761,241</u>	<u>1,333,224,403</u>
Liabilities						
Accounts payable		80,381	1,210			81,591
Accrued expenses	<u>140,700</u>	<u>414,791</u>		<u>14,000</u>		<u>569,491</u>
Total liabilities	<u>140,700</u>	<u>495,172</u>	<u>1,210</u>	<u>14,000</u>		<u>651,082</u>
Net Position						
Held in trust for pension and OPEB benefits	<u>\$ 516,387,785</u>	<u>\$ 769,298,572</u>	<u>\$ 14,784,719</u>	<u>\$ 7,341,004</u>	<u>\$ 24,761,241</u>	<u>\$ 1,332,573,321</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS

For the Fiscal Year Ended September 30, 2014

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Additions: Contributions - Employer Employee State of Florida Total contributions Investment income - Net increase in fair value of investments Interest and dividends income Investment management expenses Net investment income/(loss) Total additions/(reduction)	\$ 25,602,030 7,373,407 32,975,437 47,490,489 5,097,103 52,587,592 (813,946) 51,773,646 84,749,083	\$ 35,839,777 5,258,974 120,549 41,219,300 59,715,467 15,844,449 75,559,916 (3,300,242) 72,259,674 113,478,974	\$ 1,654,256 1,205,982 278,892 1,484,874 (43,778) 1,441,096 3,095,352	\$ 689,009 577,104 130,007 707,111 (131,249) 575,862 1,264,871	\$ 915,000 915,000 1,232,175 571,088 1,803,263 1,803,263 2,718,263	\$ 62,356,807 12,632,381 2,463,814 77,453,002 110,221,217 21,921,539 132,142,756 (4,289,215) 127,853,541 205,306,543
Deductions: Benefit paid Contributions refunded Administrative expenses Total deductions Net increase/(decrease) Net position - amount held in trust for pension and OPEB benefits - beginning of year Prior period adjustment - GASB 67 Net position - amount held in trust for pension and OPEB benefits - beginning of year, restated Net position - amount held in trust for pension and OPEB benefits - end of year	37,501,400 1,143,866 668,851 39,314,117 45,434,966 466,151,540 4,801,279 470,952,819 \$ 516,387,785	53,605,094 905,130 54,510,224 58,968,750 698,522,566 11,807,256 710,329,822 \$ 769,298,572	2,515,350 56,115 2,571,465 523,887 14,260,832 14,260,832 \$ 14,784,719	471,233 124,395 471,233 793,638 6,547,366 6,547,366 \$ 7,341,004	94,093,077 1,143,866 1,754,491 124,395 2,593,868 22,167,373 22,167,373 \$ 24,761,241	94,093,077 1,143,866 1,754,491 96,991,434 108,315,109 1,207,649,677 16,608,535 1,224,258,212 \$ 1,332,573,321

**CITY OF MIAMI BEACH, FLORIDA
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

For the Fiscal Year Ended September 30, 2014

	September 30, 2013	Additions	Deductions	September 30, 2014
<u>Assets</u>				
Cash and investments	\$ 8,785,105	\$ 75,596,473	\$ 75,340,228	\$ 9,041,350
Accounts receivable	<u>264,447</u>	<u>1,557,745</u>	<u>1,542,763</u>	<u>279,429</u>
Total Assets	<u>\$ 9,049,552</u>	<u>\$ 77,154,218</u>	<u>\$ 76,882,991</u>	<u>\$ 9,320,779</u>
<u>Liabilities</u>				
Accounts payable	\$ 163,353	\$ 59,818,820	\$ 59,806,005	\$ 176,168
Deposits	<u>8,886,199</u>	<u>75,093,925</u>	<u>74,835,513</u>	<u>9,144,611</u>
Total Liabilities	<u>\$ 9,049,552</u>	<u>\$ 134,912,745</u>	<u>\$ 134,641,518</u>	<u>\$ 9,320,779</u>

**CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS**

September 30, 2014

	Miami Beach Visitor and Convention Authority	Miami Beach Health Facilities Authority	Total
Assets			
Cash and investments	\$ 2,943,960	\$ 70,205	\$ 3,014,165
Prepaid items	13,836		13,836
Accounts receivable	318,008	4,795	322,803
Capital assets, net of accumulated depreciation	<u>176,891</u>		<u>176,891</u>
Total assets	<u>3,452,695</u>	<u>75,000</u>	<u>3,527,695</u>
Liabilities			
Accrued expenses	<u>506,446</u>		<u>506,446</u>
Total liabilities	<u>506,446</u>		<u>506,446</u>
Net Position			
Net investment in capital assets	176,891		176,891
Unrestricted	2,769,358	75,000	2,844,358
Total net position	<u>\$ 2,946,249</u>	<u>\$ 75,000</u>	<u>\$ 3,021,249</u>

**CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS**

For the Fiscal Year Ended September 30, 2014

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Totals
		Operating Grants and Contributions	Visitor and Convention Authority	Health Facilities Authority	
Miami Beach Visitor and Convention Authority					
Cultural - grant program	\$ 1,484,156	\$ 49,500	\$ (1,434,656)	\$	\$ (1,434,656)
General administrative	537,182		(537,182)		(537,182)
Total Miami Beach Visitor and Convention Authority	2,021,338	49,500	(1,971,838)		(1,971,838)
Miami Beach Health Facilities Authority					
General administrative	175			(175)	(175)
Total component units	\$ 2,021,513	\$ 49,500			(1,972,013)
General revenues:					
Resort tax allocation			2,397,661		2,397,661
Financing fees				4,795	4,795
Interest			7,009	11	7,020
Total general revenues			2,404,670	4,806	2,409,476
Change in net position			432,832	4,631	437,463
Net position - beginning			2,513,417	70,369	2,583,786
Net position - ending			\$ 2,946,249	\$ 75,000	\$ 3,021,249

STATISTICAL SECTION

This part of the City of Miami Beach's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government'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 how the information in the government's financial report relates to the services the government provides and the activities it performs.

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF MIAMI BEACH, FLORIDA
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
(accrual basis of accounting - Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 158,234,524	\$ 191,314,123	\$ 228,227,002	\$ 286,954,685	\$ 340,034,409	\$ 375,968,328	\$ 400,586,856	\$ 428,246,552	\$ 429,859,674	\$ 429,989,670
Restricted	97,309,826	96,933,608	93,796,180	142,367,431	232,738,568	99,434,540	66,049,987	108,516,557	129,615,957	146,377,701
Unrestricted	4,204,977	54,787,021	103,833,704	84,668,344	2,239,393	126,677,221	136,255,477	118,779,886	131,579,116	160,427,999
Total net position for governmental activities	<u>259,749,327</u>	<u>343,034,752</u>	<u>425,856,886</u>	<u>513,990,460</u>	<u>575,012,370</u>	<u>602,080,089</u>	<u>602,892,320</u>	<u>655,542,995</u>	<u>691,054,747</u>	<u>736,795,370</u>
Business-type activities										
Net investment in capital assets	256,118,268	249,458,274	261,687,666	239,922,397	320,033,874	346,807,794	381,291,750	375,703,323	382,255,186	343,218,833
Restricted	12,919,888	28,977,432	28,894,110	21,887,662	18,984,310	41,033,514	36,061,707	41,491,319	40,085,381	88,568,103
Unrestricted	106,422,259	112,344,279	122,077,059	167,223,594	122,454,301	114,224,652	124,563,510	146,511,507	161,059,156	168,294,644
Total net position for business-type activities	<u>375,460,415</u>	<u>390,779,985</u>	<u>412,658,835</u>	<u>429,033,653</u>	<u>461,472,485</u>	<u>502,065,960</u>	<u>541,916,967</u>	<u>563,706,149</u>	<u>583,399,723</u>	<u>600,081,580</u>
Primary government										
Net investment in capital assets	414,352,792	440,772,397	489,914,668	526,877,082	660,068,283	722,776,122	781,878,606	803,949,875	812,114,860	773,208,503
Restricted	110,229,714	125,911,040	122,690,290	164,255,093	251,722,878	140,468,054	102,111,694	150,007,876	169,701,338	234,945,804
Unrestricted	110,627,236	167,131,300	225,910,763	251,891,938	124,693,694	240,901,873	260,818,987	265,291,393	292,638,272	328,722,643
Total net position for primary government	<u>\$ 635,209,742</u>	<u>\$ 733,814,737</u>	<u>\$ 838,515,721</u>	<u>\$ 943,024,113</u>	<u>\$ 1,036,484,855</u>	<u>\$ 1,104,146,049</u>	<u>\$ 1,144,809,287</u>	<u>\$ 1,219,249,144</u>	<u>\$ 1,274,454,470</u>	<u>\$ 1,336,876,950</u>

CITY OF MIAMI BEACH, FLORIDA
CHANGES IN NET POSITION,
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 39,320,007	\$ 43,639,010	\$ 48,188,199	\$ 44,608,072	\$ 44,331,119	\$ 44,772,492	\$ 47,705,535	\$ 41,088,006	\$ 45,986,648	\$ 43,365,675
Public safety	110,402,334	121,678,913	133,068,393	149,953,945	155,153,733	164,903,020	176,946,485	175,282,705	188,420,690	197,239,550
Physical environment	4,377,740	4,088,447	2,418,815	1,684,934	2,237,314	2,654,793	2,883,878	2,412,040	2,739,664	3,168,494
Transportation	10,665,897	693,673	10,187,046	9,733,789	8,927,038	10,229,616	10,639,329	16,084,458	11,842,989	14,386,802
Economic environment	6,975,706	232,748	22,006,137	4,293,175	3,934,183	12,569,809	20,504,954	4,406,521	4,537,985	4,876,697
Human services	2,323,536	1,839,731	1,438,987	1,721,151	1,606,517	1,714,419	1,462,354	2,218,460	2,138,763	2,212,540
Culture and recreation	36,736,715	40,288,229	38,301,266	39,430,360	41,569,779	42,088,492	43,241,187	43,713,126	49,424,532	53,476,429
Interest on long-term debt	19,284,911	12,991,581	13,570,730	12,476,916	11,767,919	11,294,742	10,571,366	9,739,449	9,467,996	8,819,846
Total governmental activities expenses	<u>230,086,846</u>	<u>225,452,332</u>	<u>269,179,573</u>	<u>263,902,342</u>	<u>269,527,602</u>	<u>290,227,383</u>	<u>313,955,088</u>	<u>294,944,765</u>	<u>314,559,267</u>	<u>327,546,033</u>
Business-type activities:										
Stormwater	4,665,458	4,353,932	5,421,124	4,980,583	3,755,854	4,116,313	4,831,699	6,713,885	7,651,595	7,876,993
Water	17,672,606	20,974,282	21,124,609	20,930,577	23,467,862	26,677,078	28,376,149	27,124,273	28,797,909	28,965,261
Sewer	25,074,612	23,747,056	25,818,687	26,619,914	25,425,037	28,895,679	29,548,149	28,205,784	31,186,853	31,373,772
Parking	19,147,189	20,378,613	22,826,900	24,612,370	25,141,478	26,903,927	28,674,475	28,773,051	33,137,387	37,071,518
Convention Center	16,885,954	18,139,037	18,365,554	17,788,549	14,743,596	13,520,338	14,270,835	17,666,204	17,153,279	17,417,988
Other	10,620,399	17,005,334	14,324,409	15,860,607	15,784,821	19,138,483	19,079,420	19,688,052	20,029,662	20,132,046
Total business-type activities expenses	<u>94,066,218</u>	<u>104,598,254</u>	<u>107,881,283</u>	<u>110,792,600</u>	<u>108,318,648</u>	<u>119,251,818</u>	<u>124,780,727</u>	<u>128,171,249</u>	<u>137,956,685</u>	<u>142,837,578</u>
Total primary government expenses	<u>\$ 324,153,064</u>	<u>\$ 330,050,586</u>	<u>\$ 377,060,856</u>	<u>\$ 374,694,942</u>	<u>\$ 377,846,250</u>	<u>\$ 409,479,201</u>	<u>\$ 438,735,815</u>	<u>\$ 423,116,014</u>	<u>\$ 452,515,952</u>	<u>\$ 470,383,611</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 17,266,876	\$ 19,464,495	\$ 30,405,003	\$ 30,588,011	\$ 47,607,219	\$ 43,225,083	\$ 50,693,412	\$ 55,699,107	\$ 67,605,958	\$ 72,088,018
Public safety	18,255,615	20,452,808	20,074,100	23,485,245	5,668,803	5,707,217	2,403,350	7,934,329	8,146,390	8,101,151
Culture and recreation	5,532,048	5,581,803	5,849,885	5,837,885	6,513,589	6,852,311	10,969,329	7,284,999	7,708,231	8,120,209
Other	5,714,406	65,111	55,028	34,470	20,305	16,040	14,470	17,745	29,211	42,993
Operating grants and contributions	24,260,946	45,361,039	40,520,024	25,591,885	18,890,498	30,959,673	27,185,554	25,061,223	19,528,573	19,206,319
Capital grants and contributions	1,718,649	2,464,239	1,883,176	14,732,625	4,766,094	8,313,962	4,400,711	4,899,293	3,449,389	3,937,362
Total governmental activities program revenue	<u>72,748,540</u>	<u>93,389,495</u>	<u>98,787,216</u>	<u>100,270,121</u>	<u>83,466,508</u>	<u>95,074,286</u>	<u>95,666,826</u>	<u>100,896,696</u>	<u>106,467,752</u>	<u>111,496,052</u>
Business-type activities:										
Charges for services:										
Stormwater	7,872,251	7,415,170	7,357,399	7,109,411	9,671,731	11,212,773	11,683,524	11,612,237	11,671,714	11,715,299
Water	20,014,509	20,131,642	21,653,555	23,080,564	30,141,576	32,941,405	33,303,263	33,172,990	32,788,878	33,403,046
Sewer	28,597,701	27,492,458	25,816,726	28,953,077	32,906,403	35,786,811	35,248,733	35,091,105	35,409,042	36,737,566
Parking	21,107,793	22,118,981	25,063,379	25,626,973	28,267,558	30,014,763	34,876,171	38,185,494	40,302,744	40,049,313
Convention Center	8,330,757	9,486,466	10,167,750	9,044,165	6,884,276	6,898,642	6,376,573	9,969,719	9,494,760	8,302,873
Other	7,449,685	7,465,516	7,956,217	10,038,593	10,758,578	9,787,677	10,588,118	15,046,388	17,467,720	20,820,772
Operating grants and contributions	20,459,284	18,749,928	18,517,953	14,833,004	13,360,122	13,882,449	13,944,300	10,659,421	10,025,165	10,622,366
Capital grants and contributions										
Total business-type activities program revenue	<u>113,831,980</u>	<u>112,860,161</u>	<u>116,532,979</u>	<u>118,685,787</u>	<u>131,990,244</u>	<u>140,524,520</u>	<u>146,020,682</u>	<u>153,737,354</u>	<u>157,160,023</u>	<u>161,651,235</u>
Total primary government program revenue	<u>\$ 186,580,520</u>	<u>\$ 206,249,656</u>	<u>\$ 215,320,195</u>	<u>\$ 218,955,908</u>	<u>\$ 215,456,752</u>	<u>\$ 235,598,806</u>	<u>\$ 241,687,508</u>	<u>\$ 254,634,050</u>	<u>\$ 263,627,775</u>	<u>\$ 273,147,287</u>

Continued.

CITY OF MIAMI BEACH, FLORIDA
CHANGES IN NET POSITION,
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (157,338,306)	\$ (132,062,837)	\$ (170,392,357)	\$ (163,632,221)	\$ (186,061,094)	\$ (195,153,097)	\$ (218,288,262)	\$ (194,048,069)	\$ (208,091,515)	\$ (216,049,981)
Business-type activities	19,765,762	8,261,907	8,651,696	7,893,187	23,671,596	21,272,702	21,239,955	25,566,105	19,203,338	18,813,657
Total primary government net expense	<u>\$ (137,572,544)</u>	<u>\$ (123,800,930)</u>	<u>\$ (161,740,661)</u>	<u>\$ (155,739,034)</u>	<u>\$ (162,389,498)</u>	<u>\$ (173,880,395)</u>	<u>\$ (197,048,307)</u>	<u>\$ (168,481,964)</u>	<u>\$ (188,888,177)</u>	<u>\$ (197,236,324)</u>
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 89,653,321	\$ 120,679,428	\$ 145,594,729	\$ 131,585,285	\$ 133,505,827	\$ 119,990,444	\$ 113,448,485	\$ 116,004,442	\$ 117,163,758	\$ 121,595,988
Resort taxes	32,112,039	34,265,010	36,595,885	38,100,260	37,412,291	42,394,976	48,773,891	53,920,167	58,617,992	61,760,518
Tax increment	29,814,708	24,934,704	34,521,406	48,964,692	47,655,082	44,012,804	46,145,257	42,411,382	43,297,433	49,962,380
Utility taxes	12,785,676	12,998,955	13,098,395	13,785,849	9,225,871	9,975,273	10,209,678	10,293,270	11,391,955	12,364,114
Communication service					7,196,266	6,328,924	5,859,093	5,443,905	4,583,368	4,678,905
Local business tax	3,598,803	9,258,301	3,662,796	3,341,802	3,684,320	4,298,739	4,242,891	4,404,357	4,411,851	4,493,950
Miscellaneous	224,200	169,664	118,640	1,304,665	894,995	6,653,210	618,470	883,457	982,771	1,154,512
Unrealized loss on investments									(5,241,121)	
Unrestricted investment earnings	8,163,573	13,696,366	22,674,807	14,715,094	10,899,704	3,102,439	3,288,360	4,749,664	3,494,199	3,088,992
Gain or (loss) on disposal of capital assets	(25,839,322)		257,928	220,559	28,837	89,522	264,801	259,635	491,394	200,295
Transfers	925,797	(654,166)	(3,310,095)	(252,411)	(3,420,189)	(14,625,515)	(13,750,433)	8,328,465	4,409,667	4,663,756
Total governmental activities	<u>151,438,795</u>	<u>215,348,262</u>	<u>253,214,491</u>	<u>251,765,795</u>	<u>247,083,004</u>	<u>222,220,816</u>	<u>219,100,493</u>	<u>246,698,744</u>	<u>243,603,267</u>	<u>263,963,410</u>
Business-type activities:										
Tax increment				2,357,697	2,405,168	2,619,643	3,071,141	3,046,200	3,671,000	3,671,000
Unrealized loss on investments									(178,004)	(12,388)
Unrestricted investment earnings	6,895,744	6,403,497	9,930,008	5,871,523	2,941,879	2,083,080	1,714,113	1,391,120	1,333,480	1,114,406
Gain (Loss) on disposal of capital assets			(12,949)			(7,465)	75,365	114,222	73,427	107,809
Transfers	(925,797)	654,166	3,310,095	252,411	3,420,189	14,625,515	13,750,433	(8,328,465)	(4,409,667)	(4,663,756)
Total; business-type activities	<u>5,969,947</u>	<u>7,057,663</u>	<u>13,227,154</u>	<u>8,481,631</u>	<u>8,767,236</u>	<u>19,320,773</u>	<u>18,611,052</u>	<u>(3,776,923)</u>	<u>490,236</u>	<u>217,071</u>
Total primary government	<u>\$ 157,408,742</u>	<u>\$ 222,405,925</u>	<u>\$ 266,441,645</u>	<u>\$ 260,247,426</u>	<u>\$ 255,850,240</u>	<u>\$ 241,541,589</u>	<u>\$ 237,711,545</u>	<u>\$ 242,921,821</u>	<u>\$ 244,093,503</u>	<u>\$ 264,180,481</u>
Change in net position										
Governmental activities	\$ (5,899,511)	\$ 83,285,425	\$ 82,822,134	\$ 88,133,574	\$ 61,021,910	\$ 27,067,719	\$ 812,231	\$ 52,650,675	\$ 35,511,752	\$ 47,913,429
Business-type activities	25,735,709	15,319,570	21,878,850	16,374,818	32,438,832	40,593,475	39,851,007	21,789,182	19,693,574	19,030,728
Total primary government	<u>\$ 19,836,198</u>	<u>\$ 98,604,995</u>	<u>\$ 104,700,984</u>	<u>\$ 104,508,392</u>	<u>\$ 93,460,742</u>	<u>\$ 67,661,194</u>	<u>\$ 40,663,238</u>	<u>\$ 74,439,857</u>	<u>\$ 55,205,326</u>	<u>\$ 66,944,157</u>

CITY OF MIAMI BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 610,236	\$ 1,128,937	\$ 1,736,059	\$ 1,845,391	\$	\$	\$	\$	\$	\$
Unreserved	34,647,776	36,688,832	42,406,855	44,645,724						
Nonspendable					164,846		78,020	10,558	332	
Restricted					6,200,000	4,653,291	4,653,291	5,188,291	7,289,291	4,752,809
Committed					39,821,254		272,922	3,915,257	3,048,458	29,505,725
Assigned					4,499,003	44,452,200	47,865,087	47,506,132	43,800,099	16,244,357
Unassigned					4,385,813	6,053,327	2,906,247	4,232,166		
Total general fund	<u>\$ 35,258,012</u>	<u>\$ 37,817,769</u>	<u>\$ 44,142,914</u>	<u>\$ 46,491,115</u>	<u>\$ 55,070,916</u>	<u>\$ 55,158,818</u>	<u>\$ 55,775,567</u>	<u>\$ 60,852,404</u>	<u>\$ 54,138,180</u>	<u>\$ 50,502,891</u>
All Other Governmental Funds										
Reserved	\$ 30,916,933	\$ 32,287,596	\$ 59,563,178	\$ 55,922,849	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	103,530,139	79,958,508	76,668,102	61,423,282						
Capital projects fund	76,768,194	138,518,580	143,690,512	170,639,551						
Nonspendable					4,490	4,489	4,490	4,490	4,490	
Restricted					219,624,064	226,066,215	219,902,708	231,046,613	250,022,626	266,604,162
Committed					50,557,449	45,904,634	42,625,948	39,723,193	39,141,545	43,288,503
Assigned					49,918	69,221	53,020	42,116	165,534	752,927
Unassigned						(3,540,285)	(2,445,745)	(4,596,490)	(4,537,581)	(2,360,199)
Total all other governmental funds	<u>\$ 211,215,266</u>	<u>\$ 250,764,684</u>	<u>\$ 279,921,792</u>	<u>\$ 287,985,682</u>	<u>\$ 270,235,921</u>	<u>\$ 268,504,274</u>	<u>\$ 260,140,421</u>	<u>\$ 266,219,922</u>	<u>\$ 284,796,614</u>	<u>\$ 308,285,393</u>

Note: The City implemented Government Accounting Standards Board (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions for the fiscal year ended September 30, 2009.

CITY OF MIAMI BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year Ended September 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 168,843,857	\$ 197,067,924	\$ 239,203,139	\$ 240,892,131	\$ 240,019,580	\$ 233,363,354	\$ 238,204,970	\$ 240,478,321	\$ 246,332,649	\$ 261,527,060
Franchise fees	8,029,982	9,258,301	10,138,123	10,259,817	9,265,529	8,456,962	8,005,556	9,261,120	7,775,685	8,206,099
Permits	13,529,531	16,048,780	16,039,898	15,753,552	15,761,752	10,746,531	12,649,435	15,825,051	17,897,983	19,638,114
Intergovernmental	19,189,288	41,093,126	31,958,565	27,649,446	17,446,057	30,551,634	21,083,904	20,726,490	17,468,596	17,290,372
Charges for services	7,640,117	7,476,404	8,172,727	10,927,789	12,292,964	12,647,769	13,453,404	15,793,374	16,547,096	21,520,543
Rents & leases	2,948,474	3,190,274	3,985,054	4,380,278	4,909,518	4,856,424	5,611,215	6,154,965	6,821,959	6,801,937
Interest	7,979,609	13,272,632	21,775,230	13,935,715	10,207,446	2,611,739	2,924,400	4,471,754	3,266,782	2,857,175
Fines and forfeitures	2,883,403	2,677,439	1,937,689	3,236,217	2,627,410	3,419,409	3,090,229	3,391,565	3,276,222	3,143,282
Administrative fees	8,951,878	8,426,624	8,507,845	8,407,423	8,407,571	8,827,372	14,830,787	15,018,027	15,595,882	14,446,790
Special assessment	84,496	991,014	838,519	918,633	767,239	741,796	748,128	697,000	737,063	647,145
Impact fees	1,741,871	2,759,185	6,065,876	5,746,024	1,448,689	1,211,002	1,897,593	5,319,311	2,340,350	4,439,358
Other revenues	7,261,332	5,369,991	5,598,263	6,813,440	6,178,008	8,052,435	9,043,926	4,090,875	3,938,918	2,881,720
Total revenues	249,083,838	307,631,694	354,220,928	348,920,465	329,331,763	325,486,427	331,543,547	341,227,853	341,999,185	363,399,595
Expenditures										
General government	26,144,200	40,892,104	45,043,039	41,599,216	41,509,515	40,436,067	54,260,197	44,345,488	43,932,077	44,948,607
Public safety	108,222,980	119,027,153	130,158,943	145,980,228	147,543,192	153,278,244	163,631,354	169,615,823	178,483,658	184,316,059
Physical environment	2,529,500	2,936,530	2,420,347	1,650,073	2,156,520	2,435,047	2,618,574	2,134,541	2,414,724	2,765,742
Transportation	7,300,392	5,029,124	6,109,025	6,952,067	5,503,295	6,236,431	4,712,854	5,489,882	5,083,060	5,944,005
Economic environment	10,635,422	4,963,596	22,741,500	4,891,342	4,487,831	13,103,994	6,725,993	5,536,866	5,480,964	4,528,992
Human services	2,299,429	1,853,781	1,435,428	1,694,566	1,573,533	1,673,702	1,441,069	2,216,627	2,103,404	2,222,204
Culture and recreation	31,845,348	37,984,917	36,137,323	37,279,978	38,647,808	38,637,014	39,142,720	41,056,256	42,468,693	45,973,463
Capital Outlay	22,776,313	24,312,333	39,871,622	72,996,719	72,042,408	55,060,144	47,432,227	38,137,968	25,145,843	33,489,057
Debt service										
Principal	13,832,993	13,883,995	12,342,289	12,381,548	12,623,520	15,227,706	12,829,124	13,920,633	15,632,156	15,719,650
Interest	20,036,401	12,314,686	13,371,990	12,314,392	11,734,519	11,077,047	10,462,092	9,863,906	14,567,063	8,706,129
Total expenditures	245,622,978	263,198,219	309,631,506	337,740,129	337,822,141	337,165,396	343,256,204	332,317,990	335,311,642	348,613,908
Excess of revenue over (under) expenditures	3,460,860	44,433,475	44,589,422	11,180,336	(8,490,378)	(11,678,969)	(11,712,657)	8,909,863	6,687,543	14,785,687
Other Financing Sources (Uses)										
Refunding Bonds Issued	135,726,047							34,840,000		
Premium on refunding bonds issued								3,117,141		
Payment to escrow agent	(137,712,609)							(37,957,141)		
Transfer to escrow agent			(3,060,000)							
Proceeds from loan	2,957,930					13,279,659				
Sale of assets	1,844,513	34,183	24,592	12,127	5,421	4,478	14,592	34,321	30,478	20,850
Proceeds from sale of land and building	39,898,102									
Transfers in	66,683,853	142,081,583	120,015,032	97,778,854	80,562,562	71,821,958	64,082,002	91,924,389	87,275,289	101,957,775
Transfers out	(64,165,287)	(144,440,066)	(126,086,793)	(98,559,226)	(81,247,765)	(75,070,671)	(60,131,041)	(89,712,235)	(82,130,842)	(96,910,822)
Total other financing sources (uses)	45,232,549	(2,324,300)	(9,107,169)	(768,245)	(679,782)	10,035,424	3,965,553	2,246,475	5,174,925	5,067,803
Net change in fund balances	\$ 48,693,409	\$ 42,109,175	\$ 35,482,253	\$ 10,412,091	\$ (9,170,160)	\$ (1,643,545)	\$ (7,747,104)	\$ 11,156,338	\$ 11,862,468	\$ 19,853,490
Debt service as a percentage of noncapital expenditures	15.20%	10.97%	9.53%	9.33%	9.16%	9.32%	7.87%	8.09%	9.74%	7.75%

CITY OF MIAMI BEACH, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year Ended September 30,	Real Property					Exemptions					Total Taxable Assessed Value	Total Direct Tax Rate ^D
	Residential Property	Commercial Property	Industrial Property	Other Property	Value of Taxable Property	Real property- Amendment 10 Excluded Value ^C	Less: Tax-Exempt Property	Other Adjustments to Just Value				
2005	\$ 13,757,424	\$ 3,266,081	\$ 44,880	1,612,480	\$ 18,680,865	\$	\$ 1,327,774	\$	\$ 17,353,091	8.1730		
2006	17,465,682	4,337,034	51,091	2,508,681	24,362,488		1,764,463		22,598,025	8.0730		
2007	21,045,428	4,779,204	52,250	2,767,838	28,644,720		2,000,993		26,643,727	7.6730		
2008	21,027,850	5,290,322	51,426	2,795,713	29,165,311		2,008,285		27,157,026	5.8970		
2009	18,911,637	5,265,399	51,025	2,528,317	26,756,378		1,703,041		25,053,337	5.8930		
2010	16,794,033	5,735,610	35,601	1,512,322	24,077,566		1,668,428		22,409,138	5.9123		
2011 ^B	18,228,553	5,551,314	48,983	2,599,899	26,428,749	1,651,400	2,624,675	47,932	22,104,742	6.5025		
2012	18,370,666	5,909,382	48,770	2,643,427	26,972,245	1,740,330	2,614,791	638,834	21,978,290	6.4539		
2013	20,334,542	6,246,840	38,810	2,713,143	29,333,335	2,311,720	2,615,045	1,334,248	23,072,322	6.3477		
2014	22,262,896	6,870,554	34,051	2,776,696	31,944,197	2,787,123	2,507,009	1,993,488	24,656,577	6.1163		

Source: 2013 Tax Roll for Miami-Dade County

Note: Increases in assessed value for homesteaded property is limited to 3% per year or CPI whichever is less and for non-homesteaded property the increase is limited to 10% per year.

Note: Exemptions for real property include: \$25,000 homestead exemption; an additional \$25,000 homestead exemption (excluding School Board taxees) starting in FY 2009; widows/widowers exemption; governmental exemption; disability/blind age 65 and older exemption ; institutional exemption; economic development exemption and other exemptions as allowed by law.

^A Data not available in individual real property categories for this year.

^B Total actual and assessed values are estimates based on the First Certified 2011 Tax Roll made available on July 1, 2012 , prior to any adjustments processed by the Value Adjustment Board.

^C Amendment 10 was an amendment to the Florida Constitution in 1992 which capped the assessed value of properties with homestead exemption to increases of 3% per year or the Consumer Price Index, whichever is less (193,155, F.S.), no data available for fiscal years 2002 through 2010.

^D Total direct rate includes 5.7551 mills for operating, 0.1083 mills for capital renewal and replacement and 0.2529 mills for debt service.

CITY OF MIAMI BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year Ended September 30,	City of Miami Beach Direct Rates			Overlapping Rates ^A			Total
	Operating Millage	Debt Service Millage	Total Direct Millage	School District Millage	County Millage	State Millage	
2005	7.4250	0.7480	8.1730	8.6870	7.1502	0.7360	24.7462
2006	7.4810	0.5920	8.0730	8.4380	7.0348	0.7355	24.2813
2007	7.3740	0.2990	7.6730	8.1050	6.8080	0.7355	23.3215
2008	5.6555	0.2415	5.8970	7.9480	5.6711	0.6585	20.1746
2009	5.6555	0.2375	5.8930	7.7970	5.9263	0.6585	20.2748
2010	5.6555	0.2568	5.9123	7.9950	6.0050	0.6590	20.5713
2011	6.2155	0.2870	6.5025	8.2490	6.6565	0.6585	22.0665
2012	6.1655	0.2884	6.4539	8.0050	5.7695	0.4708	20.6992
2013	6.0909	0.2568	6.3477	7.9980	5.6610	0.4634	20.4701
2014	5.8634	0.2529	6.1163	7.9770	5.7980	0.4455	20.3368

Source: Miami-Dade County, Florida; Department of Property Appraisal
2013 Millage Table and The City of Miami Beach 2013/2014
Adopted Budget Book.

State Legislated Operating millage Requirements

Pursuant to recently enacted State legislation, the City may elect to approve millage rates above the roll-back rate up to the constitutional cap of 10 mills subject to the following votes by the Commission or referendum:

Option I: A majority of the Commission Millage is required to approve a millage up to 8.1906 (equivalent to 100.55% of prior year maximum as valorem proceeds allowed by a majority vote, net of the impact of the Tax Increment Districts). The adjustment of 100.55% reflects the statewide per capita personal income increase for the prior year.

Option II: A row-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 9.0097 (equivalent to a 10% increase in the ad valorem revenues above Option I).

Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 9.0097 up to the 10 mill cap.

^A Overlapping rates are those of local and county governments that apply to owners within the City of Miami Beach. Not all overlapping rates apply to all Miami Beach property owners.

**CITY OF MIAMI BEACH, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

2014			2005		
Taxpayer	Taxable Assessed Value	Percentage of The City's Certified Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of The City's Certified Taxable Assessed Value
Fountainbleau Florida Hotel LLC	\$ 327,513,062	1.33 %	Loews Miami Beach Hotel	\$ 143,400,000	1.02 %
MB Redevelopment INC/Lowes Hotel	229,900,000	0.93	Morton Towers	110,675,000	0.79
2201 Collins Fee LLC	200,811,436	0.81	Fontainbleau	104,449,118	0.74
Florida Power & Light Company	186,802,731	0.76	Sandy Lane Residential LLC	72,230,700	0.51
Di Lido Beach Hotel Corp	112,860,000	0.46	DiLido Beach Hotel Corp.	61,900,000	0.44
2377 Collins Resort LP	110,925,385	0.45	Eden Roc Acquisition LP	49,500,000	0.35
VCP Lincoln Roan LLC	98,000,000	0.40	Shore Club	48,500,000	0.35
Eden Roc LLP	97,429,200	0.40	Morton Towers Expansion	48,325,000	0.34
MCZ/ Centrum Flamingo II LLC	95,590,000	0.39	South Gate Apartments	48,000,000	0.34
MCZ/ Centrum Flamingo III LLC	79,860,000	0.32	2201 Collins Fee LLC	44,583,667	0.32
	<u>\$ 1,539,691,814</u>	<u>6.25 %</u>		<u>\$ 731,563,485</u>	<u>5.20 %</u>

Source: 2013 and 2004 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach.

**CITY OF MIAMI BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS,
FISCAL YEARS 2004 THRU 2014**

Fiscal Year Ended September 30,	Taxes levied for the fiscal year ^A	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 110,739,153	\$ 97,731,071	88.25 %	\$ 1,086,183	\$ 98,817,254	89.23 %
2006	135,910,285	132,487,342	97.48	1,814,064	134,301,406	98.82
2007	165,759,439	163,120,484	98.41	2,145,835	165,266,319	99.70
2008	150,418,073	145,433,238	96.69	4,646,716	150,079,954	99.78
2009	150,588,328	144,321,499	95.84	4,633,049	148,954,548	98.92
2010	138,703,567	131,355,903	94.70	3,550,990	134,906,893	97.26
2011	136,549,286	128,719,932	94.27	290,254	129,010,186	94.48
2012	134,753,401	129,572,373	96.16	125,152	129,697,525	96.25
2013	139,133,369	134,848,787	95.62	3,403,910	138,252,697	99.37
2014	143,266,670	141,551,552	97.53	^B	141,551,552	98.80

Sources: Millage and taxable value table, the City of Miami Beach adopted budget book, Miami-Dade County real estate delinquent tax system and the City of Miami Beach finance department.

Note: Assessments as of January 1 of the year listed; bills mailed in October of that year; taxes become delinquent at the end of April of the subsequent year.

^A For the City of Miami Beach, the period for which levied coincides with the fiscal year.

^B Data not available at this time.

CITY OF MIAMI BEACH
RATIOS OF OUTSTANDING DEBT BY TYPE,
LAST TEN FISCAL YEARS
(in thousands of dollars)

Governmental Activities										
Fiscal Year	General Obligation Bonds	Resort Tax Revenue Bonds ^F	Gulf Breeze Government Loan Program	Sunshine State Loan Program ^H	Pension Obligation Bonds	Redevelopment Agency Tax Increment Revenue Bonds	Loans Payable ^A	Other Obligations	Total Governmental Activities	
2005	\$ 87,500	\$ 3,290	\$ 33,357	4,930	\$ 53,030	\$ 97,300	\$ 12,295	\$ 4,089	\$	295,791
2006	81,440	3,180	31,320	4,455	50,650	95,300	12,905	3,266		282,516
2007	78,620		29,185	3,965	48,175	91,645	10,617	2,619		264,826
2008	76,085		30,417	3,455	45,590	87,785	11,559	1,951		256,842
2009	73,580		24,650	2,930	42,885	83,740	10,528	1,260		239,573
2010	70,985		22,243		40,055	79,485	8,949	15,435 ^G		237,152
2011	68,280		19,739		37,095	75,035	9,438	15,225		224,812
2012	64,045		17,128		33,995	70,375	11,815	14,780		212,138
2013	61,745		14,386		30,550	66,058	12,374	13,551		198,664
2014	59,338		11,510		26,935	60,365	13,558	12,882		184,588
	Business-type activities				Total					

Fiscal Year	Storm Water Revenue Bonds	Water and Sewer Revenue Bonds	Parking Revenue Bonds/Loan	Loan Payable ^A	Total Business Activities	Total Primary Government	Percentage of Personal Income	Per Capita
2005	\$ 48,049	\$ 89,876	\$ 30,537	561	\$ 171,028	\$ 466,819	17.03 %	5.07771
2006	47,076	113,839 ^E	29,132	495	192,548	475,064	15.79 %	5.05755
2007	46,130	110,610	27,769	345	186,861	451,687	14.48 %	4.88013
2008	45,075	107,154	26,241	1,035	181,513	438,355	12.90 %	4.65581
2009	43,970	103,439	24,639	1,133	175,190	414,763	12.23 %	4.38913
2010	42,645	129,437 ^J	22,960	1,220	198,272	435,424	12.84 %	4.66875
2011	42,700	125,557	45,966 ^K	1,670	217,904	442,716	13.62 %	5.02062
2012	94,646 ^I	121,507	44,040	2,025	264,230	476,368	13.55 %	5.26495
2013	93,108	117,272	42,059	1,793	256,245	454,909	11.85 %	4.98621
2014	92,487	114,492	40,686	1,271	250,950	435,538	11.99 %	4.78476

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note: Business-type activities outstanding debt is presented net of discount/premium.

A Loan began in fiscal year 2002

B Data not available

C See page 130 for population information

D Lease started in fiscal year 2000 and ended in fiscal year 2004

E New debt issued during fiscal year 2006

F Outstanding bond principal in the amount of \$3,060,000 was defeased during fiscal year 2007

G New equipment lease began in fiscal year 2010

H The 1994 Sunshine State VRDS bonds were paid off in fiscal year 2010

I New debt issued in fiscal year 2012

J New debt issued in fiscal year 2010

K New debt issued in fiscal year 2011

CITY OF MIAMI BEACH
RATIOS OF GENERAL BONDED DEBT OUTSTANDING,
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Net Bonded Debt						Percentage of Actual Taxable Value of Property	Per Capita ^B
	General Obligation Bonds	Redevelopment Bonds	Gulf Breeze Fixed Rate Bonds	Pension Refunding Bonds	Sunshine State VRDS ^A	Total		
2005	\$ 86,270	\$ 93,585	\$ 33,243	\$ 53,030	\$ 4,758	\$ 270,886	1.93	2.9592
2006	80,217	88,176	31,288	50,650	4,311	254,642	1.46	2.7224
2007	77,596	84,401	29,003	48,175	3,822	242,997	1.07	2.6371
2008	75,105	81,355	26,713	45,590	3,334	232,097	0.86	2.4765
2009	72,702	77,280	24,163	42,885	2,930	219,960	0.82	2.3390
2010	70,196	72,939	21,587	40,055		204,777	0.83	2.2059
2011	67,579	68,474	18,601	37,095		191,749	0.87	2.1845
2012	62,491	63,603	15,499	33,995		175,588	0.80	1.9489
2013	59,692	58,592	12,583	30,550		161,417	0.70	1.7768
2014	56,519	53,336	9,455	26,935		146,245	0.59	1.6066

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^A The 1994 Sunshine State VRDS bonds were paid off in fiscal year 2010.

^B See page 131 for population information.

CITY OF MIAMI BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt limit	\$ 2,078,715,000	\$ 2,584,651,615	\$ 3,338,693,748	\$ 3,920,416,339	\$ 3,882,603,724
Total net debt applicable to limit	<u>86,269,623</u>	<u>80,348,515</u>	<u>77,595,559</u>	<u>75,105,405</u>	<u>72,702,497</u>
Legal Debt margin	<u>\$ 1,992,445,377</u>	<u>\$ 2,504,303,100</u>	<u>\$ 3,261,098,189</u>	<u>\$ 3,845,310,934</u>	<u>\$ 3,809,901,227</u>
Total net debt applicable to the limit as a percentage of debt limit	4.15%	3.11%	2.32%	1.92%	1.87%
	Fiscal Year				
	2010	2011	2012	2013	2014
Debt limit	\$ 3,465,358,138	\$ 3,315,711,442	\$ 3,296,743,489	\$ 3,460,848,297	\$ 3,698,486,533
Total net debt applicable to limit	<u>70,195,935</u>	<u>67,579,117</u>	<u>62,490,554</u>	<u>60,722,308</u>	<u>56,518,915</u>
Legal Debt margin	<u>\$ 3,395,162,203</u>	<u>\$ 3,248,132,325</u>	<u>\$ 3,234,252,935</u>	<u>\$ 3,400,125,989</u>	<u>\$ 3,641,967,618</u>
Total net debt applicable to the limit as a percentage of debt limit	2.03%	2.04%	1.90%	1.75%	1.53%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 24,656,576,889
Debt limit (15% of assessed value)	3,698,486,533
Debt applicable to limit:	
General obligation bonds	57,280,000
Less: Amount set aside for repayment of general obligation debt	<u>761,085</u>
Total net debt applicable to limit	<u>56,518,915</u>
Legal debt margin	<u>\$ 3,641,967,618</u>

Note: Assessed value is the preliminary certification of taxable value.

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

Fiscal Year	Revenue	Less:	Net available Revenue	Debt Service		Coverage
		Operating Expenses		Principal	Interest	
Parking Revenue Bonds						
2005	\$ 29,449,732	\$ 14,191,842	\$ 15,257,890	\$ 1,380,268	\$ 1,586,530	5.14
2006	26,059,130	15,441,789	10,617,341	1,443,400	1,524,259	3.58
2007	31,570,712	17,740,936	13,829,776	1,510,176	1,458,821	4.66
2008	31,416,685	19,612,035	11,804,650	1,576,944	1,390,054	3.98
2009	33,478,489	19,908,198	13,570,291	1,648,712	1,318,222	4.57
2010	35,448,502	20,579,374	14,869,128	1,727,294	1,240,684	5.01
^A 2011	40,663,353	21,016,656	19,646,697	2,015,876	1,773,541	5.18
2012	42,818,274	21,860,993	20,957,281	1,909,458	2,121,143	5.20
2013	44,305,488	23,668,544	20,636,944	1,972,110	2,050,454	5.13
2014	40,466,836	27,386,957	13,079,879	2,049,762	1,977,231	3.25

A - New Bonds were issued in fiscal year 2011; See debt footnote

Note: Revenue includes operating revenues and nonoperating interest income but excludes interest earned on bond proceeds as per the official bond statement. Operating expenses excludes depreciation, amortization or administrative fees.

Water & Sewer Revenue Bonds						
2005	\$ 54,104,716	\$ 35,626,830	\$ 18,477,886	\$ 2,735,000	\$ 5,052,972	2.37
2006	50,313,742	35,398,721	14,915,021		^A 4,148,258	3.60
2007	51,181,355	36,816,705	14,364,650	3,285,000	5,466,855	1.64
2008	54,366,038	37,618,570	16,747,468	3,480,000	5,331,556	1.90
2009	64,360,255	38,982,808	25,377,447	3,740,000	5,187,155	2.84
2010	69,632,326	45,831,721	23,800,605	3,775,000	5,036,856	2.70
2011	69,086,475	48,509,804	20,576,671	3,930,000	5,961,736	2.08
2012	68,622,998	46,769,683	21,853,315	4,100,000	5,801,135	2.21
2013	68,382,564	49,737,831	18,644,733	4,285,000	5,633,434	1.88
2014	69,399,550	49,242,030	20,157,520	3,185,000	5,633,434	2.29

A - Bonds were refunded during fiscal year 2006. As such, no principal payment was made in 2006.

Note: Revenue includes operating revenues and nonoperating interest income but excludes interest earned on bond proceeds and water and sewer impact fees as per the official bond statement. Operating expenses excludes depreciation, amortization or administrative fees.

Stormwater Revenue Bonds						
2005	\$ 10,966,650	\$ 2,251,214	\$ 8,715,436	\$ 950,000	\$ 2,618,747	2.44
2006	9,583,080	1,967,624	7,615,456	995,000	2,575,997	2.13
2007	10,248,168	2,457,949	7,790,219	1,040,000	2,531,221	2.18
2008	8,493,071	3,189,531	5,303,540	1,085,000	2,484,422	1.49
2009	10,129,595	2,875,115	7,254,480	1,135,000	2,434,511	2.03
2010	11,444,244	2,716,689	8,727,555	1,190,000	2,381,166	2.44
2011	11,845,218	3,346,893	8,498,325		2,042,670	4.16
2012	11,754,024	3,770,907	7,983,117	1,500,000	3,337,013	1.65
2013	11,778,578	3,011,708	8,766,870	1,545,000	4,302,595	1.50
2014	11,938,937	3,287,102	8,651,835	1,590,000	4,258,872	1.48

Note: Revenue includes operating revenues and nonoperating interest income but excludes interest earned on bond proceeds as per the official bond statement. Operating expenses excludes depreciation, amortization or administrative fees.

Redevelopment Agency Tax Increment Revenue Bonds						
2005	\$ 48,671,776	\$ 500,000	\$ 48,171,776	\$ 2,485,000	\$ 6,590,163	5.31
2006	58,902,508	500,000	58,402,508	2,000,000	3,686,227	10.27
2007	67,755,835	500,000	67,255,835	3,655,000	4,704,013	8.05
2008	70,596,698	500,000	70,096,698	3,860,000	4,515,554	8.37
2009	70,858,394	500,000	70,358,394	4,045,000	4,329,697	8.40
2010	73,108,937	500,000	72,608,937	4,255,000	4,138,267	8.65
2011	81,936,306	500,000	81,436,306	4,450,000	3,943,254	9.70
2012	84,906,486	500,000	84,406,486	4,660,000	3,733,816	10.06
2013	90,690,478	500,000	90,190,478	4,885,000	3,512,766	10.74
2014	37,456,562	500,000	36,956,562	4,885,000	3,513,000	4.40

Note: The resort tax revenue pledge to the redevelopment agency debt was released in fiscal year 2014

Beginning in fiscal year 2013, all net revenues were calculated based on the official bond statement requirements for debt coverage.

CITY OF MIAMI BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2014

DIRECT DEBT		
General obligation indebtedness		
Public improvement bonds		\$ 57,280,000
Non-self-supporting indebtedness: ^A		
Gulf Breeze Government Loan Program	11,510,264	
Pension Obligation Bonds	26,935,000	
Tax Increment Revenue Bonds	<u>60,365,000</u>	
Total non-self-supporting indebtedness		<u>98,810,264</u>
Total direct indebtedness		<u>156,090,264</u>
OVERLAPPING DEBT ^B		
Miami-Dade County		
Total general obligation indebtedness	1,297,416,000	
Percent applicable to City - 12.5075% ^C		162,274,306
Total school district obligation indebtedness	407,693,000	
Percent applicable to City - 12.5075% ^C		50,992,202
Total net non-self-supporting indebtedness	2,360,003,531	
Percent applicable to City - 12.5075% ^C		<u>295,177,442</u>
Total overlapping debt		<u>508,443,950</u>
TOTAL DIRECT AND OVERLAPPING DEBT		\$ <u>664,534,214</u>

^A Excludes self-supporting debt obligations.

^B All debt listed as Overlapping Debt is secured either solely from a tax source or from a combination of self-supporting revenues and a tax source.

^C Based upon 2013 assessed valuation figures for the City and Dade County.

**CITY OF MIAMI BEACH
DEMOGRAPHIC AND ECONOMIC STATISTICS,
LAST TEN CALENDAR YEARS**

Miami-Dade County							
Year	Miami Beach Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Auto Tags	Bank Deposits (Thousands)	School Age Population	Unemployment Rate
2005	93,535	\$ 75,464	\$ 32,025	2,094,012	\$ 70,222	427,449	3.7 %
2006	92,145	80,112	33,712	2,183,782	73,205	428,229	3.3
2007	93,721	85,978	36,081	2,187,394	74,987	431,184	3.1
2008	94,040	88,955	35,887	2,160,963	77,178	429,531	5.8
2009	92,833	90,916	36,357	2,074,138	^A	427,034	10.7
2010	87,779	92,227	36,846	1,999,364	80,352	395,791	12.4
2011	90,097	96,657	37,834	2,007,052	82,935	396,973	11.3
2012	90,848	100,688	38,860	1,691,167	^B 91,040	400,893	9.3
2013	91,026	104,373	39,880		^A 95,058	398,203	8.4

Source: Florida Statistical Abstract, 2013

^A Data not available

^B Does not include mobile homes, trailers or vessels, dealer or transporter license plates, half-year truck/tractor registrations or permanent government license plates.

*Preliminary Data

**MIAMI-DADE COUNTY
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO**

Ten Largest Public Employers					
<u>Employer</u>	2014			2005	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
Miami-Dade County Public Schools	33,477	1	2.74 %	54,387	1
Miami-Dade County	25,502	2	2.08	32,265	2
Federal Government	19,200	3	1.57	20,100	3
Florida State Government	17,100	4	1.40	18,900	4
Jackson Health System	9,797	5	0.80	11,700	5
City of Miami	3,997	6	0.33	3,954	8
Florida International University	3,534	7	0.29	5,000	7
Homestead AFB	3,250	8	0.27		
Miami VA Medical Center	2,500	9	0.20	2,018	9
Miami Dade College	2,390	10	0.20	7,500	6
City of Miami Beach				1,839	10
Ten Largest Private Employers					
<u>Employer</u>	2014			2005	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
University of Miami	12,818	1	1.05 %	9,079	2
Baptist Health South Florida	11,353	2	0.93	10,300	1
American Airlines	11,031	3	0.90	9,000	3
Carnival Cruise Lines	3,500	4	0.29		
Miami Childrens Hospital	3,500	5	0.29		
Mount Sinai Medical Center	3,321	6	0.27		
Florida Power and Light	3,011	7	0.25		
Royal Caribbean International	2,989	8	0.24		
Wells Fargo	2,050	9	0.17		
Bank of America Merrill Lynch	2,000	10	0.16		
United Parcel Service				5,000	4
Bellsouth				4,800	5
Winn-Dixie Stores				4,616	6
Precision Response Corporation				4,196	7
Publix Super Markets				4,000	8
Florida Power & Light Co.				3,665	9
Burdines-Macy's				3,368	10

Source: Employer and employees information provided by the Beacon Council. Percentage of total County employment was calculated based on total County employment of 1,223,917 as presented in the 2014 Florida Statistical Abstract.

CITY OF MIAMI BEACH, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS

Function/Program	Full-time Equivalent Employees as of September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Mayor and commission	20	20	20	19	19	19	18	18	18	18
City manager	13	13	13	11	11	10	10	10	10	13
Office of communications	2	8	9	8	6	5	5	5	5	4
Budget and performance improvement	20	20	21	19	19	18	18	18	18	18
Finance	43	45	46	39	37	37	37	37	37	37
Information technology	41	44	46	43	40	38	36	36	37	36
Human resources	17	17	18	16	17	15	14	14	14	15
Labor relations ^C	2	2	3	3						
Risk Management	6	6	6	6	6	6	7	7	7	6
City clerk	19	17	17	16	16	14	14	14	13	14
Procurement	9	9	10	10	9	9	9	8	8	8
City attorney	22	22	22	22	20	19	19	19	19	19
Economic Development and Cultural Arts:										
Real Estate, Housing and Comm. Development ^E						13	13	13	13	11
Economic development	8	7	7	6	5					
Building ^A	63	71	79	79	79	72	66	73	73	73
Planning	26	28	29	29	26	26	25	25	25	25
Tourism & cultural development	13	14	13	12	11	11	11	11	11	13
Bass museum	8	8	8	8	8	8	8	8	8	8
Operations:										
Neighborhood services ^D	63	65	67	60	56					
Community Services						4	4	4	4	4
Code compliance						42	30	41	41	42
Parks & recreation ^B	187	195	205	198	195	182	156	173	173	167
Public works	37	34	33	39	48	45	41	41	40	41
Sanitation	114	148	179	177	187	187	187	179	178	178
Property management	66	71	71	69	66	54	24	50	50	50
Capital improvement projects	27	31	31	31	32	35	35	37	37	36
Parking	108	111	116	120	118	117	83	116	110	111
Sewer	41	42	42	41	38	33	35	35	34	34
Stormwater	23	25	25	26	25	25	23	21	21	21
Water	69	69	69	63	59	54	56	52	52	52
Fleet management	24	24	24	23	21	21	21	20	20	22
Public safety:										
Police - Officers	385	386	403	396	381	370	370	370	381	381
Police - Civilians	153	164	166	148	149	140	138	138	144	158
Fire - Officers	207	208	207	206	203	200	200	200	200	200
Fire - Civilians	17	23	21	23	27	26	27	27	27	27
Ocean rescue ^B	68	68	76	76	76	76	56	76	76	76
Total	1,919	2,013	2,102	2,042	2,007	1,927	1,794	1,894	1,903	1,917

Source: City of Miami Beach Budget Department

Note: In FY 2011 the City reduced its FTE by 133, this is due to adopted efficiencies and service reductions.

^BBeach patrol was transferred from the Parks & Recreation department to become the Ocean Rescue

^CLabor Relations was transferred to Human Resources in

^DNeighborhood Service was dissolved in 2009.

^EHousing and Comm Development was part of Neighborhood services in 2009 which merged with Economic development to become Real Estate, Housing and Comm Development.

CITY OF MIAMI BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Mayor and commission										
Ordinances approved	40	36	43	46	39	44	43	35	26	73
Resolutions approved	268	322	296	251	308	274	245	230	266	382
City manager										
Responses to resident inquiries/complaints	650	612	692	540	575	545	553	549	N/A	N/A
Better Place Requests Open and Closed	12	23	21	15	4	10	N/A	42	2	7
Budget and performance improvement										
Audits performed	258	254	266	242	272	263	233	235	198	
Grants awarded	\$ 1,186,464	\$ 3,410,086	\$ 2,065,480	\$ 2,483,516	\$ 6,934,165	\$ 5,639,593	\$ 3,221,421	\$ 2,869,671	\$ 3,574,486	\$ 3,447,853
Finance										
Utility customer accounts	10,500	10,500	10,059	10,043	10,044	10,057	10,061	10,062	10,070	10,075
Licenses issued	6,500	7,330	8,000	7,541	8,650	7,748	7,718	6,592	6,496	6,943
Lien statements	3,400	3,850	3,942	2,415	2,658	4,076	6,600	6,326	7,355	6,734
Annual resort tax accounts	1,375	1,127	1,119	1,054	1,066	1,050	1,067	1,066	1,087	1,054
Citizen Support Center	75	93	116	68	12	48	2	4	6	5
Human resources										
Employees	1,900	1,879	1,870	1,926	1,902	1,869	1,837	1,824	1,905	1,930
Hires	328	363	314	195	188	206	146	154	176	163
Building										
Building and trade permits processed/issued	17,940	18,348	13,943	11,904	11,361	11,039	12,523	13,272	13,881	14,071
Certificates	780	622	736	337	383	411	342	417	529	536
Tourism & cultural development										
Film & print and special events permits	1,583	1,280	1,563	1,232	966	1,023	1,215	1,225	1,190	1,141
Bass Museum Visitors	36,749	19,211	25,210	30,071	26,414	29,642	26,477	36,708	47,162	64,323
Theater Events (Byron/Colony)	149	255	380	267	225	223	218	222	237	172
Operations:										
Parking										
Residential Parking Permits	26,161	26,837	26,437	28,131	11,557	11,830	12,357	13,720	12,523	14,566
Municipal Parking Permits	42,234	47,722	48,964	48,660	41,651	53,502	42,152	44,418	47,600	51,230
Total Vehicle Entries - Garages	2,729,258	2,711,193	2,815,672	2,363,600	2,254,119	2,162,618	2,530,878	2,582,466	2,887,722	3,310,093
Citizen Support Center	284	260	435	218	N/A	N/A	133	110	170	
Parks & recreation										
Summer Camp	2,241	2,515	2,587	2,317	2,758	2,398	2,538	2,561	2,568	2,653
After and Play School Participants	2,410	2,400	882	2,810	2,680	3,217	3,501	3,276	3,056	3,139
Athletics	1,020	1,253	1,442	2,835	2,656	2,079	2,251	2,042	2,104	2,215
Pool Attendance	79,135	119,800	161,176	145,337	141,524	160,456	157,227	138,005	128,852	133,373
Golf course patrons ^A	42,923	44,252	44,078	42,850	66,358	73,447	80,782	71,528	76,230	79,532
Public Works-Engineering/Water/Sewer/Streets										
Right-of-Way permits issued	900	N/A	1,092	899	935	868	855	822	801	967
Cleaning and inspection of sewer lines	800,000	1,217,202	1,182,000	703,294	778,937	N/A	964,703	824,212	937,000	N/A
Storm sewers cleaned	140,000	233,000	88,000	59,000	78,279	N/A	1,253	97,425	N/A	N/A
Deteriorated storm sewers replaced	200	80	15	640	N/A	N/A	125	47	120	N/A
New-metered service taps and installations	550	196	113	400	207	N/A	70	62	N/A	N/A
Roads and alleys repaved (linear feet)	12,000	7,000	11,100	36,000	N/A	N/A	3,600	7,200	1,300	N/A
Sidewalk replaced (square feet)	30,000	38,000	63,000	44,000	46,889	N/A	3,525	2,927	17,000	N/A
Citizen Support Center	2,626	1,854	1,787	2,732	2,908	2,636	1,261	541	982	775
Sanitation										
Residential Waste (tons per year)	15,970	15,708	15,500	14,882	13,354	12,980	12,172	10,233	8,920	8,972
Litter Cans	2,050	2,095	2,335	2,335	2,735	2,735	2,735	2,735	2,765	2,787
Mechanized Sweeping (miles per day)	15	15	15	15	20	20	20	20	20	20
Mobile Sweeping (miles per day)	156	156	156	156	156	156	156	156	156	156
Fleet Management										
Fuel consumed - diesel and unleaded (gallons) ^C	825,000	777,827	820,913	866,571	890,529	903,675	900,211	858,767	698,280	849,400
Preventive maintenance jobs	2,876	2,699	2,932	2,911	3,160	3,053	3,181	3,174	3,519	3,153
Police										
Total number of arrests	10,185	12,887	14,954	13,804	13,338	10,801	9,588	9,890	10,577	8,280
Traffic Violations	45,524	58,615	52,976	49,389	44,521	39,586	49,561	48,344	50,590	71,562
Citizen Support Center	67	143	96	67	73	28	64	42	75	65
Fire										
Emergency responses	14,700	13,532	16,794	22,640	25,015	20,356	21,429	22,263	22,948	23,415
Existing building inspections	N/A	N/A	N/A	2,292	978	1,500	1,107	773	961	1,985
Night club inspections	N/A	N/A	N/A	3,184	2,769	3,198	3,718	1,957	2,477	1,775
Site inspections	N/A	N/A	N/A	4,932	4,953	3,672	5,187	7,369	9,047	9,736
On duty inspections	N/A	N/A	N/A	1,984	1,856	1,793	1478	187	1233	1,774
Ocean rescue - victims rescued	281	313	680	506	579	645	747	531	733	575
Ocean rescue prevention	280,104	365,103	447,251	455,757	349,882	320,858	257,862	250,310	273,543	208,027
Citizen Support Center	189	182	149	137	115	50	91	78	76	61

N/A - Information not available.

Source: Various City of Miami Beach departments and Departmental Workplans.

^A The City opened a second golf course which was operational for 9 months during

^B In FY 2010 the City used a new method to track requests from residents.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	4	4	4	4	4	4	4	4	4	4
Vehicles assigned to the police department	440	440	440	440	440	486	486	530	530	530
Fire stations	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	180	180	180	180	180	180	180	180	180	180
Water valves	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Fire hydrants	1,006	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Fire lines	712	717	717	717	717	717	717	717	717	717
Meters	12,424	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460
Water pumping stations	5	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Stormwater										
Stormwater pipes (miles)	59	59	59	59	59	59	59	59	59	59
Drainage basins	172	172	172	172	172	172	172	172	172	172
Stormwater catch basins	6,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Manholes	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161
Sewer										
Sanitary gravity sewer pipes (miles)	144	152	152	152	152	152	152	152	152	152
Force main pipes (miles)	21	21	21	21	21	21	21	21	21	21
Manholes	3,293	3,293	3,293	3,293	3,293	3,293	3,293	3,293	3,293	3,293
Wastewater pump stations	23	23	23	23	23	23	23	23	23	23
Other public works										
Streets (miles)	140	140	140	140	140	140	140	140	140	140
Sidewalks (miles)	242	242	242	242	242	242	242	242	242	242
Curb and gutter (miles)	200	200	200	200	200	200	200	200	200	200
Alleys (miles)	33	33	33	33	33	33	33	33	33	33
Seawalls (linear feet)	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300
Streetlights	5,850	5,900	6,000	6,200	6,200	6,893	6,893	6,893	6,893	6,893
Street lights cable (miles)	260	265	265	265	265	263	263	263	263	263
Parking										
Parking Lots & Garages	68	68	68	68	70	75	76	76	76	76
Parking Spaces	8,496	8,333	8,300	8,404	8,404	8,404	8,424	8,592	8,424	8,424
Parks and recreation										
Recreational open space (acres)	727	727	727	727	727	727	727	727	727	727
Playground tot-lots	14	14	15	15	19	15	19	19	19	19
Stadiums	2	2	2	2	2	2	2	2	2	2
Sports fields	7	7	7	7	7	7	7	7	7	7
Tennis sites	6	6	6	6	6	6	7	7	7	7
Basketball court sites	9	15	15	15	15	15	15	15	15	15
Ice Rink	1	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3	3	3	3
Youth/Community centers	3	3	3	3	3	3	3	3	3	3
Bark parks	2	2	3	3	4	3	4	4	4	5
Parks - passive and staffed	37	25	26	26	26	26	26	26	36	36
Municipal regulation golf courses	2	2	2	2	2	2	2	2	2	2
Trucks, off-road, and other vehicles	67	84	93	98	98	97	98	N/A	N/A	N/A
Sanitation										
Sweepers	17	21	13	9	9	6	6	6	N/A	N/A
Front end loader	1	2	3	3	3					
Trucks, Vans, and other vehicles	32	60	81	74	83	79	84	90	N/A	N/A
Pressure washers	8	10	11	9	9	9	7	7	N/A	N/A
Transit-minibuses	10	4	4	4	4					

Source: Various City of Miami Beach departments.

N/A- Data not available

