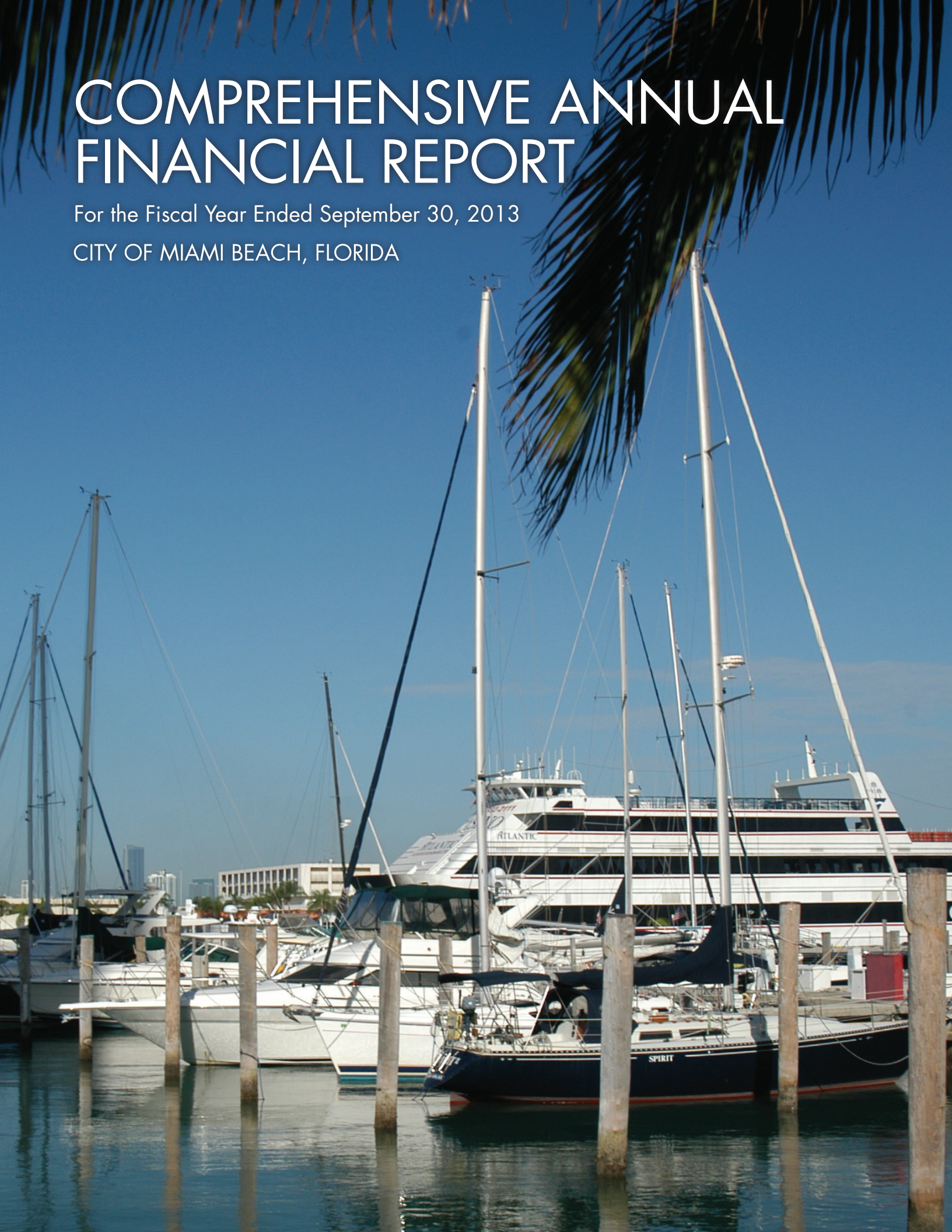


# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2013

CITY OF MIAMI BEACH, FLORIDA



**City of Miami Beach, Florida**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2013**

**Jimmy L. Morales**  
City Manager

**Patricia D. Walker**  
Chief Financial Officer

Report prepared by: Finance Department

Cover picture

Miami Beach Marina

Location: 300 Alton Road

<http://www.miamibeachmarina.com/home/>

<http://web.miamibeachfl.gov/>

**City of Miami Beach, Florida  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2013**

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# **INTRODUCTORY SECTION**



**City of Miami Beach**, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

March 31, 2014

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, 2013.

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. The selection of the accounting firm McGladrey LLP as the City's independent certified public accountants, was made following a recommendation by an appointed evaluation committee to the City Manager, who reviewed the selection and made recommendation to the City Commission. The selection of McGladrey LLP was 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, 2013, 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-member commission. The City operates under a Commission-Manager form of government. The term for the Mayor is two years, with a term limit of six consecutive years. The term for the Commission is four years, with a term limit of eight consecutive years. 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's 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. This past year, 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. 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.

*We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community.*

Total hotel room sales in Miami Beach increased by 10.8% from 2012 to 2013. When compared to an increase of 10.4% for hotel rooms throughout the rest of Miami-Dade County (excluding Miami Beach), a 10.8% increase following the 7% increase a year earlier demonstrates the continued strength of the Miami Beach lodging market, and its role as the key driver of tourism in South Florida. During 2013, hotel room occupancy was 78%, up from 76.1% in 2012, reflecting continued absorption of an inventory of hotel rooms that has increased significantly from 13,506 at the beginning of 2008 to 16,750 at the end of 2013. 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 2013.

Moreover, the overall economy of the City remained stable, with an estimated gross City product of \$8.2 billion, up from \$7.7 billion in 2011. From the second quarter of 2008 to 2013 there was a 15.1 % increase of employment from 43,802 jobs to 50,349 jobs. The City's unemployment rate ended 2013 at 6.81%, well below comparable geographies, such as 8.95% for the Greater Miami Metropolitan statistical area, 8.22% for Florida, and the national rate of 7.85%. 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 recently attracted major television series, including Burn Notice (USA), Magic City (Starz) and Ballers (HBO) and features including Iron Man 3, Step Up Revolution and Pain & Gain. The City will host the eMerge Americas Conference showcasing the best and brightest technology innovators and entrepreneurs, including Rokk3rlabs a tech hub that is based in Miami Beach. In 2013, the world's most prestigious art fair, based in Basel, Switzerland, celebrated the eleventh anniversary of its Miami Beach exhibition, with attendance and sales exceeding expectations. Additionally, the partnership between the City and the New World Symphony (the "Symphony") has resulted in the New World Center a new, state of the art performance and recording facility which opened in 2011 on City-owned land, with the adjacent City owned park, and SoundScape which features a 7,000 square foot projection wall on the eastern front of the New World Center building.

Retail tenants continue to open locations and expand in the City, joining established operations such as Armani Exchange, Kenneth Cole, Office Depot, Diesel, Nicole Miller, Forever 21 and H&M. New retailers that joined the Miami Beach market in 2013 included Urban Outfitters, John Varatos Menswear, Superdry and American Eagle Outfitters. Class A office space in prime locations continues to generate interest with a vacancy rate of approximately 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, the South Beach Food and Wine Festival, 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 2013. 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 locations. Furthermore, the end of 2008 saw the beginning of twenty straight quarters of year over year increases in the number of units sold, and a decline in the number of condominium units for sale, from over 4,000 in early 2008, to 1470 in December 2013.

## **Community Relations**

In 2012, the City of Miami Beach conducted its fourth set of comprehensive statistically valid community satisfaction surveys. The Community Survey was designed to provide resident input on quality of life, city services, and taxes; and to identify key drivers for improvement.

*We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community.*

Overall, when compared to previous surveys, the City remained stable in most of the areas measured. Residential respondents provided the highest positive ratings for the appearance and maintenance of the city's public buildings and public schools, the appearance of playgrounds, and recreation programs. A record high 89% of residents rated Miami Beach excellent or good as a place to live and the standard of living outlook improved to 80% in 2012 compared to only 53% in 2009. Businesses continue to rate the City as 'one of the best' or an 'above average place' to run a business. These results indicate a stable level of satisfaction with Quality of Life in Miami Beach and the services provided by the City.

## **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, 2013 was balanced and enables the City to continue delivering outstanding, enhanced services to our residents, businesses and visitors, providing property tax reductions Citywide and fee relief in our Enterprise Funds, and continuing structural enhancements to ensure the long-term sustainability of the City. In summary, the adopted general fund operating budget maintained current service priorities for the community, despite property tax rates set at 1.2 mills (16%) lower than fiscal year 2007 when property values were similar to the 2011 certified values. Further, water, sewer, and storm-water rates were kept flat, absorbing for one year the sewer pass through for increases in the Miami-Dade County wholesale sewer rate.

**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 6.3477 mills. The total adopted operating millage is 6.0909 mills, including a general operating millage rate of 5.9826 mills and a general fund capital renewal and replacement rate of 0.1083 mills. The adopted voted debt service millage rate is increased from 0.2884 to 0.2568, a decrease of 0.0316 mills. Further, the combined millage rate overall remains approximately 2.8 mills lower than it was in fiscal year 2000. In addition, the millage rate is 1.8 mills lower than it was in fiscal year 2007, when property values were similar to the July 1, 2011 certified values. As a result, the adopted property tax levy is lower in fiscal year 2013 than it was in fiscal year 2007 by approximately \$25 million.

**Property Values and Ad Valorem Taxes:** On January 1, 2012, the City received the "2012 Certification of Taxable Value" from the Property Appraiser's Office stating that the taxable value for the City was \$23.072 billion including \$96.865 million in new construction. The preliminary 2012 value represents an increase of \$1.094 billion or 5% greater than the July 1, 2011 Certification of Taxable Value of \$21.9 billion.

**Determining the Voted Debt Service Millage Levy:** The general obligation debt service payment for fiscal year 2013 is approximately \$5.93 million. Based on the July 1, 2012 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.2568 mills. This represents a decrease of 0.0316 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. However, given the significant reductions in the general fund over the last five years, most of the reductions identified for fiscal year 2013 are more focused on enterprise funds. While these do not impact the general fund millage and property taxes paid by property owners, reductions in these funds in prior years has allowed us to keep the City portion of utility user fees flat longer than previously anticipated.

## Debt Administration

The City continues to maintain its AA- rating with Standard and Poor's and its Aa2 rating with Moody's Investors Service. In April 2011, both Standard and Poor's and Moody's reaffirmed the rating of AA- and Aa2 respectively. 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, 2013, the general obligation bonded debt of the City totaling \$61 million was well below the legal limit of \$3.2 billion. The City's total debt per capita equaled \$4,986 at September 30, 2013.

## 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, 2012. This was the twenty-sixth (26) 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, 2012. 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**

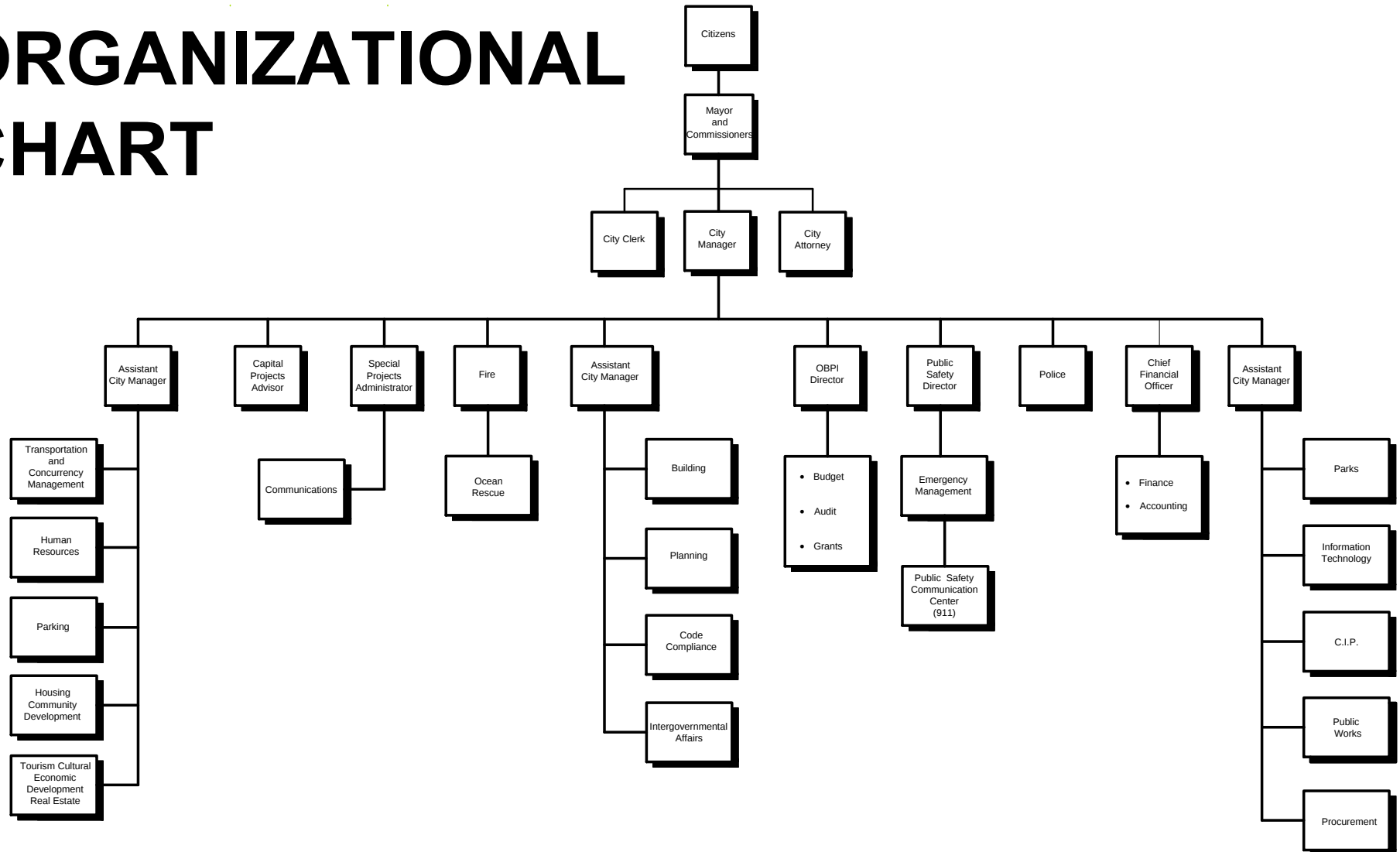
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# MIAMI BEACH

## ORGANIZATIONAL CHART



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

**September 30, 2013**

**City Commission**

Matti Herrera Bower, Mayor

Edward L. Tobin, Vice-Mayor

Jorge Exposito, Commissioner

Michael Gongora, Commissioner

Jerry Libbin, 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

# **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, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in 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:

| <u>Funds / Component Unit</u>                                 | <u>Classification</u>                |
|---------------------------------------------------------------|--------------------------------------|
| City of Miami Beach Florida Employees' Retirement Plan        | Aggregate Remaining Fund Information |
| City of Miami Beach Florida Pension Fund for Firefighters and | Aggregate Remaining Fund Information |
| City of Miami Beach Florida Firemen's Relief and Pension Fund | Aggregate Remaining Fund Information |
| Miami Beach Policemen's Relief and Pension Fund               | Aggregate Remaining Fund Information |
| Miami Beach Visitor and Convention Authority                  | Discretely Presented Component Unit  |
| Miami Beach Convention Center as managed by Global Spectrum   | Enterprise Funds                     |

These funds and component unit represent the percentage of assets, net position/fund balance, and revenue, where applicable, of the respective opinion units as listed below:

| <u>Reporting Classification</u>      | <u>Total Assets</u> | <u>Percentage of<br/>Total Net Position/Fund Balance</u> | <u>Total Revenue</u> |
|--------------------------------------|---------------------|----------------------------------------------------------|----------------------|
| Aggregate Remaining Fund Information | 84%                 | 87%                                                      | 63%                  |
| Discretely Presented Component Unit  | 98%                 | 97%                                                      | 100%                 |
| Enterprise Funds                     | 0.3%                | 0.1%                                                     | 12%                  |

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the funds and component unit indicated above, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Miami Beach Convention Center as managed by Global Spectrum, the City of Miami Beach Florida Employees' Retirement Plan, the City of Miami Beach Florida Pension Fund for Firefighters and Police Officers, and the Miami Beach Policeman's Relief and Pension Fund were 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 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 of Miami Beach, Florida, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of funding progress – Retirement Systems and Postemployment Benefits Other than Pension, and the budgetary comparison information for the general fund, resort tax revenue fund, and Miami Beach Redevelopment Agency fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the statistical and disclosure sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the budgetary comparison schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated March 31, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*McGladrey LLP*

Miami, Florida  
March 31, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

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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, 2013. 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 of the City exceeded its liabilities at September 30, 2013 by \$1.3 billion (net position). Of this amount, \$824.5 million was invested in capital assets, net of related debt. Additionally, \$169.7 million was restricted by laws, agreements, or debt covenants. The City has unrestricted net position of \$280.2 million.
- During fiscal year 2013, the City's net position increased by \$55.2 million. Of this increase, \$35.5 million was in governmental activities and the remaining increase of \$19.7 million in business-type activities. For the governmental activities, revenues from charges for services increased by \$12.6 million or 17.7%, operating grants and contributions decreased \$5.5 million or 22.1%, capital grants and contributions decreased \$1.5 million or 29.6% and general revenues increased by \$.8 million or .3%, while expenses increased by \$19.6 million or 6.7%. For the business-type activities, charges for services increased \$4.1 million or 2.8%, while expenses increased by \$9.8 million or 7.6% over the prior year.
- The City's assets increased by \$32.3 million or 1.8%. The City's total liabilities had a net decrease of \$22.9 million or 3.8% during the year. Long term liabilities decreased by \$16 million or 2.8 %, while short term liabilities decreased by \$6.8 million or 15.8%.
- At September 30, 2013 the City's governmental fund balance consisted mainly of \$257.3 million in restricted, \$42.2 million in committed, \$44 million in assigned and negative or (\$4.5) million in unassigned fund balance. Enterprise fund's net position consisted of \$382.3 million in invested in capital assets, net of related debt, \$37.4 million in restricted and \$161.1 million in unrestricted net position. Internal Service fund's net position consisted of \$4.8 million in invested in capital assets net of related debt and \$15.3 million in unrestricted net position.

### **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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

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user fees and charges. The governmental activities of the City include general government, public safety, 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'S DISCUSSION AND ANALYSIS (Unaudited)

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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 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               |                     |
|----------------------------------|-------------------------|-------------------|--------------------------|----------------|---------------------|---------------------|
|                                  | 2012                    | 2013              | 2012                     | 2013           | 2012                | 2013                |
| Current and other assets         | \$ 394,486              | \$ 408,561        | \$ 289,803               | \$ 286,207     | \$ 684,289          | \$ 694,768          |
| Capital assets                   | 578,838                 | 586,934           | 563,780                  | 577,544        | 1,142,618           | 1,164,478           |
| Total assets                     | <u>973,324</u>          | <u>995,495</u>    | <u>853,583</u>           | <u>863,751</u> | <u>1,826,907</u>    | <u>1,859,246</u>    |
| Long-term liabilities            |                         |                   |                          |                |                     |                     |
| outstanding                      | 289,803                 | 281,263           | 274,613                  | 267,135        | 564,416             | 548,398             |
| Other liabilities                | 27,978                  | 23,177            | 15,264                   | 13,216         | 43,242              | 36,393              |
| Total liabilities                | <u>317,781</u>          | <u>304,440</u>    | <u>289,877</u>           | <u>280,351</u> | <u>607,658</u>      | <u>584,791</u>      |
| Net position:                    |                         |                   |                          |                |                     |                     |
| Net investment in capital assets | 428,246                 | 442,274           | 375,703                  | 382,255        | 803,949             | 824,529             |
| Restricted                       | 108,517                 | 129,616           | 41,491                   | 40,086         | 150,008             | 169,702             |
| Unrestricted                     | 118,780                 | 119,165           | 146,512                  | 161,059        | 265,292             | 280,224             |
| Total net position               | <u>\$ 655,543</u>       | <u>\$ 691,055</u> | <u>\$ 563,706</u>        | <u>583,400</u> | <u>\$ 1,219,249</u> | <u>\$ 1,274,455</u> |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1.3 billion at September 30, 2013, an increase of \$55.2 million or 4.5% from the prior year.

The largest portion of the City's net position, \$824.5 million or 64.7%, 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, \$169.7 million or 13.3% 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 \$280.2 million or 22% consists of \$119.2 million from governmental activities and \$161 million from business type activities. For financial reporting purposes, these balances are considered unrestricted, however, the majority of these balances are committed or assigned 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 \$55.2 million or 4.5% during the current fiscal year. Governmental activities accounted for an increase of \$35.5 million or 64.3% while Business-type accounted for \$19.7 million or 35.7% of the increase.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The table below summarizes the changes in net position - Governmental Activities

## CITY OF MIAMI BEACH Changes in Net Position Governmental Activities for the fiscal year ended September 30, (in thousands)

|                                                                              | 2012              | 2013              |
|------------------------------------------------------------------------------|-------------------|-------------------|
| Revenues:                                                                    |                   |                   |
| Program revenues:                                                            |                   |                   |
| Charges for services                                                         | \$ 70,936         | \$ 83,490         |
| Operating grants and contributions                                           | 25,061            | 19,529            |
| Capital grants and contributions                                             | 4,899             | 3,449             |
| General revenues:                                                            |                   |                   |
| Taxes:                                                                       |                   |                   |
| Property taxes, levied for general purposes                                  | 109,059           | 111,812           |
| Property taxes, levied for debt services                                     | 6,947             | 5,352             |
| Resort taxes                                                                 | 53,920            | 58,618            |
| Tax increment                                                                | 42,411            | 43,297            |
| Utility taxes                                                                | 10,293            | 11,392            |
| Communication service                                                        | 5,444             | 4,583             |
| Local business                                                               | 4,404             | 4,412             |
| Miscellaneous                                                                | 883               | 983               |
| Unrestricted investment earnings                                             | 4,750             | 3,494             |
| Unrealized loss on investments                                               |                   | (5,241)           |
| Total revenues                                                               | <u>339,007</u>    | <u>345,170</u>    |
| Expenses:                                                                    |                   |                   |
| General government                                                           | 41,088            | 45,986            |
| Public safety                                                                | 175,283           | 188,421           |
| Physical environment                                                         | 2,412             | 2,740             |
| Transportation                                                               | 16,084            | 11,843            |
| Economic environment                                                         | 4,407             | 4,538             |
| Human services                                                               | 2,218             | 2,139             |
| Culture and recreation                                                       | 43,713            | 49,424            |
| Interest on long-term debt                                                   | 9,739             | 9,468             |
| Total expenses                                                               | <u>294,944</u>    | <u>314,559</u>    |
| Increase in net position before transfers and gain on sale of capital assets | 44,063            | 30,611            |
| Transfers                                                                    | 8,328             | 4,410             |
| Gain on sale of capital assets                                               | 260               | 491               |
| Increase in net position                                                     | <u>52,651</u>     | <u>35,512</u>     |
| Net position - beginning                                                     | 602,892           | 655,543           |
| Net position - ending                                                        | <u>\$ 655,543</u> | <u>\$ 691,055</u> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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**Governmental activities.** Governmental activities increased the City's net position by \$35.5 million, thereby accounting for 64.3% 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 \$106.5 million and general revenues which amounted to \$239.2 million, for a total of \$345.7 million. Property tax revenue for general purposes which represents 32.3% of total revenues was \$111.8 million. This is an increase of \$2.8 million or 2.5% 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 \$21.98 billion in 2012 to \$23.07 billion in 2013, an increase of \$1.09 billion. The City's operating millage rate was 6.1655 in fiscal year 2012 and 6.0909 in 2013.

Charges for services which represents 24.2% of total revenues was \$83.5 million. This amount is an increase of \$12.6 million or 17.7% over the prior year collections. These charges 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 12.5% of the revenues was \$43.3 million. This amount is an increase of \$.9 million or 2.1% 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 is based on real estate property values City wide.

Resort tax which represents 17% of revenues was \$58.6 million which is an increase of \$4.7 million or 8.7% 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 completed 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 \$314.6 million. Significant portions of these expenses were in the public safety, general government and culture and recreation functions.

Public safety function expense was \$188.4 million and represents 59.9% 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 \$13.1 million or 7.5% from the prior year.

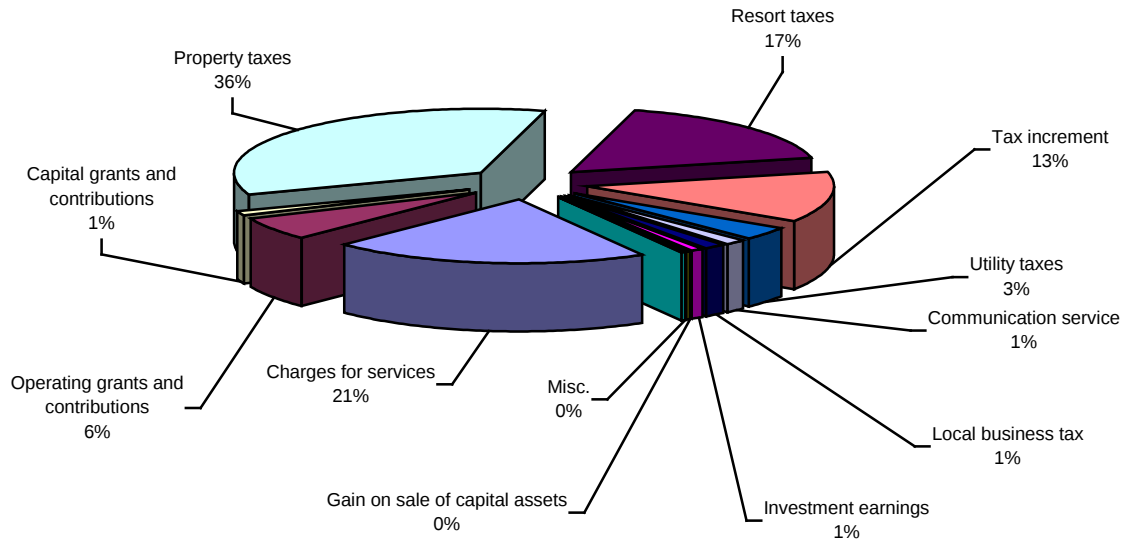
General government function expense was \$46 million and represents 14.6% of total expense. The City's general government function includes the City attorney's office, public works department, planning department, capital investment and upkeep office, budget and finance office, office of procurement, city managers office, city clerk's office, human resources office and other special projects. Expenditures in this function increased by \$4.9 million from the prior year.

Culture and recreation function expense was \$49.4 million and represents 15.7% of total expenses. The City's culture and recreation function includes expenses for grant funded culture and recreation activities,

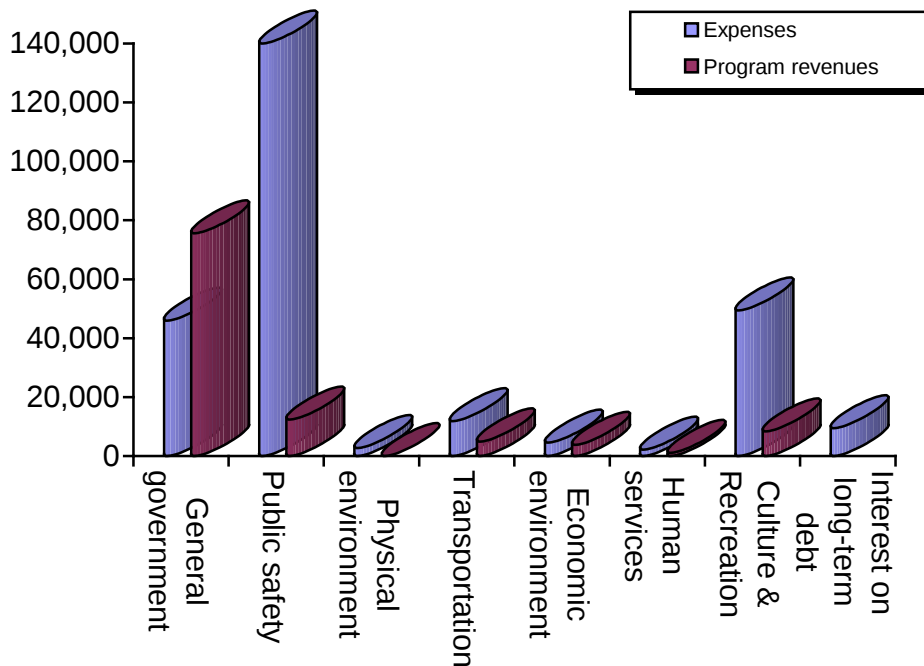
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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 \$5.7 million or 13.1% from the prior year.

### Revenue by Source – Governmental Activities for the year ended September 30, 2013 (in thousands)



### Expenses and Program Revenues – Governmental Activities for the year ended September 30, 2013 (in thousands)



# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The table below summarizes the changes in net position - Business-type Activities

| CITY OF MIAMI BEACH<br>Changes in Net Position<br>Business-type Activities<br>for the fiscal year ended September 30,<br>(in thousands) |                   |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                                         | 2012              | 2013              |
| Revenues:                                                                                                                               |                   |                   |
| Program revenues:                                                                                                                       |                   |                   |
| Charges for services                                                                                                                    | \$ 143,078        | \$ 147,135        |
| Operating grants and contributions                                                                                                      | 10,659            | 10,025            |
| Capital grants and contributions                                                                                                        |                   |                   |
| General revenues:                                                                                                                       |                   |                   |
| Tax increments                                                                                                                          | 3,046             | 3,671             |
| Unrestricted investment earnings                                                                                                        | 1,391             | 1,334             |
| Unrealized loss on investments                                                                                                          |                   | (178)             |
| Total revenues                                                                                                                          | <u>158,174</u>    | <u>161,987</u>    |
| Expenses:                                                                                                                               |                   |                   |
| Storm water                                                                                                                             | 6,714             | 7,651             |
| Water                                                                                                                                   | 27,124            | 28,798            |
| Sewer                                                                                                                                   | 28,206            | 31,187            |
| Parking                                                                                                                                 | 28,773            | 33,137            |
| Convention Center                                                                                                                       | 17,666            | 17,153            |
| Sanitation                                                                                                                              | 15,487            | 15,689            |
| Redevelopment Agency's Parking                                                                                                          | 3,398             | 3,837             |
| Redevelopment Agency's Leasing                                                                                                          | 803               | 504               |
| Total expenses                                                                                                                          | <u>128,171</u>    | <u>137,956</u>    |
| Increase in net position before transfers<br>and gain (loss) on sale of capital assets                                                  | 30,003            | 24,031            |
| Gain (loss) on sale of capital assets                                                                                                   | (8,328)           | (4,410)           |
| Transfers                                                                                                                               | 114               | 73                |
| Increase in net position                                                                                                                | <u>21,789</u>     | <u>19,694</u>     |
| Net position - beginning                                                                                                                | 541,917           | 563,706           |
| Net position - ending                                                                                                                   | <u>\$ 563,706</u> | <u>\$ 583,400</u> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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**Business-type activities.** Business-type activities increased the City's net position by \$19.7 million, thereby accounting for 35.7% of the total growth in the net position of the City.

Key elements of the net increase are as follows:

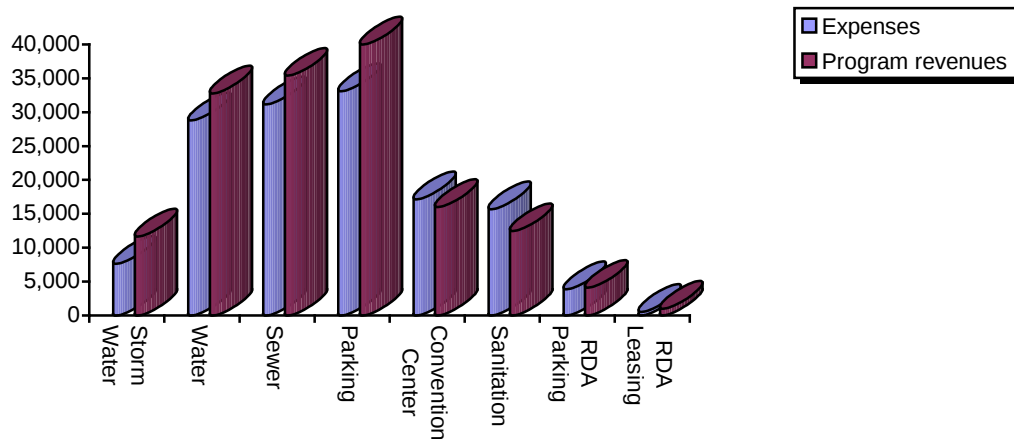
- The Stormwater fund had a change in net position of \$3.7 million. Operating revenues increased by \$59,477 or .5% and operating expenses increased by \$ .5 million or 10.5% from the prior year. Net non-operating expenses were \$1.9 million, and consisted of \$2.1 million in interest and fiscal charges, \$4,184 in gains on disposal of capital assets, \$171,778 unrealized loss on investments and \$345,512 in interest income. Fiscal Year 2013 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 \$8.8 million. Operating revenues decreased by \$200,855 or .3% and operating expenses increased by \$3.6 million or 6.7% from the prior year. Net non-operating expenses were \$2.1 million and consisted of \$2.4 million in interest and fiscal charges, \$10,659 in gain on disposal of capital assets, \$2,995 unrealized gain on investments and \$316.292 in interest income. Fiscal Year 2013 saw no increase in the Water rate and a small increase in the Sewer rate. Water rates were maintained flat at \$4.36 per 1,000 gallons and Sewer rates increased from \$6.04 to \$6.34 per 1,000 gallons.
- The Parking System fund had a change in net position of \$6.7 million. Operating revenues increased by \$1.5 million or 3.5% and operating expenses increased by \$3.9 million or 13.8% from the prior year. Net non-operating revenues were \$ 3.3 million and consisted of \$750,090 in interest and fiscal charges, \$16,440 in gain on disposal of capital asset, \$9,221 unrealized loss on investments and \$501,177 in interest income. Also included in this amount is \$3.5 million in intergovernmental revenues for the City's share in parking ticket revenue from Miami-Dade County. Intergovernmental revenue decreased by \$493,702 or 12.3% from the prior year. 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 \$1.7 million. Operating revenues increased by \$1 million or 6.5% and operating expenses decreased by \$665,788 or 3.8% from the prior year. Net non-operating revenues were \$6.6 million consisting of \$5,133 in gain on disposal of capital assets and \$76,275 in interest income. Also included in this amount is \$6.5 million in intergovernmental revenue for the City's share of operating grants and contributions. Intergovernmental revenues increased by \$1.5 million or 28.8% from the prior year. The Convention Center largest operating expense was depreciation expense on capital assets, which was \$5.5 million in 2013 and \$5.6 million in 2012.
- Other Enterprise Funds, which includes the Sanitation, Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds, had a change in net position of \$570,568. The Parking funds accounts for the Anchor garage and Penn garage. The Leasing funds accounts for the Anchor Shoppe and Penn Shoppe. Operating revenues increased by \$1.7 million or 8.9% and operating expenses increased by \$49,546 or .2% from the prior year. Net non-operating revenues were \$3.8 million and consisted of \$15,476 in interest and fiscal charges, \$37,011 in gain on disposal of capital assets and \$94,224 in interest income. Also included in this amount is \$3.7 million in tax increments; which amounts to a \$624,800 or 20.5% increase from the prior year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

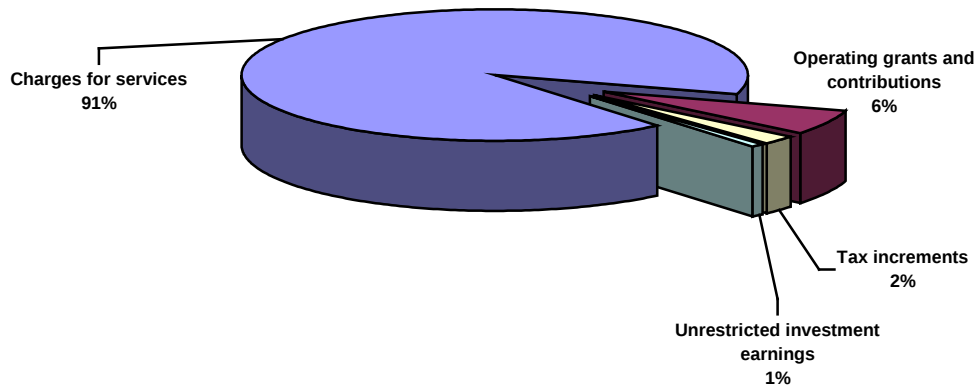
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The following chart shows a comparison of expenses to program revenues for business-type activities for fiscal year 2013:

**Expenses and Program Revenues – Business-type Activities  
for the year ended September 30, 2013 (in thousands)**



**Revenue by Source – Business-type Activities  
for the year ended September 30, 2013 (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<br>Redevel-<br>opment<br>Agency | Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Govern-<br>mental<br>Funds |
|-----------------------------------|------------------|------------------|---------------------------------------------|---------------------|-------------------------------------|-------------------------------------|
| Fund balances                     |                  |                  |                                             |                     |                                     |                                     |
| Sep. 30, 2012                     | \$ 60,852        | \$ 15,477        | \$ 16,125                                   | \$ 168,243          | \$ 66,375                           | \$ 327,072                          |
| Revenues                          | 211,506          | 59,443           | 32,332                                      | 13,958              | 24,761                              | 342,000                             |
| Expenditures                      | (247,763)        | (11,610)         | (11,729)                                    | (22,815)            | (41,394)                            | (335,311)                           |
| Other financing<br>sources (uses) | 29,543           | (43,319)         | (19,417)                                    | 12,999              | 25,368                              | 5,174                               |
| Fund balances                     |                  |                  |                                             |                     |                                     |                                     |
| Sept. 30, 2013                    | <u>\$ 54,138</u> | <u>\$ 19,991</u> | <u>\$ 17,311</u>                            | <u>\$ 172,385</u>   | <u>\$ 75,110</u>                    | <u>\$ 338,935</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 \$54.1 million. This consisted mainly of \$7.3 million restricted for the future funding of the City's building department operations, \$41.5 million for emergencies, \$348,458 in purchase commitments, and \$5 million assigned by the City Commission future year's shortfall.

The general fund's net decrease in fund balance for the fiscal year was \$6.7 million. One key factor in this growth was the ability to maintain expenditures under budgeted amounts. Overall revenues had a net increase of \$1.1 million or .5% over the prior year. Ad-valorem tax, which is 53% of the general fund revenue collected, increased by \$1.6 million or 1.4%. There were also increases in Permits of \$2.1 million or 13.1% and a decrease in interest income of \$1.3 million or 34.6%. Expenditures in the general fund increased by \$15.5 million or 6.7%, primarily in the public safety function. Net other financing sources increased by \$2.6 million or 6.7% 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 \$20 million. Resort tax collected during the year was \$58.6 million, an increase of \$4.7 million or 8.7% from the prior fiscal year. Net other financing uses, which was \$43.3 million decreased by \$5.2 million or 13.8% and expenditures increased by \$368,719 or 3.3%. The resort tax fund balance increased by \$4.5 million or 29.2% from the prior fiscal year and represents 172% of total resort tax fund expenditures for the fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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The Miami Beach Redevelopment Agency (the 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 Shore and City Center/Historic Convention Village Redevelopment and Revitalization Area of the City. Tax increments collected during the year was \$32.3 million, which is an increase of \$1.3 million or 4.1%, and net other financing uses increased by 1.4 million or 6.6% and expenditures decreased by \$1 million or 9.3%. The fund balance of the Miami Beach Redevelopment Agency Special Revenue Fund increased by \$1.2 million or 7.4% from the prior fiscal year and represents 148% 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 \$2.1 million a decrease of \$1.1 million or 35.8% from the prior fiscal year. Tax increment which was \$11.2 million also decreased by \$200,116 or 1.8% from the prior fiscal year. Net other financing sources which was \$13 million increased by \$6.9 million or 114.4% from the prior fiscal year. Capital outlay totaled \$23 million in the current year. The capital projects fund balance increased by \$4.1 million or 2.5% from the prior fiscal year and represents 756% 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 \$5.4 million, and was a decrease of \$1.4 million or 21% over the prior year. Intergovernmental revenue decreased by \$1.8 million or 23.4% and net other financing sources which was \$25.4 million decreased by \$2.8 million or 9.9%. Expenditures in the fund decreased by \$2.7 million or 6.2%. The fund balance increased by \$8.7 million or 13.2 % from the prior year and represents 181% 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 \$19.7 million. 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 \$7.4 million under budget. This variance is due to the fact that the City appropriated \$8.5 million of revenue as a carry forward from unused dollars from prior years, to help balance the fiscal year 2013 budget. While this carryover of \$8.5 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, \$0.2 million in actual property tax revenues were under budget due to more adjustments and appeals than budgeted (0.2%), even though the City budgets at the minimum level of 95% permitted by state law, and \$0.3 million under budget in other taxes, as well as actual permit fees collected were \$4 million in excess of budget; and there was \$4.8 million (unbudgeted) unrealized loss on investments reflected on the City's financials which have a non-cash impact for fiscal year 2013. There were also variances between amended budget expenditure and actual expenditure, with a net difference of .7 million under budget.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

## General Fund Revenues for the fiscal year ended September 30, 2013 (in thousands)

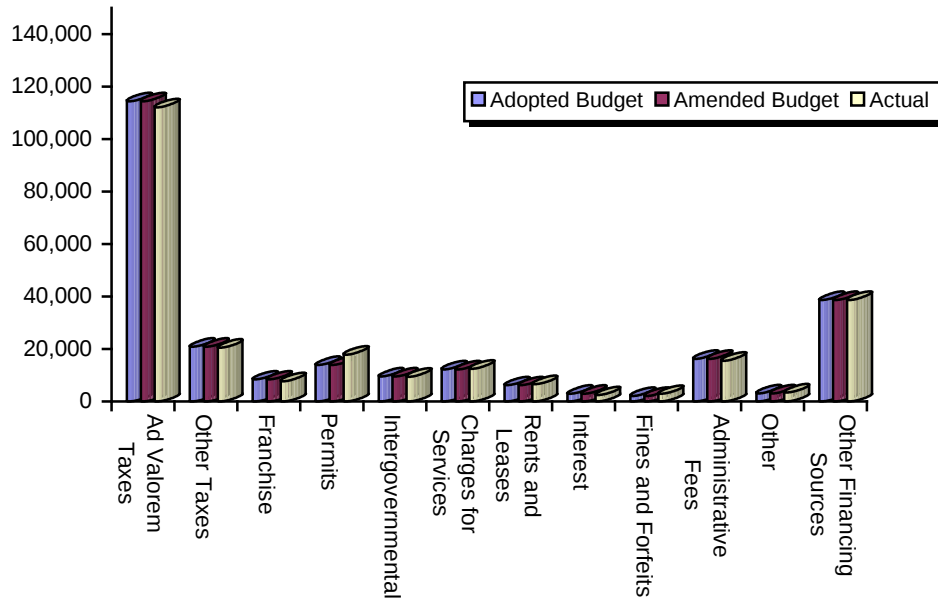
|                         | Original<br>Adopted<br>Budget | Final<br>Amended<br>Budget | Actual            |
|-------------------------|-------------------------------|----------------------------|-------------------|
| Taxes:                  |                               |                            |                   |
| Property                | 114,446                       | \$ 114,446                 | \$ 112,137        |
| Sales, use, fuel        | 984                           | 984                        | 996               |
| Utility                 | 9,952                         | 9,952                      | 10,544            |
| Local business          | 4,335                         | 4,335                      | 4,412             |
| Communication Service   | 5,632                         | 5,632                      | 4,583             |
| Taxes                   | <u>135,349</u>                | <u>135,349</u>             | <u>132,672</u>    |
| Other than taxes:       |                               |                            |                   |
| Franchise               | 8,439                         | 8,439                      | 7,776             |
| Permits                 | 13,944                        | 13,944                     | 17,898            |
| Intergovernmental       | 9,584                         | 9,584                      | 9,496             |
| Charges for services    | 12,297                        | 12,297                     | 12,540            |
| Rents and leases        | 6,223                         | 6,223                      | 6,646             |
| Interest income         | 2,983                         | 2,983                      | 2,468             |
| Fines and forfeits      | 2,164                         | 2,164                      | 2,951             |
| Administrative fees     | 16,321                        | 16,321                     | 15,596            |
| Other                   | 3,141                         | 3,141                      | 3,463             |
| Other financing sources | 38,725                        | 38,725                     | 38,743            |
| Fund balance            | 7,110                         | 8,500                      |                   |
| Other than taxes        | <u>120,931</u>                | <u>122,321</u>             | <u>117,577</u>    |
| Total revenues          | <u>\$ 256,280</u>             | <u>\$ 257,670</u>          | <u>\$ 250,249</u> |

## General Fund Expenditures for the fiscal year ended September 30, 2013 (in thousands)

|                        | Original<br>Adopted<br>Budget | Final<br>Amended<br>Budget | Actual            |
|------------------------|-------------------------------|----------------------------|-------------------|
| General government     | \$ 37,959                     | \$ 39,679                  | \$ 37,193         |
| Public safety          | 168,100                       | 168,156                    | 166,485           |
| Physical environment   | 2,369                         | 2,369                      | 1,962             |
| Transportation         | 3,980                         | 3,931                      | 3,568             |
| Economic environment   | 1,032                         | 822                        | 776               |
| Human services         | 1,538                         | 1,462                      | 1,388             |
| Culture and recreation | 30,505                        | 30,369                     | 30,061            |
| Capital Outlay         | 578                           | 363                        | 238               |
| Debt service           | 1,319                         | 1,319                      | 6,092             |
| Other financing uses   | 8,900                         | 9,200                      | 9,200             |
| Total expenditure      | <u>\$ 256,280</u>             | <u>\$ 257,670</u>          | <u>\$ 256,963</u> |

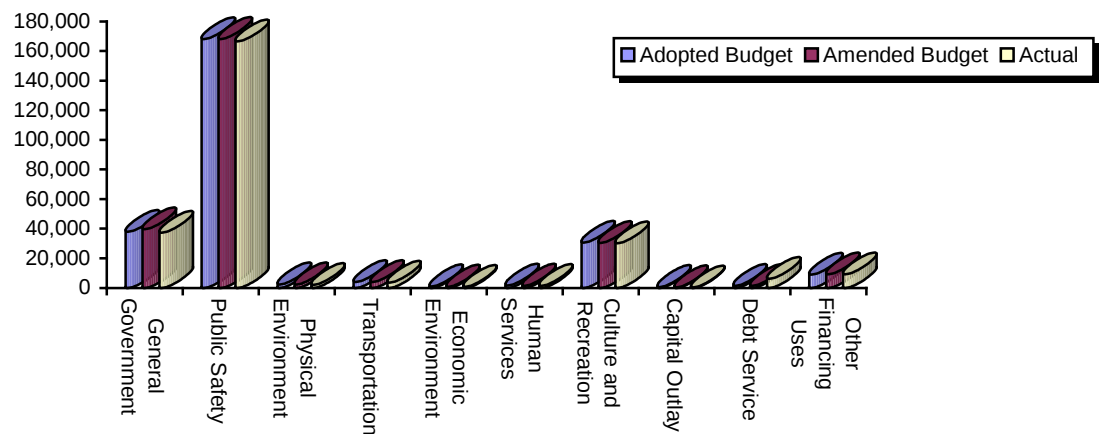
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

**General Fund Revenues**  
for the year ended September 30, 2013 (in thousands).



The following chart and table summarizes actual expenditures by function/program for fiscal year 2012 and compares expenditures with Adopted Budget, Amended Budget and Actual.

**General Fund Expenditure**  
for the year ended September 30, 2013 (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, 2013 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<br>(in thousands) |                   |                   |                   |                     |                     |
|----------------------|----------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
|                      | Governmental                     |                   | Business-Type     |                   | Total               |                     |
|                      | 2012                             | 2013              | 2012              | 2013              | 2012                | 2013                |
| Land                 | \$ 50,722                        | \$ 52,357         | \$ 24,274         | \$ 25,835         | \$ 74,996           | \$ 78,192           |
| Intangible assets    | 4,182                            | 4,182             | 4,318             | 4,318             | 8,500               | 8,500               |
| Construction         |                                  |                   |                   |                   |                     |                     |
| work-in-progress     | 260,290                          | 109,674           | 210,211           | 138,975           | 470,501             | 248,649             |
| Building & Structure | 60,036                           | 71,443            | 180,325           | 184,690           | 240,361             | 256,133             |
| Permanent            |                                  |                   |                   |                   |                     |                     |
| improvements         | 128,333                          | 251,712           | 7,770             | 10,864            | 136,103             | 262,576             |
| Furniture, Fixtures  |                                  |                   |                   |                   |                     |                     |
| & Equipment          | 16,950                           | 18,548            | 42,118            | 46,627            | 59,068              | 65,175              |
| Infrastructure       | 58,325                           | 79,018            | 94,763            | 166,235           | 153,088             | 245,253             |
| Total                | <u>\$ 578,838</u>                | <u>\$ 586,934</u> | <u>\$ 563,779</u> | <u>\$ 577,544</u> | <u>\$ 1,142,617</u> | <u>\$ 1,164,478</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 1 & 2. Scope includes roadway reconstruction, planting strip restoration, water line replacement and upgrade, valley gutter installation and stormwater upgrades.
- Completed construction of Flamingo Tennis Center This project is included in the City of Miami Beach Parks Program. The project includes: demolition of the Abel Holtz Tennis Center; the replacement of the Tennis Center and courts; landscaping; lighting; renovation of restrooms and other buildings; and resurfacing of the football fields.
- Continued construction of Bayshore Bid Package C - Lake Pancoast - Neighborhood #8. The area includes Flamingo Drive, West 24th Street, West 25th Terrace, and Lake Pancoast Drive. Scope includes street resurfacing, sidewalk repair, planting strip restoration, curb and gutter upgrades, enhanced landscaping, entryway features, enhanced street signage, streetlight upgrades, water main rehabilitation on Flamingo Dr., and improve on-street parking.
- Continued construction of South Pointe Streetscape – Phase III, which includes improvements include installation of new stormwater infrastructure within Priority Basin 1 to meet the Master Plan recommended level of service; streetscape Improvements, including new sidewalks; and crosswalks, traffic calming measures and installation of bump-outs at crosswalks; enhanced landscaping within median, swale and bump out areas; pedestrian lighting; bike lanes; and parking improvements. Additional scope of work includes select reconstruction of roadways and alleyways, implementation of new stormwater design for alleyways and "hot spots", replacement of approximately an additional

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

2,140 LF of water mains, environmental engineering and testing for contaminated sites, cleaning and videotaping of the existing stormwater system.

- Started surfacing on Lot 13X – 10<sup>th</sup> Street & Washington Ave. Originally the lot was going to be milled and resurfaced, but after further analysis a new configuration resulted in a gain of five additional parking spaces, a 17% increase in capacity. The new layout will comply with ADA regulations and will have new landscaping, irrigation, electrical service and striping. The renovation includes improved landscape areas and new trees to provide more shaded areas and be in compliance with Planning and Zoning regulations. A new lighting system is also included as part of the renovation.
- Started Venetian Island Big Pack C which covers San Marino, DiLido, and Rivo Alto Islands. The scope includes streetscape improvements; specifically community streetscape, landscape, lighting and above-ground improvements, a water line replacement, and stormwater enhancements.
- Started the 53<sup>rd</sup> street restroom renovations. Scope includes replacement of existing restroom facility due to extremely deteriorated conditions and addition of a 288 square foot office space for the Ocean Rescue Department.

Additional information on the City's capital assets can be found in [Note C](#) 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 debt decreased by \$15.1 million or 7.1% while business-type activities debt increased by \$8 million or 3.1%.

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             |                   |
|--------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                    | 2012                    | 2013              | 2012                     | 2013              | 2012              | 2013              |
| General obligation | \$ 64,045               | \$ 60,715         | \$                       | \$                | \$ 64,045         | \$ 60,715         |
| Special obligation | 121,498                 | 110,426           |                          |                   | 121,498           | 110,426           |
| Revenue bonds      |                         |                   | 260,222                  | 252,419           | 260,222           | 252,419           |
| Loans              | 11,815                  | 12,374            | 2,025                    | 1,793             | 13,840            | 14,167            |
| Other debt         | 14,780                  | 13,551            |                          |                   | 14,780            | 13,551            |
| Total              | <u>\$ 212,138</u>       | <u>\$ 197,066</u> | <u>\$ 262,247</u>        | <u>\$ 254,212</u> | <u>\$ 474,385</u> | <u>\$ 451,278</u> |

Additional information on the City's long-term debt can be found in [Note G](#) 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, 2013**

|                                                 | Primary Government         |                             |                  |                    |
|-------------------------------------------------|----------------------------|-----------------------------|------------------|--------------------|
|                                                 | Governmental<br>Activities | Business-type<br>Activities | Total            | Component<br>Units |
| ASSETS                                          |                            |                             |                  |                    |
| Cash and investments                            | \$ 366,278,742             | 142,456,631                 | \$ 508,735,373   | \$ 2,669,124       |
| Cash with fiscal agent                          | 250,000                    |                             | 250,000          |                    |
| Receivables (net)                               | 14,901,498                 | 15,969,156                  | 30,870,654       | 289,716            |
| Due from other governments                      | 1,315,563                  | 2,005,917                   | 3,321,480        |                    |
| Internal balances                               | (1,930,342)                | 1,930,342                   |                  |                    |
| Prepaid expenses                                | 1,647,531                  | 204,497                     | 1,852,028        |                    |
| Inventories                                     | 367,035                    | 1,231,004                   | 1,598,039        |                    |
| Restricted cash and investments                 | 23,524,473                 | 120,059,438                 | 143,583,911      |                    |
| Deferred charges                                | 2,206,657                  | 2,349,289                   | 4,555,946        |                    |
| Capital assets not being depreciated:           |                            |                             |                  |                    |
| Land                                            | 52,356,979                 | 25,835,428                  | 78,192,407       |                    |
| Intangible assets                               | 4,181,941                  | 4,318,059                   | 8,500,000        |                    |
| Construction in progress                        | 109,674,237                | 138,974,852                 | 248,649,089      |                    |
| Capital assets net of accumulated depreciation: |                            |                             |                  |                    |
| Buildings and structures                        | 71,442,696                 | 184,690,366                 | 256,133,062      |                    |
| Permanent improvements                          | 251,712,436                | 10,863,578                  | 262,576,014      |                    |
| Machinery and equipment                         | 18,547,511                 | 46,627,339                  | 65,174,850       | 51,461             |
| Infrastructure                                  | 79,018,001                 | 166,234,831                 | 245,252,832      |                    |
| Total assets                                    | 995,494,958                | 863,750,727                 | 1,859,245,685    | 3,010,301          |
| LIABILITIES                                     |                            |                             |                  |                    |
| Accounts payable                                | 9,868,247                  | 7,513,351                   | 17,381,598       | 4,250              |
| Retainage payable                               | 2,836,805                  | 1,556,284                   | 4,393,089        |                    |
| Accrued expenses                                | 4,524,277                  | 3,180,692                   | 7,704,969        | 422,265            |
| Accrued interest payable                        | 1,709,737                  |                             | 1,709,737        |                    |
| Unearned revenue                                | 4,201,788                  | 961,262                     | 5,163,050        |                    |
| Due to other governments                        | 35,872                     | 4,740                       | 40,612           |                    |
| Noncurrent liabilities:                         |                            |                             |                  |                    |
| Due within one year                             | 34,261,355                 | 15,202,599                  | 49,463,954       |                    |
| Due in more than one year                       | 247,002,130                | 251,932,076                 | 498,934,206      |                    |
| Total liabilities                               | 304,440,211                | 280,351,004                 | 584,791,215      | 426,515            |
| NET POSITION                                    |                            |                             |                  |                    |
| Net investment in capital assets                | 429,859,674                | 382,255,186                 | 812,114,860      | 51,461             |
| Restricted for:                                 |                            |                             |                  |                    |
| Debt Service                                    | 9,973,106                  | 37,418,177                  | 47,391,283       |                    |
| Economic development                            | 23,367,143                 |                             | 23,367,143       |                    |
| Capital Improvement                             | 41,881,226                 |                             | 41,881,226       |                    |
| Convention center                               |                            | 2,667,204                   | 2,667,204        |                    |
| Transportation                                  | 33,938,679                 |                             | 33,938,679       |                    |
| Building operations                             | 7,289,291                  |                             | 7,289,291        |                    |
| Public safety                                   | 2,517,718                  |                             | 2,517,718        |                    |
| Quality of life improvement                     | 10,648,794                 |                             | 10,648,794       |                    |
| Health facilities                               |                            |                             |                  | 70,369             |
| Visitors and conventions                        |                            |                             |                  | 2,461,956          |
| Unrestricted                                    | 131,579,116                | 161,059,156                 | 292,638,272      |                    |
| Total net position                              | \$ 691,054,747             | \$ 583,399,723              | \$ 1,274,454,470 | \$ 2,583,786       |

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, 2013

| 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            |                 |
| <b>Primary government:</b>                  |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Governmental activities:                    |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| General government                          | \$ 45,986,648  | \$ 67,605,958        | \$ 7,784,617                       | \$ 183,952                       | \$ 29,587,879                                     | \$                       | \$ 29,587,879    | \$              |
| Public safety                               | 188,420,690    | 8,146,390            | 3,262,059                          | 936,963                          | (176,075,278)                                     |                          | (176,075,278)    |                 |
| Physical environment                        | 2,739,664      |                      |                                    |                                  | (2,739,664)                                       |                          | (2,739,664)      |                 |
| Transportation                              | 11,842,989     | 29,211               | 3,152,410                          | 1,758,890                        | (6,902,478)                                       |                          | (6,902,478)      |                 |
| Economic environment                        | 4,537,985      |                      | 3,813,384                          |                                  | (724,601)                                         |                          | (724,601)        |                 |
| Human services                              | 2,138,763      |                      | 1,080,331                          |                                  | (1,058,432)                                       |                          | (1,058,432)      |                 |
| Culture and recreation                      | 49,424,532     | 7,708,231            | 435,772                            | 569,584                          | (40,710,945)                                      |                          | (40,710,945)     |                 |
| Interest on long-term debt                  | 9,467,996      |                      |                                    |                                  | (9,467,996)                                       |                          | (9,467,996)      |                 |
| Total governmental activities               | 314,559,267    | 83,489,790           | 19,528,573                         | 3,449,389                        | (208,091,515)                                     |                          | (208,091,515)    |                 |
| Business-type activities:                   |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Storm Water                                 | 7,651,595      | 11,671,714           |                                    |                                  |                                                   | 4,020,119                | 4,020,119        |                 |
| Water                                       | 28,797,909     | 32,788,878           |                                    |                                  |                                                   | 3,990,969                | 3,990,969        |                 |
| Sewer                                       | 31,186,853     | 35,409,042           |                                    |                                  |                                                   | 4,222,189                | 4,222,189        |                 |
| Parking                                     | 33,137,387     | 40,302,744           | 3,519,248                          |                                  |                                                   | 10,684,605               | 10,684,605       |                 |
| Convention Center                           | 17,153,279     | 9,494,760            | 6,505,917                          |                                  |                                                   | (1,152,602)              | (1,152,602)      |                 |
| Sanitation                                  | 15,688,694     | 12,437,170           |                                    |                                  |                                                   | (3,251,524)              | (3,251,524)      |                 |
| Redevelopment Agency's Parking              | 3,837,419      | 4,067,700            |                                    |                                  |                                                   | 230,281                  | 230,281          |                 |
| Redevelopment Agency's Leasing              | 503,549        | 962,850              |                                    |                                  |                                                   | 459,301                  | 459,301          |                 |
| Total business-type activities              | 137,956,685    | 147,134,858          | 10,025,165                         |                                  |                                                   | 19,203,338               | 19,203,338       |                 |
| Total primary government                    | \$ 452,515,952 | \$ 230,624,648       | \$ 29,553,738                      | \$ 3,449,389                     | (208,091,515)                                     | 19,203,338               | (188,888,177)    |                 |
| <b>Component units:</b>                     |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Visitor and Convention Health Facilities    | \$ 2,191,341   | \$                   | \$ 30,000                          | \$                               |                                                   |                          |                  | (2,161,341)     |
|                                             | 970,196        |                      |                                    |                                  |                                                   |                          |                  | (970,196)       |
| Total component units                       | \$ 3,161,537   | \$                   | \$ 30,000                          | \$                               |                                                   |                          |                  | (3,131,537)     |
| General revenues:                           |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Taxes:                                      |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Property taxes, levied for general purposes |                |                      |                                    |                                  | 111,811,920                                       |                          | 111,811,920      |                 |
| Property taxes, levied for debt service     |                |                      |                                    |                                  | 5,351,838                                         |                          | 5,351,838        |                 |
| Resort taxes                                |                |                      |                                    |                                  | 58,617,992                                        |                          | 58,617,992       | 2,277,824       |
| Tax increment                               |                |                      |                                    |                                  | 43,297,433                                        | 3,671,000                | 46,968,433       |                 |
| Utility taxes                               |                |                      |                                    |                                  | 11,391,955                                        |                          | 11,391,955       |                 |
| Local business tax                          |                |                      |                                    |                                  | 4,411,851                                         |                          | 4,411,851        |                 |
| Communication service tax                   |                |                      |                                    |                                  | 4,583,368                                         |                          | 4,583,368        |                 |
| Miscellaneous                               |                |                      |                                    |                                  | 982,771                                           |                          | 982,771          |                 |
| Gain on sale of capital assets              |                |                      |                                    |                                  | 491,394                                           | 73,427                   | 564,821          |                 |
| Unrealized loss on investments              |                |                      |                                    |                                  | (5,241,121)                                       | (178,004)                | (5,419,125)      |                 |
| Unrestricted investment earnings            |                |                      |                                    |                                  | 3,494,199                                         | 1,333,480                | 4,827,679        | 4,145           |
| Transfers                                   |                |                      |                                    |                                  | 4,409,667                                         | (4,409,667)              |                  |                 |
| Total general revenues and transfers        |                |                      |                                    |                                  | 243,603,267                                       | 490,236                  | 244,093,503      | 2,281,969       |
| Change in net position                      |                |                      |                                    |                                  | 35,511,752                                        | 19,693,574               | 55,205,326       | (849,568)       |
| Net position - beginning                    |                |                      |                                    |                                  | 655,542,995                                       | 563,706,149              | 1,219,249,144    | 3,433,354       |
| Net position - ending                       |                |                      |                                    |                                  | \$ 691,054,747                                    | \$ 583,399,723           | \$ 1,274,454,470 | \$ 2,583,786    |

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

**CITY OF MIAMI BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2013**

|                                                      | General              | Resort Tax           | Miami Beach<br>Redevelopment<br>Agency | Capital Projects      | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------|----------------------|----------------------|----------------------------------------|-----------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                        |                      |                      |                                        |                       |                                |                                |
| Cash and investments                                 | \$ 58,082,569        | \$ 17,981,177        | \$ 18,332,362                          | \$ 177,473,137        | \$ 75,205,147                  | \$ 347,074,392                 |
| Receivables (net of allowance for<br>uncollectibles) | 7,103,556            | 4,359,672            | 29,997                                 | 62,702                | 1,207,478                      | 12,763,405                     |
| Accrued interest                                     | 1,169,963            |                      |                                        | 198,466               | 259                            | 1,368,688                      |
| Due from other funds                                 | 1,329,471            |                      | 1,111,533                              | 373                   | 278,072                        | 2,719,449                      |
| Due from other governments                           | 43,296               |                      |                                        | 517,896               | 754,371                        | 1,315,563                      |
| Prepaid expenditures                                 | 332                  |                      | 4,490                                  |                       |                                | 4,822                          |
| Total assets                                         | <u>\$ 67,729,187</u> | <u>\$ 22,340,849</u> | <u>\$ 19,478,382</u>                   | <u>\$ 178,252,574</u> | <u>\$ 77,445,327</u>           | <u>\$ 365,246,319</u>          |
| <b>LIABILITIES AND FUND BALANCES</b>                 |                      |                      |                                        |                       |                                |                                |
| Liabilities:                                         |                      |                      |                                        |                       |                                |                                |
| Accounts payable                                     | \$ 3,164,105         | \$ 268,558           | \$ 278,166                             | \$ 2,409,219          | \$ 890,355                     | \$ 7,010,403                   |
| Retainage payable                                    |                      |                      |                                        | 2,787,139             | 49,666                         | 2,836,805                      |
| Accrued expenditures                                 | 2,406,713            | 770,122              | 55,827                                 | 186,931               | 863,014                        | 4,282,607                      |
| Unearned/deferred revenues                           | 6,876,052            |                      |                                        |                       | 249,184                        | 7,125,236                      |
| Due to other governments                             | 10,640               |                      |                                        |                       | 25,232                         | 35,872                         |
| Due to other funds                                   | 1,133,497            | 1,310,914            | 1,833,058                              | 484,789               | 258,344                        | 5,020,602                      |
| Total liabilities                                    | <u>13,591,007</u>    | <u>2,349,594</u>     | <u>2,167,051</u>                       | <u>5,868,078</u>      | <u>2,335,795</u>               | <u>26,311,525</u>              |
| Fund balances:                                       |                      |                      |                                        |                       |                                |                                |
| Nonspendable                                         | 332                  |                      | 4,490                                  |                       |                                | 4,822                          |
| Restricted                                           | 7,289,291            | 19,991,255           | 17,306,841                             | 151,185,161           | 61,539,369                     | 257,311,917                    |
| Committed                                            | 3,048,458            |                      |                                        | 24,691,048            | 14,450,497                     | 42,190,003                     |
| Assigned                                             | 43,800,099           |                      |                                        |                       | 165,534                        | 43,965,633                     |
| Unassigned                                           |                      |                      |                                        | (3,491,713)           | (1,045,868)                    | (4,537,581)                    |
| Total fund balances                                  | <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>             |
| Total liabilities and fund balances                  | <u>\$ 67,729,187</u> | <u>\$ 22,340,849</u> | <u>\$ 19,478,382</u>                   | <u>\$ 178,252,574</u> | <u>\$ 77,445,327</u>           | <u>\$ 365,246,319</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, 2013**

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**Total fund balances - governmental funds** **\$ 338,934,794**

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                     | \$ | 51,748,459           |             |
| Intangible assets        |    | 4,181,941            |             |
| Construction in progress |    | 109,658,237          |             |
| Building and structure   |    | 120,445,608          |             |
| Permanent improvements   |    | 345,671,966          |             |
| Machinery and equipment  |    | 13,775,658           |             |
| Infrastructure           |    | 185,477,733          |             |
| Accumulated depreciation |    | <u>(261,198,112)</u> |             |
| Total capital assets     |    |                      | 569,761,490 |

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

|                                |    |                     |               |
|--------------------------------|----|---------------------|---------------|
| Bonds, loans and notes payable | \$ | (186,290,091)       |               |
| Compensated absences           |    | (16,069,334)        |               |
| Accrued interest payable       |    | (1,709,737)         |               |
| OPEB                           |    | <u>(38,732,973)</u> |               |
| Total long term liabilities    |    |                     | (242,802,135) |

Bond issuance costs are treated as expenditures in the governmental funds, but are deferred to future periods in the Statement of Net Position and amortized over the life of the bonds: 2,172,806

Deferred Revenues have met the earned criteria for recognition in the Statement of Activities. 2,923,448

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. 20,064,344

**Net position of governmental activities** **\$ 691,054,747**

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, 2013**

|                                                              | General        | Resort Tax    | Miami Beach<br>Redevelopment<br>Agency | Capital Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------|---------------|----------------------------------------|------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                |               |                                        |                  |                                |                                |
| Taxes:                                                       |                |               |                                        |                  |                                |                                |
| Property                                                     | \$ 112,137,436 | \$            | \$                                     | \$               | \$ 5,393,493                   | \$ 117,530,929                 |
| Sales, use and fuel                                          | 995,785        |               |                                        |                  | 3,149,589                      | 4,145,374                      |
| Utility                                                      | 10,544,114     |               |                                        |                  | 847,841                        | 11,391,955                     |
| Resort                                                       |                | 58,617,992    |                                        |                  |                                | 58,617,992                     |
| Local business                                               | 4,411,851      |               |                                        |                  |                                | 4,411,851                      |
| Tax increment                                                |                |               | 32,072,486                             | 11,224,947       |                                | 43,297,433                     |
| Communication service                                        | 4,583,368      |               |                                        |                  |                                | 4,583,368                      |
| Other                                                        |                |               |                                        |                  | 2,353,747                      | 2,353,747                      |
| Franchise fees                                               | 7,775,685      |               |                                        |                  |                                | 7,775,685                      |
| Permits                                                      | 17,897,983     |               |                                        |                  |                                | 17,897,983                     |
| Intergovernmental                                            | 9,495,971      |               |                                        | 2,056,149        | 5,916,476                      | 17,468,596                     |
| Charges for services                                         | 12,539,967     |               |                                        |                  | 4,007,129                      | 16,547,096                     |
| Rents and leases                                             | 6,646,320      |               | 175,639                                |                  |                                | 6,821,959                      |
| Interest                                                     | 2,467,659      | 92,897        | 59,546                                 | 525,132          | 121,548                        | 3,266,782                      |
| Fines and forfeitures                                        | 2,950,929      |               |                                        |                  | 325,293                        | 3,276,222                      |
| Administrative fees                                          | 15,595,882     |               |                                        |                  |                                | 15,595,882                     |
| Special assessment                                           |                | 724,469       |                                        | 12,594           |                                | 737,063                        |
| Impact fees                                                  |                |               |                                        |                  | 2,340,350                      | 2,340,350                      |
| Other                                                        | 3,463,049      | 7,693         | 24,103                                 | 138,999          | 305,074                        | 3,938,918                      |
| Total revenues                                               | 211,505,999    | 59,443,051    | 32,331,774                             | 13,957,821       | 24,760,540                     | 341,999,185                    |
| <b>EXPENDITURES</b>                                          |                |               |                                        |                  |                                |                                |
| Current:                                                     |                |               |                                        |                  |                                |                                |
| General government                                           | 37,192,975     | 1,070,627     | 5,424,069                              | 70,000           | 174,406                        | 43,932,077                     |
| Public safety                                                | 166,484,955    |               | 3,702,342                              |                  | 8,296,361                      | 178,483,658                    |
| Physical environment                                         | 1,961,701      |               |                                        | 4,972            | 448,051                        | 2,414,724                      |
| Transportation                                               | 3,568,254      |               |                                        |                  | 1,514,806                      | 5,083,060                      |
| Economic environment                                         | 775,755        |               | 2,028,897                              |                  | 2,676,312                      | 5,480,964                      |
| Human services                                               | 1,388,495      |               |                                        |                  | 714,909                        | 2,103,404                      |
| Culture and recreation                                       | 30,061,240     | 10,539,292    | 556,556                                |                  | 1,311,605                      | 42,468,693                     |
| Capital Outlay                                               | 238,094        |               | 17,500                                 | 22,283,996       | 2,606,253                      | 25,145,843                     |
| Debt service:                                                |                |               |                                        |                  |                                |                                |
| Principal retirement                                         | 790,000        |               |                                        |                  | 14,842,156                     | 15,632,156                     |
| Interest and fiscal charges                                  | 5,301,732      |               |                                        | 456,322          | 8,809,009                      | 14,567,063                     |
| Total expenditures                                           | 247,763,201    | 11,609,919    | 11,729,364                             | 22,815,290       | 41,393,868                     | 335,311,642                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | (36,257,202)   | 47,833,132    | 20,602,410                             | (8,857,469)      | (16,633,328)                   | 6,687,543                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                |               |                                        |                  |                                |                                |
| Sale of capital assets                                       | 27,988         |               | 2,490                                  |                  |                                | 30,478                         |
| Transfers in                                                 | 38,715,000     |               | 5,561,188                              | 16,343,000       | 26,656,101                     | 87,275,289                     |
| Transfers out                                                | (9,200,010)    | (43,319,057)  | (24,980,136)                           | (3,343,639)      | (1,288,000)                    | (82,130,842)                   |
| Total other financing sources (uses)                         | 29,542,978     | (43,319,057)  | (19,416,458)                           | 12,999,361       | 25,368,101                     | 5,174,925                      |
| Net change in fund balances                                  | (6,714,224)    | 4,514,075     | 1,185,952                              | 4,141,892        | 8,734,773                      | 11,862,468                     |
| Fund balances - beginning of year                            | 60,852,404     | 15,477,180    | 16,125,379                             | 168,242,604      | 66,374,759                     | 327,072,326                    |
| Fund balances - end of year                                  | \$ 54,138,180  | \$ 19,991,255 | \$ 17,311,331                          | \$ 172,384,496   | \$ 75,109,532                  | \$ 338,934,794                 |

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, 2013**

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**Net change in fund balance - total governmental funds** **\$ 11,862,468**

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                                     | \$ | 25,145,843   |           |
| Contributions proprietary funds, net               |    | (153,043)    |           |
| Deletions                                          |    | (255,808)    |           |
| Depreciation expense                               |    | (17,266,056) |           |
| Excess of capital outlay over depreciation expense |    |              | 7,470,936 |

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, loans and notes principal retirement              | \$ | 15,632,156  |           |
| Amortization of deferred refunding costs                 |    | (146,915)   |           |
| Amortization of net bond premium                         |    | 555,872     |           |
| Amortization of prepaid closing costs                    |    | (212,900)   |           |
| OPEB                                                     |    | (7,898,000) |           |
| Total long term-debt retirement and related transactions |    |             | 7,930,213 |

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:

|                                      |    |           |           |
|--------------------------------------|----|-----------|-----------|
| Decrease in compensated absences     | \$ | 1,546,725 |           |
| Decrease in accrued interest expense |    | 144,792   |           |
| Total additional expense             |    |           | 1,691,517 |

Deferred revenue that meet the revenue recognition criteria in the Statement  
of Activities, but not the fund statements, i.e. property taxes. (367,171)

Internal funds are used by management to charge the costs of fleet  
management, property management, central services, self insurance,  
and communications to individual funds. 6,923,789

|                                                          |           |                   |
|----------------------------------------------------------|-----------|-------------------|
| <b>Change in net position of governmental activities</b> | <b>\$</b> | <b>35,511,752</b> |
|----------------------------------------------------------|-----------|-------------------|

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, 2013**

|                                                              | Storm Water<br>Utility Fund | Water and<br>Sewer Fund | Parking System<br>Fund | Convention<br>Center<br>Complex Fund | Other<br>Enterprise<br>Funds | Totals                | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--------------------------------------------------------------|-----------------------------|-------------------------|------------------------|--------------------------------------|------------------------------|-----------------------|----------------------------------------------------------|
| <b>ASSETS</b>                                                |                             |                         |                        |                                      |                              |                       |                                                          |
| Current assets:                                              |                             |                         |                        |                                      |                              |                       |                                                          |
| Cash and investments                                         | \$ 9,963,354                | \$ 35,935,015           | \$ 54,208,018          | \$ 12,888,326                        | \$ 29,461,918                | \$ 142,456,631        | \$ 42,728,823                                            |
| Cash with fiscal agent                                       |                             |                         |                        |                                      |                              |                       | 250,000                                                  |
| Restricted cash and investments:                             |                             |                         |                        |                                      |                              |                       |                                                          |
| Revenue bonds covenant                                       | 5,453,660                   | 8,969,455               | 5,978,336              |                                      |                              | 20,401,451            |                                                          |
| Accounts receivable (net of<br>allowance for uncollectibles) | 972,121                     | 7,692,163               | 5,104,733              | 986,817                              | 1,116,180                    | 15,872,014            | 769,405                                                  |
| Accrued interest receivable                                  | 52,145                      | 33,267                  | 11,730                 |                                      |                              | 97,142                |                                                          |
| Due from other governments                                   |                             |                         |                        | 2,005,917                            |                              | 2,005,917             |                                                          |
| Due from other funds                                         |                             | 125                     | 480                    |                                      | 2,140,852                    | 2,141,457             | 748,354                                                  |
| Prepaid expenses                                             |                             | 7,967                   | 70,722                 | 102,170                              | 23,638                       | 204,497               | 1,642,709                                                |
| Inventories                                                  |                             | 1,231,004               |                        |                                      |                              | 1,231,004             | 367,035                                                  |
| Total current assets                                         | <u>16,441,280</u>           | <u>53,868,996</u>       | <u>65,374,019</u>      | <u>15,983,230</u>                    | <u>32,742,588</u>            | <u>184,410,113</u>    | <u>46,506,326</u>                                        |
| Noncurrent assets:                                           |                             |                         |                        |                                      |                              |                       |                                                          |
| Restricted cash and<br>investments:                          |                             |                         |                        |                                      |                              |                       |                                                          |
| Customer deposits                                            |                             | 7,573,012               | 27,936                 | 1,981,868                            | 270,687                      | 9,853,503             |                                                          |
| Interlocal agreement                                         |                             |                         |                        | 2,667,204                            |                              | 2,667,204             |                                                          |
| Revenue bonds covenant                                       | 38,570,821                  | 40,439,044              | 8,127,415              |                                      |                              | 87,137,280            |                                                          |
| Deferred charges                                             | 726,814                     | 1,139,806               | 482,251                |                                      | 418                          | 2,349,289             | 33,851                                                   |
| 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                                     |                             | 7,885,332               | 95,997,540             | 169,495,710                          | 31,113,776                   | 304,492,358           | 2,601,827                                                |
| Parking lots                                                 |                             |                         | 9,764,488              |                                      |                              | 9,764,488             |                                                          |
| Mains and lines                                              | 66,012,263                  | 134,755,870             |                        |                                      |                              | 200,768,133           |                                                          |
| Meters and hydrants                                          |                             | 12,895,363              | 7,159,174              |                                      |                              | 20,054,537            |                                                          |
| Machinery and equipment                                      | 1,915,516                   | 51,538,828              | 4,937,520              | 14,838,890                           | 3,051,094                    | 76,281,848            | 58,110,537                                               |
| Construction in progress                                     | 45,880,597                  | 69,927,251              | 9,696,146              | 13,470,855                           |                              | 138,974,849           | 16,000                                                   |
| Less accumulated depreciation                                | (4,873,181)                 | (63,634,855)            | (32,029,279)           | (92,773,636)                         | (9,634,297)                  | (202,945,248)         | (44,164,573)                                             |
| Total capital assets (net of<br>accumulated depreciation)    | <u>108,935,195</u>          | <u>214,860,387</u>      | <u>118,688,146</u>     | <u>107,121,190</u>                   | <u>27,939,535</u>            | <u>577,544,453</u>    | <u>17,172,311</u>                                        |
| Total noncurrent assets                                      | <u>148,232,830</u>          | <u>264,012,249</u>      | <u>127,325,748</u>     | <u>111,770,262</u>                   | <u>28,210,640</u>            | <u>679,551,729</u>    | <u>17,206,162</u>                                        |
| Total assets                                                 | <u>164,674,110</u>          | <u>317,881,245</u>      | <u>192,699,767</u>     | <u>127,753,492</u>                   | <u>60,953,228</u>            | <u>863,961,842</u>    | <u>63,712,488</u>                                        |
| <b>LIABILITIES</b>                                           |                             |                         |                        |                                      |                              |                       |                                                          |
| Current liabilities:                                         |                             |                         |                        |                                      |                              |                       |                                                          |
| Accounts payable                                             | 1,192,088                   | 3,662,311               | 1,041,764              | 886,496                              | 730,692                      | 7,513,351             | 2,857,844                                                |
| Retainage payable                                            | 1,000,364                   | 456,909                 | 95,066                 | 3,945                                |                              | 1,556,284             |                                                          |
| Accrued expenses                                             | 787,701                     | 1,512,577               | 329,425                | 484,018                              | 66,971                       | 3,180,692             | 311,670                                                  |
| Due to other funds                                           |                             |                         | 17,684                 |                                      | 193,431                      | 211,115               | 377,543                                                  |
| Due to other governments                                     |                             |                         | 279                    |                                      | 4,461                        | 4,740                 |                                                          |
| Bonds payable                                                | 1,590,000                   | 3,185,000               | 2,049,762              |                                      |                              | 6,824,762             |                                                          |
| Loans payable                                                | 33,776                      | 136,495                 | 139,717                |                                      | 197,330                      | 507,318               | 3,287,337                                                |
| Deposits                                                     |                             | 7,573,012               | 27,936                 |                                      |                              | 7,600,948             |                                                          |
| Accrued compensated absences                                 | 84,138                      | 337,612                 | 478,779                | 3,633                                | 359,614                      | 1,263,776             | 562,279                                                  |
| Unearned revenue                                             |                             |                         | 400,817                | 509,890                              | 50,555                       | 961,262               |                                                          |
| Pending insurance claims                                     |                             |                         |                        |                                      |                              |                       | 7,200,081                                                |
| Total current liabilities                                    | <u>4,688,067</u>            | <u>16,863,916</u>       | <u>4,581,229</u>       | <u>1,887,982</u>                     | <u>1,603,054</u>             | <u>29,624,248</u>     | <u>14,596,754</u>                                        |
| Noncurrent liabilities:                                      |                             |                         |                        |                                      |                              |                       |                                                          |
| Pending insurance claims                                     |                             |                         |                        |                                      |                              |                       | 4,690,767                                                |
| Insurance claims incurred but not<br>reported                |                             |                         |                        |                                      |                              |                       | 14,591,024                                               |
| Deposits                                                     |                             |                         |                        | 1,967,341                            | 270,687                      | 2,238,028             |                                                          |
| Accrued compensated absences                                 | 93,214                      | 135,141                 | 293,579                | 6,856                                | 271,049                      | 799,839               | 682,924                                                  |
| Environmental remediation liability                          |                             |                         |                        |                                      | 1,000,000                    | 1,000,000             |                                                          |
| Loans payable                                                | 148,605                     | 367,198                 | 330,108                |                                      | 440,167                      | 1,286,078             | 9,086,675                                                |
| Revenue bonds payable (net of<br>unamortized discounts)      | <u>91,517,968</u>           | <u>114,086,826</u>      | <u>40,009,132</u>      |                                      |                              | <u>245,613,926</u>    |                                                          |
| Total noncurrent liabilities                                 | <u>91,759,787</u>           | <u>114,589,165</u>      | <u>40,632,819</u>      | <u>1,974,197</u>                     | <u>1,981,903</u>             | <u>250,937,871</u>    | <u>29,051,390</u>                                        |
| Total liabilities                                            | <u>96,447,854</u>           | <u>131,453,081</u>      | <u>45,214,048</u>      | <u>3,862,179</u>                     | <u>3,584,957</u>             | <u>280,562,119</u>    | <u>43,648,144</u>                                        |
| <b>NET POSITION</b>                                          |                             |                         |                        |                                      |                              |                       |                                                          |
| Net investment in capital assets                             | 45,926,932                  | 118,120,174             | 83,784,852             | 107,121,190                          | 27,302,038                   | 382,255,186           | 4,798,299                                                |
| Restricted:                                                  |                             |                         |                        |                                      |                              |                       |                                                          |
| Interlocal agreement                                         |                             |                         |                        | 2,667,204                            |                              | 2,667,204             |                                                          |
| Debt covenant                                                | 12,979,996                  | 18,459,845              | 5,978,336              |                                      |                              | 37,418,177            |                                                          |
| Unrestricted                                                 | <u>9,319,328</u>            | <u>49,848,145</u>       | <u>57,722,531</u>      | <u>14,102,919</u>                    | <u>30,066,233</u>            | <u>161,059,156</u>    | <u>15,266,045</u>                                        |
| Total net position                                           | <u>\$ 68,226,256</u>        | <u>\$ 186,428,164</u>   | <u>\$ 147,485,719</u>  | <u>\$ 123,891,313</u>                | <u>\$ 57,368,271</u>         | <u>\$ 583,399,723</u> | <u>\$ 20,064,344</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, 2013**

|                                                     | Storm Water<br>Utility Fund | Water and<br>Sewer Fund | Parking<br>System Fund | Convention<br>Center<br>Complex Fund | Other<br>Enterprise<br>Funds | Totals                | Governmental<br>Activities-<br>Internal<br>Service Funds |
|-----------------------------------------------------|-----------------------------|-------------------------|------------------------|--------------------------------------|------------------------------|-----------------------|----------------------------------------------------------|
| Operating revenues:                                 |                             |                         |                        |                                      |                              |                       |                                                          |
| Charges for services                                | \$ 11,671,714               | \$ 68,031,764           | \$ 38,600,651          | \$ 9,487,083                         | \$ 11,539,136                | \$ 139,330,348        | \$ 74,610,675                                            |
| Permits, rentals, and other                         |                             | 166,156                 | 1,702,093              | 7,677                                | 5,928,584                    | 7,804,510             | 2,496,326                                                |
| Total operating revenues                            | <u>11,671,714</u>           | <u>68,197,920</u>       | <u>40,302,744</u>      | <u>9,494,760</u>                     | <u>17,467,720</u>            | <u>147,134,858</u>    | <u>77,107,001</u>                                        |
| Operating expenses:                                 |                             |                         |                        |                                      |                              |                       |                                                          |
| Personal services                                   | 1,703,961                   | 6,445,657               | 9,704,448              | 5,176,109                            | 7,428,686                    | 30,458,861            | 10,940,931                                               |
| Operating supplies                                  | 49,114                      | 627,143                 | 207,870                | 536,998                              | 141,995                      | 1,563,120             | 4,477,062                                                |
| Contractual services                                | 134,718                     | 37,146,451              | 7,013,483              | 2,928,835                            | 7,185,217                    | 54,408,704            | 8,546,235                                                |
| Utilities                                           | 60,567                      | 841,176                 | 1,770,790              | 1,135,618                            | 142,626                      | 3,950,777             | 2,214,351                                                |
| Insurance                                           |                             |                         | 48,298                 | 74,633                               |                              | 122,931               | 11,829,149                                               |
| Internal charges                                    | 936,189                     | 4,181,912               | 4,459,650              | 1,104,691                            | 2,052,051                    | 12,734,493            | 2,159,225                                                |
| Depreciation                                        | 1,992,508                   | 4,234,839               | 4,977,984              | 5,458,867                            | 1,069,042                    | 17,733,240            | 4,672,581                                                |
| Administrative fees                                 | 433,000                     | 3,143,000               | 3,425,000              | 380,000                              | 1,439,927                    | 8,820,927             | 1,100,000                                                |
| Amortization                                        | 37,971                      | 178,792                 | 20,780                 |                                      | 290                          | 237,833               | 12,498                                                   |
| Claims and judgements                               |                             |                         |                        |                                      |                              |                       | 23,714,017                                               |
| Other operating                                     | 127,159                     | 495,492                 | 464,005                | 285,349                              | 419,429                      | 1,791,434             | 1,209,594                                                |
| Total operating expenses                            | <u>5,475,187</u>            | <u>57,294,462</u>       | <u>32,092,308</u>      | <u>17,081,100</u>                    | <u>19,879,263</u>            | <u>131,822,320</u>    | <u>70,875,643</u>                                        |
| Operating income (loss)                             | <u>6,196,527</u>            | <u>10,903,458</u>       | <u>8,210,436</u>       | <u>(7,586,340)</u>                   | <u>(2,411,543)</u>           | <u>15,312,538</u>     | <u>6,231,358</u>                                         |
| Nonoperating revenues<br>(expenses):                |                             |                         |                        |                                      |                              |                       |                                                          |
| Tax increments                                      |                             |                         |                        |                                      | 3,671,000                    | 3,671,000             |                                                          |
| Intergovernmental                                   |                             |                         | 3,519,248              | 6,505,917                            |                              | 10,025,165            |                                                          |
| Interest and fiscal charges                         | (2,114,481)                 | (2,412,546)             | (750,090)              |                                      | (15,476)                     | (5,292,593)           | (286,846)                                                |
| Gain (loss) on disposal of<br>capital assets        | 4,184                       | 10,659                  | 16,440                 | 5,133                                | 37,011                       | 73,427                | 460,916                                                  |
| Unrealized gains (losses)<br>on investments         | (171,778)                   | 2,995                   | (9,221)                |                                      |                              | (178,004)             |                                                          |
| Interest income                                     | 345,512                     | 316,292                 | 501,177                | 76,275                               | 94,224                       | 1,333,480             | 227,417                                                  |
| Total nonoperating revenues<br>(expenses)           | <u>(1,936,563)</u>          | <u>(2,082,600)</u>      | <u>3,277,554</u>       | <u>6,587,325</u>                     | <u>3,786,759</u>             | <u>9,632,475</u>      | <u>401,487</u>                                           |
| Income (loss) before<br>contributions and transfers | 4,259,964                   | 8,820,858               | 11,487,990             | (999,015)                            | 1,375,216                    | 24,945,013            | 6,632,845                                                |
| Capital contributions                               |                             |                         |                        |                                      |                              |                       | 183,952                                                  |
| Transfers in                                        | 2,678                       |                         | 3,468,295              |                                      | 809,055                      | 4,280,028             | 1,431,259                                                |
| Transfers out                                       | (593,502)                   | (312)                   | (8,264,833)            | (664,015)                            | (8,805)                      | (9,531,467)           | (1,324,267)                                              |
| Change in net position                              | <u>3,669,140</u>            | <u>8,820,546</u>        | <u>6,691,452</u>       | <u>(1,663,030)</u>                   | <u>2,175,466</u>             | <u>19,693,574</u>     | <u>6,923,789</u>                                         |
| Total net position - beginning                      | <u>64,557,116</u>           | <u>177,607,618</u>      | <u>140,794,267</u>     | <u>125,554,343</u>                   | <u>55,192,805</u>            | <u>563,706,149</u>    | <u>13,140,555</u>                                        |
| Total net position - ending                         | <u>\$ 68,226,256</u>        | <u>\$ 186,428,164</u>   | <u>\$ 147,485,719</u>  | <u>\$ 123,891,313</u>                | <u>\$ 57,368,271</u>         | <u>\$ 583,399,723</u> | <u>\$ 20,064,344</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, 2013

|                                                                         | <b>Storm Water<br/>Utility Fund</b> | <b>Water and<br/>Sewer Fund</b> | <b>Parking System<br/>Fund</b> | <b>Convention<br/>Center<br/>Complex Fund</b> | <b>Other<br/>Enterprise<br/>Funds</b> | <b>Totals</b>         | <b>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</b> |
|-------------------------------------------------------------------------|-------------------------------------|---------------------------------|--------------------------------|-----------------------------------------------|---------------------------------------|-----------------------|--------------------------------------------------------------------|
| Cash flows from operating activities:                                   |                                     |                                 |                                |                                               |                                       |                       |                                                                    |
| Cash received from customers                                            | \$ 11,709,617                       | \$ 66,716,404                   | \$ 42,983,112                  | \$ 10,055,018                                 | \$ 12,793,777                         | \$ 144,257,928        | \$ 74,735,042                                                      |
| Cash paid to suppliers                                                  | (471,344)                           | (38,452,566)                    | (9,377,937)                    | (5,440,021)                                   | (7,877,792)                           | (61,619,660)          | (28,312,593)                                                       |
| Cash paid to employees                                                  | (1,691,439)                         | (6,482,597)                     | (9,733,950)                    | (5,101,333)                                   | (7,396,068)                           | (30,405,387)          | (10,995,151)                                                       |
| Cash paid for claims and judgements                                     |                                     |                                 |                                |                                               |                                       |                       | (23,143,208)                                                       |
| Internal charges-payments made to other funds                           | (1,369,189)                         | (7,324,912)                     | (7,884,650)                    | (1,485,352)                                   | (4,707,617)                           | (22,771,720)          | (1,921,757)                                                        |
| Other operating revenues                                                |                                     | 166,156                         | 1,702,093                      | 7,677                                         | 5,928,584                             | 7,804,510             | 2,398,628                                                          |
| Net cash provided by or (used in) operating activities                  | <u>8,177,645</u>                    | <u>14,622,485</u>               | <u>17,688,668</u>              | <u>(1,964,011)</u>                            | <u>(1,259,116)</u>                    | <u>37,265,671</u>     | <u>12,760,961</u>                                                  |
| Cash flows for non-capital financing activities:                        |                                     |                                 |                                |                                               |                                       |                       |                                                                    |
| Contributions from other governments                                    |                                     |                                 | 3,519,248                      | 4,500,000                                     | 3,671,000                             | 11,690,248            |                                                                    |
| Transfers in                                                            | 2,678                               |                                 | 3,468,295                      |                                               | 809,055                               | 4,280,028             | 1,431,259                                                          |
| Transfers out                                                           | (593,502)                           | (312)                           | (8,264,833)                    | (664,015)                                     | (8,805)                               | (9,531,467)           | (1,324,267)                                                        |
| Net cash provided by (used in) non-capital financing activities         | <u>(590,824)</u>                    | <u>(312)</u>                    | <u>(1,277,290)</u>             | <u>3,835,985</u>                              | <u>4,471,250</u>                      | <u>6,438,809</u>      | <u>106,992</u>                                                     |
| Cash flows from capital and related financing activities:               |                                     |                                 |                                |                                               |                                       |                       |                                                                    |
| Loan proceeds                                                           | 17,536                              | 17,680                          | 60,886                         |                                               | 151,286                               | 247,388               | 3,840,960                                                          |
| Repayment of loan-principal                                             | (29,282)                            | (135,792)                       | (145,541)                      |                                               | (168,805)                             | (479,420)             | (3,281,792)                                                        |
| Interest and fiscal charges                                             | (2,120,965)                         | (2,469,770)                     | (764,420)                      |                                               | (15,563)                              | (5,370,718)           | (301,510)                                                          |
| Bond payments-principal                                                 | (1,545,000)                         | (4,285,000)                     | (1,972,110)                    |                                               |                                       | (7,802,110)           |                                                                    |
| Purchase of capital assets                                              | (14,743,051)                        | (12,436,783)                    | (4,492,246)                    | (1,105,580)                                   | (289,857)                             | (33,067,517)          | (5,092,454)                                                        |
| Proceeds from sale of capital assets                                    | 4,184                               | 10,659                          | 16,440                         | 10,465                                        | 43,934                                | 85,682                | 440,165                                                            |
| Net cash provided by (used in) capital and related financing activities | <u>(18,416,578)</u>                 | <u>(19,299,006)</u>             | <u>(7,296,991)</u>             | <u>(1,095,115)</u>                            | <u>(279,005)</u>                      | <u>(46,386,695)</u>   | <u>(4,394,631)</u>                                                 |
| Cash flows from investing activities:                                   |                                     |                                 |                                |                                               |                                       |                       |                                                                    |
| Unrealized gain (loss) on investment                                    | (171,778)                           | 2,995                           | (9,221)                        |                                               |                                       | (178,004)             |                                                                    |
| Interest on investments                                                 | 424,493                             | 337,347                         | 512,972                        | 76,275                                        | 94,223                                | 1,445,310             | 227,417                                                            |
| Net cash provided by investing activities                               | <u>252,715</u>                      | <u>340,342</u>                  | <u>503,751</u>                 | <u>76,275</u>                                 | <u>94,223</u>                         | <u>1,267,306</u>      | <u>227,417</u>                                                     |
| Net increase (decrease) in cash and equivalents                         | (10,577,042)                        | (4,336,491)                     | 9,618,138                      | 853,134                                       | 3,027,352                             | (1,414,909)           | 8,700,739                                                          |
| Cash and investments - beginning of year                                | <u>64,564,877</u>                   | <u>97,253,017</u>               | <u>58,723,567</u>              | <u>16,684,264</u>                             | <u>26,705,253</u>                     | <u>263,930,978</u>    | <u>34,278,084</u>                                                  |
| Cash and investments - end of year                                      | <u>\$ 53,987,835</u>                | <u>\$ 92,916,526</u>            | <u>\$ 68,341,705</u>           | <u>\$ 17,537,398</u>                          | <u>\$ 29,732,605</u>                  | <u>\$ 262,516,069</u> | <u>\$ 42,978,823</u>                                               |
| Classified as:                                                          |                                     |                                 |                                |                                               |                                       |                       |                                                                    |
| Current assets                                                          | \$ 9,963,354                        | \$ 35,935,015                   | \$ 54,208,018                  | \$ 12,888,326                                 | \$ 29,461,918                         | \$ 142,456,631        | \$ 42,978,823                                                      |
| Restricted assets                                                       | <u>44,024,481</u>                   | <u>56,981,511</u>               | <u>14,133,687</u>              | <u>4,649,072</u>                              | <u>270,687</u>                        | <u>120,059,438</u>    |                                                                    |
| Total cash and investments                                              | <u>\$ 53,987,835</u>                | <u>\$ 92,916,526</u>            | <u>\$ 68,341,705</u>           | <u>\$ 17,537,398</u>                          | <u>\$ 29,732,605</u>                  | <u>\$ 262,516,069</u> | <u>\$ 42,978,823</u>                                               |
| Non-cash transactions affecting financial position:                     |                                     |                                 |                                |                                               |                                       |                       |                                                                    |
| Change in construction and related liabilities                          | \$ 4,446                            | \$ (1,000,108)                  | \$ (593,185)                   | \$ 31,661                                     | \$                                    | \$ (1,557,186)        | \$                                                                 |
| Change in deferred refunding costs                                      | 152,662                             | 38,785                          | (85,706)                       |                                               |                                       | 105,741               |                                                                    |
| Change in bond discount/premium                                         | (159,262)                           | 11,268                          | (94,646)                       |                                               |                                       | (242,640)             |                                                                    |
| Unrealized gain (loss) on investment                                    | <u>(171,778)</u>                    | <u>2,995</u>                    | <u>(9,221)</u>                 |                                               |                                       | <u>(178,004)</u>      |                                                                    |
| Total Non-cash transactions affecting financial position                | <u>\$ (173,932)</u>                 | <u>\$ (947,060)</u>             | <u>\$ (782,758)</u>            | <u>\$ 31,661</u>                              | <u>\$</u>                             | <u>\$ (1,872,089)</u> | <u>\$</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, 2013

(continued)

|                                                                                                               | Storm Water<br>Utility Fund | Water and<br>Sewer Fund | Parking<br>System Fund | Convention<br>Center<br>Complex Fund | Other<br>Enterprise<br>Funds | Totals        | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------|------------------------|--------------------------------------|------------------------------|---------------|----------------------------------------------------------|
| Operating income (loss)                                                                                       | \$ 6,196,527                | \$ 10,903,458           | \$ 8,210,436           | \$ (7,586,340)                       | \$ (2,411,543)               | \$ 15,312,538 | \$ 6,231,358                                             |
| Adjustments to reconcile<br>operating income (loss) to<br>cash provided by (used in)<br>operating activities: |                             |                         |                        |                                      |                              |               |                                                          |
| Depreciation and amorti-<br>zation                                                                            | 2,030,479                   | 4,413,631               | 4,998,764              | 5,458,867                            | 1,069,332                    | 17,971,073    | 4,685,079                                                |
| Provision for uncollectible<br>accounts                                                                       | (71,195)                    | 447,844                 | 40,473                 |                                      | (110,300)                    | 306,822       | 894                                                      |
| Changes in assets and<br>liabilities:                                                                         |                             |                         |                        |                                      |                              |               |                                                          |
| (Increase) decrease in<br>inventories                                                                         |                             | 889,547                 | 39,040                 |                                      |                              | 928,587       | (126,022)                                                |
| (Increase) decrease in<br>accounts receivable                                                                 | 130,810                     | (1,889,113)             | (370,773)              | 244,763                              | (32,124)                     | (1,916,437)   | 65,740                                                   |
| (Increase) decrease in<br>due from other funds                                                                |                             | 1,111                   | 4,893,938              |                                      | 608,356                      | 5,503,405     | 1,387,827                                                |
| (Increase) decrease in<br>prepaid expense                                                                     |                             | (7,967)                 | (53,948)               | 35,302                               | 9,503                        | (17,110)      | (398,025)                                                |
| Increase (decrease) in<br>accounts payable                                                                    | (105,225)                   | 48,376                  | 161,200                | (426,392)                            | 113,466                      | (208,575)     | 39,710                                                   |
| Increase (decrease) in<br>retainage payable                                                                   |                             |                         |                        |                                      |                              |               | (37,083)                                                 |
| Increase (decrease) in<br>accrued expenses                                                                    | 4,858                       | (262,582)               | (11,940)               | (11,957)                             | 10,957                       | (270,664)     | 179,622                                                  |
| Increase (decrease) in<br>deposits                                                                            |                             | 202,660                 | 6,107                  | 327,562                              | 11,026                       | 547,355       |                                                          |
| Increase (decrease) in<br>due to other governments                                                            |                             |                         | (899)                  | (4,256)                              | (4,747)                      | (9,902)       |                                                          |
| Increase (decrease) in due to other<br>funds                                                                  | (21,712)                    | (77,862)                | (264,535)              | (661)                                | (554,548)                    | (919,318)     | 210,693                                                  |
| Increase (decrease) in<br>unearned revenues                                                                   |                             |                         | 77,251                 | (4,390)                              | 9,845                        | 82,706        |                                                          |
| Increase in pending<br>insurance claims                                                                       |                             |                         |                        |                                      |                              |               | 159,272                                                  |
| (Decrease) in insurance<br>claims incurred but not<br>reported                                                |                             |                         |                        |                                      |                              |               | 411,537                                                  |
| Increase (decrease) in<br>accrued compensated<br>absences                                                     | 13,103                      | (46,618)                | (36,446)               | 3,491                                | 21,661                       | (44,809)      | (49,641)                                                 |
| Total adjustments                                                                                             | 1,981,118                   | 3,719,027               | 9,478,232              | 5,622,329                            | 1,152,427                    | 21,953,133    | 6,529,603                                                |
| Net cash provided by<br>or (used in)<br>operating activities                                                  | \$ 8,177,645                | \$ 14,622,485           | \$ 17,688,668          | \$ (1,964,011)                       | \$ (1,259,116)               | \$ 37,265,671 | \$ 12,760,961                                            |

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

**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSOTION**  
**FIDUCIARY FUNDS**

**September 30, 2013**

|                                             | <u>Trust Funds</u>       | <u>Agency Fund</u>   |
|---------------------------------------------|--------------------------|----------------------|
| <b>Assets</b>                               |                          |                      |
| Cash and cash equivalents                   | \$ 7,811,330             | \$ 8,785,105         |
| Receivables:                                |                          |                      |
| Accounts, net                               |                          | 264,447              |
| Accrued interest                            | 3,492,286                |                      |
| Contributions                               | 1,108,993                |                      |
| Other                                       | 1,235,396                |                      |
| Prepaid expenses                            | 4,068                    |                      |
| Investments, at fair value:                 |                          |                      |
| Short-term investments                      | 713,589                  |                      |
| U.S. Government securities                  | 35,648,069               |                      |
| Corporate bonds and notes                   | 198,335,847              |                      |
| Municipal bonds                             | 238,599                  |                      |
| Bond Funds                                  | 74,956,959               |                      |
| Foreign Bonds                               | 22,949,211               |                      |
| Common stocks and index funds               | 340,952,611              |                      |
| Aggregated equity funds                     | 426,249,410              |                      |
| Money market funds                          | 18,129,793               |                      |
| Private placements                          | 32,863,580               |                      |
| Real estate funds                           | 23,813,474               |                      |
| Mutual funds                                | 37,618,719               |                      |
| Total investments                           | <u>1,212,469,861</u>     |                      |
| <br>Total assets                            | <br><u>1,226,121,934</u> | <br><u>9,049,552</u> |
| <b>Liabilities</b>                          |                          |                      |
| Accounts payable                            | 18,444,933               | 163,353              |
| Deposits                                    |                          | <u>8,886,199</u>     |
| <br>Total liabilities                       | <br><u>18,444,933</u>    | <br><u>9,049,552</u> |
| <b>Net Position</b>                         |                          |                      |
| Held in trust for pension and OPEB benefits | <u>\$ 1,207,677,001</u>  | <u>\$</u>            |

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

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

**For the Fiscal Year Ended September 30, 2013**

|                                                                                          | <u>Trust Funds</u>      |
|------------------------------------------------------------------------------------------|-------------------------|
| Additions:                                                                               |                         |
| Contributions -                                                                          |                         |
| Employer                                                                                 | \$ 63,342,277           |
| Employee                                                                                 | 16,886,194              |
| State of Florida                                                                         | 582,021                 |
| Total contributions                                                                      | <u>80,810,492</u>       |
| Investment Income (loss) -                                                               |                         |
| Net increase/(decrease) in fair value of investments                                     | 121,459,032             |
| Interest and dividends income                                                            | 23,407,178              |
|                                                                                          | <u>144,866,210</u>      |
| Investment management expenses                                                           | <u>(4,007,277)</u>      |
| Net investment income                                                                    | <u>140,858,933</u>      |
| Total additions                                                                          | <u>221,669,425</u>      |
| Deductions:                                                                              |                         |
| Benefit paid                                                                             | 91,914,486              |
| Contributions refunded                                                                   | 3,558,858               |
| Administrative expenses                                                                  | 1,668,001               |
| Total deductions                                                                         | <u>97,141,345</u>       |
| Net increase                                                                             | <u>124,528,080</u>      |
| Net position - amount held in trust for pension and OPEB benefits -<br>beginning of year | <u>1,083,148,921</u>    |
| Net position - amount held in trust for pension and OPEB benefits -<br>end of year       | <u>\$ 1,207,677,001</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, 2013**

**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 2013.

**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 2013.

**Miami Beach Neighborhood Improvement District No. 3**

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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 2013.

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".

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 17<sup>th</sup> 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 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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**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 Management Self Insurance – accounts for the City's Risk insurance operations, both retained and insured.
- Health Self 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).

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

- *General Agency fund – this fund accounts for general deposits held in trust until obligations are met or refunds are made.*

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. 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 and Net Position**

##### **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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**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, 2013:

- 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, 2013, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30, 2013, 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, 2013.
- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2013 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, 2013 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**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. 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<br/>Charges</u> | <u>Amount<br/>Capitalized</u> |
|---------------------|-----------------------------|-------------------------------|
| Storm Water Utility | \$ 4,304,053                | \$ 2,241,591                  |
| Water and Sewer     | 5,589,207                   | 3,350,052                     |
| Parking Systems     | 2,049,532                   | 1,302,840                     |

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:

| <u>Capital Assets<br/>Category</u>     | <u>Capitalizing<br/>Threshold</u> | <u>Estimated<br/>Useful Life (in years)</u>               |
|----------------------------------------|-----------------------------------|-----------------------------------------------------------|
| 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.<br>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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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, as well as issuance costs and deferred refinancing costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferred financing costs. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt principal payments are reported as debt service expenditures.

8. *Unearned/Deferred 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. In addition, amounts related to government fund receivables that are measurable, but not available, are recorded as deferred revenue in the governmental fund financial statement.

9. *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.

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 reported the following governmental fund balances:

In the fund financial statements, fund balance classifications are:

- Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- 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 government's 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, 2013.
- 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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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 are 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.

*10. 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, 2013, the Government-wide statement of net position reports \$169,701,338 in restricted net position. Of this amount, \$159,728,232 is restricted as a result of enabling legislation.

*11. 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.

*12. 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 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.

*13. 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, 2013.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**14. 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.

**15. 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, 2012, the City adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB Statement No. 63 establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (residual amount of the other elements). The statement requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of GASB 63 in the City's financial statements was the renaming of "Net Assets" to "Net Position", including changing the name of the financial statement from "Statement of Net Assets" to "Statement Net Position".

**B. Unrestricted Net Position**

At September 30, 2013 the City's Internal Service Self Insurance Fund has a cumulative deficit of approximately \$1.6 million. This is a net decrease of \$2.4 million from the prior year. In the fiscal year, the self insurance funds received \$23 million in operating revenues and \$.1 million in interest income. It also had \$21.2 million in operating expenses which includes an increase of \$.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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**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, 2013, the City had the following investments in its portfolio:

| City's<br>Investment Type | Fair<br>Value         | Investment Maturities (in years) |                       |                      |
|---------------------------|-----------------------|----------------------------------|-----------------------|----------------------|
|                           |                       | Less<br>Than 1                   | 1-5                   | 6-7                  |
| U.S. government agency    | \$ 220,382,026        | \$ 38,969,644                    | \$ 142,734,241        | \$ 38,678,141        |
| U.S. treasuries           | 222,739,598           | 99,335,169                       | 123,404,429           |                      |
| Commercial paper          | 21,998,546            | 21,998,546                       |                       |                      |
| Corporate bonds           | 38,558,526            | 9,116,947                        | 29,441,579            |                      |
| Israeli bonds             | 4,000,000             | 2,000,000                        | 2,000,000             |                      |
| Money Market Trust        | 7,503,341             | 7,503,341                        |                       |                      |
| Repurchase agreement      | 72,118,960            | 72,118,960                       |                       |                      |
| Total                     | \$ <u>587,300,997</u> | \$ <u>251,042,607</u>            | \$ <u>297,580,249</u> | \$ <u>38,678,141</u> |

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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

As of September 30, 2013 the City's investments were rated by Moody's Investors Service and Standard & Poor's as follow:

| Investment<br>Type        | Issuer                | Standard &<br>Poor's | Moody's | Fair<br>Value       |
|---------------------------|-----------------------|----------------------|---------|---------------------|
| US Government Agencies:   |                       |                      |         |                     |
|                           | FHLB                  | AA+                  | Aaa     | \$ 40,307,816       |
|                           | FNMA                  | AA+                  | Aaa     | 68,021,151          |
|                           | FHLMC                 | AA+                  | Aaa     | 96,993,027          |
|                           | FFCB                  | AA+                  | Aaa     | 15,060,032          |
|                           |                       |                      |         | <u>220,382,026</u>  |
| US Government Treasuries: |                       |                      |         |                     |
|                           | U. S. Government      | AA+                  | Aaa     | 222,739,598         |
|                           |                       |                      |         | <u>222,739,598</u>  |
| Commercial Paper:         |                       |                      |         |                     |
|                           | ING Funding           | A-1                  | P-1     | 21,998,546          |
|                           |                       |                      |         | <u>21,998,546</u>   |
| Corporate Bonds:          |                       |                      |         |                     |
|                           | GE Capital            | AA+                  | Aa3     | 5,011,920           |
|                           | IBM Corporation       | AA-                  | Aa3     | 7,209,657           |
|                           | Procter & Gamble      | AA-                  | Aa3     | 6,724,154           |
|                           | Toyota Motor Credit   | AA-                  | Aa3     | 3,524,549           |
|                           | Microsoft Corporation | AAA                  | Aaa     | 5,085,736           |
|                           | Berkshire Hathaway    | AA                   | Aa2     | 2,039,258           |
|                           | 3M Company            | AA-                  | Aa2     | 4,932,040           |
|                           | Wal-Mart              | AA                   | Aa2     | 4,031,212           |
|                           |                       |                      |         | <u>38,558,526</u>   |
| Israeli Bonds:            |                       |                      |         |                     |
|                           | State of Israel       | A+                   | A1      | 4,000,000           |
|                           |                       |                      |         | <u>4,000,000</u>    |
| Money Market Trust:       |                       |                      |         |                     |
|                           | U. S. Government      | AA+                  | Aaa     | 7,317,001           |
|                           | Other                 | N/A                  | N/A     | 186,340             |
|                           |                       |                      |         | <u>\$ 7,503,341</u> |

The City's cash and investments held at September 30, 2013 (including restricted cash and cash with paying agent) are shown below:

|                               | Carrying Amount       | % of Portfolio |
|-------------------------------|-----------------------|----------------|
| U.S. government agency        | \$ 220,019,667        | 37.5 %         |
| U.S. treasuries               | 222,612,403           | 37.9           |
| Corporate bonds               | 38,492,925            | 3.7            |
| Israeli Bond                  | 4,000,000             | 6.6            |
| Commercial paper              | 21,995,694            | 0.7            |
| Money market trust            | 7,503,342             | 1.3            |
| Repurchase agreements         | 72,118,960            | 12.3           |
| Total City Investments        | <u>586,742,991</u>    | <u>100.0 %</u> |
| City funds managed by others: |                       |                |
| Money market                  |                       |                |
| Cash with fiscal agent        | 250,000               |                |
| Common stock                  | 52,162                |                |
| Demand deposit                | <u>74,309,236</u>     |                |
| Total cash and investments    | <u>\$ 661,354,389</u> |                |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

|                                            |    |                           |
|--------------------------------------------|----|---------------------------|
| Schedule of cash and investments by funds: |    |                           |
| General                                    | \$ | 58,082,569                |
| Resort Tax                                 |    | 17,981,177                |
| Redevelopment Agency                       |    | 18,332,362                |
| Capital Projects                           |    | 177,473,137               |
| Storm Water                                |    | 53,987,835                |
| Water & Sewer                              |    | 92,916,526                |
| Parking                                    |    | 68,341,705                |
| Convention Center Complex                  |    | 17,537,398                |
| Internal Service                           |    | 42,978,823                |
| Agency                                     |    | 8,785,105                 |
| Nonmajor Funds                             |    | 104,937,752               |
| Total cash and investments                 | \$ | <u><u>661,354,389</u></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, 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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, 2013.

| Investment Type            | Fair<br>Value         | Investment Maturities (in years) |                      |                       |
|----------------------------|-----------------------|----------------------------------|----------------------|-----------------------|
|                            |                       | Less<br>Than 1                   | 1-5                  | More<br>than 6        |
| U.S. Government Securities | \$ 23,145,088         | \$                               | \$ 17,842,923        | \$ 5,302,165          |
| Corporate bonds and notes  | 154,983,512           | 15,389,319                       | 64,796,759           | 74,797,434            |
| Foreign Bonds              | 17,705,158            |                                  | 3,169,836            | 14,535,322            |
| Private Placement          | 32,863,580            | 572,917                          | 12,536,301           | 19,754,362            |
| Total                      | <u>\$ 228,697,338</u> | <u>\$ 15,962,236</u>             | <u>\$ 98,345,819</u> | <u>\$ 114,389,283</u> |

**Employees' Retirement Plan:**

| Investment Type            | Fair<br>Value         | Investment Maturities (in years) |                      |                      |
|----------------------------|-----------------------|----------------------------------|----------------------|----------------------|
|                            |                       | Less<br>Than 1                   | 1-5                  | More<br>than 6       |
| U.S. Government Securities | \$ 11,265,008         | \$ 8,303,361                     | \$ 2,961,647         | \$                   |
| Corporate bonds and notes  | 37,918,958            | 9,910,310                        | 21,914,680           | 6,093,968            |
| Municipal Bonds            | 238,599               | 140,638                          |                      | 97,961               |
| Bond Funds                 | 74,956,959            |                                  |                      | 74,956,959           |
| Foreign Bonds              | 5,244,053             | 670,988                          | 3,660,450            | 912,615              |
| Total                      | <u>\$ 129,623,577</u> | <u>\$ 19,025,297</u>             | <u>\$ 28,536,777</u> | <u>\$ 82,061,503</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**Firemen's Relief and Pension Fund:**

| Investment Type            | Fair<br>Value       | Investment Maturities (in years) |                     |                     |
|----------------------------|---------------------|----------------------------------|---------------------|---------------------|
|                            |                     | Less<br>Than 1                   | 1-5                 | More<br>than 6      |
| U.S. Government Securities | \$ 953,853          | \$ 278,376                       | \$ 361,021          | \$ 314,456          |
| Corporate bonds and notes  | 3,765,461           | 411,404                          | 1,723,331           | 1,630,726           |
| Total                      | <u>\$ 4,719,314</u> | <u>\$ 689,780</u>                | <u>\$ 2,084,352</u> | <u>\$ 1,945,182</u> |

**Policemen's Relief and Pension Fund:**

| Investment Type            | Fair<br>Value       | Investment Maturities (in years) |                   |                   |
|----------------------------|---------------------|----------------------------------|-------------------|-------------------|
|                            |                     | Less<br>Than 1                   | 1-5               | More<br>than 6    |
| U.S. Government Securities | \$ 284,120          | \$                               | \$ 234,896        | \$ 49,224         |
| Corporate bonds            | 1,667,916           | 310,507                          | 737,188           | 620,221           |
| Short-term obligations     | 713,589             | 713,589                          |                   |                   |
| Total                      | <u>\$ 2,665,625</u> | <u>\$ 1,024,096</u>              | <u>\$ 972,084</u> | <u>\$ 669,445</u> |

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.

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, 2013.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**City Pension Fund for Firefighters and Police Officers:**

|                                               | Fair<br>Value         | Percentage of<br>Portfolio |
|-----------------------------------------------|-----------------------|----------------------------|
| U.S. Government Securities                    | \$ 23,145,088         | 10.12 %                    |
| Quality rating of credit risk debt securities |                       |                            |
| AAA                                           | 9,173,468             | 4.01                       |
| AA+                                           | 20,869,376            | 9.13                       |
| AA                                            | 10,309,394            | 4.51                       |
| AA-                                           | 15,478,651            | 6.77                       |
| A+                                            | 28,411,031            | 12.42                      |
| A                                             | 60,330,060            | 26.38                      |
| A-                                            | 36,736,392            | 16.06                      |
| BBB+                                          | 14,167,167            | 6.19                       |
| BBB                                           | 6,892,372             | 3.01                       |
| BBB-                                          | 2,468,183             | 1.08                       |
| BB+                                           | 35,755                | 0.02                       |
| BB                                            | 80,557                | 0.04                       |
| BB-                                           | 57,622                | 0.03                       |
| B+                                            | 162,904               | 0.07                       |
| B                                             | 358,977               | 0.16                       |
| B-                                            | 20,341                | 0.01                       |
| Total credit risk debt securities             | <u>205,552,250</u>    | <u>89.88</u>               |
| Total fixed income securities                 | \$ <u>228,697,338</u> | <u>100.00 %</u>            |

**Fireman's Relief and Pension Fund:**

|                                               | Fair<br>Value       | Percentage of<br>Portfolio |
|-----------------------------------------------|---------------------|----------------------------|
| U.S. Government Securities                    | \$ 953,853          | 20.21 %                    |
| Quality rating of credit risk debt securities |                     |                            |
| Aa2                                           | 107,262             | 2.27                       |
| Aa3                                           | 230,684             | 4.89                       |
| BAA1                                          | 376,836             | 7.98                       |
| A1                                            | 891,772             | 18.90                      |
| A2                                            | 1,412,739           | 29.94                      |
| A3                                            | 746,168             | 15.81                      |
| Total credit risk debt securities             | <u>3,765,461</u>    | <u>79.79</u>               |
| Total fixed income securities                 | \$ <u>4,719,314</u> | <u>100.00 %</u>            |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**Miami Beach Employees' Retirement Plan:**

|                                               | Fair<br>Value         | Percentage of<br>Portfolio |   |
|-----------------------------------------------|-----------------------|----------------------------|---|
| U.S. Government Securities                    | \$ 11,265,008         | 8.70                       | % |
| Quality rating of credit risk debt securities |                       |                            |   |
| AAA                                           | 8,802,355             | 6.79                       |   |
| AA+                                           | 2,164,681             | 1.67                       |   |
| AA                                            | 45,136,768            | 34.82                      |   |
| AA-                                           | 32,681,992            | 25.21                      |   |
| A+                                            | 1,325,728             | 1.02                       |   |
| A                                             | 4,680,041             | 3.61                       |   |
| A-                                            | 5,807,671             | 4.48                       |   |
| BBB+                                          | 8,120,336             | 6.26                       |   |
| BBB                                           | 6,610,405             | 5.10                       |   |
| BBB-                                          | 2,047,872             | 1.58                       |   |
| Total credit risk debt securities             | <u>117,377,849</u>    | <u>90.54</u>               |   |
| *Not Rated                                    | <u>980,720</u>        | <u>0.76</u>                |   |
| Total fixed income securities                 | \$ <u>129,623,577</u> | <u>100.00</u>              | % |

**Policeman's Relief and Pension Fund:**

|                                               | Fair<br>Value       | Percentage of<br>Portfolio |   |
|-----------------------------------------------|---------------------|----------------------------|---|
| U.S. Government Securities                    | \$ 284,120          | 14.56                      | % |
| Quality rating of credit risk debt securities |                     |                            |   |
| AA                                            | 98,683              | 5.06                       |   |
| A+                                            | 323,001             | 16.55                      |   |
| A                                             | 732,215             | 37.50                      |   |
| A-                                            | 307,670             | 15.76                      |   |
| BBB+                                          | 206,347             | 10.57                      |   |
| Total credit risk debt securities             | <u>1,667,916</u>    | <u>85.44</u>               |   |
| Total fixed income securities                 | \$ <u>1,952,036</u> | <u>100.00</u>              | % |

As of September 30, 2013 the System had the following cash and investments in its portfolio:

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

|                              | Fair<br>Value           |
|------------------------------|-------------------------|
| Short term investments       | \$ 713,589              |
| U.S. government securities   | 35,648,069              |
| Corporate bonds and notes    | 198,335,847             |
| Municipal bonds              | 238,599                 |
| Bond funds                   | 74,956,959              |
| Foreign bonds                | 22,949,211              |
| Common stock and index funds | 340,952,611             |
| Aggregated equity funds      | 426,249,410             |
| Money market funds           | 18,129,793              |
| Private Placements           | 32,863,580              |
| Real Estate funds            | 23,813,474              |
| Mutual funds                 | 16,505,908              |
| Cash                         | 7,733,768               |
| Total cash and investments   | <u>\$ 1,199,090,818</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 \$2,669,124 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**B. Receivables**

Receivables at September 30, 2013 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<br>Tax       | Redevelopment<br>Agency | Capital<br>Projects | Internal<br>Service | Nonmajor<br>Funds   | Total                |
| Receivables:                                     |                     |                     |                         |                     |                     |                     |                      |
| Accounts                                         | \$ 6,900,612        | \$ 3,179,182        | \$ 29,997               | \$                  | \$ 800,459          | \$ 3,242,136        | \$ 14,152,386        |
| Special Assessments                              |                     | 1,180,490           |                         | 62,702              |                     |                     | 1,243,192            |
| Taxes                                            | <u>3,685,482</u>    |                     |                         |                     |                     | <u>153,562</u>      | <u>3,839,044</u>     |
| Gross receivables                                | 10,586,094          | 4,359,672           | 29,997                  | 62,702              | 800,459             | 3,395,698           | 19,234,622           |
| Less: allowance<br>for uncollectible<br>accounts | <u>(3,482,538)</u>  |                     |                         |                     | <u>(31,054)</u>     | <u>(2,188,220)</u>  | <u>(5,701,812)</u>   |
| Net total<br>receivables                         | <u>\$ 7,103,556</u> | <u>\$ 4,359,672</u> | <u>\$ 29,997</u>        | <u>\$ 62,702</u>    | <u>\$ 769,405</u>   | <u>\$ 1,207,478</u> | <u>\$ 13,532,810</u> |

| Business-type Activities                         |                   |                       |                     |                                 |                     |                      |
|--------------------------------------------------|-------------------|-----------------------|---------------------|---------------------------------|---------------------|----------------------|
|                                                  | Storm<br>Water    | Water<br>and<br>Sewer | Parking             | Convention<br>Center<br>Complex | Nonmajor<br>Funds   | Total                |
| Receivables:                                     |                   |                       |                     |                                 |                     |                      |
| Accounts                                         | \$ 1,492,366      | \$ 9,138,270          | \$ 5,177,646        | \$ 987,253                      | \$ 2,102,727        | \$ 18,898,262        |
| Gross receivables                                | 1,492,366         | 9,138,270             | 5,177,646           | 987,253                         | 2,102,727           | 18,898,262           |
| Less: allowance<br>for uncollectible<br>accounts | <u>(520,245)</u>  | <u>(1,446,107)</u>    | <u>(72,913)</u>     | <u>(436)</u>                    | <u>(986,547)</u>    | <u>(3,026,248)</u>   |
| Net total<br>receivables                         | <u>\$ 972,121</u> | <u>\$ 7,692,163</u>   | <u>\$ 5,104,733</u> | <u>\$ 986,817</u>               | <u>\$ 1,116,180</u> | <u>\$ 15,872,014</u> |

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, 2013**  
**(Continued)**

**C. Capital assets**

Capital asset activities for the year ended September 30, 2013 were as follows:

**Primary Government**  
**Governmental activities:**

|                                                 | Beginning<br>Balance  | Adjustments/<br>Increases | Adjustments/<br>Decreases | Ending<br>Balance     |
|-------------------------------------------------|-----------------------|---------------------------|---------------------------|-----------------------|
| Capital assets, not being depreciated:          |                       |                           |                           |                       |
| Land                                            | \$ 50,721,979         | \$ 1,635,000              | \$                        | \$ 52,356,979         |
| Intangible assets                               | 4,181,941             |                           |                           | 4,181,941             |
| Construction work-in-progress                   | 260,289,735           | 23,898,157                | 174,513,655               | 109,674,237           |
| Total capital assets, not being<br>depreciated  | <u>315,193,655</u>    | <u>25,533,157</u>         | <u>174,513,655</u>        | <u>166,213,157</u>    |
| Capital assets, being depreciated:              |                       |                           |                           |                       |
| Building                                        | 109,689,597           | 13,742,988                | 385,150                   | 123,047,435           |
| Permanent improvements                          | 213,457,582           | 132,829,510               | 615,126                   | 345,671,966           |
| Furniture & fixtures                            | 2,598,883             | 689,459                   | 454,038                   | 2,834,304             |
| Equipment                                       | 67,748,373            | 6,610,469                 | 5,306,953                 | 69,051,889            |
| Infrastructure                                  | 160,071,533           | 25,420,582                | 14,382                    | 185,477,733           |
| Total capital assets, being<br>depreciated      | <u>553,565,968</u>    | <u>179,293,008</u>        | <u>6,775,649</u>          | <u>726,083,327</u>    |
| Less: accumulated depreciation for:             |                       |                           |                           |                       |
| Building                                        | 49,653,546            | 2,233,754                 | 282,561                   | 51,604,739            |
| Permanent improvements                          | 85,124,393            | 9,299,574                 | 464,437                   | 93,959,530            |
| Furniture & fixtures                            | 2,390,100             | 213,133                   | 6,250                     | 2,596,983             |
| Equipment                                       | 51,006,464            | 5,467,423                 | 5,732,188                 | 50,741,699            |
| Infrastructure                                  | 101,746,831           | 4,724,753                 | 11,852                    | 106,459,732           |
| Total accumulated depreciation                  | <u>289,921,334</u>    | <u>21,938,637</u>         | <u>6,497,288</u>          | <u>305,362,683</u>    |
| Total capital assets, being<br>depreciated, net | <u>263,644,634</u>    | <u>157,354,371</u>        | <u>278,361</u>            | <u>420,720,644</u>    |
| Governmental activities<br>capital assets, net  | <u>\$ 578,838,289</u> | <u>\$ 182,887,528</u>     | <u>\$ 174,792,016</u>     | <u>\$ 586,933,801</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**Primary Government**  
**Business-type activities:**

|                                                        | Beginning<br>Balance  | Increases             | Adjustments/<br>Decreases | Ending<br>Balance     |
|--------------------------------------------------------|-----------------------|-----------------------|---------------------------|-----------------------|
| Captial assets, not being depreciated:                 |                       |                       |                           |                       |
| Land                                                   | \$ 24,274,408         | \$ 1,561,021          | \$                        | \$ 25,835,429         |
| Intangible assets                                      | 4,318,059             |                       |                           | 4,318,059             |
| Construction work-in-progress                          | 210,211,235           | 28,012,676            | 99,249,062                | 138,974,849           |
| Total capital assets, not being depreciated            | <u>238,803,702</u>    | <u>29,573,697</u>     | <u>99,249,062</u>         | <u>169,128,337</u>    |
| Captial assets, being depreciated:                     |                       |                       |                           |                       |
| Main & lines                                           | 125,332,365           | 75,435,768            |                           | 200,768,133           |
| Building & structure                                   | 281,832,721           | 11,174,807            |                           | 293,007,528           |
| Meters & hydrants                                      | 15,356,348            | 7,378,283             | 2,680,094                 | 20,054,537            |
| Furniture, equipment & vehicles                        | 73,547,987            | 3,613,087             | 879,226                   | 76,281,848            |
| Improvements other than building                       | 17,665,557            | 3,583,761             |                           | 21,249,318            |
| Total capital assets, being depreciated                | <u>513,734,978</u>    | <u>101,185,706</u>    | <u>3,559,320</u>          | <u>611,361,364</u>    |
| Less: accumulated depreciation for:                    |                       |                       |                           |                       |
| Main & lines                                           | 30,569,328            | 3,963,975             |                           | 34,533,303            |
| Building & structure                                   | 101,507,666           | 6,809,496             |                           | 108,317,162           |
| Meters & hydrants                                      | 10,065,977            | 2,760,685             | 2,680,094                 | 10,146,568            |
| Furniture, equipment & vehicles                        | 36,720,124            | 3,709,320             | 866,970                   | 39,562,474            |
| Improvements other than building                       | 9,895,977             | 489,764               |                           | 10,385,741            |
| Total accumulated depreciation                         | <u>188,759,072</u>    | <u>17,733,240</u>     | <u>3,547,064</u>          | <u>202,945,248</u>    |
| Total capital assets, being depreciated, net           | <u>324,975,906</u>    | <u>83,452,466</u>     | <u>12,256</u>             | <u>408,416,116</u>    |
| Business-type activities, combined captial assets, net | <u>\$ 563,779,608</u> | <u>\$ 113,026,163</u> | <u>\$ 99,261,318</u>      | <u>\$ 577,544,453</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities:**

|                                                      |                             |
|------------------------------------------------------|-----------------------------|
| General government                                   | \$ 6,262,628                |
| Public safety                                        | 2,000,237                   |
| Physical environment                                 | 316,148                     |
| Transportation                                       | 6,693,727                   |
| Economic environment                                 | 298,232                     |
| Human Services                                       | 967                         |
| Culture and recreation                               | <u>6,366,698</u>            |
| Total depreciation expense - governmental activities | <u><u>\$ 21,938,637</u></u> |

**Business-type activities**

|                                                       |                             |
|-------------------------------------------------------|-----------------------------|
| Storm Water                                           | \$ 1,992,508                |
| Water & Sewer                                         | 4,234,838                   |
| Parking Systems                                       | 4,977,984                   |
| Convention Center Complex                             | 5,458,867                   |
| Nonmajor enterprise                                   | <u>1,069,043</u>            |
| Total depreciation expense - business-type activities | <u><u>\$ 17,733,240</u></u> |

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$4,672,581 of depreciation expenses for internal services.

**D. Construction and other commitments**

At September 30, 2013 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          | \$ 25,403,499               |
| Storm Water Utility       | 10,821,160                  |
| Water & Sewer             | 5,293,388                   |
| Sanitation                | 20,291                      |
| Parking Systems           | 710,477                     |
| Convention Center Complex | 203,289                     |
| Non-major Enterprise      | <u>113,077</u>              |
|                           | <u><u>\$ 42,565,181</u></u> |

The City funds had the following encumbrance commitments at September 30, 2013

|                      |                             |
|----------------------|-----------------------------|
| General              | \$ 348,458                  |
| Redevelopment Agency | 74,856                      |
| Capital Project      | 25,403,499                  |
| Other Governmental   | <u>7,814,257</u>            |
|                      | <u><u>\$ 33,641,070</u></u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**E. Interfund receivables, payables and transfers**

Interfund balances at September 30, 2013 consist of the following:

| Due To               | Due From            |                      |                  |                    |               |               |                     |                   | Total               |
|----------------------|---------------------|----------------------|------------------|--------------------|---------------|---------------|---------------------|-------------------|---------------------|
|                      | General             | Redevelopment Agency | Capital Projects | Other Governmental | Water & Sewer | Parking Fund  | Other Enterprise    | Internal Service  |                     |
| General              | \$                  | \$ 64,537            | \$ 373           | \$ 102             | \$            | \$            | \$ 929,543          | \$ 138,942        | \$ 1,133,497        |
| Resort Tax           |                     | 1,041,145            |                  | 269,769            |               |               |                     |                   | 1,310,914           |
| Redevelopment Agency | 454,582             |                      |                  |                    | 125           |               | 1,184,363           | 193,988           | 1,833,058           |
| Capital Projects     | 484,789             |                      |                  |                    |               |               |                     |                   | 484,789             |
| Other Governmental   | 239,558             | 1,176                |                  | 8,201              |               |               |                     | 9,409             | 258,344             |
| Parking              |                     |                      |                  |                    |               |               | 17,684              |                   | 17,684              |
| Other Enterprise     | 120,245             |                      |                  |                    |               | 480           | 9,262               | 63,444            | 193,431             |
| Internal Service     | 30,297              | 4,675                |                  |                    |               |               |                     | 342,571           | 377,543             |
|                      | <u>\$ 1,329,471</u> | <u>\$ 1,111,533</u>  | <u>\$ 373</u>    | <u>\$ 278,072</u>  | <u>\$ 125</u> | <u>\$ 480</u> | <u>\$ 2,140,852</u> | <u>\$ 748,354</u> | <u>\$ 5,609,260</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, 2013 consisted of the following:

| Transfer Out         | Transfer In         |                      |                      |                     |                     |                   |               |                     |                   |                  |                     | Total                |
|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|-------------------|---------------|---------------------|-------------------|------------------|---------------------|----------------------|
|                      | General             | Resort Tax           | Redevelopment Agency | Capital Projects    | Other Governmental  | Storm Water       | Water Sewer   | Parking             | Convention Center | Other Enterprise | Internal Service    |                      |
| General              | \$                  | \$ 30,965,000        | \$                   | \$                  | \$                  | \$                | \$            | 7,750,000           | \$                | \$               | \$                  | 38,715,000           |
| Redevelopment Agency |                     | 5,561,188            |                      |                     |                     |                   |               |                     |                   |                  |                     | 5,561,188            |
| Capital Projects     | 1,400,000           |                      | 14,943,000           |                     |                     |                   |               |                     |                   |                  |                     | 16,343,000           |
| Other Governmental   | 7,405,125           | 6,792,869            | 9,812,081            | 45,914              | 1,288,000           | 6,824             | 312           | 344,263             | 664,015           | 8,805            | 287,893             | 26,656,101           |
| Storm Water          |                     |                      |                      |                     |                     | 2,678             |               |                     |                   |                  |                     | 2,678                |
| Parking              |                     |                      |                      | 3,297,725           |                     |                   |               | 170,570             |                   |                  |                     | 3,468,295            |
| Other Enterprise     |                     |                      | 225,055              |                     |                     | 584,000           |               |                     |                   |                  |                     | 809,055              |
| Internal Service     | 394,885             |                      |                      |                     |                     |                   |               |                     |                   |                  | 1,036,374           | 1,431,259            |
|                      | <u>\$ 9,200,010</u> | <u>\$ 43,319,057</u> | <u>\$ 24,980,136</u> | <u>\$ 3,343,639</u> | <u>\$ 1,288,000</u> | <u>\$ 593,502</u> | <u>\$ 312</u> | <u>\$ 8,264,833</u> | <u>\$ 664,015</u> | <u>\$ 8,805</u>  | <u>\$ 1,324,267</u> | <u>\$ 92,986,576</u> |

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**SEPTEMBER 30, 2013**  
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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 and \$1.4 million to the Pay as you go Capital fund. \$31 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 Tax Fund also transferred \$5.6 million to the Redevelopment Agency Fund for debt service payments and \$4.2 million was transferred to Special Revenue Fund to fund various South Beach, Middle and North Beach approved projects. \$14.9 million was transferred from the Redevelopment Agency Fund to the Capital Projects Fund to finance various projects in the RDA City Center District, along with \$9.9 million to Other Governmental Funds for debt service payments. \$3.3 million was transferred from South Pointe Capital Fund to reimburse parking for the construction of the 5<sup>th</sup> and Alton parking garage. \$7.8 million was transferred from the Parking Systems fund to the general fund for operating activities.

**F. Leases**

**1. 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, 2013, are as follows:

| September 30        | Business-type<br>Operating<br>Leases | Governmental<br>Operating<br>Leases |
|---------------------|--------------------------------------|-------------------------------------|
| 2014                | \$ 1,619,402                         | \$ 2,703,528                        |
| 2015                | 1,138,754                            | 2,531,844                           |
| 2016                | 985,664                              | 2,354,959                           |
| 2017                | 918,921                              | 2,313,601                           |
| 2018                | 956,663                              | 2,302,850                           |
| 2019 and thereafter | 23,393,805                           | 20,424,067                          |
|                     | <u>\$ 29,013,209</u>                 | <u>\$ 32,630,849</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, 2013:

|                                 |                      |
|---------------------------------|----------------------|
| Parking facilities              | \$ 7,947,504         |
| Recreational facilities         | 15,753,367           |
| Retail space                    | 50,526,113           |
| Marina                          | 5,654,752            |
|                                 | <u>79,881,736</u>    |
| Less: Accumulated depreciation  | <u>(41,584,466)</u>  |
| Net book value of leased assets | <u>\$ 38,297,270</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
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**SEPTEMBER 30, 2013**  
**(Continued)**

**G. 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 \$60,715,000. 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, 2013 consist of the following:

| Issue Name                       | Interest Rate | Year Issued | Final Maturity | Original Issue       | Outstanding 09/30/2013 |
|----------------------------------|---------------|-------------|----------------|----------------------|------------------------|
| 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           | 32,635,000             |
| Total General Obligation Bonds   |               |             |                | <u>\$ 97,305,000</u> | <u>\$ 60,715,000</u>   |

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                |
| 2014                            | \$ 3,435,000                                     | \$ 2,488,819         | \$ 5,923,819         |
| 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            |
| 2019-2023                       | 14,455,000                                       | 7,997,193            | 22,452,193           |
| 2024-2028                       | 12,530,000                                       | 5,181,043            | 17,711,043           |
| 2029-2033                       | 15,550,000                                       | 2,160,225            | 17,710,225           |
|                                 | <u>60,715,000</u>                                | <u>26,722,806</u>    | <u>87,437,806</u>    |
| Plus: Unamortized Bond Premium  | 2,487,341                                        |                      | 2,487,341            |
| Less: Deferred Refunding Cost   | 1,456,908                                        |                      | 1,456,908            |
|                                 | <u>\$ 61,745,433</u>                             | <u>\$ 26,722,806</u> | <u>\$ 88,468,239</u> |

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

**CITY OF MIAMI BEACH, FLORIDA**  
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**SEPTEMBER 30, 2013**  
**(Continued)**

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 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, 2013, the City did not have any defeased General Obligation debt.

**2. Special Obligation Bonds – Governmental Activities**

At September 30, 2013 the outstanding principal of special obligation bond issues and repayment sources are as follows:

| Issue Name                     |                                       | Repayment Source          | Total<br>Original<br>Issue | Total<br>Outstanding<br>Principal |
|--------------------------------|---------------------------------------|---------------------------|----------------------------|-----------------------------------|
| 1985B                          | Gulf Breeze fixed rate                | Non Ad-Valorem            | \$ 2,200,000               | \$ 600,000                        |
| 1985C                          | Series 2001 Gulf Breeze fixed rate    | Non Ad-Valorem            | 14,301,954                 | 3,845,502                         |
| 1985E                          | Gulf Breeze fixed rate                | Non Ad-Valorem            | 22,500,000                 | 9,940,000                         |
| 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                 | 30,550,000                        |
| 2005A                          | Tax Increment Revenue Refunding Bonds | RDA Tax increment Revenue | 51,440,000                 | 34,905,000                        |
| 2005B                          | Tax Increment Revenue Refunding Bonds | RDA Tax increment Revenue | 29,330,000                 | 20,585,000                        |
| Total Special Obligation Bonds |                                       |                           | <u>\$ 201,906,954</u>      | <u>\$ 110,425,502</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. These bonds are secured by a lien upon and pledge of the pledged funds, which include (a) the net trust fund revenue received by the Agency from the City Center/Historic Convention Village Redevelopment and Revitalization Area, (b) the portion of the proceeds for the City's municipal resort tax levied and collected by the City and received by the trustee, and (c) moneys and investments in the funds and accounts created under the resolution. 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 and supplemental revenue, and that any shortage shall be funded based on the supplemental revenue resolution. The Series 1998A Tax-increment bonds were partially refunded/defeased by the issuance of the Series 2005A and 2005B tax increment revenue refunding

**CITY OF MIAMI BEACH, FLORIDA**  
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**(Continued)**

bonds on September 22, 2005. The Series 1998A bonds had a remaining outstanding principle balance of \$10,000,000 at September 30, 2013.

On September 22, 2005, the Agency issued \$51,440,000 (Series 2005A) and \$29,330,000 (Series 2005B) in tax-increment bonds. These bonds are secured by a lien upon and pledge of the pledged funds, which include (a) the net trust fund revenue received by the Agency from the Redevelopment Area, (b) the portion of the proceeds for the City's municipal resort tax levied and collected by the City and received by the trustee, and (c) moneys and investments in the funds and accounts created under the resolution. 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 and supplemental revenue, and that any shortage shall be funded based on the supplemental revenue resolution. At September 30, 2013, 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 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 1985 C 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 1985 C outstanding debt relates to the construction of a Parking Garage. The Parking Enterprise Fund includes an outstanding amount of \$2,189,490 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, 2013, \$1,470,000 is still considered defeased.

At September 30, 2013 debt service requirements to maturity for special obligation bonds are as follows:

| Fiscal Year<br>Ending<br>September 30 | Debt Service Requirements<br>Special Obligation Bonds |               |                |
|---------------------------------------|-------------------------------------------------------|---------------|----------------|
|                                       | Principal                                             | Interest      | Total          |
| 2014                                  | \$ 11,615,238                                         | \$ 5,492,687  | \$ 17,107,925  |
| 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     |
| 2019-2023                             | 51,180,000                                            | 6,250,846     | 57,430,846     |
|                                       | 110,425,502                                           | 27,827,521    | 138,253,023    |
| Plus: Net unamortized<br>Bond Premium | 568,157                                               |               | 568,157        |
|                                       | \$ 110,993,659                                        | \$ 27,827,521 | \$ 138,821,180 |

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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
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The City has pledged net revenues received by the Redevelopment Agency from the City Center/ Historic Convention Village Redevelopment and Revitalization Area of the City and proceeds from the municipal resort tax levied and collected by the City for the 1998 and 2005 Series Tax Increment Revenue Refunding Bonds. For the fiscal year ended September 30, 2013, debt service on the tax increment bonds was \$8,397,766 and the tax increment revenues totaled \$32,072,486 and net customer revenues were \$5,519,567. Remaining outstanding principal and interest is \$84,220,759.

**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 1985 C, 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 1985 C outstanding debt relates to the construction of a parking garage. The Fund includes an outstanding amount of \$2,189,490 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 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, 2013, 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>\$ 2,189,490</u>  |
| \$ 17,155,000 | Series 2010A Parking Revenue Refunding Bonds due in annual installments through 2022: interest at 3.00% - 5.00% | <u>\$ 13,155,000</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, 2013, none of the bonds outstanding are considered defeased.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

The aggregate maturities of Long-Term Debt at September 30, 2013, are as follows:

| Fiscal Year<br>Ending<br>September 30 | Bonded Debt   |               |               |
|---------------------------------------|---------------|---------------|---------------|
|                                       | Principal     | Interest      | Total         |
| 2014                                  | 2,049,762     | 1,977,231     | \$ 4,026,993  |
| 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     |
| 2019-2023                             | 7,945,000     | 7,150,613     | 15,095,613    |
| 2024-2028                             | 5,480,000     | 5,682,638     | 11,162,638    |
| 2029-2033                             | 6,880,000     | 4,278,737     | 11,158,737    |
| 2034-2038                             | 8,765,000     | 2,395,250     | 11,160,250    |
| 2039-2040                             | 4,150,000     | 313,750       | 4,463,750     |
|                                       | 42,749,490    | 28,852,181    | 71,601,671    |
| Plus: net unamortized<br>Bond premium | 73,619        |               | 73,619        |
| Less: Deferred<br>Refunding cost      | 764,215       |               | 764,215       |
|                                       | \$ 42,058,894 | \$ 28,852,181 | \$ 70,911,075 |

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 \$ 71,601,671. Principal and interest paid for the current year and total customer net revenues were \$4,022,563 and \$11,383,690 respectively.

**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.

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**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

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.

Indebtedness of the Water and Sewer Fund at September 30, 2013 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<br>Gulf Breeze Loan Series 1985B due in annual installments through 2015: Interest at 4.25% - 4.50%  | <u>\$ 8,500,000</u>  |
| \$ 18,300,000 | 2006B-2 Water & Sewer Revenue Bonds<br>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<br>Gulf Breeze Loan Series 1985C due in annual installments through 2014: Interest at 4.00% - 4.50%    | <u>\$ 905,000</u>    |
| \$ 5,700,000  | 2006E Water & Sewer Revenue Bonds<br>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<br>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<br>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<br>Gulf Breeze Loan Series 1985J due in annual installments through 2039: Interest at 5.00%                   | <u>\$ 30,000,000</u> |

At September 30, 2013, none of the bonds outstanding are considered defeased.

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**(Continued)**

The aggregate maturities of Long-term debt as of September 30, 2013 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Bonded Debt           |                      |                       |
|---------------------------------------|-----------------------|----------------------|-----------------------|
|                                       | Principal             | Interest             | Total                 |
| 2014                                  | 3,185,000             | 5,476,073            | 8,661,073             |
| 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            |
| 2019-2023                             | 28,490,000            | 18,951,112           | 47,441,112            |
| 2024-2028                             | 24,355,000            | 13,557,744           | 37,912,744            |
| 2029-2033                             | 15,550,000            | 7,978,875            | 23,528,875            |
| 2034-2038                             | 16,575,000            | 4,115,125            | 20,690,125            |
| 2039-2040                             | 7,850,000             | 397,250              | 8,247,250             |
|                                       | <u>117,825,000</u>    | <u>70,380,153</u>    | <u>188,205,153</u>    |
| Less:                                 |                       |                      |                       |
| Unamortized Discount                  | 158,859               |                      | 158,859               |
| Deferred refunding cost               | 394,315               |                      | 394,315               |
|                                       | <u>\$ 117,271,826</u> | <u>\$ 70,380,153</u> | <u>\$ 187,651,979</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. The total principal and interest remaining to be paid on the bonds is \$188,205,153. Principal and interest paid for the current year and total customer net revenues were \$9,184,435 and \$15,014,438 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.

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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

Indebtedness of the Storm Water Fund at September 30, 2013 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>\$13,355,000</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>\$26,360,000</u> |

The aggregate maturities of Long-term debt at September 30, 2013 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Bonded Debt          |                      |                       |
|---------------------------------------|----------------------|----------------------|-----------------------|
|                                       | Principal            | Interest             | Total                 |
| 2014                                  | \$ 1,590,000         | \$ 4,258,872         | \$ 5,848,872          |
| 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            | 3,884,113            | 6,819,113             |
| 2019-2023                             | 17,100,000           | 17,292,534           | 34,392,534            |
| 2024-2028                             | 22,280,000           | 12,609,328           | 34,889,328            |
| 2029-2033                             | 17,005,000           | 7,438,664            | 24,443,664            |
| 2034-2038                             | 13,225,000           | 4,247,045            | 17,472,045            |
| 2039-2041                             | <u>9,555,000</u>     | <u>928,338</u>       | <u>10,483,338</u>     |
|                                       | 91,845,000           | 62,976,959           | 154,821,959           |
| Plus Unamortized Premium              | 2,384,741            |                      | 2,384,741             |
| Less Deferred refunding cost          | <u>1,121,773</u>     |                      | <u>1,121,773</u>      |
|                                       | <u>\$ 93,107,968</u> | <u>\$ 62,976,959</u> | <u>\$ 156,084,927</u> |

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 \$154,821,959. Principal and interest paid for the current year and total customer net revenues were \$5,847,595 and \$8,193,230 respectively.

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**(Continued)**

**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 2% to 4.5%. At September 30, 2013, the City was indebted for \$14,167,408

The aggregate maturities of loans at September 30, 2013 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Loans                |                   |                      |
|---------------------------------------|----------------------|-------------------|----------------------|
|                                       | Principal            | Interest          | Total                |
| 2014                                  | \$ 3,794,655         | \$ 305,315        | \$ 4,099,970         |
| 2015                                  | 3,485,845            | 209,977           | 3,695,822            |
| 2016                                  | 2,528,857            | 129,947           | 2,658,804            |
| 2017                                  | 1,813,537            | 80,470            | 1,894,007            |
| 2018                                  | 1,132,793            | 46,060            | 1,178,853            |
| 2019-2023                             | 1,411,721            | 54,176            | 1,465,897            |
|                                       | <u>\$ 14,167,408</u> | <u>\$ 825,945</u> | <u>\$ 14,993,353</u> |

The above debt has been recorded in the following funds:

|                  |                      |
|------------------|----------------------|
| Internal Service | \$ 12,374,012        |
| Stormwater       | 182,381              |
| Water & Sewer    | 503,693              |
| Parking          | 469,825              |
| Other Enterprise | 637,497              |
|                  | <u>\$ 14,167,408</u> |

**5. Other Obligations**

On September 27, 2000, the City was granted a \$4,000,000 Section 108 U. S. Housing and Urban Development loan. The City has drawn \$4,000,000 of this loan for improvements to neighborhood Streets, North Shore Park and Youth Center. At September 30, 2013, there was no outstanding balance. The interest rate on this loan is a variable rate (LIBOR plus 20 basis points or .2%) Principal payments are made annually on the first of August and interest payments are made quarterly. This loan matures on August 1, 2015, however, the principal balance of \$630,000 was paid off in June 2013.

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, 2013, the outstanding balance on this loan was \$13,551,002. 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

The aggregate maturities of other long-term obligations at September 30, 2013 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Long-term<br>Obligation | Interest            | Total                |
|---------------------------------------|-------------------------|---------------------|----------------------|
| 2014                                  | \$ 669,412              | \$ 553,930          | \$ 1,223,342         |
| 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            |
| 2019-2023                             | 6,641,575               | 1,336,907           | 7,978,482            |
| 2024-2025                             | 2,764,069               | 98,083              | 2,862,152            |
|                                       | <u>\$ 13,551,002</u>    | <u>\$ 3,877,436</u> | <u>\$ 17,428,438</u> |

On September 27, 2012, the City of Miami Beach issued Resolution No. 2012-28028 which authorized the issuance of a new line of credit not to exceed an aggregate principal amount of \$50 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 74% of Libor rate plus 0.85%, and the taxable draws will have a variable rate equal to Libor rate plus 0.85%. 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 April 30, 2014 (the "Maturity Date"). As of September 30, 2013, no amounts have been drawn down from this line of credit.

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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

**6. Changes in long-term liabilities**

Long-term liability activity for the year ended September 30, 2013 is as follows:

**Governmental activities:**

|                                      | Beginning<br>Balance  | Additions            | Reductions           | Ending<br>Balance     | Due Within<br>One Year |
|--------------------------------------|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| <b>Bonds payable:</b>                |                       |                      |                      |                       |                        |
| General obligation                   | \$ 64,045,000         |                      | \$ 3,330,000         | \$ 60,715,000         | \$ 3,435,000           |
| Special obligation                   | 121,498,392           |                      | 11,072,890           | 110,425,502           | 11,615,238             |
| Plus: Net unamortized bond Premium   | 3,619,212             |                      | 557,166              | 3,062,046             | 528,199                |
| Less: Net unamortized bond Discount  | 7,843                 |                      | 1,294                | 6,549                 | 1,294                  |
| Less: unamortized deferred ref. cost | 1,603,824             |                      | 146,915              | 1,456,909             | 146,915                |
| Total bonds payable                  | <u>187,550,937</u>    |                      | <u>14,811,847</u>    | <u>172,739,090</u>    | <u>15,430,228</u>      |
| Claims and judgments                 | 25,911,063            | 23,713,459           | 23,142,650           | 26,481,872            | 7,200,081              |
| Compensated absences                 | 18,910,903            | 7,555,736            | 9,152,102            | 17,314,537            | 7,674,297              |
| Other obligations                    | 14,780,267            |                      | 1,229,266            | 13,551,001            | 669,412                |
| OPEB obligation                      | 30,834,973            | 7,898,000            |                      | 38,732,973            |                        |
| Loans payable                        | 11,814,844            | 3,840,960            | 3,281,792            | 12,374,012            | 3,287,337              |
| Environmental remediation liability  |                       | 70,000               |                      | 70,000                |                        |
| Governmental activity                |                       |                      |                      |                       |                        |
| Long-term liabilities                | <u>\$ 289,802,987</u> | <u>\$ 43,078,155</u> | <u>\$ 51,617,657</u> | <u>\$ 281,263,485</u> | <u>\$ 34,261,355</u>   |

**Business-type activities:**

|                                     |                       |                     |                      |                       |                      |
|-------------------------------------|-----------------------|---------------------|----------------------|-----------------------|----------------------|
| Revenue bonds payable               | \$ 260,221,600        |                     | \$ 7,802,110         | \$ 252,419,490        | \$ 6,824,762         |
| Plus: Unamortized bond Premium      | 3,225,309             |                     | 272,558              | 2,952,751             | 264,655              |
| Less: Unamortized bond Discount     | 689,767               |                     | 36,517               | 653,250               | 36,517               |
| Less: Unamortized deferred costs    | 2,564,057             |                     | 283,754              | 2,280,303             | 283,753              |
| Total bonds payable                 | <u>260,193,085</u>    |                     | <u>7,754,397</u>     | <u>252,438,688</u>    | <u>6,769,147</u>     |
| Loans payable                       | 2,025,428             | 247,388             | 479,420              | 1,793,396             | 507,318              |
| Environmental remediation liability | 1,000,000             |                     |                      | 1,000,000             |                      |
| Compensated absences                | 2,108,424             | 1,400,186           | 1,444,995            | 2,063,615             | 1,263,776            |
| Deposits                            | 9,286,492             | 4,952,791           | 4,400,307            | 9,838,976             | 6,662,358            |
| Business-type activity              |                       |                     |                      |                       |                      |
| Long-term liabilities               | <u>\$ 274,613,429</u> | <u>\$ 6,600,365</u> | <u>\$ 14,079,119</u> | <u>\$ 267,134,675</u> | <u>\$ 15,202,599</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, 2013, \$1,245,203 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.

**7. Subsequent Events**

There are no subsequent events to report for the Fiscal Year Ended September 30, 2013.

**8. Current and Advance Refunding**

There are no debt refunding to report for the Fiscal Year Ended September 30, 2013.

**CITY OF MIAMI BEACH, FLORIDA**  
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**(Continued)**

**H. Governmental Fund – Fund balance**

Below is a table of fund balance categories and classifications at September 30, 2013 for the City's governmental funds:

|                                          | General       | Resort<br>Tax | Miami<br>Beach<br>Redevelopment<br>Agency | Capital<br>Projects | Other<br>Governmental |
|------------------------------------------|---------------|---------------|-------------------------------------------|---------------------|-----------------------|
| Fund balances:                           |               |               |                                           |                     |                       |
| <b>Non-spendable:</b>                    |               |               |                                           |                     |                       |
| Prepays                                  | \$ 332        | \$            | \$ 4,490                                  | \$                  |                       |
| <b>Restricted:</b>                       |               |               |                                           |                     |                       |
| General government                       |               |               |                                           |                     | 896,425               |
| Building operations reserves             | 7,289,291     |               |                                           |                     |                       |
| Public safety                            |               |               |                                           | 879,602             | 3,513,303             |
| Human services                           |               |               |                                           |                     | 283,132               |
| Physical environment                     |               |               |                                           |                     | 19,145                |
| Economic environment                     |               |               | 17,306,841                                |                     | 1,639,721             |
| Quality of life improvement              |               | 4,427,341     |                                           |                     | 10,531,185            |
| Transportation                           |               |               |                                           |                     | 34,120,359            |
| Culture and recreation                   |               | 15,563,914    |                                           | 10,739,857          | 684,517               |
| Sewer improvement                        |               |               |                                           | 81,683              |                       |
| Street improvement                       |               |               |                                           | 270,354             |                       |
| Energy efficiency                        |               |               |                                           | 355,525             |                       |
| Infrastructure                           |               |               |                                           | 20,939              |                       |
| Communications                           |               |               |                                           | 78,488              |                       |
| RDA City Center improvement              |               |               |                                           | 41,598,179          |                       |
| Other capital projects                   |               |               |                                           | 17,122,170          |                       |
| Neighborhood improvement                 |               |               |                                           | 22,172,505          |                       |
| South Pointe improvement                 |               |               |                                           | 57,865,859          |                       |
| Debt service                             |               |               |                                           |                     | 9,851,582             |
| <b>Committed:</b>                        |               |               |                                           |                     |                       |
| Reserve set aside for future budgets     | 2,700,000     |               |                                           |                     |                       |
| General government                       |               |               |                                           | 1,540,800           |                       |
| Public safety                            |               |               |                                           | 28,358              |                       |
| Culture and recreation                   |               |               |                                           |                     | 6,000,499             |
| Transportation                           |               |               |                                           | 242,212             |                       |
| Physical environment                     |               |               |                                           | 85,477              |                       |
| Emergencies                              |               |               |                                           |                     |                       |
| Encumbrances                             | 348,458       |               |                                           |                     |                       |
| Reserved for pay as you go projects      |               |               |                                           | 9,893,562           |                       |
| Capital Reserve                          |               |               |                                           | 12,075,416          |                       |
| Other capital projects                   |               |               |                                           | 825,223             |                       |
| Capital renewal and replacement          |               |               |                                           |                     | 8,449,998             |
| <b>Assigned:</b>                         |               |               |                                           |                     |                       |
| Reserve set aside for future budgets     | 2,255,000     |               |                                           |                     |                       |
| Emergencies                              | 41,545,099    |               |                                           |                     |                       |
| Public safety                            |               |               |                                           |                     | 165,534               |
| <b>Unassigned:</b>                       |               |               |                                           |                     |                       |
| Non-funded capital                       |               |               |                                           | (1,046,285)         |                       |
| Reimbursable grants funds                |               |               |                                           | (2,356,874)         | (527,196)             |
| Reimbursable boardup/ Relocation charges |               |               |                                           |                     | 79,124                |
| Non-reimbursable grant funds             |               |               |                                           | (88,554)            | (597,796)             |
| Total Fund Balance                       | \$ 54,138,180 | \$ 19,991,255 | \$ 17,311,331                             | \$ 172,384,496      | \$ 75,109,532         |

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The City is pending reimbursement from various grantors for the reimbursable grant funds balance of \$2,884,068. The non-reimbursable grant fund consist of \$686,353 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. The non-reimbursable/ non-funded capital expenditures is \$1,046,285 from the Bass Museum expansion and renovation. This balance will be funded by the City Center Capital budget in FY 2013/2014.

**I. Other Information**

**1. 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 2013 the City's paid \$1.9 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 2012 and 2013 respectively:

|                                                          | 2012                 | 2013                 |
|----------------------------------------------------------|----------------------|----------------------|
| Unpaid claims, beginning of year                         | \$ 26,672,796        | \$ 24,712,063        |
| Incurred claims (includes incurred but not yet reported) | 3,645,906            | 7,166,818            |
| Less: claim payments                                     | 5,606,639            | 6,657,090            |
| Unpaid claims, end of year                               | <u>\$ 24,712,063</u> | <u>\$ 25,221,791</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.

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The following are the changes in the funds' claims liability amount during fiscal years 2012 and 2013 respectively:

|                                                          | 2012                | 2013                |
|----------------------------------------------------------|---------------------|---------------------|
| Unpaid claims, beginning of year                         | \$ 1,398,619        | \$ 1,199,000        |
| Incurred claims (includes incurred but not yet reported) | 18,647,419          | 16,546,631          |
| Less: claim payments                                     | 18,847,038          | 16,485,550          |
| Unpaid claims, end of year                               | <u>\$ 1,199,000</u> | <u>\$ 1,260,081</u> |

**Significant Commitments and Contingencies**

- a. 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.
- b. 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.
- c. 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 a number of sites that are undergoing pollution remediation activities. Pollution at the sites is due to contamination from ammonia and arsenic in soil and in groundwater. As of September 30, 2013, the City has recorded a pollution remediation liability of \$1 million in Sanitation fund and in the business-type activities and \$70,000 in the capital project fund and governmental-type activities.

Miami Beach Golf Course (MBGC) (MRF) and Normanday Golf Course (NSGC):

In February 2003, AECOM submitted to Miami-Dade County Department of Environmental Resources Management (DERM), now the Department of Regulatory and Economic Resources (RER), the Natural Background Ammonia Sampling and Analysis Report for the Bayshore MRF located at the Miami Beach Golf Course. Sampling at the facility, also known as the Trash Transfer Station or Green Waste Facility, revealed elevated ammonia concentrations above the regulatory standards. The City is considered the responsible party or potentially responsible party (PRP) for remediation of the elevated ammonia around the MRF.

RER determined that arsenic in soils and groundwater at the MBGC maintenance facility was the result of storage and preparation of monosodium acid methanearsenate (MSMA) and required actions to address the arsenic concentration levels that exceed regulatory standards. In December 2007, RER approved the Monitoring Only Proposal (MOP) for the site and quarterly groundwater monitoring was required to commence. On May 3, 2012, following additional quarterly sampling, RER directed the City to discontinue arsenic sampling. NFAC of MBGC will be requested following remediation of the MRF. Since no further sampling is required, the City will not need to appropriate remediation funds at this time.

RER determined that arsenic in soils and groundwater at the NSGC maintenance facility was the result of storage and preparation of MSMA and required actions to address the arsenic concentration levels that exceed standards. On January 11, 2007, RER approved the MOP and

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quarterly groundwater monitoring was required to commence. On July 25, 2011, RER reviewed Year 3 Q2 of sampling under the MOP and discontinued sampling from two monitoring wells and reduced the sampling frequency of the remaining two monitoring wells to annual. In response to the last quarterly sampling report, RER requested an additional year of sampling before the City can request NFAC for this facility.

**Maurice Gibb Park:**

RER notified the City on August 6, 1997 that petroleum contamination had been found at Maurice Gibb Park property (formerly known as Island View Park), 1700 Purdy Avenue. However, clean-up efforts were not initiated at that time. On October 19, 2012, during construction of the Sunset Harbour Pump Station Retrofit project, an odor and sheen commonly associated with petroleum contamination was identified during excavation work. The County requested that the City collect and analyze confirmatory soil samples at the excavation site and groundwater samples to verify the absence of contamination at the depth of the injection well.

CDM Smith was retained to conduct the groundwater and soil sampling and analysis. On March 15, 2013, CDM Smith confirmed the absence of groundwater contamination at the injection depth. However, CDM Smith's evaluation of the soil samples at both sample depths of 0.5-feet and 2-feet below land surface indicated that Polycyclic Aromatic Hydrocarbons (PAHs) exceeded the Commercial/Industrial Exposure Soil Cleanup Target Levels (SCTL) and that benzo(a)pyrene also exceeded the Residential Exposure SCTL. Based on these results, RER confirmed that work for the Sunset Harbour Pump Station Retrofit project could continue, but ordered the City to identify the extent of the soil and/or groundwater contamination at the property and conduct any necessary remediation.

**Fleet Management Mechanical Maintenance Facility:**

On October 5, 1992, RER discovered free-floating product, characterized as synthetic oil, in an existing on-site monitoring well (MW-8) and directed the City to initiate a CAR for the discharge. The City submitted a CAR to RER on January 14, 1993 indicating that the discharge was associated with the on-site hydraulic lift pumps, detailing the results of the Non-Aqueous Phase Liquids (NAPL) analysis collected from MW-8, and recommending the short-term bailing and/or pumping of NAPL. RER approved the removal of NAPL by bailing only and requested a CAR Addendum. The CAR Addendum was submitted with a Monitoring Only Proposal to RER on October 26, 1998. Documentation regarding RER's review or approval of these documents was not available in the site's contamination file.

On January 23, 2012, RER requested that FDEP consider the eligibility determination for the October 5, 1992 discharge. However, in a letter dated January 27, 2012, FDEP stated that the discharge was not eligible for the FDEP Petroleum Cleanup Participation Program because hydraulic lift pumps are not considered petroleum storage systems. On October 30, 2013, City staff met with the Environmental Code Enforcement section of RER to discuss the next steps towards the regulatory closure of this facility. RER provided a proposed scope of work which includes approximately visual and OVA screening of four soil borings, as well as testing of the existing monitoring wells on-site. This work is estimated to cost between \$15,000 and \$20,000 depending on changes to the site conditions since the last assessment was completed. Although funding has not been allocated for this project this fiscal year, City staff is working closely with RER to determine a reasonable timeline in which to bring the site into compliance next fiscal year.

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**3. 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. Employee and employer contributions are recognized as revenue in the period in which the employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Accounting Principles Generally Accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates. Investments in common stock, stock index funds and aggregate bond index funds are recorded at fair value as determined by quoted published prices. Short-term investments are recorded at cost which approximates fair value. Dividends and interest are recognized when earned. Gains and losses on sales and exchanges of investments are recognized on the trade date.

**ii Plan Description**

All full-time employees of the City who work more than 30 hours per week and hold classified and unclassified positions, except for Policemen and Firemen and persons who elected to join the defined contribution retirement Plan sponsored by the City, are covered by the City of Miami Beach, Florida, Miami Beach Employees' Retirement Plan (the "Plan"). A classified employee and/or an unclassified employee is one who is employed by the City on a regular basis, receives compensation from the City for personal services, and who is within a group or classification of employees designated by the Board of Trustees as eligible for membership in the Plan. The Plan is the administrator of a single-employer pension plan that was established by the City under Ordinance #2006-3504. Effective on March 18, 2006, the Miami Beach Employees' Retirement System was created under and by the authority of Chapter 18691, Laws of Florida, Acts 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.

At October 1, 2012 membership consisted of:

|                                                                                                                                  |              |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | <u>1,163</u> |
| Current Employees                                                                                                                | <u>1,049</u> |

Principally all full-time classified and unclassified employees of the City, except those who joined the 401(a) Plan, must participate in the Plan. Classified employees in the Plan are segregated into three unions: American Federation of State, County, and Municipal Employees ("AFSCME"), Communications Workers of America ("CWA") (formerly Benevolent) and Government Supervisors Association of Florida ("GSAF"). Certain other employees are also segregated into a category called "Other". Unclassified employees are not represented by a bargaining unit. The Plan provides retirement benefits as well as death and disability benefits at three different tiers depending on when the employees entered the Plan. The First Tier is for members that entered the Plan prior to the Second Tier Dates. The Second 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 1, 1993 for members of AFSCME; August 1, 1993 for those classified as "Other and GSAF" and February 21, 1994 for

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members of CWA. The Second Tier is for members that entered the Plan on or after the Second Tier Dates, but before September 30, 2010.

The Third Tier Dates are for employees hired on or after September 30, 2010 other than members of CWA.

Classified members administered under the First Tier are eligible for Normal Retirement at age 50 and incrementally over 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, with the total not to exceed 90% of the 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, with 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.

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 those members who are in a classification within the AFSCME or GSA bargaining units, and for any Unclassified or "Other" member 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 member who as of September 30, 2010 are between 24 and 36 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.

All First Tier employees who participate are required to contribute 12% of their covered salary to the plan. All Second and Third Tier employees are required to contribute 10% of their covered salary. Any First Tier member who terminates employment may either request a refund of his or her own contributions plus interest or receive his or her 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 his or her own contributions plus interest or receive his or her 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, participants 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. The

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amount of the benefit is calculated as if the participant had retired on the date of the 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 of 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 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. At September 30, 2013 and 2012, there were 56 and 59, respectively, DROP participants at the end of each year.

iv. Cost of Living Adjustment

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%.

v. Funding Policy, Contributions Required and Contributions Made

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. The Plan also uses the level percentage of payroll method to amortize any unfunded actuarial accrued liability over a 30-year period.

Effective October 1, 1996, the asset valuation method was changed to recognize the difference between actual investment return and expected return and will be amortized over five (5) years.

Significant actuarial assumptions used include (a) investment return of 8.15%, net rate after investment related expenses, (b) 2000 Group Annuity Mortality Table; for those who have terminated employment before October 1, 1993, rates are based on the Plan's own experience, (c) for retirement, once a member is eligible to retire, a probability of retirement based on age is used (effective October 1, 1996), (d) projected salary increases range from 4.5%-7.0% based on merit and seniority, and (e) cost of living increases of 2.5% per year, 1.5% for members hired after September 30, 2010.

For the fiscal year ended September 30, 2013, the City was required to make contributions of \$21,222,051 or 33.37% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2011. For the year ended September 30, 2013, the employees contributed \$6,246,030 and buybacks were \$922,828.

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The Plan uses the following actuarial valuations at 10/01/12:

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method            | Individual Entry-Age Actuarial Cost Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Actuarial Asset Valuation Method | The actuarial value of assets phase in the difference between the expected actuarial value and actual market value of assets at the rate of 20% per year. The actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the market value of plan assets and whose upper limit is 120% of the market value of plan assets. During periods when investment performance exceeds the assumed rate, actuarial value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, actuarial value of assets will tend to be greater than market value. |
| Amortization Method              | Level dollar, Closed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Actuarial Assumptions:           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Investment rate of return        | 8.00%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Projected salary increases       | Salary increases range from 4.5%-7.0% based on merit and seniority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Inflation                        | 4%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| COLA                             | 2.5%, members hired after September 30, 2010 are at 1.5%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

vi. Trend Information

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

Schedule of Employer Contributions

| <u>Year Ended<br/>September 30,</u> | <u>Annual Required<br/>Contribution</u> | <u>Annual Pension<br/>Cost</u> | <u>Percentage of<br/>Annual Pension Cost<br/>Contributed</u> |
|-------------------------------------|-----------------------------------------|--------------------------------|--------------------------------------------------------------|
| 2011                                | 14,474,678                              | 14,474,678                     | 100%                                                         |
| 2012                                | 16,243,133                              | 16,312,068                     | 100%                                                         |
| 2013                                | 21,222,051                              | 21,222,051                     | 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.

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An analysis of the funded status for the fiscal year ended September 30, 2013, for the Miami Beach Employee' Retirement System is as follows (in thousands):

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as % of Covered Payroll |
|----------------|---------------------------|-----------------------------------|---------------------|--------------|-----------------|------------------------------|
| 10/1/2012      | \$ 421,376                | \$ 637,364                        | \$ 215,988          | 66.1%        | \$ 65,054       | 332.0%                       |

**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 and employer contributions are recognized as revenue in the period in which the employee services are performed. Accounting Principles Generally Accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates. The fair value of quoted investments securities is based on the closing sale price as of September 30, 2013, as reported by recognized securities exchanges. Short term obligations are stated at cost which approximates market value. Gains and losses on the sale of investments are based on the first-in, first-out identification method. Dividends and interest are recognized when earned.

**ii. Plan Description**

The City's Pension Fund for Firefighters and Police (the "Plan") was formally known as City Pension Fund for Fireman and Policeman – City of Miami Beach and City Supplemental Pension Fund for Firefighters and Police Officers – City of Miami Beach. The former plans were merged and the name was changed to City Pension Fund for Firefighters and Police Officers in the City of Miami Beach. The Plan is defined benefit pension plans covering substantially all police officers and firefighters of the City, as established by Chapter 23414, Laws of Florida, Special Acts of 1945 as amended through November 17, 2010.

Any member 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. Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary 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. The average monthly salary of the member is computed based on the salary for the two highest paid years prior to the date of retirement or the average of the last 2 paid years of the member prior to the date of retirement.

Effective November 4, 2003, a member who retires, enters the deferred retirement option plan, or separates from the City employment, and is entitled to service or disability benefits, may elect in lieu of such benefit, a joint and contingent survivor option, at any time prior to retirement. Under the joint and contingent survivor option, the member shall receive an actuarially adjustment retirement benefit during the member's lifetime, and have monthly benefit (or designated percentage of 25%, 50%, 66.67% or 75% thereof) continued after the member's death to and for the lifetime of the member's designated joint pensioner. The election of the joint and contingent survivor option shall be null and void if the designated joint pensioner dies before the member's retirement. The value of the joint and contingent survivor option shall be actuarially equivalent to the value otherwise payable.

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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 payment shall be continued for the member's remaining lifetime.

iii. Deferred retirement option plan

An active employee Tier One member may enter into the Deferred Retirement Option Plan (the DROP) on the first day of any month after attainment of age 50 or rule of 70 retirement and becoming eligible to receive a service retirement pension. Upon becoming eligible to participate in the DROP, an employee 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. Members who enter the DROP on or after September 1, 2012 shall receive a 0% COLA adjustment for the 3<sup>rd</sup> and 4<sup>th</sup> 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.

DROP participants have self-directed accounts, and the rate of return earned will therefore depend on the return of the particular accounts selected by the individuals. Once a member enters the DROP, their monthly retirement benefit is fixed, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including earnings, is payable to them and they also begin to receive their previously fixed monthly retirement benefit. The DROP is administrated by the Plan's Board of Trustees.

At September 30, 2013, \$11,807,256 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.

At October 1, 2012 the plan membership consisted of the following:

|                         | As of<br>October 1,<br>2012 |
|-------------------------|-----------------------------|
| Active Members          | 428                         |
| Deferred Vested Members | 16                          |
| Retired Members:        |                             |
| a. Service              | 534*                        |
| b. Disabled             | 56                          |
| c. Beneficiaries        | 92                          |
|                         | <u>682</u>                  |
| Total                   | <u>1,126</u>                |

\* Including members in the 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. Members of the Plan contribute 10% of their salary.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

The actual contribution from the City of Miami Beach, and the State of Florida for active employees for the fiscal year ended September 30, 2013, was \$39,492,050 and covered payroll was approximately \$49,730,000. The contribution required from the City and the State of Florida for the fiscal year ended September 30, 2013, was actuarially determined by the October 1, 2011 valuation to be \$39,492,050. The actuarially computed annual covered payroll used in the October 1, 2011 valuation was \$49,186,724. The annual pension cost was \$39,492,050 for the fiscal year ended September 30, 2013.

Significant actuarial assumptions used include: (a) investment return of 8.00%; (b) projected salary increases of 2.87%-9.87% including 3.5% for inflation.

The Plan uses the following actuarial valuations at 10/01/12:

|                               |                          |
|-------------------------------|--------------------------|
| Actuarial Cost Method         | Entry age Normal         |
| Amortization Method           | Level percentage, closed |
| Remaining amortization period | 20 – 30 years            |
| Asset Valuation Method        | Market Related Value     |
| Actuarial Assumptions:        |                          |
| Investment rate of return*    | 8.10%                    |
| Projected salary increases    | 2.87% - 9.87%            |
| Includes projected payroll    | 3.50%                    |

v. Trend Information

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

Schedule of Employer Contributions

| <u>Year Ended<br/>September 30,</u> | <u>Annual Required<br/>Contribution</u> | <u>Annual Pension<br/>Cost</u> | <u>Percentage of<br/>Annual Pension Cost<br/>Contributed</u> |
|-------------------------------------|-----------------------------------------|--------------------------------|--------------------------------------------------------------|
| 2011                                | 32,811,570                              | 32,811,570                     | 100%                                                         |
| 2012                                | 36,296,459                              | 36,297,459                     | 100%                                                         |
| 2013                                | 39,492,050                              | 39,492,050                     | 100%                                                         |

vi. 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 for the fiscal year ended September 30, 2013, for the Retirement System for Fire Fighters and Police Officers is as follows:

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as % of Covered Payroll |
|----------------|---------------------------|-----------------------------------|---------------------|--------------|-----------------|------------------------------|
| 10/1/2012      | \$ 545,067,653            | \$ 902,778,465                    | \$ 357,710,812      | 60.4%        | \$ 46,313,650   | 772.4%                       |

**c. 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, 2013 was \$1,701,056 for firefighters and \$652,690 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.

**d. 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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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.

Plan information as of and for the fiscal year ended September 30, 2013 is as follows:

|                               |            |       |
|-------------------------------|------------|-------|
| Members in the Plan           |            | 35    |
| City's contribution           | \$ 155,996 |       |
| Percentage of covered payroll |            | 8.11% |
| Employees' contribution       | 155,793    |       |
| Percentage of covered payroll |            | 8.10% |

**e. 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 latest 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, 2013, the City paid \$7.3 million in OPEB benefits on a pay-as-go basis and \$977,000 to the Trust. The City's net OPEB obligation at September 30, 2013 was \$38.7 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

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 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. (in thousands)

|                                            |                         |
|--------------------------------------------|-------------------------|
| Annual required contribution               | \$ 15,527               |
| Interest on net OPEB obligation            | 2,467                   |
| Adjustment to annual required contribution | <u>(1,782)</u>          |
| Annual OPEB cost (expense)                 | 16,212                  |
| Contributions made                         | <u>8,314</u>            |
| Net OPEB obligation                        | 7,898                   |
| Net OPEB obligation - beginning of year    | <u>30,835</u>           |
| Net OPEB obligation - end of year          | <u><u>\$ 38,733</u></u> |

iv. Trend Information

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

| <u>September 30,</u> | <u>Cost</u> | <u>Contributed</u> | <u>Obligation</u> |
|----------------------|-------------|--------------------|-------------------|
| 2011                 | 18,457,000  | 58%                | 22,875,000        |
| 2012                 | 19,064,000  | 56%                | 30,835,000        |
| 2013                 | 16,212,000  | 66%                | 38,733,000        |

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 latest actuarial valuation date is as follows:

| <u>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)</u> | <u>Unfunded<br/>AAL<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Participants<br/>Covered<br/>Payroll</u> | <u>UAAL as % of<br/>Participants<br/>Covered<br/>Payroll</u> |
|---------------------------|------------------------------------------|------------------------------------------------------|------------------------------------|-------------------------|---------------------------------------------|--------------------------------------------------------------|
| 10/1/2012                 | \$ 19,015,000                            | \$ 191,353,000                                       | \$ 172,338,000                     | 9.9%                    | \$ 108,263,028                              | 159.2%                                                       |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(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.

|                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |   |          |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------|---|----------|--|--|----|---|---|---|---------------------|---|--|---|--|----------------------|---|--|---|--|-----------------|---|--|---|--|--------|--|--|--|--|
| Amortization method                                                             | Level percentage of projected payroll                                                                                                                                                                                                                                                                                                                                                                                                            |   |          |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| Amortization period - closed                                                    | 30 years                                                                                                                                                                                                                                                                                                                                                                                                                                         |   |          |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| Asset valuation method                                                          | Not applicable for first valuation date                                                                                                                                                                                                                                                                                                                                                                                                          |   |          |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| 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                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |   |          |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
|                                                                                 | <table><tr><td></td><td>Select</td><td></td><td>Ultimate</td><td></td></tr><tr><td></td><td>10</td><td>%</td><td>5</td><td>%</td></tr><tr><td>Pre 65 Medical &amp; Rx</td><td>9</td><td></td><td>5</td><td></td></tr><tr><td>Post 65 Medical &amp; Rx</td><td>6</td><td></td><td>5</td><td></td></tr><tr><td>Medicare Part B</td><td>5</td><td></td><td>5</td><td></td></tr><tr><td>Dental</td><td></td><td></td><td></td><td></td></tr></table> |   | Select   |   | Ultimate |  |  | 10 | % | 5 | % | Pre 65 Medical & Rx | 9 |  | 5 |  | Post 65 Medical & Rx | 6 |  | 5 |  | Medicare Part B | 5 |  | 5 |  | Dental |  |  |  |  |
|                                                                                 | Select                                                                                                                                                                                                                                                                                                                                                                                                                                           |   | Ultimate |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
|                                                                                 | 10                                                                                                                                                                                                                                                                                                                                                                                                                                               | % | 5        | % |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| Pre 65 Medical & Rx                                                             | 9                                                                                                                                                                                                                                                                                                                                                                                                                                                |   | 5        |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| Post 65 Medical & Rx                                                            | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                |   | 5        |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| Medicare Part B                                                                 | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                |   | 5        |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |
| Dental                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |   |          |   |          |  |  |    |   |   |   |                     |   |  |   |  |                      |   |  |   |  |                 |   |  |   |  |        |  |  |  |  |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**  
**(Continued)**

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2013 are as follows:

| Statement of<br>Fiduciary Net Position<br>September 30, 2013 |                      | Statement of Change in<br>Fiduciary Net Position<br>September 30, 2013 |                      |
|--------------------------------------------------------------|----------------------|------------------------------------------------------------------------|----------------------|
|                                                              |                      | Additions                                                              |                      |
| Cash                                                         | \$ 21,190,373        | Employer contribution                                                  | \$ 977,000           |
| Receivable                                                   | 977,000              | Change in fair value                                                   | 1,846,925            |
| Total Assets                                                 | <u>22,167,373</u>    | Interest and dividends income                                          | <u>430,778</u>       |
|                                                              |                      | Total Additions                                                        | 3,254,703            |
|                                                              |                      | Deductions:                                                            |                      |
| Liabilities                                                  |                      | Administrative Expense                                                 | <u>101,973</u>       |
| Total liabilities                                            |                      | Total Deductions                                                       | <u>101,973</u>       |
|                                                              |                      | Net increase                                                           | 3,152,730            |
|                                                              |                      | Net position - held in Trust                                           |                      |
|                                                              |                      | Beginning of year                                                      | <u>19,014,643</u>    |
| Net Position                                                 | \$ <u>22,167,373</u> | End of Year                                                            | \$ <u>22,167,373</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 11<sup>th</sup> 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<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>- Entry Age<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL As %<br>of Covered<br>Payroll<br>(b-a)/c |
|--------------------------------|----------------------------------------|---------------------------------------------------------------|---------------------------------|--------------------------|---------------------------|-----------------------------------------------|
| 10/1/10                        | 431,479                                | 580,246                                                       | 148,767                         | 74.4                     | 68,844                    | 216.1 %                                       |
| 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                                         |

**City Pension for Firefighters and Police Officers**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>- Entry Age<br>Normal<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL As %<br>of Covered<br>Payroll<br>(b-a)/c |
|--------------------------------|----------------------------------------|-------------------------------------------------------------------------|---------------------------------|--------------------------|---------------------------|-----------------------------------------------|
| 10/1/10                        | 525,709                                | 817,641                                                                 | 291,932                         | 64.3                     | 49,719                    | 587.2 %                                       |
| 10/1/11                        | 531,821                                | 871,119                                                                 | 339,297                         | 61.1                     | 49,187                    | 689.8                                         |
| 10/1/12                        | 545,068                                | 902,778                                                                 | 357,711                         | 60.4                     | 46,314                    | 772.4                                         |

**Postemployment Benefits Other Than Pension (OPEB)**

| Actuarial<br>Valuation<br>Date* | Actuarial<br>Value<br>of Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>- Projected<br>Unit Credit<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL As %<br>of Covered<br>Payroll<br>(b-a)/c |
|---------------------------------|----------------------------------------|------------------------------------------------------------------------------|---------------------------------|--------------------------|---------------------------|-----------------------------------------------|
| 10/1/10                         | 10,684                                 | 201,914                                                                      | 191,230                         | 5.3                      | 108,515                   | 176.2 %                                       |
| 10/1/11                         | 14,136                                 | 208,959                                                                      | 194,823                         | 6.8                      | 107,418                   | 181.4                                         |
| 10/1/12                         | 19,015                                 | 191,353                                                                      | 172,339                         | 9.9                      | 108,263                   | 159.2                                         |

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

**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, 2013**  
**(Unaudited)**

|                                                              | Budgeted Amounts |                | Actual Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|----------------|----------------|-----------------------------------------------------------|
|                                                              | Original         | Final          |                |                                                           |
| <b>Revenues</b>                                              |                  |                |                |                                                           |
| Taxes:                                                       |                  |                |                |                                                           |
| Property                                                     | \$ 114,446,000   | \$ 114,446,000 | \$ 112,137,436 | \$ (2,308,564)                                            |
| Sales, use and fuel taxes                                    | 984,000          | 984,000        | 995,785        | 11,785                                                    |
| Utility                                                      | 9,952,000        | 9,952,000      | 10,544,114     | 592,114                                                   |
| Local business                                               | 4,335,000        | 4,335,000      | 4,411,851      | 76,851                                                    |
| Communication Service                                        | 5,632,000        | 5,632,000      | 4,583,368      | (1,048,632)                                               |
| Franchise fees                                               | 8,439,000        | 8,439,000      | 7,775,685      | (663,315)                                                 |
| Permits                                                      | 13,944,000       | 13,944,000     | 17,897,983     | 3,953,983                                                 |
| Intergovernmental                                            | 9,584,000        | 9,584,000      | 9,495,971      | (88,029)                                                  |
| Charges for services                                         | 12,297,000       | 12,297,000     | 12,539,967     | 242,967                                                   |
| Rents and leases                                             | 6,223,000        | 6,223,000      | 6,646,320      | 423,320                                                   |
| Interest income                                              | 2,983,000        | 2,983,000      | 2,467,659      | (515,341)                                                 |
| Fines and forfeits                                           | 2,164,000        | 2,164,000      | 2,950,929      | 786,929                                                   |
| Administrative fees                                          | 16,321,000       | 16,321,000     | 15,595,882     | (725,118)                                                 |
| Other                                                        | 3,141,000        | 3,141,000      | 3,463,049      | 322,049                                                   |
| Total revenues                                               | 210,445,000      | 210,445,000    | 211,505,999    | 1,060,999                                                 |
| <b>Expenditures</b>                                          |                  |                |                |                                                           |
| General government:                                          |                  |                |                |                                                           |
| Mayor and Commission                                         | 1,642,772        | 1,620,772      | 1,580,274      | 40,498                                                    |
| City Manager                                                 | 2,286,515        | 2,681,515      | 2,583,395      | 98,120                                                    |
| City Clerk                                                   | 1,485,553        | 1,414,553      | 1,261,562      | 152,991                                                   |
| Budget and Performance Management                            | 2,137,018        | 1,809,117      | 1,677,528      | 131,589                                                   |
| Finance                                                      | 4,389,602        | 4,191,602      | 4,185,045      | 6,557                                                     |
| Human Resources                                              | 1,820,761        | 1,643,761      | 1,585,182      | 58,579                                                    |
| Procurement                                                  | 1,061,062        | 985,900        | 977,593        | 8,307                                                     |
| City Attorney                                                | 4,267,467        | 4,491,673      | 4,378,147      | 113,526                                                   |
| Planning                                                     | 3,392,140        | 3,073,140      | 2,891,395      | 181,745                                                   |
| Media Relations                                              | 893,000          | 847,000        | 789,117        | 57,883                                                    |
| Public Works                                                 | 2,845,870        | 2,986,765      | 2,664,657      | 322,108                                                   |
| Capital Improvement                                          | 4,830,936        | 4,211,602      | 3,957,815      | 253,787                                                   |
| Unclassified                                                 | 6,906,011        | 9,721,346      | 8,661,265      | 1,060,081                                                 |
| Total general government                                     | 37,958,707       | 39,678,746     | 37,192,975     | 2,485,771                                                 |
| Public safety:                                               |                  |                |                |                                                           |
| Building Services                                            | 10,955,093       | 10,814,593     | 10,419,133     | 395,460                                                   |
| Code Compliance                                              | 4,633,185        | 4,377,185      | 4,136,557      | 240,628                                                   |
| Fire                                                         | 60,438,065       | 59,273,833     | 58,923,436     | 350,397                                                   |
| Police                                                       | 92,074,202       | 93,690,844     | 93,005,829     | 685,015                                                   |
| Total public safety                                          | 168,100,545      | 168,156,455    | 166,484,955    | 1,671,500                                                 |
| Physical Environment                                         | 2,368,766        | 2,368,766      | 1,961,701      | 407,065                                                   |
| Transportation                                               | 3,979,901        | 3,930,801      | 3,568,254      | 362,547                                                   |
| Economic Environment                                         | 1,031,999        | 821,999        | 775,755        | 46,244                                                    |
| Human Services                                               | 1,538,362        | 1,461,862      | 1,388,495      | 73,367                                                    |
| Culture and recreation                                       | 30,504,542       | 30,368,842     | 30,061,240     | 307,602                                                   |
| Capital Outlay                                               | 577,563          | 362,981        | 238,094        | 124,887                                                   |
| Debt service:                                                |                  |                |                |                                                           |
| Principal retirement                                         | 790,000          | 790,000        | 790,000        |                                                           |
| Interest and fiscal charges                                  | 529,322          | 529,322        | 5,301,732      | (4,772,410)                                               |
| Total expenditures                                           | 247,379,707      | 248,469,774    | 247,763,201    | 706,573                                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (36,934,707)     | (38,024,774)   | (36,257,202)   | 1,767,572                                                 |
| <b>Other financing sources (uses)</b>                        |                  |                |                |                                                           |
| Transfers in                                                 | 38,715,000       | 38,715,000     | 38,715,000     |                                                           |
| Transfers out                                                | (8,900,293)      | (9,200,226)    | (9,200,010)    | 216                                                       |
| Sale of capital assets                                       | 10,000           | 10,000         | 27,988         | 17,988                                                    |
| Total other financing sources                                | 29,824,707       | 29,524,774     | 29,542,978     | 18,204                                                    |
| Net change in fund balances                                  | (7,110,000)      | (8,500,000)    | (6,714,224)    | 1,785,776                                                 |
| Fund balances - beginning of year                            | 60,852,404       | 60,852,404     | 60,852,404     |                                                           |
| Fund balances - end of year                                  | \$ 53,742,404    | \$ 52,352,404  | \$ 54,138,180  | \$ 1,785,776                                              |

**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, 2013**  
**(Unaudited)**

|                                                              | Resort Tax Revenue Fund         |                              |                   |                                        | Miami Beach Redevelopment Agency |                              |                   |                                        |
|--------------------------------------------------------------|---------------------------------|------------------------------|-------------------|----------------------------------------|----------------------------------|------------------------------|-------------------|----------------------------------------|
|                                                              | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>Favorable<br>(Unfavorable) | Original<br>Budgeted<br>Amounts  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>Favorable<br>(Unfavorable) |
| <b>Revenues</b>                                              |                                 |                              |                   |                                        |                                  |                              |                   |                                        |
| Resort taxes                                                 | \$ 53,500,000                   | \$ 55,481,000                | \$ 58,617,992     | \$ 3,136,992                           | \$                               | \$                           | \$                | \$                                     |
| Tax increment                                                |                                 |                              |                   |                                        | 32,074,000                       | 32,069,405                   | 32,072,486        | 3,081                                  |
| Rents and leases                                             |                                 |                              |                   |                                        |                                  |                              | 175,639           | 175,639                                |
| Interest income                                              | 128,000                         | 128,000                      | 92,897            | (35,103)                               | 13,000                           | 24,644                       | 59,546            | 34,902                                 |
| Special assessment                                           | 626,000                         | 626,000                      | 724,469           | 98,469                                 |                                  |                              |                   |                                        |
| Other                                                        |                                 |                              | 7,693             | 7,693                                  |                                  | 24,103                       | 24,103            |                                        |
| Total revenues                                               | 54,254,000                      | 56,235,000                   | 59,443,051        | 3,208,051                              | 32,087,000                       | 32,118,152                   | 32,331,774        | 213,622                                |
| <b>Expenditures</b>                                          |                                 |                              |                   |                                        |                                  |                              |                   |                                        |
| General government                                           | 1,318,929                       | 1,318,929                    | 1,070,627         | 248,302                                | 5,147,740                        | 5,651,611                    | 5,424,069         | 227,542                                |
| Public safety                                                |                                 |                              |                   |                                        | 3,741,000                        | 3,711,000                    | 3,702,342         | 8,658                                  |
| Economic environment                                         |                                 |                              |                   |                                        | 2,034,000                        | 2,029,405                    | 2,028,897         | 508                                    |
| Culture and recreation                                       | 11,371,036                      | 11,371,036                   | 10,539,292        | 831,744                                | 763,000                          | 704,169                      | 556,556           | 147,613                                |
| Capital Outlay                                               |                                 |                              |                   |                                        | 34,260                           | 81,760                       | 17,500            | 64,260                                 |
| Total expenditures                                           | 12,689,965                      | 12,689,965                   | 11,609,919        | 1,080,046                              | 11,720,000                       | 12,177,945                   | 11,729,364        | 448,581                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | 41,564,035                      | 43,545,035                   | 47,833,132        | 4,288,097                              | 20,367,000                       | 19,940,207                   | 20,602,410        | 662,203                                |
| <b>Other financing sources (uses)</b>                        |                                 |                              |                   |                                        |                                  |                              |                   |                                        |
| Transfers in                                                 |                                 |                              |                   |                                        | 4,684,000                        | 5,221,848                    | 5,561,188         | 339,340                                |
| Transfers out                                                | (41,564,035)                    | (43,545,035)                 | (43,319,057)      | 225,978                                | (25,051,000)                     | (25,162,055)                 | (24,980,136)      | 181,919                                |
| Sale of capital assets                                       |                                 |                              |                   |                                        |                                  |                              | 2,490             | 2,490                                  |
| Total other financing sources<br>(uses)                      | (41,564,035)                    | (43,545,035)                 | (43,319,057)      | 225,978                                | (20,367,000)                     | (19,940,207)                 | (19,416,458)      | 523,749                                |
| Net change in fund balances                                  |                                 |                              | 4,514,075         | 4,514,075                              |                                  |                              | 1,185,952         | 1,185,952                              |
| Fund balances - beginning of year                            | 15,477,180                      | 15,477,180                   | 15,477,180        |                                        | 16,125,379                       | 16,125,379                   | 16,125,379        |                                        |
| Fund balances - end of year                                  | \$ 15,477,180                   | \$ 15,477,180                | \$ 19,991,255     | \$ 4,514,075                           | \$ 16,125,379                    | \$ 16,125,379                | \$ 17,311,331     | \$ 1,185,952                           |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2013**  
**(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's governmental funds have legally adopted annual budgets for the General Fund, Resort Tax Fund, Miami Beach Redevelopment Agency Fund, General Obligation Debt Service Fund and Miami Beach Redevelopment Agency Special Obligation Debt Service 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. Budget to actual comparisons for the General Obligation Debt Service Fund and Miami Beach Redevelopment Agency Special Obligation Debt Service Fund are presented in the 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 1<sup>st</sup>. 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 three (3) supplemental budgetary appropriations during fiscal year ended September 30, 2013.

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.

As of September 30, 2013, the City's general fund has a negative variance on interest and fiscal charges due to investment transactions. The negative investment income was due to recording an unrealized loss of \$4.8 million in the City's investment securities to comply with GASB statement 31. However, as the City's investment practice is to hold investments until maturity the City does not budget for unrealized losses.

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.

**American Recovery & Reinvestment Act (ARRA) Fund:** This fund accounts for revenues and expenditures that are governed by the ARRA grant agreements between the Federal Government and the City.

**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, 2013**

|                                        | <b>Total<br/>Nonmajor<br/>Special<br/>Revenue<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|----------------------------------------|-------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>ASSETS</b>                          |                                                             |                                                      |                                                      |
| Cash and investments                   | \$ 65,385,862                                               | \$ 9,819,285                                         | \$ 75,205,147                                        |
| Receivables, net                       | 1,053,916                                                   | 153,562                                              | 1,207,478                                            |
| Accrued interest                       |                                                             | 259                                                  | 259                                                  |
| Due from other funds                   | 278,072                                                     |                                                      | 278,072                                              |
| Due from other governments             | 754,371                                                     |                                                      | 754,371                                              |
|                                        | <u>                    </u>                                 | <u>                    </u>                          | <u>                    </u>                          |
| Total assets                           | <u><u>\$ 67,472,221</u></u>                                 | <u><u>\$ 9,973,106</u></u>                           | <u><u>\$ 77,445,327</u></u>                          |
| <b>LIABILITIES AND FUND BALANCES</b>   |                                                             |                                                      |                                                      |
| Liabilities:                           |                                                             |                                                      |                                                      |
| Accounts payable                       | \$ 890,355                                                  | \$                                                   | \$ 890,355                                           |
| Retainage payable                      | 49,666                                                      |                                                      | 49,666                                               |
| Accrued expenditures                   | 858,428                                                     | 4,586                                                | 863,014                                              |
| Unearned/deferred revenues             | 132,246                                                     | 116,938                                              | 249,184                                              |
| Due to other governments               | 25,232                                                      |                                                      | 25,232                                               |
| Due to other funds                     | 258,344                                                     |                                                      | 258,344                                              |
|                                        | <u>                    </u>                                 | <u>                    </u>                          | <u>                    </u>                          |
| Total liabilities                      | <u>2,214,271</u>                                            | <u>121,524</u>                                       | <u>2,335,795</u>                                     |
| <b>FUND BALANCES</b>                   |                                                             |                                                      |                                                      |
| Restricted                             | 51,687,787                                                  | 9,851,582                                            | 61,539,369                                           |
| Committed                              | 14,450,497                                                  |                                                      | 14,450,497                                           |
| Assigned                               | 165,534                                                     |                                                      | 165,534                                              |
| Unassigned                             | (1,045,868)                                                 |                                                      | (1,045,868)                                          |
|                                        | <u>                    </u>                                 | <u>                    </u>                          | <u>                    </u>                          |
| Total fund balances                    | <u>65,257,950</u>                                           | <u>9,851,582</u>                                     | <u>75,109,532</u>                                    |
|                                        |                                                             |                                                      |                                                      |
| Total liabilities and<br>fund balances | <u><u>\$ 67,472,221</u></u>                                 | <u><u>\$ 9,973,106</u></u>                           | <u><u>\$ 77,445,327</u></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, 2013**

|                                                              | <b>Total<br/>Nonmajor<br/>Special Revenue<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>REVENUES</b>                                              |                                                         |                                                      |                                                      |
| Property taxes                                               | \$                                                      | \$ 5,393,493                                         | \$ 5,393,493                                         |
| Sales , Use and Fuel Taxes                                   | 3,149,589                                               |                                                      | 3,149,589                                            |
| Utility taxes                                                | 847,841                                                 |                                                      | 847,841                                              |
| Other taxes                                                  | 2,353,747                                               |                                                      | 2,353,747                                            |
| Federal grants                                               | 4,295,235                                               |                                                      | 4,295,235                                            |
| State grants                                                 | 144,052                                                 |                                                      | 144,052                                              |
| Grants from other local units                                | 1,477,189                                               |                                                      | 1,477,189                                            |
| Charges for services                                         | 4,007,129                                               |                                                      | 4,007,129                                            |
| Fines and forfeitures                                        | 325,293                                                 |                                                      | 325,293                                              |
| Impact Fees                                                  | 2,340,350                                               |                                                      | 2,340,350                                            |
| Interest income                                              | 120,176                                                 | 1,372                                                | 121,548                                              |
| Miscellaneous                                                | 305,074                                                 |                                                      | 305,074                                              |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Total revenues                                               | 19,365,675                                              | 5,394,865                                            | 24,760,540                                           |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| <b>EXPENDITURES</b>                                          |                                                         |                                                      |                                                      |
| Current:                                                     |                                                         |                                                      |                                                      |
| General government                                           | 174,406                                                 |                                                      | 174,406                                              |
| Public safety                                                | 8,296,361                                               |                                                      | 8,296,361                                            |
| Physical environment                                         | 448,051                                                 |                                                      | 448,051                                              |
| Transportation                                               | 1,514,806                                               |                                                      | 1,514,806                                            |
| Economic environment                                         | 2,676,312                                               |                                                      | 2,676,312                                            |
| Human services                                               | 714,909                                                 |                                                      | 714,909                                              |
| Culture and recreation                                       | 1,311,605                                               |                                                      | 1,311,605                                            |
| Capital Outlay                                               | 2,606,253                                               |                                                      | 2,606,253                                            |
| Debt Service:                                                |                                                         |                                                      |                                                      |
| Principal                                                    | 630,000                                                 | 14,212,156                                           | 14,842,156                                           |
| Interest                                                     | 2,652                                                   | 8,792,247                                            | 8,794,899                                            |
| Other                                                        |                                                         | 14,110                                               | 14,110                                               |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Total expenditures                                           | 18,375,355                                              | 23,018,513                                           | 41,393,868                                           |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Excess (deficiency) of revenues over<br>(under) expenditures | 990,320                                                 | (17,623,648)                                         | (16,633,328)                                         |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                                         |                                                      |                                                      |
| Transfers in                                                 | 7,975,617                                               | 18,680,484                                           | 26,656,101                                           |
| Transfers out                                                |                                                         | (1,288,000)                                          | (1,288,000)                                          |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Total other financing sources                                | 7,975,617                                               | 17,392,484                                           | 25,368,101                                           |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Net change in fund balances                                  | 8,965,937                                               | (231,164)                                            | 8,734,773                                            |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Fund balances - beginning of year                            | 56,292,013                                              | 10,082,746                                           | 66,374,759                                           |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |
| Fund balances - end of year                                  | \$ 65,257,950                                           | \$ 9,851,582                                         | \$ 75,109,532                                        |
|                                                              | <hr/>                                                   | <hr/>                                                | <hr/>                                                |

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

September 30, 2013

|                                     | Community<br>Development<br>Block Grant<br>Fund | State Housing<br>Initiatives<br>Partnership<br>Fund | Parking<br>Impact Fees<br>Fund | Transportation<br>Concurrency<br>Management<br>Fund | Police<br>Confiscation<br>and Training<br>Fund | ARRA             | HOME<br>Investment<br>Partnership<br>Program Grant<br>Fund | Other<br>Special<br>Revenue<br>Fund | Total                |
|-------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------------------------------------|------------------|------------------------------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                       |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            |                                     |                      |
| Cash and investments                | \$ 148,851                                      | \$ 215,159                                          | \$ 9,925,229                   | \$ 12,791,079                                       | \$ 2,365,357                                   | \$               | \$ 98,183                                                  | \$ 39,842,004                       | \$ 65,385,862        |
| Receivables, net                    |                                                 |                                                     | 144,861                        |                                                     | 41,005                                         |                  |                                                            | 868,050                             | 1,053,916            |
| Due from other funds                | 11                                              |                                                     |                                |                                                     |                                                |                  | 90                                                         | 277,971                             | 278,072              |
| Due from other governments          | 50,532                                          |                                                     |                                |                                                     |                                                | 92,888           | 51,853                                                     | 559,098                             | 754,371              |
| Total assets                        | <u>\$ 199,394</u>                               | <u>\$ 215,159</u>                                   | <u>\$ 10,070,090</u>           | <u>\$ 12,791,079</u>                                | <u>\$ 2,406,362</u>                            | <u>\$ 92,888</u> | <u>\$ 150,126</u>                                          | <u>\$ 41,547,123</u>                | <u>\$ 67,472,221</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            |                                     |                      |
| Liabilities:                        |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            |                                     |                      |
| Accounts payable                    | \$ 24,687                                       | \$                                                  | \$                             | \$                                                  | \$ 108,559                                     | \$ 25,121        | \$ 45,157                                                  | \$ 686,831                          | \$ 890,355           |
| Retainage payable                   |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            | 49,666                              | 49,666               |
| Accrued expenditures                | 183                                             | 53                                                  |                                |                                                     | 5,070                                          | 67,767           | 531                                                        | 784,824                             | 858,428              |
| Unearned/ Deferred revenue          |                                                 | 87,434                                              |                                |                                                     |                                                |                  |                                                            | 44,812                              | 132,246              |
| Due to other funds                  | 174,499                                         |                                                     |                                |                                                     |                                                |                  | 82,275                                                     | 1,570                               | 258,344              |
| Due to other governments            |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            | 25,232                              | 25,232               |
| Total liabilities                   | <u>199,369</u>                                  | <u>87,487</u>                                       |                                |                                                     | <u>113,629</u>                                 | <u>92,888</u>    | <u>127,963</u>                                             | <u>1,592,935</u>                    | <u>2,214,271</u>     |
| Fund balances:                      |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            |                                     |                      |
| Restricted                          | 25                                              | 127,672                                             | 10,070,090                     | 12,791,079                                          | 2,292,733                                      |                  | 22,163                                                     | 26,384,025                          | 51,687,787           |
| Committed                           |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            | 14,450,497                          | 14,450,497           |
| Assigned                            |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            | 165,534                             | 165,534              |
| Unassigned                          |                                                 |                                                     |                                |                                                     |                                                |                  |                                                            | (1,045,868)                         | (1,045,868)          |
| Total fund balances                 | <u>25</u>                                       | <u>127,672</u>                                      | <u>10,070,090</u>              | <u>12,791,079</u>                                   | <u>2,292,733</u>                               |                  | <u>22,163</u>                                              | <u>39,954,188</u>                   | <u>65,257,950</u>    |
| Total liabilities and fund balances | <u>\$ 199,394</u>                               | <u>\$ 215,159</u>                                   | <u>\$ 10,070,090</u>           | <u>\$ 12,791,079</u>                                | <u>\$ 2,406,362</u>                            | <u>\$ 92,888</u> | <u>\$ 150,126</u>                                          | <u>\$ 41,547,123</u>                | <u>\$ 67,472,221</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, 2013

|                                                           | Community<br>Development<br>Block Grant<br>Fund | State Housing<br>Initiatives<br>Partnership<br>Fund | Parking<br>Impact Fees<br>Fund | Transportation<br>Concurrency<br>Management<br>Fund | Police<br>Confiscation<br>and Training<br>Fund | ARRA     | HOME<br>Investment<br>Partnership<br>Program Grant<br>Fund | Other<br>Special<br>Revenue<br>Fund | Total         |
|-----------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------------------------------------|----------|------------------------------------------------------------|-------------------------------------|---------------|
| <b>Revenues:</b>                                          |                                                 |                                                     |                                |                                                     |                                                |          |                                                            |                                     |               |
| Sales, Use and Fuel Taxes                                 | \$                                              | \$                                                  | \$                             | \$                                                  | \$                                             | \$       | \$                                                         | \$ 3,149,589                        | \$ 3,149,589  |
| Utility taxes                                             |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 847,841                             | 847,841       |
| Other taxes                                               |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 2,353,747                           | 2,353,747     |
| Federal grants                                            | 1,313,766                                       |                                                     |                                |                                                     | 301,504                                        | 473,433  | 180,168                                                    | 2,026,364                           | 4,295,235     |
| State grants                                              |                                                 | 4,400                                               |                                |                                                     | 116,463                                        |          |                                                            | 23,189                              | 144,052       |
| Grants from other local units                             |                                                 |                                                     |                                |                                                     | 41,452                                         |          |                                                            | 1,435,737                           | 1,477,189     |
| Charges for services                                      |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 4,007,129                           | 4,007,129     |
| Fines and forfeitures                                     |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 325,293                             | 325,293       |
| Impact Fees                                               |                                                 |                                                     | 1,070,852                      | 1,269,498                                           |                                                |          |                                                            |                                     | 2,340,350     |
| Interest income                                           |                                                 | 1,394                                               | 66,388                         |                                                     | 16,403                                         |          | 35                                                         | 35,956                              | 120,176       |
| Miscellaneous                                             |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 305,074                             | 305,074       |
| Total revenues                                            | 1,313,766                                       | 5,794                                               | 1,137,240                      | 1,269,498                                           | 475,822                                        | 473,433  | 180,203                                                    | 14,509,919                          | 19,365,675    |
| <b>Expenditures:</b>                                      |                                                 |                                                     |                                |                                                     |                                                |          |                                                            |                                     |               |
| Current:                                                  |                                                 |                                                     |                                |                                                     |                                                |          |                                                            |                                     |               |
| General government                                        |                                                 |                                                     | 108,829                        |                                                     |                                                |          |                                                            | 65,577                              | 174,406       |
| Public safety                                             |                                                 |                                                     |                                |                                                     | 442,144                                        | 115,264  |                                                            | 7,738,953                           | 8,296,361     |
| Physical environment                                      |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 448,051                             | 448,051       |
| Transportation                                            |                                                 |                                                     |                                | 49,964                                              |                                                |          |                                                            | 1,464,842                           | 1,514,806     |
| Economic environment                                      | 1,259,157                                       | 4,400                                               |                                |                                                     |                                                |          | 180,168                                                    | 1,232,587                           | 2,676,312     |
| Human services                                            |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 714,909                             | 714,909       |
| Culture and recreation                                    |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 1,311,605                           | 1,311,605     |
| Capital Outlay                                            |                                                 |                                                     |                                | 4,348                                               | 339,212                                        | 276,951  |                                                            | 1,985,742                           | 2,606,253     |
| Debt Service:                                             |                                                 |                                                     |                                |                                                     |                                                |          |                                                            |                                     |               |
| Principal                                                 | 54,683                                          |                                                     |                                |                                                     |                                                |          |                                                            | 575,317                             | 630,000       |
| Interest                                                  |                                                 |                                                     |                                |                                                     |                                                |          |                                                            | 2,652                               | 2,652         |
| Total expenditures                                        | 1,313,840                                       | 4,400                                               | 108,829                        | 54,312                                              | 781,356                                        | 392,215  | 180,168                                                    | 15,540,235                          | 18,375,355    |
| Excess (deficiency) of revenues over (under) expenditures | (74)                                            | 1,394                                               | 1,028,411                      | 1,215,186                                           | (305,534)                                      | 81,218   | 35                                                         | (1,030,316)                         | 990,320       |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                                 |                                                     |                                |                                                     |                                                |          |                                                            |                                     |               |
| Transfers in                                              |                                                 |                                                     |                                |                                                     | 73,933                                         |          |                                                            | 7,901,684                           | 7,975,617     |
| Total other financing sources (uses)                      |                                                 |                                                     |                                |                                                     | 73,933                                         |          |                                                            | 7,901,684                           | 7,975,617     |
| Net change in fund balances                               | (74)                                            | 1,394                                               | 1,028,411                      | 1,215,186                                           | (231,601)                                      | 81,218   | 35                                                         | 6,871,368                           | 8,965,937     |
| Fund balances - beginning of year                         | 99                                              | 126,278                                             | 9,041,679                      | 11,575,893                                          | 2,524,334                                      | (81,218) | 22,128                                                     | 33,082,820                          | 56,292,013    |
| Fund balances - end of year                               | \$ 25                                           | \$ 127,672                                          | \$ 10,070,090                  | \$ 12,791,079                                       | \$ 2,292,733                                   | \$       | \$ 22,163                                                  | \$ 39,954,188                       | \$ 65,257,950 |

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

**September 30, 2013**

|                                             | General<br>Obligation<br>Debt Service<br>Fund | Pension<br>Special<br>Obligation Debt<br>Service Fund | Gulf Breeze<br>Special<br>Obligation Debt<br>Service Fund | Miami Beach<br>Redevelopment<br>Agency<br>Debt Service<br>Fund | Sunshine State<br>Special<br>Obligation Debt<br>Service Fund | Other<br>Debt<br>Service Funds | Total               |
|---------------------------------------------|-----------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|--------------------------------|---------------------|
| <b><u>Assets</u></b>                        |                                               |                                                       |                                                           |                                                                |                                                              |                                |                     |
| Cash and investments                        | \$ 990,560                                    | \$ 666                                                | \$ 1,802,917                                              | \$ 6,898,150                                                   | \$ 126,547                                                   | \$ 445                         | \$ 9,819,285        |
| Receivables, net                            | 153,562                                       |                                                       |                                                           |                                                                |                                                              |                                | 153,562             |
| Accrued interest                            | 259                                           |                                                       |                                                           |                                                                |                                                              |                                | 259                 |
| Total assets                                | <u>\$ 1,144,381</u>                           | <u>\$ 666</u>                                         | <u>\$ 1,802,917</u>                                       | <u>\$ 6,898,150</u>                                            | <u>\$ 126,547</u>                                            | <u>\$ 445</u>                  | <u>\$ 9,973,106</u> |
| <b><u>Liabilities and fund balances</u></b> |                                               |                                                       |                                                           |                                                                |                                                              |                                |                     |
| Liabilities:                                |                                               |                                                       |                                                           |                                                                |                                                              |                                |                     |
| Accrued expenditures                        | \$ 4,318                                      | \$                                                    | \$                                                        | \$                                                             | \$                                                           | \$ 268                         | \$ 4,586            |
| Deferred revenue                            | <u>116,938</u>                                |                                                       |                                                           |                                                                |                                                              |                                | <u>116,938</u>      |
| Total liabilities                           | <u>121,256</u>                                |                                                       |                                                           |                                                                |                                                              | <u>268</u>                     | <u>121,524</u>      |
| Fund balances:                              |                                               |                                                       |                                                           |                                                                |                                                              |                                |                     |
| Restricted                                  | <u>1,023,125</u>                              | <u>666</u>                                            | <u>1,802,917</u>                                          | <u>6,898,150</u>                                               | <u>126,547</u>                                               | <u>177</u>                     | <u>9,851,582</u>    |
| Total fund balances                         | <u>1,023,125</u>                              | <u>666</u>                                            | <u>1,802,917</u>                                          | <u>6,898,150</u>                                               | <u>126,547</u>                                               | <u>177</u>                     | <u>9,851,582</u>    |
| Total liabilities and fund<br>balances      | <u>\$ 1,144,381</u>                           | <u>\$ 666</u>                                         | <u>\$ 1,802,917</u>                                       | <u>\$ 6,898,150</u>                                            | <u>\$ 126,547</u>                                            | <u>\$ 445</u>                  | <u>\$ 9,973,106</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, 2013**

|                                         | General<br>Obligation<br>Debt Service<br>Fund | Pension<br>Special<br>Obligation Debt<br>Service Fund | Gulf Breeze<br>Special<br>Obligation Debt<br>Service Fund | Miami Beach<br>Redevelopment<br>Agency<br>Debt Service<br>Fund | Sunshine State<br>Special<br>Obligation<br>Debt Service<br>Fund | Other<br>Debt<br>Service Funds | Total               |
|-----------------------------------------|-----------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------|---------------------|
| <b>Revenues</b>                         |                                               |                                                       |                                                           |                                                                |                                                                 |                                |                     |
| Property taxes                          | \$ 5,393,493                                  | \$                                                    | \$                                                        | \$                                                             | \$                                                              | \$                             | \$ 5,393,493        |
| Interest income                         | 1,330                                         |                                                       |                                                           | 42                                                             |                                                                 |                                | 1,372               |
| Total revenues                          | <u>5,394,823</u>                              |                                                       |                                                           | <u>42</u>                                                      |                                                                 |                                | <u>5,394,865</u>    |
| <b>Expenditures</b>                     |                                               |                                                       |                                                           |                                                                |                                                                 |                                |                     |
| Debt Service:                           |                                               |                                                       |                                                           |                                                                |                                                                 |                                |                     |
| Principal                               | 3,330,000                                     | 3,445,000                                             | 1,952,890                                                 | 4,885,000                                                      |                                                                 | 599,266                        | 14,212,156          |
| Interest                                | 2,595,794                                     | 1,737,848                                             | 365,534                                                   | 3,512,766                                                      |                                                                 | 580,305                        | 8,792,247           |
| Other                                   | <u>350</u>                                    | <u>808</u>                                            | <u>10,952</u>                                             |                                                                |                                                                 | <u>2,000</u>                   | <u>14,110</u>       |
| Total expenditures                      | <u>5,926,144</u>                              | <u>5,183,656</u>                                      | <u>2,329,376</u>                                          | <u>8,397,766</u>                                               |                                                                 | <u>1,181,571</u>               | <u>23,018,513</u>   |
| Excess of expenditures over<br>revenues | <u>(531,321)</u>                              | <u>(5,183,656)</u>                                    | <u>(2,329,376)</u>                                        | <u>(8,397,724)</u>                                             |                                                                 | <u>(1,181,571)</u>             | <u>(17,623,648)</u> |
| Other financing sources (uses):         |                                               |                                                       |                                                           |                                                                |                                                                 |                                |                     |
| Transfers in                            |                                               | 5,183,658                                             | 2,503,319                                                 | 9,812,081                                                      |                                                                 | 1,181,426                      | 18,680,484          |
| Transfers out                           |                                               |                                                       |                                                           | <u>(1,288,000)</u>                                             |                                                                 |                                | <u>(1,288,000)</u>  |
| Total other financing sources           |                                               | <u>5,183,658</u>                                      | <u>2,503,319</u>                                          | <u>8,524,081</u>                                               |                                                                 | <u>1,181,426</u>               | <u>17,392,484</u>   |
| Net change in fund balances             | (531,321)                                     | 2                                                     | 173,943                                                   | 126,357                                                        |                                                                 | (145)                          | (231,164)           |
| Fund balances at beginning of year      | <u>1,554,446</u>                              | <u>664</u>                                            | <u>1,628,974</u>                                          | <u>6,771,793</u>                                               | <u>126,547</u>                                                  | <u>322</u>                     | <u>10,082,746</u>   |
| Fund balances at end of year            | <u>\$ 1,023,125</u>                           | <u>\$ 666</u>                                         | <u>\$ 1,802,917</u>                                       | <u>\$ 6,898,150</u>                                            | <u>\$ 126,547</u>                                               | <u>\$ 177</u>                  | <u>\$ 9,851,582</u> |

**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, 2013**

|                                                              | General Obligation Debt Service Fund      |                   |                                                          | Miami Beach Redevelopment Agency<br>Special Obligation Debt Service Fund |                              |                   |                                                          |
|--------------------------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------------------|--------------------------------------------------------------------------|------------------------------|-------------------|----------------------------------------------------------|
|                                                              | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) | Original<br>Budgeted<br>Amounts                                          | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
| <b>Revenues</b>                                              |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Property taxes                                               | \$ 5,630,000                              | \$ 5,393,493      | \$ (236,507)                                             | \$                                                                       | \$                           | \$                | \$                                                       |
| Interest income                                              | 298,000                                   | 1,330             | (296,670)                                                |                                                                          |                              | 42                | 42                                                       |
| Total revenues                                               | 5,928,000                                 | 5,394,823         | (533,177)                                                |                                                                          |                              | 42                | 42                                                       |
| <b>Expenditures</b>                                          |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Debt Service:                                                |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Principal payments                                           | 3,330,000                                 | 3,330,000         |                                                          | 4,885,000                                                                | 4,885,000                    | 4,885,000         |                                                          |
| Interest payments                                            | 2,595,794                                 | 2,595,794         |                                                          | 3,513,000                                                                | 3,513,000                    | 3,512,766         | 234                                                      |
| Other                                                        | 2,206                                     | 350               | 1,856                                                    | 17,000                                                                   | 17,000                       |                   | 17,000                                                   |
| Total expenditures                                           | 5,928,000                                 | 5,926,144         | 1,856                                                    | 8,415,000                                                                | 8,415,000                    | 8,397,766         | 17,234                                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures |                                           | (531,321)         | (531,321)                                                | (8,415,000)                                                              | (8,415,000)                  | (8,397,724)       | 17,276                                                   |
| <b>Other financing sources (uses)</b>                        |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Transfers in                                                 |                                           |                   |                                                          | 9,703,000                                                                | 9,703,000                    | 9,812,081         | 109,081                                                  |
| Transfers out                                                |                                           |                   |                                                          | (1,288,000)                                                              | (1,288,000)                  | (1,288,000)       |                                                          |
| Total other financing sources                                |                                           |                   |                                                          | 8,415,000                                                                | 8,415,000                    | 8,524,081         | 109,081                                                  |
| Net change in fund balances                                  |                                           | (531,321)         | (531,321)                                                |                                                                          |                              | 126,357           | 126,357                                                  |
| Fund balances - beginning                                    | 1,554,446                                 | 1,554,446         |                                                          | 6,771,793                                                                | 6,771,793                    | 6,771,793         |                                                          |
| Fund balances - ending                                       | \$ 1,554,446                              | \$ 1,023,125      | \$ (531,321)                                             | \$ 6,771,793                                                             | \$ 6,771,793                 | \$ 6,898,150      | \$ 126,357                                               |

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**September 30, 2013**

|                                                              | Sanitation<br>Fund   | Miami Beach<br>Redevelopment<br>Agency's<br>Parking Fund | Miami Beach<br>Redevelopment<br>Agency's<br>Leasing Fund | Totals               |
|--------------------------------------------------------------|----------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------|
| <b>ASSETS</b>                                                |                      |                                                          |                                                          |                      |
| Current assets:                                              |                      |                                                          |                                                          |                      |
| Cash and investments                                         | \$ 10,563,771        | \$ 12,017,025                                            | \$ 6,881,122                                             | \$ 29,461,918        |
| Accounts receivable (net of<br>allowance for uncollectibles) | 794,930              | 109,334                                                  | 211,916                                                  | 1,116,180            |
| Due from other funds                                         | 1,193,626            | 748,955                                                  | 198,271                                                  | 2,140,852            |
| Prepaid expenses                                             |                      | 7,000                                                    | 16,638                                                   | 23,638               |
| Total current assets                                         | <u>12,552,327</u>    | <u>12,882,314</u>                                        | <u>7,307,947</u>                                         | <u>32,742,588</u>    |
| Noncurrent assets:                                           |                      |                                                          |                                                          |                      |
| Cash and investments                                         |                      |                                                          |                                                          |                      |
| Customer deposits                                            |                      | 14,189                                                   | 256,498                                                  | 270,687              |
| Deferred charges                                             | 418                  |                                                          |                                                          | 418                  |
| Capital assets:                                              |                      |                                                          |                                                          |                      |
| Land                                                         | 405,680              | 2,793,052                                                | 210,230                                                  | 3,408,962            |
| Buildings and structures                                     | 974,563              | 28,086,521                                               | 2,052,692                                                | 31,113,776           |
| Machinery and equipment                                      | 2,712,618            | 329,072                                                  | 9,404                                                    | 3,051,094            |
| Less accumulated depreciation                                | <u>(2,257,511)</u>   | <u>(6,821,114)</u>                                       | <u>(555,672)</u>                                         | <u>(9,634,297)</u>   |
| Total capital assets (net of<br>accumulated depreciation)    | <u>1,835,350</u>     | <u>24,387,531</u>                                        | <u>1,716,654</u>                                         | <u>27,939,535</u>    |
| Total noncurrent assets                                      | <u>1,835,768</u>     | <u>24,401,720</u>                                        | <u>1,973,152</u>                                         | <u>28,210,640</u>    |
| Total assets                                                 | <u>14,388,095</u>    | <u>37,284,034</u>                                        | <u>9,281,099</u>                                         | <u>60,953,228</u>    |
| <b>LIABILITIES</b>                                           |                      |                                                          |                                                          |                      |
| Current liabilities:                                         |                      |                                                          |                                                          |                      |
| Accounts payable                                             | 398,830              | 330,394                                                  | 1,468                                                    | 730,692              |
| Accrued expenses                                             | 66,971               |                                                          |                                                          | 66,971               |
| Due to other funds                                           |                      | 125,065                                                  | 68,366                                                   | 193,431              |
| Due to other governments                                     |                      | 4,461                                                    |                                                          | 4,461                |
| Loan payable                                                 | 197,330              |                                                          |                                                          | 197,330              |
| Accrued compensated absences                                 | 359,614              |                                                          |                                                          | 359,614              |
| Unearned revenue                                             |                      | 50,555                                                   |                                                          | 50,555               |
| Total current liabilities                                    | <u>1,022,745</u>     | <u>510,475</u>                                           | <u>69,834</u>                                            | <u>1,603,054</u>     |
| Noncurrent liabilities:                                      |                      |                                                          |                                                          |                      |
| Deposits                                                     |                      | 14,189                                                   | 256,498                                                  | 270,687              |
| Accrued compensated absences                                 | 271,049              |                                                          |                                                          | 271,049              |
| Environmental remediation liability                          | 1,000,000            |                                                          |                                                          | 1,000,000            |
| Loan payable                                                 | 440,167              |                                                          |                                                          | 440,167              |
| Total noncurrent liabilities                                 | <u>1,711,216</u>     | <u>14,189</u>                                            | <u>256,498</u>                                           | <u>1,981,903</u>     |
| Total liabilities                                            | <u>2,733,961</u>     | <u>524,664</u>                                           | <u>326,332</u>                                           | <u>3,584,957</u>     |
| <b>NET POSITION</b>                                          |                      |                                                          |                                                          |                      |
| Net investment in capital assets                             | 1,197,853            | 24,387,531                                               | 1,716,654                                                | 27,302,038           |
| Unrestricted                                                 | 10,456,281           | 12,371,839                                               | 7,238,113                                                | 30,066,233           |
| Total net position                                           | <u>\$ 11,654,134</u> | <u>\$ 36,759,370</u>                                     | <u>\$ 8,954,767</u>                                      | <u>\$ 57,368,271</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, 2013**

|                                              | <b>Sanitation<br/>Fund</b> | <b>Miami Beach<br/>Redevelopment<br/>Agency's<br/>Parking Fund</b> | <b>Miami Beach<br/>Redevelopment<br/>Agency's<br/>Leasing Fund</b> | <b>Totals</b> |
|----------------------------------------------|----------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|---------------|
| Operating revenues:                          |                            |                                                                    |                                                                    |               |
| Charges for services                         | \$ 8,008,710               | \$ 3,530,426                                                       | \$                                                                 | \$ 11,539,136 |
| Permits, rentals, and other                  | 4,428,460                  | 537,274                                                            | 962,850                                                            | 5,928,584     |
| Total operating revenues                     | 12,437,170                 | 4,067,700                                                          | 962,850                                                            | 17,467,720    |
| Operating expenses:                          |                            |                                                                    |                                                                    |               |
| Personal services                            | 7,428,686                  |                                                                    |                                                                    | 7,428,686     |
| Operating supplies                           | 24,017                     | 117,978                                                            |                                                                    | 141,995       |
| Contractual services                         | 4,699,820                  | 2,165,385                                                          | 320,012                                                            | 7,185,217     |
| Utilities                                    | 37,341                     | 105,285                                                            |                                                                    | 142,626       |
| Internal charges                             | 1,674,532                  | 342,287                                                            | 35,232                                                             | 2,052,051     |
| Depreciation                                 | 266,034                    | 735,761                                                            | 67,247                                                             | 1,069,042     |
| Administrative fees                          | 1,027,000                  | 346,509                                                            | 66,418                                                             | 1,439,927     |
| Amortization                                 | 290                        |                                                                    |                                                                    | 290           |
| Other operating                              | 405,242                    | 1,849                                                              | 12,338                                                             | 419,429       |
| Total operating expenses                     | 15,562,962                 | 3,815,054                                                          | 501,247                                                            | 19,879,263    |
| Operating income (loss)                      | (3,125,792)                | 252,646                                                            | 461,603                                                            | (2,411,543)   |
| Nonoperating revenues<br>(expenses):         |                            |                                                                    |                                                                    |               |
| Tax Increments                               | 3,671,000                  |                                                                    |                                                                    | 3,671,000     |
| Interest and fiscal charges                  | (15,476)                   |                                                                    |                                                                    | (15,476)      |
| Gain (Loss) on disposal of<br>capital assets | 37,011                     |                                                                    |                                                                    | 37,011        |
| Interest income                              | 59,537                     | 21,540                                                             | 13,147                                                             | 94,224        |
| Total nonoperating expenses                  | 3,752,072                  | 21,540                                                             | 13,147                                                             | 3,786,759     |
| Income before contributions<br>and transfers | 626,280                    | 274,186                                                            | 474,750                                                            | 1,375,216     |
| Transfers in                                 | 584,000                    | 225,055                                                            |                                                                    | 809,055       |
| Transfers out                                | (8,805)                    |                                                                    |                                                                    | (8,805)       |
| Change in net position                       | 1,201,475                  | 499,241                                                            | 474,750                                                            | 2,175,466     |
| Total net position - beginning               | 10,452,659                 | 36,260,129                                                         | 8,480,017                                                          | 55,192,805    |
| Total net position - ending                  | \$ 11,654,134              | \$ 36,759,370                                                      | \$ 8,954,767                                                       | \$ 57,368,271 |

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended September 30, 2013**

|                                                           | Sanitation<br>Fund   | Miami Beach<br>Redevelopment<br>Agency's<br>Parking Fund | Miami Beach<br>Redevelopment<br>Agency's<br>Leasing Fund | Totals               |
|-----------------------------------------------------------|----------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------|
| Cash flows from operating activities:                     |                      |                                                          |                                                          |                      |
| Cash received from customers                              | \$ 9,260,059         | \$ 3,449,856                                             | \$ 83,862                                                | \$ 12,793,777        |
| Cash paid to suppliers                                    | (5,193,780)          | (2,352,861)                                              | (331,151)                                                | (7,877,792)          |
| Cash paid to employees                                    | (7,396,068)          |                                                          |                                                          | (7,396,068)          |
| Internal activity-payments to other funds                 | (2,701,532)          | (1,470,899)                                              | (535,186)                                                | (4,707,617)          |
| Other operating                                           | 4,428,460            | 537,274                                                  | 962,850                                                  | 5,928,584            |
| Net cash provided by (used in) operating activities       | <u>(1,602,861)</u>   | <u>163,370</u>                                           | <u>180,375</u>                                           | <u>(1,259,116)</u>   |
| Cash flows for non-capital financing activities:          |                      |                                                          |                                                          |                      |
| Contributions from other governments                      | 3,671,000            |                                                          |                                                          | 3,671,000            |
| Transfers in                                              | 584,000              | 225,055                                                  |                                                          | 809,055              |
| Transfers out                                             | (8,805)              |                                                          |                                                          | (8,805)              |
| Net cash provided by non-capital financing activities     | <u>4,246,195</u>     | <u>225,055</u>                                           |                                                          | <u>4,471,250</u>     |
| Cash flows from capital and related financial activities: |                      |                                                          |                                                          |                      |
| Loan proceeds                                             | 151,286              |                                                          |                                                          | 151,286              |
| Repayment of loan                                         | (168,805)            |                                                          |                                                          | (168,805)            |
| Interest and fiscal charges                               | (15,563)             |                                                          |                                                          | (15,563)             |
| Purchase of capital assets                                | (258,031)            | (31,826)                                                 |                                                          | (289,857)            |
| Proceeds from sale of capital assets                      | 43,934               |                                                          |                                                          | 43,934               |
| Net cash used in capital and related financial activities | <u>(247,179)</u>     | <u>(31,826)</u>                                          |                                                          | <u>(279,005)</u>     |
| Cash flows from investing activities:                     |                      |                                                          |                                                          |                      |
| Interest on investments                                   | 59,537               | 21,540                                                   | 13,146                                                   | 94,223               |
| Net cash provided by investing activities                 | <u>59,537</u>        | <u>21,540</u>                                            | <u>13,146</u>                                            | <u>94,223</u>        |
| Net increase in cash and investments                      | 2,455,692            | 378,139                                                  | 193,521                                                  | 3,027,352            |
| Cash and investments - beginning of year                  | 8,108,079            | 11,653,075                                               | 6,944,099                                                | 26,705,253           |
| Cash and investments - end of year                        | <u>\$ 10,563,771</u> | <u>\$ 12,031,214</u>                                     | <u>\$ 7,137,620</u>                                      | <u>\$ 29,732,605</u> |
| Classified as:                                            |                      |                                                          |                                                          |                      |
| Current assets                                            | \$ 10,563,771        | \$ 12,017,025                                            | \$ 6,881,122                                             | \$ 29,461,918        |
| Restricted assets                                         |                      | 14,189                                                   | 256,498                                                  | 270,687              |
| Total cash and investments                                | <u>\$ 10,563,771</u> | <u>\$ 12,031,214</u>                                     | <u>\$ 7,137,620</u>                                      | <u>\$ 29,732,605</u> |
| Non-cash transactions affecting financial position:       |                      |                                                          |                                                          |                      |
| Capital contributions of capital assets                   | <u>\$</u>            | <u>\$</u>                                                | <u>\$</u>                                                | <u>\$</u>            |

(continued)

**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, 2013**

(continued)

|                                                                                                         | Sanitation<br>Fund    | Miami Beach<br>Redevelopment<br>Agency's<br>Parking Fund | Miami Beach<br>Redevelopment<br>Agency's<br>Leasing Fund | Totals                |
|---------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------|----------------------------------------------------------|-----------------------|
| Operating income (loss)                                                                                 | \$ (3,125,792)        | \$ 252,646                                               | \$ 461,603                                               | \$ (2,411,543)        |
| Adjustments to reconcile operating income<br>(loss) to cash provided by (used in) operating activities: |                       |                                                          |                                                          |                       |
| Depreciation and amortization                                                                           | 266,324               | 735,761                                                  | 67,247                                                   | 1,069,332             |
| Provision for uncollectible accounts                                                                    | 3,164                 | 1,095                                                    | (114,559)                                                | (110,300)             |
| Changes in assets and liabilities:                                                                      |                       |                                                          |                                                          |                       |
| (Increase) decrease in accounts receivable                                                              | (128,009)             | (92,764)                                                 | 188,649                                                  | (32,124)              |
| (Increase) decrease in due from other funds                                                             | 1,376,194             | (576,283)                                                | (191,555)                                                | 608,356               |
| (Increase) decrease in prepaid expense                                                                  |                       |                                                          | 9,503                                                    | 9,503                 |
| Increase (decrease) in accounts payable                                                                 | 79,387                | 39,473                                                   | (5,394)                                                  | 113,466               |
| Increase (decrease) in accrued expenses                                                                 | 10,957                |                                                          |                                                          | 10,957                |
| Increase (decrease) in deposits                                                                         |                       | 1,254                                                    | 9,772                                                    | 11,026                |
| Increase (decrease) in due to other governments                                                         |                       | (1,837)                                                  | (2,910)                                                  | (4,747)               |
| Increase (decrease) in due to other funds                                                               | (106,747)             | (205,820)                                                | (241,981)                                                | (554,548)             |
| Increase (decrease) in deferred revenues                                                                |                       | 9,845                                                    |                                                          | 9,845                 |
| Increase (decrease) in accrued compensated<br>absences                                                  | 21,661                |                                                          |                                                          | 21,661                |
| Total adjustments                                                                                       | 1,522,931             | (89,276)                                                 | (281,228)                                                | 1,152,427             |
| Net cash provided by (used in) operating activities                                                     | <u>\$ (1,602,861)</u> | <u>\$ 163,370</u>                                        | <u>\$ 180,375</u>                                        | <u>\$ (1,259,116)</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2013**

|                                                        | <b>Fleet<br/>Management<br/>Fund</b> | <b>Property<br/>Management<br/>Fund</b> | <b>Central<br/>Services<br/>Fund</b> | <b>Risk<br/>Insurance<br/>Fund</b> | <b>Health<br/>Insurance<br/>Fund</b> | <b>Communications<br/>Fund</b> | <b>Total</b>         |
|--------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|----------------------|
| <b>ASSETS</b>                                          |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Current assets:                                        |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Cash and investments                                   | \$ 4,933,890                         | \$ 2,950,834                            | \$ 792,996                           | \$ 22,350,969                      | \$ 3,570,601                         | \$ 8,129,533                   | \$ 42,728,823        |
| Cash with fiscal agent                                 |                                      |                                         |                                      | 250,000                            |                                      |                                | 250,000              |
| Accounts receivable, net                               | 383,924                              | 39,782                                  | 3,879                                | 2,391                              | 323,174                              | 16,255                         | 769,405              |
| Due from other funds                                   | 29,336                               | 133,373                                 | 4,141                                | 66,268                             | 480,720                              | 34,516                         | 748,354              |
| Prepaid expenses                                       |                                      |                                         |                                      | 1,642,709                          |                                      |                                | 1,642,709            |
| Inventories                                            | 222,505                              | 122,798                                 | 21,732                               |                                    |                                      |                                | 367,035              |
| Total current assets                                   | <u>5,569,655</u>                     | <u>3,246,787</u>                        | <u>822,748</u>                       | <u>24,312,337</u>                  | <u>4,374,495</u>                     | <u>8,180,304</u>               | <u>46,506,326</u>    |
| Noncurrent assets:                                     |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Deferred charges                                       | 8,349                                |                                         |                                      |                                    |                                      | 25,502                         | 33,851               |
| Capital assets:                                        |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Land                                                   | 608,520                              |                                         |                                      |                                    |                                      |                                | 608,520              |
| Buildings and structures                               | 2,582,551                            | 19,276                                  |                                      |                                    |                                      |                                | 2,601,827            |
| Machinery and equipment                                | 29,691,258                           | 3,324,442                               | 121,839                              | 298,048                            |                                      | 24,674,950                     | 58,110,537           |
| Construction in progress                               |                                      |                                         |                                      |                                    |                                      | 16,000                         | 16,000               |
| Less accumulated depreciation                          | (19,894,840)                         | (2,694,352)                             | (118,209)                            | (284,951)                          |                                      | (21,172,221)                   | (44,164,573)         |
| Total capital assets (net of accumulated depreciation) | <u>12,987,489</u>                    | <u>649,366</u>                          | <u>3,630</u>                         | <u>13,097</u>                      |                                      | <u>3,518,729</u>               | <u>17,172,311</u>    |
| Total noncurrent assets                                | <u>12,995,838</u>                    | <u>649,366</u>                          | <u>3,630</u>                         | <u>13,097</u>                      |                                      | <u>3,544,231</u>               | <u>17,206,162</u>    |
| Total assets                                           | <u>18,565,493</u>                    | <u>3,896,153</u>                        | <u>826,378</u>                       | <u>24,325,434</u>                  | <u>4,374,495</u>                     | <u>11,724,535</u>              | <u>63,712,488</u>    |
| <b>LIABILITIES</b>                                     |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Current liabilities:                                   |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Accounts payable                                       | 992,581                              | 192,265                                 | 30,481                               | 284,708                            | 941,686                              | 416,123                        | 2,857,844            |
| Accrued expenses                                       | 43,306                               | 118,425                                 | 3,733                                | 5,381                              | 1,338                                | 139,487                        | 311,670              |
| Due to other funds                                     |                                      | 4,675                                   |                                      | 341,775                            | 31,093                               |                                | 377,543              |
| Accrued compensated absences                           | 83,219                               | 200,093                                 | 17,152                               | 19,417                             | 2,935                                | 239,463                        | 562,279              |
| Loan payable                                           | 2,454,266                            | 106,894                                 |                                      |                                    |                                      | 726,177                        | 3,287,337            |
| Pending insurance claims                               |                                      |                                         |                                      | 7,200,081                          |                                      |                                | 7,200,081            |
| Total current liabilities                              | <u>3,573,372</u>                     | <u>622,352</u>                          | <u>51,366</u>                        | <u>7,851,362</u>                   | <u>977,052</u>                       | <u>1,521,250</u>               | <u>14,596,754</u>    |
| Noncurrent liabilities:                                |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Accrued compensated absences                           | 83,973                               | 1,864                                   | 40,485                               | 17,437                             | 22,304                               | 516,861                        | 682,924              |
| Loan payable                                           | 7,709,197                            | 361,899                                 |                                      |                                    |                                      | 1,015,579                      | 9,086,675            |
| Pending insurance claims                               |                                      |                                         |                                      | 4,690,767                          |                                      |                                | 4,690,767            |
| Insurance claims incurred but not reported             |                                      |                                         |                                      | 13,330,943                         | 1,260,081                            |                                | 14,591,024           |
| Total noncurrent liabilities                           | <u>7,793,170</u>                     | <u>363,763</u>                          | <u>40,485</u>                        | <u>18,039,147</u>                  | <u>1,282,385</u>                     | <u>1,532,440</u>               | <u>29,051,390</u>    |
| Total liabilities                                      | <u>11,366,542</u>                    | <u>986,115</u>                          | <u>91,851</u>                        | <u>25,890,509</u>                  | <u>2,259,437</u>                     | <u>3,053,690</u>               | <u>43,648,144</u>    |
| <b>NET POSITION</b>                                    |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Net investment in capital assets                       | 2,824,026                            | 180,573                                 | 3,630                                | 13,097                             |                                      | 1,776,973                      | 4,798,299            |
| Unrestricted                                           | 4,374,925                            | 2,729,465                               | 730,897                              | (1,578,172)                        | 2,115,058                            | 6,893,872                      | 15,266,045           |
| Total net position                                     | <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> |

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, 2013**

|                                                  | <b>Fleet<br/>Management<br/>Fund</b> | <b>Property<br/>Management<br/>Fund</b> | <b>Central<br/>Services<br/>Fund</b> | <b>Risk<br/>Insurance<br/>Fund</b> | <b>Health<br/>Insurance<br/>Fund</b> | <b>Communications<br/>Fund</b> | <b>Total</b>         |
|--------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|----------------------|
| Operating revenues:                              |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Charges for services                             | \$ 8,985,353                         | \$ 8,401,219                            | \$ 1,111,646                         | \$ 22,735,592                      | \$ 18,778,784                        | \$ 14,598,081                  | \$ 74,610,675        |
| Miscellaneous                                    | <u>112,074</u>                       |                                         |                                      | <u>722,318</u>                     | <u>1,435,634</u>                     | <u>226,300</u>                 | <u>2,496,326</u>     |
| Total operating revenues                         | <u>9,097,427</u>                     | <u>8,401,219</u>                        | <u>1,111,646</u>                     | <u>23,457,910</u>                  | <u>20,214,418</u>                    | <u>14,824,381</u>              | <u>77,107,001</u>    |
| Operating expenses:                              |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Personal services                                | 1,652,592                            | 3,566,695                               | 380,792                              | 527,816                            | 123,750                              | 4,689,286                      | 10,940,931           |
| Operating supplies                               | 3,813,816                            | 554,281                                 | 582                                  | 4,299                              |                                      | 104,084                        | 4,477,062            |
| Contractual services                             | 157,269                              | 1,562,550                               | 333,785                              | 1,562,420                          | 846,051                              | 4,084,160                      | 8,546,235            |
| Utilities                                        | 55,174                               | 572,090                                 | 1,973                                | 279                                |                                      | 1,584,835                      | 2,214,351            |
| Internal charges                                 | 528,061                              | 785,997                                 | 82,443                               | 23,052                             |                                      | 739,672                        | 2,159,225            |
| Administrative fees                              |                                      |                                         |                                      | 1,100,000                          |                                      |                                | 1,100,000            |
| Amortization                                     | 6,815                                |                                         |                                      |                                    |                                      | 5,683                          | 12,498               |
| Depreciation                                     | 2,607,172                            | 165,901                                 | 4,347                                | 25,969                             |                                      | 1,869,192                      | 4,672,581            |
| Insurance                                        |                                      |                                         |                                      | 10,574,564                         | 1,254,585                            |                                | 11,829,149           |
| Claims and judgements                            |                                      |                                         |                                      | 7,166,818                          | 16,547,199                           |                                | 23,714,017           |
| Other operating                                  | <u>98,928</u>                        | <u>28,232</u>                           | <u>37,008</u>                        | <u>221,026</u>                     | <u>129,890</u>                       | <u>694,510</u>                 | <u>1,209,594</u>     |
| Total operating expenses                         | <u>8,919,827</u>                     | <u>7,235,746</u>                        | <u>840,930</u>                       | <u>21,206,243</u>                  | <u>18,901,475</u>                    | <u>13,771,422</u>              | <u>70,875,643</u>    |
| Operating income (loss)                          | <u>177,600</u>                       | <u>1,165,473</u>                        | <u>270,716</u>                       | <u>2,251,667</u>                   | <u>1,312,943</u>                     | <u>1,052,959</u>               | <u>6,231,358</u>     |
| Nonoperating revenues (expenses):                |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Interest and fiscal charges                      | (210,186)                            | (9,944)                                 |                                      |                                    |                                      | (66,716)                       | (286,846)            |
| Gain (loss) on sale of capital assets            | 390,130                              | 36,857                                  |                                      | 2,391                              |                                      | 31,538                         | 460,916              |
| Interest income                                  | <u>24,031</u>                        | <u>10,957</u>                           | <u>3,244</u>                         | <u>147,836</u>                     |                                      | <u>41,349</u>                  | <u>227,417</u>       |
| Total nonoperating revenues (expenses)           | <u>203,975</u>                       | <u>37,870</u>                           | <u>3,244</u>                         | <u>150,227</u>                     |                                      | <u>6,171</u>                   | <u>401,487</u>       |
| Income (loss) before contributions and transfers | 381,575                              | 1,203,343                               | 273,960                              | 2,401,894                          | 1,312,943                            | 1,059,130                      | 6,632,845            |
| Capital contributions                            | 183,952                              |                                         |                                      |                                    |                                      |                                | 183,952              |
| Transfers in                                     |                                      |                                         |                                      |                                    |                                      | 1,431,259                      | 1,431,259            |
| Transfers out                                    | <u>(3,059)</u>                       | <u>(215,637)</u>                        | <u>(2,815)</u>                       | <u>(4,407)</u>                     |                                      | <u>(1,098,349)</u>             | <u>(1,324,267)</u>   |
| Change in net position                           | 562,468                              | 987,706                                 | 271,145                              | 2,397,487                          | 1,312,943                            | 1,392,040                      | 6,923,789            |
| Net position-beginning                           | <u>6,636,483</u>                     | <u>1,922,332</u>                        | <u>463,382</u>                       | <u>(3,962,562)</u>                 | <u>802,115</u>                       | <u>7,278,805</u>               | <u>13,140,555</u>    |
| Net position-ending                              | <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> |

**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, 2013

|                                                                 | <b>Fleet<br/>Management<br/>Fund</b> | <b>Property<br/>Maintenance<br/>Fund</b> | <b>Central<br/>Services<br/>Fund</b> | <b>Risk<br/>Insurance<br/>Fund</b> | <b>Health<br/>Insurance<br/>Fund</b> | <b>Communications<br/>Fund</b> | <b>Totals</b>        |
|-----------------------------------------------------------------|--------------------------------------|------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|----------------------|
| Cash flows from operating activities:                           |                                      |                                          |                                      |                                    |                                      |                                |                      |
| Cash received from users                                        | \$ 8,985,353                         | \$ 8,400,421                             | \$ 1,110,163                         | \$ 22,800,157                      | \$ 18,904,208                        | \$ 14,534,740                  | \$ 74,735,042        |
| Cash paid to suppliers                                          | (4,332,671)                          | (2,809,554)                              | (380,036)                            | (12,389,586)                       | (1,760,772)                          | (6,639,974)                    | (28,312,593)         |
| Cash paid to employees                                          | (1,693,577)                          | (3,564,790)                              | (374,979)                            | (557,403)                          | (123,149)                            | (4,681,253)                    | (10,995,151)         |
| Cash paid for claims and judgements                             |                                      |                                          |                                      | (6,657,090)                        | (16,486,118)                         |                                | (23,143,208)         |
| Internal charges-payments to other funds                        | (528,061)                            | (725,041)                                | (87,248)                             | (1,123,052)                        | 1,281,317                            | (739,672)                      | (1,921,757)          |
| Other operating                                                 | 40,063                               | (25,687)                                 |                                      | 722,318                            | 1,435,634                            | 226,300                        | 2,398,628            |
| Net cash provided by (used in) operating activities             | 2,471,107                            | 1,275,349                                | 267,900                              | 2,795,344                          | 3,251,120                            | 2,700,141                      | 12,760,961           |
| Cash flows for non-capital financing activities:                |                                      |                                          |                                      |                                    |                                      |                                |                      |
| Transfers in                                                    |                                      |                                          |                                      |                                    |                                      | 1,431,259                      | 1,431,259            |
| Transfers out                                                   | (3,059)                              | (215,637)                                | (2,815)                              | (4,407)                            |                                      | (1,098,349)                    | (1,324,267)          |
| Net cash provided by (used in) non-capital financing activities | (3,059)                              | (215,637)                                | (2,815)                              | (4,407)                            |                                      | 332,910                        | 106,992              |
| Cash flows from capital and related financial activities:       |                                      |                                          |                                      |                                    |                                      |                                |                      |
| Loan proceeds                                                   | 3,564,512                            | 198,361                                  |                                      |                                    |                                      | 78,087                         | 3,840,960            |
| Repayment of loan                                               | (2,483,796)                          | (83,084)                                 |                                      |                                    |                                      | (714,912)                      | (3,281,792)          |
| Interest and fiscal charges                                     | (219,461)                            | (9,944)                                  |                                      |                                    |                                      | (72,105)                       | (301,510)            |
| Purchase of capital assets                                      | (3,246,135)                          | (243,056)                                |                                      |                                    |                                      | (1,603,263)                    | (5,092,454)          |
| Proceeds from sale of capital assets                            | 369,278                              | 36,857                                   |                                      | 2,391                              |                                      | 31,639                         | 440,165              |
| Net cash used in capital and related financial activities       | (2,015,602)                          | (100,866)                                |                                      | 2,391                              |                                      | (2,280,554)                    | (4,394,631)          |
| Cash flows from investing activities:                           |                                      |                                          |                                      |                                    |                                      |                                |                      |
| Interest on investments                                         | 24,031                               | 10,957                                   | 3,244                                | 147,836                            |                                      | 41,349                         | 227,417              |
| Net cash provided by investing activities                       | 24,031                               | 10,957                                   | 3,244                                | 147,836                            |                                      | 41,349                         | 227,417              |
| Net increase (decrease) in cash and investments                 | 476,477                              | 969,803                                  | 268,329                              | 2,941,164                          | 3,251,120                            | 793,846                        | 8,700,739            |
| Cash and investments - beginning of year                        | 4,457,413                            | 1,981,031                                | 524,667                              | 19,659,805                         | 319,481                              | 7,335,687                      | 34,278,084           |
| Cash and investments - end of year                              | <u>\$ 4,933,890</u>                  | <u>\$ 2,950,834</u>                      | <u>\$ 792,996</u>                    | <u>\$ 22,600,969</u>               | <u>\$ 3,570,601</u>                  | <u>\$ 8,129,533</u>            | <u>\$ 42,978,823</u> |
| Classified as:                                                  |                                      |                                          |                                      |                                    |                                      |                                |                      |
| Cash and investments-current                                    | \$ 4,933,890                         | \$ 2,950,834                             | \$ 792,996                           | \$ 22,600,969                      | \$ 3,570,601                         | \$ 8,129,533                   | \$ 42,978,823        |
| Non-cash transactions affecting financial position:             |                                      |                                          |                                      |                                    |                                      |                                |                      |
| Capital contributions of capital assets                         | <u>\$ 183,952</u>                    | <u>\$</u>                                | <u>\$</u>                            | <u>\$</u>                          | <u>\$</u>                            | <u>\$</u>                      | <u>\$ 183,952</u>    |

(continued)

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, 2013

(continued)

|                                                                                                                | Fleet<br>Management<br>Fund | Property<br>Maintenance<br>Fund | Central<br>Services<br>Fund | Risk<br>Insurance<br>Fund | Health<br>Insurance<br>Fund | Communications<br>Fund | Totals        |
|----------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------|-----------------------------|------------------------|---------------|
| Operating income (loss)                                                                                        | \$ 177,600                  | \$ 1,165,473                    | \$ 270,716                  | \$ 2,251,667              | \$ 1,312,943                | \$ 1,052,959           | \$ 6,231,358  |
| Adjustments to reconcile operating<br>income (loss) to net cash provided by<br>(used in) operating activities: |                             |                                 |                             |                           |                             |                        |               |
| Depreciation and amortization                                                                                  | 2,613,987                   | 165,901                         | 4,347                       | 25,969                    |                             | 1,874,875              | 4,685,079     |
| Provision for uncollectible accounts                                                                           |                             | (798)                           | (210)                       |                           | 2,093                       | (191)                  | 894           |
| Changes in assets and liabilities:                                                                             |                             |                                 |                             |                           |                             |                        |               |
| (Increase) decrease in inventories                                                                             | (67,875)                    | (53,293)                        | (4,854)                     |                           |                             |                        | (126,022)     |
| (Increase) decrease in accounts<br>receivable                                                                  | (88,037)                    | (25,687)                        | (1,273)                     | 64,565                    | 123,331                     | (7,159)                | 65,740        |
| (Increase) decrease in due from<br>other funds                                                                 | 16,026                      | 60,956                          | 1,647                       | 42,785                    | 1,282,105                   | (15,692)               | 1,387,827     |
| Increase in prepaid expense                                                                                    |                             |                                 |                             | (398,025)                 |                             |                        | (398,025)     |
| Increase (decrease) in accounts<br>payable                                                                     | (120,535)                   | (68,594)                        | (1,834)                     | 10,392                    | 469,754                     | (249,473)              | 39,710        |
| Increase (decrease) in retainage<br>payable                                                                    | (37,083)                    |                                 |                             |                           |                             |                        | (37,083)      |
| Increase (decrease) in accrued<br>compensated absences                                                         | (23,580)                    | (976)                           | 5,085                       | (29,520)                  | 343                         | (993)                  | (49,641)      |
| Increase (decrease) in due to<br>other funds                                                                   | (25,297)                    | (52,285)                        | (6,452)                     | 335,814                   | (788)                       | (40,299)               | 210,693       |
| Increase (decrease) in pending<br>insurance claims                                                             |                             |                                 |                             | 98,191                    | 61,081                      |                        | 159,272       |
| (Decrease) in insurance claims<br>incurred but not reported                                                    |                             |                                 |                             | 411,537                   |                             |                        | 411,537       |
| Increase (decrease) in accrued<br>expenses                                                                     | 25,901                      | 84,652                          | 728                         | (18,031)                  | 258                         | 86,114                 | 179,622       |
| Total adjustments                                                                                              | 2,293,507                   | 109,876                         | (2,816)                     | 543,677                   | 1,938,177                   | 1,647,182              | 6,529,603     |
| Net cash provided by (used in) operating<br>activities                                                         | \$ 2,471,107                | \$ 1,275,349                    | \$ 267,900                  | \$ 2,795,344              | \$ 3,251,120                | \$ 2,700,141           | \$ 12,760,961 |

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

**September 30, 2013**

|                                             | Employees'<br>Retirement<br>System | Retirement<br>System for<br>Firefighters<br>and<br>Police Officers | Firemen's<br>Relief and<br>Pension Fund | Policemen's<br>Relief and<br>Pension Fund | Postemployment<br>Benefits Other<br>Than Pension<br>(OPEB) | Totals           |
|---------------------------------------------|------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|------------------------------------------------------------|------------------|
| <b>Assets</b>                               |                                    |                                                                    |                                         |                                           |                                                            |                  |
| Cash and cash equivalents                   | \$ 5,640,604                       | \$ 20,000                                                          | \$ 1,912,978                            | \$ 160,186                                | \$ 77,562                                                  | \$ 7,811,330     |
| Accrued interest receivable                 | 1,271,032                          | 2,154,308                                                          | 49,813                                  | 17,133                                    |                                                            | 3,492,286        |
| Contribution receivable                     |                                    |                                                                    | 131,993                                 |                                           | 977,000                                                    | 1,108,993        |
| Other receivables                           |                                    | 1,222,109                                                          | 13,287                                  |                                           |                                                            | 1,235,396        |
| Prepaid insurance                           |                                    |                                                                    |                                         | 4,068                                     |                                                            | 4,068            |
| Investments, at fair value:                 |                                    |                                                                    |                                         |                                           |                                                            |                  |
| Short-term investments                      |                                    |                                                                    |                                         | 713,589                                   |                                                            | 713,589          |
| U.S. Government securities                  | 11,265,008                         | 23,145,088                                                         | 953,853                                 | 284,120                                   |                                                            | 35,648,069       |
| Corporate bonds and notes                   | 37,918,958                         | 154,983,512                                                        | 3,765,461                               | 1,667,916                                 |                                                            | 198,335,847      |
| Municipal bonds                             | 238,599                            |                                                                    |                                         |                                           |                                                            | 238,599          |
| Bond Funds                                  | 74,956,959                         |                                                                    |                                         |                                           |                                                            | 74,956,959       |
| Foreign Bonds                               | 5,244,053                          | 17,705,158                                                         |                                         |                                           |                                                            | 22,949,211       |
| Common stocks and index funds               |                                    | 329,803,640                                                        | 7,434,617                               | 3,714,354                                 |                                                            | 340,952,611      |
| Aggregated equity funds                     | 331,179,261                        | 95,070,149                                                         |                                         |                                           |                                                            | 426,249,410      |
| Money market funds                          |                                    | 18,129,793                                                         |                                         |                                           |                                                            | 18,129,793       |
| Private placements                          |                                    | 32,863,580                                                         |                                         |                                           |                                                            | 32,863,580       |
| Real estate funds                           |                                    | 23,813,474                                                         |                                         |                                           |                                                            | 23,813,474       |
| Mutual funds                                | 4,698,652                          | 11,807,256                                                         |                                         |                                           | 21,112,811                                                 | 37,618,719       |
| Total investments                           | 465,501,490                        | 707,321,650                                                        | 12,153,931                              | 6,379,979                                 | 21,112,811                                                 | 1,212,469,861    |
| Total assets                                | 472,413,126                        | 710,718,067                                                        | 14,262,002                              | 6,561,366                                 | 22,167,373                                                 | 1,226,121,934    |
| <b>Liabilities</b>                          |                                    |                                                                    |                                         |                                           |                                                            |                  |
| Accounts payable                            | 6,234,262                          | 12,195,501                                                         | 1,170                                   | 14,000                                    |                                                            | 18,444,933       |
| Total liabilities                           | 6,234,262                          | 12,195,501                                                         | 1,170                                   | 14,000                                    |                                                            | 18,444,933       |
| <b>Net Position</b>                         |                                    |                                                                    |                                         |                                           |                                                            |                  |
| Held in trust for pension and OPEB benefits | \$ 466,178,864                     | \$ 698,522,566                                                     | \$ 14,260,832                           | \$ 6,547,366                              | \$ 22,167,373                                              | \$ 1,207,677,001 |

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

**For the Fiscal Year Ended September 30, 2013**

|                                                                                          | Employees'<br>Retirement<br>System | Retirement<br>System for<br>Firefighters<br>and<br>Police Officers | Firemen's<br>Relief and<br>Pension Fund * | Policemen's<br>Relief and<br>Pension Fund | Postemployment<br>Benefits Other<br>Than Pension<br>(OPEB) | Totals           |
|------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|------------------------------------------------------------|------------------|
| Additions:                                                                               |                                    |                                                                    |                                           |                                           |                                                            |                  |
| Contributions -                                                                          |                                    |                                                                    |                                           |                                           |                                                            |                  |
| Employer                                                                                 | \$ 21,222,051                      | \$ 39,492,050                                                      | \$ 1,651,176                              | \$                                        | \$ 977,000                                                 | \$ 63,342,277    |
| Employee                                                                                 | 7,168,858                          | 9,717,336                                                          |                                           |                                           |                                                            | 16,886,194       |
| State of Florida                                                                         |                                    |                                                                    |                                           | 582,021                                   |                                                            | 582,021          |
| Total contributions                                                                      | 28,390,909                         | 49,209,386                                                         | 1,651,176                                 | 582,021                                   | 977,000                                                    | 80,810,492       |
| Investment income -                                                                      |                                    |                                                                    |                                           |                                           |                                                            |                  |
| Net increase in fair value of investments                                                | 49,188,741                         | 68,358,117                                                         | 1,593,696                                 | 471,553                                   | 1,846,925                                                  | 121,459,032      |
| Interest and dividends income                                                            | 6,328,550                          | 16,143,057                                                         | 363,829                                   | 140,964                                   | 430,778                                                    | 23,407,178       |
|                                                                                          | 55,517,291                         | 84,501,174                                                         | 1,957,525                                 | 612,517                                   | 2,277,703                                                  | 144,866,210      |
| Investment management expenses                                                           | (946,194)                          | (2,910,167)                                                        | (48,943)                                  |                                           | (101,973)                                                  | (4,007,277)      |
| Net investment income/(loss)                                                             | 54,571,097                         | 81,591,007                                                         | 1,908,582                                 | 612,517                                   | 2,175,730                                                  | 140,858,933      |
| Total additions/(reduction)                                                              | 82,962,006                         | 130,800,393                                                        | 3,559,758                                 | 1,194,538                                 | 3,152,730                                                  | 221,669,425      |
| Deductions:                                                                              |                                    |                                                                    |                                           |                                           |                                                            |                  |
| Benefit paid                                                                             | 37,569,618                         | 53,692,932                                                         |                                           | 651,936                                   |                                                            | 91,914,486       |
| Contributions refunded                                                                   | 1,021,269                          | 187,205                                                            | 2,350,384                                 |                                           |                                                            | 3,558,858        |
| Administrative expenses                                                                  | 706,667                            | 805,919                                                            | 47,565                                    | 107,850                                   |                                                            | 1,668,001        |
| Total deductions                                                                         | 39,297,554                         | 54,686,056                                                         | 2,397,949                                 | 759,786                                   |                                                            | 97,141,345       |
| Net increase/(decrease)                                                                  | 43,664,452                         | 76,114,337                                                         | 1,161,809                                 | 434,752                                   | 3,152,730                                                  | 124,528,080      |
| Net position - amount held in trust for pension<br>and OPEB benefits - beginning of year | 422,514,412                        | 622,408,229                                                        | 13,099,023                                | 6,112,614                                 | 19,014,643                                                 | 1,083,148,921    |
| Net position - amount held in trust for pension<br>and OPEB benefits - end of year       | \$ 466,178,864                     | \$ 698,522,566                                                     | \$ 14,260,832                             | \$ 6,547,366                              | \$ 22,167,373                                              | \$ 1,207,677,001 |

\* For the period ended 18 month period ended 9-30-2013

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

**For the Fiscal Year Ended September 30, 2013**

|                      | September 30,<br>2012 | Additions             | Deductions            | September 30,<br>2013 |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>Assets</u>        |                       |                       |                       |                       |
| Cash and investments | \$ 10,306,665         | \$ 73,097,428         | \$ 74,618,988         | \$ 8,785,105          |
| Accounts receivable  | 225,789               | 1,752,548             | 1,713,890             | 264,447               |
| Total Assets         | <u>\$ 10,532,454</u>  | <u>\$ 74,849,976</u>  | <u>\$ 76,332,878</u>  | <u>\$ 9,049,552</u>   |
| <u>Liabilities</u>   |                       |                       |                       |                       |
| Accounts payable     | \$ 60,469             | \$ 60,808,007         | \$ 60,705,123         | \$ 163,353            |
| Deposits             | 10,471,985            | 72,637,342            | 74,223,128            | 8,886,199             |
| Total Liabilities    | <u>\$ 10,532,454</u>  | <u>\$ 133,445,349</u> | <u>\$ 134,928,251</u> | <u>\$ 9,049,552</u>   |

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

**September 30, 2013**

|                                                 | Miami Beach<br>Visitor and<br>Convention<br>Authority | Miami Beach<br>Health<br>Facilities<br>Authority | Total        |
|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|--------------|
| <b>Assets</b>                                   |                                                       |                                                  |              |
| Cash and investments                            | \$ 2,598,755                                          | \$ 70,369                                        | \$ 2,669,124 |
| Accounts receivable                             | 289,716                                               |                                                  | 289,716      |
| Capital assets, net of accumulated depreciation | 51,461                                                |                                                  | 51,461       |
| Total assets                                    | 2,939,932                                             | 70,369                                           | 3,010,301    |
| <b>Liabilities</b>                              |                                                       |                                                  |              |
| Accounts payable                                | 4,250                                                 |                                                  | 4,250        |
| Accrued expenses                                | 422,265                                               |                                                  | 422,265      |
| Total liabilities                               | 426,515                                               |                                                  | 426,515      |
| <b>Net Position</b>                             |                                                       |                                                  |              |
| Net investment in capital assets                | 51,461                                                |                                                  | 51,461       |
| Unrestricted                                    | 2,461,956                                             | 70,369                                           | 2,532,325    |
| Total net position                              | \$ 2,513,417                                          | \$ 70,369                                        | \$ 2,583,786 |

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

For the Fiscal Year Ended September 30, 2013

|                                                     | Expenses            | Program Revenues                   | Net (Expense) Revenue and Changes in Net Position |                             | Totals              |
|-----------------------------------------------------|---------------------|------------------------------------|---------------------------------------------------|-----------------------------|---------------------|
|                                                     |                     | Operating Grants and Contributions | Visitor and Convention Authority                  | Health Facilities Authority |                     |
| <b>Miami Beach Visitor and Convention Authority</b> |                     |                                    |                                                   |                             |                     |
| Cultural - grant program                            | \$ 1,683,500        | \$ 30,000                          | \$ (1,653,500)                                    | \$                          | \$ (1,653,500)      |
| General administrative                              | 507,841             |                                    | (507,841)                                         |                             | (507,841)           |
| Total Miami Beach Visitor and Convention Authority  | <u>2,191,341</u>    | <u>30,000</u>                      | <u>(2,161,341)</u>                                |                             | <u>(2,161,341)</u>  |
| <b>Miami Beach Health Facilities Authority</b>      |                     |                                    |                                                   |                             |                     |
| General administrative                              | 970,196             |                                    |                                                   | (970,196)                   | (970,196)           |
| Total component units                               | <u>\$ 3,161,537</u> | <u>\$ 30,000</u>                   |                                                   |                             | <u>(3,131,537)</u>  |
| General revenues:                                   |                     |                                    |                                                   |                             |                     |
| Resort tax allocation                               |                     |                                    | 2,277,824                                         |                             | 2,277,824           |
| Interest                                            |                     |                                    | 4,049                                             | 96                          | 4,145               |
| Total general revenues                              |                     |                                    | <u>2,281,873</u>                                  | <u>96</u>                   | <u>2,281,969</u>    |
| Change in net position                              |                     |                                    | 120,532                                           | (970,100)                   | (849,568)           |
| Net position - beginning                            |                     |                                    | 2,392,885                                         | 1,040,469                   | 3,433,354           |
| Net position - ending                               |                     |                                    | <u>\$ 2,513,417</u>                               | <u>\$ 70,369</u>            | <u>\$ 2,583,786</u> |

## 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           |                       |                       |                       |                       |                         |                         |                         |                         |                         |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                 | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    |
| Governmental activities                         |                       |                       |                       |                       |                       |                         |                         |                         |                         |                         |
| Net investment in capital assets                | \$ 177,687,648        | \$ 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          |
| Restricted                                      | 83,373,860            | 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             |
| Unrestricted                                    | 4,587,330             | 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             |
| Total net position for governmental activities  | <u>265,648,838</u>    | <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>      |
| Business-type activities                        |                       |                       |                       |                       |                       |                         |                         |                         |                         |                         |
| Net investment in capital assets                | 230,924,728           | 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             |
| 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              |
| Unrestricted                                    | 118,799,978           | 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             |
| Total net position for business-type activities | <u>349,724,706</u>    | <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>      |
| Primary government                              |                       |                       |                       |                       |                       |                         |                         |                         |                         |                         |
| Net investment in capital assets                | 408,612,376           | 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             |
| Restricted                                      | 83,373,860            | 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             |
| Unrestricted                                    | 123,387,308           | 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             |
| Total net position for primary government       | <u>\$ 615,373,544</u> | <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> |

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

|                                                           | Fiscal Year             |                         |                         |                         |                         |                         |                         |                         |                         |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                           | 2004                    | 2005                    | 2006                    | 2007                    | 2008                    | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    |
| <b>Expenses</b>                                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| General government                                        | \$ 28,795,043           | \$ 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           |
| Public safety                                             | 100,472,672             | 110,402,334             | 121,678,913             | 133,068,393             | 149,953,945             | 155,153,733             | 164,903,020             | 176,946,495             | 175,282,705             | 188,420,690             |
| Physical environment                                      | 2,740,147               | 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               |
| Transportation                                            | 11,602,611              | 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              |
| Economic environment                                      | 4,053,198               | 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               |
| Human services                                            | 1,480,826               | 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               |
| Culture and recreation                                    | 36,733,315              | 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              |
| Interest on long-term debt                                | 17,369,780              | 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               |
| Total governmental activities expenses                    | <u>203,247,592</u>      | <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>      |
| Business-type activities:                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Stormwater                                                | 4,891,358               | 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               |
| Water                                                     | 17,266,977              | 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              |
| Sewer                                                     | 23,854,749              | 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              |
| Parking                                                   | 17,459,943              | 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              |
| Convention Center                                         | 15,022,623              | 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              |
| Other                                                     | 8,955,196               | 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              |
| Total business-type activities expenses                   | <u>87,350,846</u>       | <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>      |
| Total primary government expenses                         | <u>\$ 290,598,438</u>   | <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>   |
| <b>Program Revenues</b>                                   |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Charges for services:                                     |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| General government                                        | \$ 19,463,899           | \$ 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           |
| Public safety                                             | 16,299,872              | 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               |
| Culture and recreation                                    | 4,634,957               | 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               |
| Other                                                     | 6,231,030               | 5,714,406               | 65,111                  | 55,028                  | 34,470                  | 20,305                  | 16,040                  | 14,470                  | 17,745                  | 29,211                  |
| Operating grants and contributions                        | 17,874,829              | 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              |
| Capital grants and contributions                          | 1,719,812               | 1,718,649               | 2,464,239               | 1,863,176               | 14,732,625              | 4,766,094               | 8,313,962               | 4,400,711               | 4,899,293               | 3,449,389               |
| Total governmental activities program revenue             | <u>66,224,399</u>       | <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>      |
| Business-type activities:                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Charges for services:                                     |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Stormwater                                                | 7,833,014               | 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              |
| Water                                                     | 20,210,378              | 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              |
| Sewer                                                     | 25,476,403              | 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              |
| Parking                                                   | 19,688,121              | 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              |
| Convention Center                                         | 7,544,309               | 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               |
| Other                                                     | 6,386,667               | 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              |
| Operating grants and contributions                        | 11,075,929              | 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              |
| Capital grants and contributions                          | 15,000,000              |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Total business-type activities program revenue            | <u>113,214,821</u>      | <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>      |
| Total primary government program revenue                  | <u>\$ 179,439,220</u>   | <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>   |
| <b>Net (Expense)/Revenue</b>                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities                                   | \$ (137,023,193)        | \$ (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)        |
| Business-type activities                                  | 25,863,975              | 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              |
| Total primary government net expense                      | <u>\$ (111,159,218)</u> | <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> |
| <b>General Revenues and Other Changes in net position</b> |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Taxes                                                     |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Property taxes                                            | \$ 79,064,889           | \$ 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          |
| Resort taxes                                              | 27,406,669              | 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              |
| Tax increment                                             | 31,351,525              | 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              |
| Utility taxes                                             | 12,436,407              | 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              |
| Communication service                                     |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Local business tax                                        | 3,663,374               | 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               |
| Miscellaneous                                             | 107,920                 | 224,200                 | 169,664                 | 118,640                 | 1,304,665               | 894,995                 | 6,653,210               | 618,470                 | 883,457                 | 982,771                 |
| Unrealized loss on investments                            |                         |                         |                         |                         |                         |                         |                         |                         |                         | (5,241,121)             |
| Unrestricted investment earnings                          | 4,649,415               | 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               |
| Gain or (loss) on disposal of capital assets              |                         | (25,839,322)            | 257,928                 | 257,928                 | 220,559                 | 28,837                  | 89,522                  | 264,801                 | 259,635                 | 491,394                 |
| Transfers                                                 | 4,421,623               | 925,797                 | (654,166)               | (3,310,095)             | (252,411)               | (3,420,189)             | (14,625,515)            | (13,750,433)            | 8,328,465               | 4,409,667               |
| Total governmental activities                             | <u>163,101,822</u>      | <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>      |
| Business-type activities:                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Tax increment                                             |                         |                         |                         |                         | 2,357,697               | 2,405,168               | 2,619,643               | 3,071,141               | 3,046,200               | 3,671,000               |
| Unrealized loss on investments                            |                         |                         |                         |                         |                         |                         |                         |                         |                         | (178,004)               |
| Unrestricted investment earnings                          | 6,344,916               | 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               |
| Gain (Loss) on disposal of capital assets                 |                         |                         |                         | (12,949)                |                         |                         |                         | 75,365                  | 114,222                 | 73,427                  |
| Transfers                                                 | (4,421,623)             | (925,797)               | 654,166                 | 3,310,095               | 252,411                 | 3,420,189               | 14,625,515              | 13,750,433              | (8,328,465)             | (4,409,667)             |
| Total business-type activities                            | <u>1,923,293</u>        | <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>          |
| Total primary government                                  | <u>\$ 165,025,115</u>   | <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>   |
| <b>Change in net position</b>                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities                                   | \$ 26,078,629           | \$ (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           |
| Business-type activities                                  | 27,787,268              | 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              |
| Total primary government                                  | <u>\$ 53,865,897</u>    | <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>    |

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

|                                    | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                    | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  |
| General Fund                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Reserved                           | \$ 198,934            | \$ 610,236            | \$ 1,128,937          | \$ 1,736,059          | \$ 1,845,391          | \$                    | \$                    | \$                    | \$                    | \$                    |
| Unreserved                         | 29,457,359            | 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             |
| Committed                          |                       |                       |                       |                       |                       | 39,821,254            |                       | 272,922               | 3,915,257             | 3,048,458             |
| Assigned                           |                       |                       |                       |                       |                       | 4,499,003             | 44,452,200            | 47,865,087            | 47,506,132            | 43,800,099            |
| Unassigned                         |                       |                       |                       |                       |                       | 4,385,813             | 6,053,327             | 2,906,247             | 4,232,166             |                       |
| Total general fund                 | <u>\$ 29,656,293</u>  | <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>  |
| All Other Governmental Funds       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Reserved                           | \$ 37,170,427         | \$ 30,916,933         | \$ 32,287,596         | \$ 59,563,178         | \$ 55,922,849         | \$                    | \$                    | \$                    | \$                    | \$                    |
| Unreserved, reported in:           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Special revenue funds              | 49,884,099            | 103,530,139           | 79,958,508            | 76,668,102            | 61,423,282            |                       |                       |                       |                       |                       |
| Capital projects fund              | 81,069,050            | 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           |
| Committed                          |                       |                       |                       |                       |                       | 50,557,449            | 45,904,634            | 42,625,948            | 39,723,193            | 39,141,545            |
| Assigned                           |                       |                       |                       |                       |                       | 49,918                | 69,221                | 53,020                | 42,116                | 165,534               |
| Unassigned                         |                       |                       |                       |                       |                       |                       | (3,540,285)           | (2,445,745)           | (4,596,490)           | (4,537,581)           |
| Total all other governmental funds | <u>\$ 168,123,576</u> | <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> |

**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,                                |                |                |                |                |                |                |                |                |                |                |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                                | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           |
| <b>Revenues</b>                                                |                |                |                |                |                |                |                |                |                |                |
| Taxes                                                          | \$ 156,600,667 | \$ 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 |
| Franchise fees                                                 | 7,628,488      | 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      |
| Permits                                                        | 12,547,560     | 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     |
| Intergovernmental                                              | 14,230,951     | 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     |
| Charges for services                                           | 7,655,072      | 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     |
| Rents & leases                                                 | 5,544,185      | 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      |
| Interest                                                       | 4,478,882      | 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      |
| Fines and forfeitures                                          | 2,255,900      | 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      |
| Administrative fees                                            | 8,862,655      | 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     |
| Special assessment                                             | 245,425        | 84,496         | 991,014        | 838,519        | 918,633        | 767,239        | 741,796        | 748,128        | 697,000        | 737,063        |
| Impact fees                                                    | 1,434,137      | 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      |
| Other revenues                                                 | 6,121,850      | 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      |
| Total revenues                                                 | 227,605,772    | 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    |
| <b>Expenditures</b>                                            |                |                |                |                |                |                |                |                |                |                |
| General government                                             | 28,139,386     | 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     |
| Public safety                                                  | 97,018,702     | 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    |
| Physical environment                                           | 1,905,956      | 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      |
| Transportation                                                 | 5,463,443      | 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      |
| Economic environment                                           | 14,164,911     | 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      |
| Human services                                                 | 1,428,008      | 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      |
| Culture and recreation                                         | 30,309,135     | 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     |
| Capital Outlay                                                 | 21,825,113     | 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     |
| Debt service                                                   |                |                |                |                |                |                |                |                |                |                |
| Principal                                                      | 13,135,827     | 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     |
| Interest                                                       | 17,468,552     | 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     |
| Total expenditures                                             | 230,859,033    | 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    |
| Excess of revenue over (under) expenditures                    | (3,253,261)    | 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      |
| <b>Other Financing Sources (Uses)</b>                          |                |                |                |                |                |                |                |                |                |                |
| 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 of debt issuance                                      |                |                |                |                |                |                |                |                |                |                |
| 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         |
| Proceeds from sale of land and building                        |                | 39,898,102     |                |                |                |                |                |                |                |                |
| Transfers in                                                   | 58,686,788     | 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     |
| Transfers out                                                  | (57,109,847)   | (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)   |
| Total other financing sources (uses)                           | 1,576,941      | 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      |
| Net change in fund balances                                    | \$ (1,676,320) | \$ 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  |
| <b>Debt service as a percentage of noncapital expenditures</b> |                |                |                |                |                |                |                |                |                |                |
|                                                                | 14.64%         | 15.20%         | 10.97%         | 9.53%          | 9.33%          | 9.16%          | 9.32%          | 7.87%          | 8.09%          | 9.74%          |

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

| Fiscal<br>Year<br>Ended<br>September 30, | Real Property           |                     |                        |                   |                                 | Exemptions                                                    |                                 |                     |                                 |                                       |
|------------------------------------------|-------------------------|---------------------|------------------------|-------------------|---------------------------------|---------------------------------------------------------------|---------------------------------|---------------------|---------------------------------|---------------------------------------|
|                                          | Residential<br>Property | Commercial Property | Industrial<br>Property | Other<br>Property | Value of<br>Taxable<br>Property | Real property-<br>Amendment 10<br>Excluded Value <sup>C</sup> | Less:<br>Tax-Exempt<br>Property | Other<br>Exemptions | Total Taxable<br>Assessed Value | Total Direct<br>Tax Rate <sup>D</sup> |
| 2004                                     | \$ 12,131,669           | \$ 2,366,866        | \$ 214,344             | 1,562,860         | \$ 16,275,739                   |                                                               | \$ 1,405,322                    |                     | \$ 14,870,417                   | 8.1730                                |
| 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 <sup>B</sup>                        | 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                                |

**Source:** 2012 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.

<sup>A</sup> Data not available in individual real property categories for this year.

<sup>B</sup> 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.

<sup>C</sup> 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.

<sup>D</sup> Total direct rate includes 5.9826 mills for operating, 0.1083 mills for capital renewal and replacement and 0.2568 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<br>Ended<br>September 30, | City of Miami Beach Direct Rates |                            |                            | Overlapping Rates <sup>A</sup> |                   |                  | Total   |
|---------------------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|-------------------|------------------|---------|
|                                       | Operating<br>Millage             | Debt<br>Service<br>Millage | Total<br>Direct<br>Millage | School<br>District<br>Millage  | County<br>Millage | State<br>Millage |         |
| 2004                                  | 7.2990                           | 0.8740                     | 8.1730                     | 9.1000                         | 7.2400            | 0.7360           | 25.2490 |
| 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                     | 8.0050                         | 5.7695            | 0.4708           | 20.7478 |
| 2012                                  | 6.1655                           | 0.2884                     | 6.4539                     | 7.9980                         | 5.6610            | 0.4634           | 20.5763 |
| 2013                                  | 6.0909                           | 0.2568                     | 6.3477                     | 7.9770                         | 5.7980            | 0.4455           | 20.5682 |

**Source:** Miami-Dade County, Florida; Department of Property Appraisal  
2012 Millage Table and The City of Miami Beach 2012/2013

**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.

<sup>A</sup> 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**

| 2013                            |                         |                                                           | 2004                                |                        |                                                           |
|---------------------------------|-------------------------|-----------------------------------------------------------|-------------------------------------|------------------------|-----------------------------------------------------------|
| 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 | \$ 254,563,110          | 1.10 %                                                    | Loews Miami Beach Hotel             | \$ 125,283,186         | 0.94 %                                                    |
| 2201 Collins Fee LLC            | 209,000,000             | 0.91                                                      | Hotelerama Association Ltd          | 88,766,668             | 0.40                                                      |
| MB Redev. Inc./Loews Hotel      | 193,993,016             | 0.84                                                      | Athena Karltone Sobe LLC            | 83,000,000             | 0.33                                                      |
| Sandy Lane Residential LLC      | 179,758,780             | 0.78                                                      | Smith Property Holdings South Beach | 67,000,000             | 0.26                                                      |
| Florida Power & Light Co        | 110,660,000             | 0.48                                                      | Morton Towers Apts. LP              | 65,078,040             | 0.21                                                      |
| Di Lido Beach Hotel Corp.       | 88,572,000              | 0.38                                                      | Gumenicl Family Inv. No 1 Ltd       | 57,430,000             | 0.17                                                      |
| MCZ/ Centrum Flamingo II LLC    | 86,900,000              | 0.38                                                      | Roney Plaza Associates Ltd          | 36,400,000             | 0.15                                                      |
| Eden Roc LLP                    | 72,600,000              | 0.31                                                      | South Gate Apartments               | 35,249,280             | 0.14                                                      |
| MCZ/ Centrum Flamingo III LLC   | 68,000,000              | 0.29                                                      | Philips South Beach LP              | 34,721,717             | 0.14                                                      |
| RP Hotel Holdings LLC           | 63,500,000              | 0.28                                                      | Eden Roc Acquisitions               | 34,000,000             | 0.13                                                      |
|                                 |                         |                                                           |                                     |                        |                                                           |
|                                 | <u>\$ 1,327,546,906</u> | <u>5.75 %</u>                                             |                                     | <u>\$ 626,928,891</u>  | <u>2.87 %</u>                                             |

**Source:** 2012 and 2003 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 2013**

| Fiscal<br>Year Ended September 30, | Taxes levied for<br>the fiscal year | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|------------------------------------|-------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                    |                                     | Amount                                          | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2004                               | \$ 95,385,989                       | \$ 85,356,281                                   | 89.49 %               | \$ 658,528                            | \$ 86,014,809             | 90.18 %               |
| 2005                               | 110,739,153                         | 97,731,071                                      | 88.25                 | 1,065,267                             | 98,796,338                | 89.22                 |
| 2006                               | 135,910,285                         | 132,487,342                                     | 97.48                 | 1,773,354                             | 134,260,696               | 98.79                 |
| 2007                               | 165,759,439                         | 163,120,484                                     | 98.41                 | 2,124,767                             | 165,245,251               | 99.69                 |
| 2008                               | 150,418,073                         | 145,433,238                                     | 96.69                 | 4,619,340                             | 150,052,578               | 99.76                 |
| 2009                               | 150,588,328                         | 144,321,499                                     | 95.84                 | 4,636,156                             | 148,957,655               | 98.92                 |
| 2010                               | 138,703,567                         | 131,355,903                                     | 94.70                 | 3,607,229                             | 134,963,132               | 97.30                 |
| 2011                               | 136,549,286                         | 128,719,932                                     | 94.27                 | 373,657                               | 129,093,589               | 94.54                 |
| 2012                               | 134,753,401                         | 129,572,373                                     | 96.16                 | 1,805,357                             | 131,377,730               | 97.49                 |
| 2013                               | 146,456,178                         | 134,848,787                                     | 90.84                 | <sup>B</sup>                          | 134,848,787               | 90.84                 |

**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.

<sup>A</sup> For the City of Miami Beach, the period for which levied coincides with the fiscal year.

<sup>B</sup> 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 <sup>F</sup> | Gulf Breeze Government Loan Program | Sunshine State Loan Program <sup>H</sup> | Pension Obligation Bonds    | Redevelopment Agency Tax Increment Revenue Bonds | Loans Payable <sup>A</sup> | Other Obligations             | Total Governmental Activities |         |
| 2004                     | \$ 93,475                              | \$ 3,395                              | \$ 35,316                           | 5,390                                    | \$ 43,525                   | \$ 94,890                                        | \$ 11,629                  | \$ 2,909                      | \$                            | 290,529 |
| 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 <sup>G</sup>           |                               | 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 |
| Business-type activities |                                        |                                       |                                     |                                          |                             |                                                  | Total                      |                               |                               |         |
| Fiscal Year              | Storm Water Revenue Bonds <sup>C</sup> | Water and Sewer Revenue Bonds         | Parking Revenue Bonds/Loan          | Loan Payable <sup>A</sup>                | Capital Leases <sup>D</sup> | Total Business Activities                        | Total Primary Government   | Percentage of Personal Income | Per Capita <sup>C</sup>       |         |
| 2004                     | \$ 48,976                              | \$ 95,531                             | \$ 31,879                           | 622                                      | \$ 240                      | \$ 177,248                                       | \$ 467,777                 | 18.46 %                       |                               | 5.14912 |
| 2005                     | 48,049                                 | 89,876                                | 30,537                              | 561                                      |                             | 169,023                                          | 464,814                    | 17.03 %                       |                               | 5.07771 |
| 2006                     | 47,076                                 | 113,839 <sup>E</sup>                  | 29,132                              | 495                                      |                             | 190,542                                          | 473,058                    | 15.79 %                       |                               | 5.05755 |
| 2007                     | 46,130                                 | 110,610                               | 27,769                              | 345                                      |                             | 184,854                                          | 449,680                    | 14.48 %                       |                               | 4.88013 |
| 2008                     | 45,075                                 | 107,154                               | 26,241                              | 1,035                                    |                             | 179,505                                          | 436,347                    | 12.90 %                       |                               | 4.65581 |
| 2009                     | 43,970                                 | 103,439                               | 24,639                              | 1,133                                    |                             | 173,181                                          | 412,754                    | 12.23 %                       |                               | 4.38913 |
| 2010                     | 42,645                                 | 129,437 <sup>J</sup>                  | 22,960                              | 1,220                                    |                             | 196,262                                          | 433,414                    | 12.84 %                       |                               | 4.66875 |
| 2011                     | 42,700                                 | 125,557                               | 45,966 <sup>K</sup>                 | 1,670                                    |                             | 215,893                                          | 440,705                    | 13.62 %                       |                               | 5.02062 |
| 2012                     | 94,646 <sup>I</sup>                    | 121,507                               | 44,040                              | 2,025                                    |                             | 262,218                                          | 474,356                    | % <sup>B</sup>                |                               | 5.26495 |
| 2013                     | 93,108                                 | 117,272                               | 42,059                              | 1,793                                    |                             | 254,232                                          | 452,896                    |                               |                               | 4.98621 |

**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 | General Bonded Debt      |                     |                              |                         |                                  |            | Percentage of Actual Taxable Value of Property | Per Capita <sup>B</sup> |
|-------------|--------------------------|---------------------|------------------------------|-------------------------|----------------------------------|------------|------------------------------------------------|-------------------------|
|             | General Obligation Bonds | Redevelopment Bonds | Gulf Breeze Fixed Rate Bonds | Pension Refunding Bonds | Sunshine State VRDS <sup>A</sup> | Total      |                                                |                         |
| 2004        | \$ 93,475                | \$ 94,890           | \$ 35,316                    | \$ 43,525               | \$ 5,390                         | \$ 272,596 | 2.25                                           | 3.0006                  |
| 2005        | 87,500                   | 97,300              | 33,356                       | 53,030                  | 4,930                            | 276,116    | 1.97                                           | 3.0163                  |
| 2006        | 81,440                   | 95,300              | 31,320                       | 50,650                  | 4,455                            | 263,165    | 1.51                                           | 2.8135                  |
| 2007        | 78,620                   | 91,645              | 29,185                       | 48,175                  | 3,965                            | 251,590    | 1.11                                           | 2.7304                  |
| 2008        | 76,085                   | 87,785              | 26,962                       | 45,590                  | 3,455                            | 239,877    | 0.89                                           | 2.5595                  |
| 2009        | 73,580                   | 83,740              | 24,651                       | 42,885                  | 2,930                            | 227,786    | 0.85                                           | 2.4222                  |
| 2010        | 70,985                   | 79,485              | 22,243                       | 40,055                  |                                  | 212,768    | 0.86                                           | 2.2919                  |
| 2011        | 68,280                   | 75,035              | 19,738                       | 37,095                  |                                  | 200,148    | 0.91                                           | 2.2801                  |
| 2012        | 64,045                   | 70,375              | 17,128                       | 33,995                  |                                  | 185,543    | 0.84                                           | 2.0594                  |
| 2013        | 61,745                   | 66,058              | 14,386                       | 30,550                  |                                  | 172,739    | 0.75                                           | 1.9014                  |

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

<sup>A</sup> The 1994 Sunshine State VRDS bonds were paid off in fiscal year 2010.

<sup>B</sup> See page 130 for population information.

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

|                                                                         | Fiscal Year             |                         |                         |                         |                         |
|-------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                         | 2004                    | 2005                    | 2006                    | 2007                    | 2008                    |
| Debt limit                                                              | \$ 1,778,109,377        | \$ 2,078,715,000        | \$ 2,584,651,615        | \$ 3,338,693,748        | \$ 3,920,416,339        |
| Total net debt applicable to limit                                      | 82,062,643              | 86,269,623              | 80,348,515              | 77,595,559              | 75,105,405              |
| Legal Debt margin                                                       | <u>\$ 1,696,046,734</u> | <u>\$ 1,992,445,377</u> | <u>\$ 2,504,303,100</u> | <u>\$ 3,261,098,189</u> | <u>\$ 3,845,310,934</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 4.62%                   | 4.15%                   | 3.11%                   | 2.32%                   | 1.92%                   |
|                                                                         | Fiscal Year             |                         |                         |                         |                         |
|                                                                         | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    |
| Debt limit                                                              | \$ 3,882,603,724        | \$ 3,465,358,138        | \$ 3,315,711,442        | \$ 3,296,743,489        | \$ 3,460,848,297        |
| Total net debt applicable to limit                                      | 72,702,497              | 70,195,935              | 67,579,117              | 62,490,554              | 60,722,308              |
| Legal Debt margin                                                       | <u>\$ 3,809,901,227</u> | <u>\$ 3,395,162,203</u> | <u>\$ 3,248,132,325</u> | <u>\$ 3,234,252,935</u> | <u>\$ 3,400,125,989</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 1.87%                   | 2.03%                   | 2.04%                   | 1.90%                   | 1.75%                   |

Legal Debt Margin Calculation for Fiscal Year 2013

|                                                                    |                         |
|--------------------------------------------------------------------|-------------------------|
| Assessed value                                                     | \$ 23,072,321,980       |
| Debt limit (15% of assessed value)                                 | 3,460,848,297           |
| Debt applicable to limit:                                          |                         |
| General obligation bonds                                           | 61,745,433              |
| Less: Amount set aside for repayment of general<br>obligation debt | <u>1,023,125</u>        |
| Total net debt applicable to limit                                 | <u>60,722,308</u>       |
| Legal debt margin                                                  | <u>\$ 3,400,125,989</u> |

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

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

| Fiscal<br>Year        | Revenue       | Less:                 | Net available<br>Revenue | Debt Service |              | Coverage |
|-----------------------|---------------|-----------------------|--------------------------|--------------|--------------|----------|
|                       |               | Operating<br>Expenses |                          | Principal    | Interest     |          |
| Parking Revenue Bonds |               |                       |                          |              |              |          |
| 2004                  | \$ 24,572,613 | \$ 11,453,816         | \$ 13,118,797            | \$ 1,325,314 | \$ 1,645,286 | 4.42     |
| 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     |
| <sup>A</sup> 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     |

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**

|      |               |               |               |              |                        |      |
|------|---------------|---------------|---------------|--------------|------------------------|------|
| 2004 | \$ 48,726,532 | \$ 32,783,429 | \$ 15,943,103 | \$ 2,605,000 | \$ 5,183,223           | 2.05 |
| 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    |              | <sup>A</sup> 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 |

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**

|      |               |              |              |            |              |      |
|------|---------------|--------------|--------------|------------|--------------|------|
| 2004 | \$ 10,750,958 | \$ 1,794,927 | \$ 8,956,031 | \$ 910,000 | \$ 2,659,696 | 2.51 |
| 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 |

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**

|      |               |            |               |              |              |       |
|------|---------------|------------|---------------|--------------|--------------|-------|
| 2004 | \$ 42,920,951 | \$ 500,000 | \$ 42,420,951 | \$ 2,335,000 | \$ 6,741,490 | 4.67  |
| 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 |

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, 2013

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DIRECT DEBT

|                                 |  |               |
|---------------------------------|--|---------------|
| General obligation indebtedness |  |               |
| Public improvement bonds        |  | \$ 61,745,432 |

Non-self-supporting indebtedness: <sup>A</sup>

|                                        |             |             |
|----------------------------------------|-------------|-------------|
| Gulf Breeze Government Loan Program    | 14,385,502  |             |
| Pension Obligation Bonds               | 30,550,000  |             |
| Tax Increment Revenue Bonds            | 66,058,156  |             |
| Total non-self-supporting indebtedness | 110,993,658 |             |
| Total direct indebtedness              |             | 172,739,090 |

OVERLAPPING DEBT <sup>B</sup>

|                                                    |               |                |
|----------------------------------------------------|---------------|----------------|
| Miami-Dade County                                  |               |                |
| Total general obligation indebtedness              | 1,179,986,000 |                |
| Percent applicable to City - 12.1116% <sup>C</sup> |               | 142,967,104    |
| Total school district obligation indebtedness      | 173,605,000   |                |
| Percent applicable to City - 12.1116% <sup>C</sup> |               | 21,026,343     |
| Total net non-self-supporting indebtedness         | 2,384,999,000 |                |
| Percent applicable to City - 12.1116% <sup>C</sup> |               | 288,861,539    |
| Total overlapping debt                             |               | 452,854,986    |
| TOTAL DIRECT AND OVERLAPPING DEBT                  |               | \$ 625,594,076 |

<sup>A</sup> Excludes self-supporting debt obligations.

<sup>B</sup> 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.

<sup>C</sup> Based upon 2012 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<br>Population | Personal<br>Income<br>( <i>thousands of<br/>dollars</i> ) | Per Capita<br>Personal<br>Income | Auto Tags              | Bank Deposits<br>(Thousands) | School Age<br>Population | Unemployment<br>Rate |
|-------|---------------------------|-----------------------------------------------------------|----------------------------------|------------------------|------------------------------|--------------------------|----------------------|
| 2004  | 91,540                    | 68,583                                                    | 29,817                           | 2,094,012              | 62,368                       | 422,401                  | 4.7 %                |
| 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              | <sup>A</sup>                 | 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 <sup>B</sup> | 91,040                       | 400,893                  | 9.3                  |

**Source:** Florida Statistical Abstract, 2013

<sup>A</sup> Data not available

<sup>B</sup> 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>                  | 2013             |             | Percentage<br>of Total<br>County<br>Employment | 2004             |             |
|                                  | <u>Employees</u> | <u>Rank</u> |                                                | <u>Employees</u> | <u>Rank</u> |
| Miami-Dade County Public Schools | 33,477           | 1           | 2.58 %                                         | 54,387           | 1           |
| Miami-Dade County                | 25,502           | 2           | 1.96                                           | 32,265           | 2           |
| Federal Government               | 19,600           | 3           | 1.51                                           | 20,100           | 3           |
| Florida State Government         | 18,300           | 4           | 1.41                                           | 18,900           | 4           |
| Jackson Health System            | 8,208            | 5           | 0.63                                           | 11,700           | 5           |
| Florida International University | 3,534            | 6           | 0.27                                           | 5,000            | 7           |
| Miami-Dade College               | 2,356            | 7           | 0.18                                           | 7,500            | 6           |
| City of Miami                    | 3,656            | 8           | 0.28                                           | 3,954            | 8           |
| Homestead Air Force Base         | 3,000            | 9           | 0.23                                           |                  |             |
| Miami VA Medical Center          | 2,500            | 10          | 0.19                                           | 2,018            | 9           |
| City of Miami Beach              |                  |             |                                                | 1,839            | 10          |
| Ten Largest Private Employers    |                  |             |                                                |                  |             |
| <u>Employer</u>                  | 2013             |             | Percentage<br>of Total<br>County<br>Employment | 2004             |             |
|                                  | <u>Employees</u> | <u>Rank</u> |                                                | <u>Employees</u> | <u>Rank</u> |
| Baptist Health South Florida     | 13,376           | 1           | 1.03 %                                         | 10,300           | 1           |
| University of Miami              | 12,720           | 2           | 0.98                                           | 9,079            | 2           |
| American Airlines                | 9,000            | 3           | 0.69                                           | 9,000            | 3           |
| Publix Super Markets             | 4,604            | 4           | 0.35                                           | 4,000            | 8           |
| Carnival Cruise Lines            | 3,500            | 5           | 0.27                                           |                  |             |
| Mount Sinai Medical Center       | 3,000            | 6           | 0.23                                           |                  |             |
| Miami Childrens Hospital         | 2,800            | 7           | 0.22                                           |                  |             |
| Sedanos Supermarkets             | 2,600            | 8           | 0.20                                           |                  |             |
| Royal Caribbean International    | 2,051            | 9           | 0.16                                           |                  |             |
| Bank of America Merrill Lynch    | 2,000            | 10          | 0.15                                           |                  |             |
| United Parcel Service            |                  |             |                                                | 5,000            | 4           |
| Bellsouth                        |                  |             |                                                | 4,800            | 5           |
| Winn-Dixie Stores                |                  |             |                                                | 4,616            | 6           |
| Precision Response Corporation   |                  |             |                                                | 4,196            | 7           |
| 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 1,299,265 as presented in the 2013 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 |       |       |       |       |       |       |       |       |       |
|---------------------------------------------------------|---------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                                         | 2004                                              | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
| General government:                                     |                                                   |       |       |       |       |       |       |       |       |       |
| Mayor and commission                                    | 20                                                | 20    | 20    | 20    | 19    | 19    | 19    | 18    | 18    | 18    |
| City manager                                            | 13                                                | 13    | 13    | 13    | 11    | 11    | 10    | 10    | 10    | 10    |
| Office of communications                                | 2                                                 | 2     | 8     | 9     | 8     | 6     | 5     | 5     | 5     | 5     |
| Budget and performance improvement                      | 18                                                | 20    | 20    | 21    | 19    | 19    | 18    | 18    | 18    | 18    |
| Finance                                                 | 43                                                | 43    | 45    | 46    | 39    | 37    | 37    | 37    | 37    | 37    |
| Information technology                                  | 40                                                | 41    | 44    | 46    | 43    | 40    | 38    | 36    | 36    | 37    |
| Human resources                                         | 16                                                | 17    | 17    | 18    | 16    | 17    | 15    | 14    | 14    | 14    |
| Labor relations <sup>C</sup>                            | 2                                                 | 2     | 2     | 3     | 3     |       |       |       |       |       |
| Risk Management                                         | 6                                                 | 6     | 6     | 6     | 6     | 6     | 6     | 7     | 7     | 7     |
| City clerk                                              | 19                                                | 19    | 17    | 17    | 16    | 16    | 14    | 14    | 14    | 13    |
| Procurement                                             | 9                                                 | 9     | 9     | 10    | 10    | 9     | 9     | 9     | 8     | 8     |
| City attorney                                           | 22                                                | 22    | 22    | 22    | 22    | 20    | 19    | 19    | 19    | 19    |
| Economic Development and Cultural Arts:                 |                                                   |       |       |       |       |       |       |       |       |       |
| Real Estate, Housing and Comm. Development <sup>E</sup> |                                                   |       |       |       |       |       | 13    | 13    | 13    | 13    |
| Economic development                                    | 8                                                 | 8     | 7     | 7     | 6     | 5     |       |       |       |       |
| Building <sup>A</sup>                                   | 63                                                | 63    | 71    | 79    | 79    | 79    | 72    | 66    | 73    | 73    |
| Planning                                                | 26                                                | 26    | 28    | 29    | 29    | 26    | 26    | 25    | 25    | 25    |
| Tourism & cultural development                          | 12                                                | 13    | 14    | 13    | 12    | 11    | 11    | 11    | 11    | 11    |
| Bass museum                                             | 8                                                 | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Operations:                                             |                                                   |       |       |       |       |       |       |       |       |       |
| Neighborhood services <sup>D</sup>                      | 63                                                | 63    | 65    | 67    | 60    | 56    |       |       |       |       |
| Community Services                                      |                                                   |       |       |       |       |       | 4     | 4     | 4     | 4     |
| Code compliance                                         |                                                   |       |       |       |       |       | 42    | 30    | 41    | 41    |
| Parks & recreation <sup>B</sup>                         | 186                                               | 187   | 195   | 205   | 198   | 195   | 182   | 156   | 173   | 173   |
| Public works                                            | 35                                                | 37    | 34    | 33    | 39    | 48    | 45    | 41    | 41    | 40    |
| Sanitation                                              | 103                                               | 114   | 148   | 179   | 177   | 187   | 187   | 187   | 179   | 178   |
| Property management                                     | 65                                                | 66    | 71    | 71    | 69    | 66    | 54    | 24    | 50    | 50    |
| Capital improvement projects                            | 24                                                | 27    | 31    | 31    | 31    | 32    | 35    | 35    | 37    | 37    |
| Parking                                                 | 106                                               | 108   | 111   | 116   | 120   | 118   | 117   | 83    | 116   | 110   |
| Sewer                                                   | 40                                                | 41    | 42    | 42    | 41    | 38    | 33    | 35    | 35    | 34    |
| Stormwater                                              | 23                                                | 23    | 25    | 25    | 26    | 25    | 25    | 23    | 21    | 21    |
| Water                                                   | 71                                                | 69    | 69    | 69    | 63    | 59    | 54    | 56    | 52    | 52    |
| Fleet management                                        | 25                                                | 24    | 24    | 24    | 23    | 21    | 21    | 21    | 20    | 20    |
| Public safety:                                          |                                                   |       |       |       |       |       |       |       |       |       |
| Police - Officers                                       | 382                                               | 385   | 386   | 403   | 396   | 381   | 370   | 370   | 370   | 381   |
| Police - Civilians                                      | 146                                               | 153   | 164   | 166   | 148   | 149   | 140   | 138   | 138   | 144   |
| Fire - Officers                                         | 205                                               | 207   | 208   | 207   | 206   | 203   | 200   | 200   | 200   | 200   |
| Fire - Civilians                                        | 18                                                | 17    | 23    | 21    | 23    | 27    | 26    | 27    | 27    | 27    |
| Ocean rescue <sup>B</sup>                               | 77                                                | 68    | 68    | 76    | 76    | 76    | 76    | 56    | 76    | 76    |
| Total                                                   | 1,896                                             | 1,919 | 2,013 | 2,102 | 2,042 | 2,007 | 1,927 | 1,794 | 1,894 | 1,903 |

**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.

<sup>A</sup>The City added additional positions in the building department in 2004 to address the increased volume of permit requests and provide better

<sup>B</sup>Beach patrol was transferred from the Parks & Recreation department to become the Ocean Rescue Division of the Fire department in 2004.

<sup>C</sup>Labor Relations was transferred to Human Resources in 2009.

<sup>D</sup>Neighborhood Service was dissolved in 2009.

<sup>E</sup>Housing 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  |              |              |              |              |              |              |              |              |              |
|-----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                               | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         |
| <b>General government:</b>                    |              |              |              |              |              |              |              |              |              |              |
| Mayor and commission                          |              |              |              |              |              |              |              |              |              |              |
| Ordinances approved                           | 35           | 40           | 36           | 43           | 46           | 39           | 44           | 43           | 35           | 26           |
| Resolutions approved                          | 268          | 268          | 322          | 296          | 251          | 308          | 274          | 245          | 230          | 266          |
| City manager                                  |              |              |              |              |              |              |              |              |              |              |
| Responses to resident inquiries/complaints    | 650          | 650          | 612          | 692          | 540          | 575          | 545          | 553          | 549          | N/A          |
| Better Place Requests Open and Closed         | 10           | 12           | 23           | 21           | 15           | 4            | 10           | N/A          | 42           | 2            |
| Budget and performance improvement            |              |              |              |              |              |              |              |              |              |              |
| Audits performed                              | 317          | 258          | 254          | 266          | 242          | 272          | 263          | 233          | 235          | 198          |
| Grants awarded                                | \$ 1,800,000 | \$ 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 |
| Finance                                       |              |              |              |              |              |              |              |              |              |              |
| Utility customer accounts                     | 10,500       | 10,500       | 10,500       | 10,059       | 10,043       | 10,044       | 10,057       | 10,061       | 10,062       | 10,070       |
| Licenses issued                               | 6,600        | 6,500        | 7,330        | 8,000        | 7,541        | 8,650        | 7,748        | 7,718        | 6,592        | 6,496        |
| Lien statements                               | 3,150        | 3,400        | 3,850        | 3,942        | 2,415        | 2,658        | 4,076        | 6,600        | 6,326        | 7,355        |
| Annual resort tax accounts                    | 1,352        | 1,375        | 1,127        | 1,119        | 1,054        | 1,066        | 1,050        | 1,067        | 1,066        | 1,087        |
| Citizen Support Center                        | 69           | 75           | 93           | 116          | 68           | 12           | 48           | 2            | 4            | 6            |
| Human resources                               |              |              |              |              |              |              |              |              |              |              |
| Employees                                     | 1,845        | 1,900        | 1,879        | 1,870        | 1,926        | 1,902        | 1,869        | 1,837        | 1,824        | 1,905        |
| Hires                                         | 364          | 328          | 363          | 314          | 195          | 188          | 206          | 146          | 154          | 176          |
| Building                                      |              |              |              |              |              |              |              |              |              |              |
| Building and trade permits processed/issued   | 19,093       | 17,940       | 18,348       | 13,943       | 11,904       | 11,361       | 11,039       | 12,523       | 13,272       | 13,881       |
| Certificates                                  | 726          | 780          | 622          | 736          | 337          | 383          | 411          | 342          | 417          | 529          |
| Tourism & cultural development                |              |              |              |              |              |              |              |              |              |              |
| Film & print and special events permits       | 1,700        | 1,583        | 1,280        | 1,563        | 1,232        | 966          | 1,023        | 1,215        | 1,225        | 1,190        |
| Bass Museum Visitors                          | 50,000       | 36,749       | 19,211       | 25,210       | 30,071       | 26,414       | 29,642       | 26,477       | 36,708       | 47,162       |
| Theater Events (Byron/Colony)                 | 240          | 149          | 255          | 380          | 267          | 225          | 223          | 218          | 222          | 237          |
| <b>Operations:</b>                            |              |              |              |              |              |              |              |              |              |              |
| Parking                                       |              |              |              |              |              |              |              |              |              |              |
| Residential Parking Permits                   | 25,471       | 26,161       | 26,837       | 26,437       | 28,131       | 11,557       | 11,830       | 12,357       | 13,720       | 12,523       |
| Municipal Parking Permits                     | 41,108       | 42,234       | 47,722       | 48,964       | 48,660       | 41,651       | 53,502       | 42,152       | 44,418       | 47,600       |
| Total Vehicle Entries - Garages               | 2,474,296    | 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    |
| Citizen Support Center                        | 245          | 284          | 260          | 435          | 218          | N/A          | N/A          | 133          | 110          | 170          |
| Parks & recreation                            |              |              |              |              |              |              |              |              |              |              |
| Summer Camp                                   | 2,114        | 2,241        | 2,515        | 2,587        | 2,317        | 2,758        | 2,398        | 2,538        | 2,561        | 2,568        |
| After and Play School Participants            | 2,650        | 2,410        | 2,400        | 882          | 2,810        | 2,680        | 3,217        | 3,501        | 3,276        | 3,056        |
| Athletics                                     | 940          | 1,020        | 1,253        | 1,442        | 2,835        | 2,656        | 2,079        | 2,251        | 2,042        | 2,104        |
| Pool Attendance                               | 66,000       | 79,135       | 119,800      | 161,176      | 145,337      | 141,524      | 160,456      | 157,227      | 138,005      | 128,852      |
| Golf course patrons <sup>A</sup>              | 37,152       | 42,923       | 44,252       | 44,078       | 42,850       | 66,358       | 73,447       | 80,782       | 71,528       | 76,230       |
| Public Works-Engineering/Water/Sewer/Streets  |              |              |              |              |              |              |              |              |              |              |
| Right-of-Way permits issued                   | 1,100        | 900          | N/A          | 1,092        | 899          | 935          | 868          | 855          | 822          | 801          |
| Cleaning and inspection of sewer lines        | 100,000      | 800,000      | 1,217,202    | 1,182,000    | 703,294      | 778,937      | N/A          | 964,703      | 824,212      | 937,000      |
| Storm sewers cleaned                          | 140,000      | 140,000      | 233,000      | 88,000       | 59,000       | 78,279       | N/A          | 1,253        | 97,425       | N/A          |
| Deteriorated storm sewers replaced            | 275          | 200          | 80           | 15           | 640          | N/A          | N/A          | 125          | 47           | 120          |
| New-metered service taps and installations    | 600          | 550          | 196          | 113          | 400          | 207          | N/A          | 70           | 62           | N/A          |
| Roads and alleys repaved (linear feet)        | 8,000        | 12,000       | 7,000        | 11,100       | 36,000       | N/A          | N/A          | 3,600        | 7,200        | 1,300        |
| Sidewalk replaced (square feet)               | 40,000       | 30,000       | 38,000       | 63,000       | 44,000       | 46,889       | N/A          | 3,525        | 2,927        | 17,000       |
| Citizen Support Center                        | 3,049        | 2,626        | 1,854        | 1,787        | 2,732        | 2,908        | 2,636        | 1,261        | 541          | 982          |
| Sanitation                                    |              |              |              |              |              |              |              |              |              |              |
| Residential Waste (tons per month)            | 19,650       | 15,970       | 15,708       | 15,500       | 14,882       | 13,354       | 12,980       | 12,172       | 10,233       | 8,920        |
| Litter Cans                                   | 2,000        | 2,050        | 2,095        | 2,335        | 2,335        | 2,735        | 2,735        | 2,735        | 2,735        | 2,765        |
| Mechanized Sweeping (miles per day)           | 11           | 15           | 15           | 15           | 15           | 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) | 810,000      | 825,000      | 777,827      | 820,913      | 866,571      | 890,529      | 903,675      | 900,211      | 858,767      | 698,280      |
| Preventive maintenance jobs                   | 2,868        | 2,876        | 2,699        | 2,932        | 2,911        | 3,160        | 3,053        | 3,181        | 3,174        | 3,519        |
| Police                                        |              |              |              |              |              |              |              |              |              |              |
| Total number of arrests                       | 10,290       | 10,185       | 12,887       | 14,954       | 13,804       | 13,338       | 10,801       | 9,588        | 9,890        | 10,577       |
| Traffic Violations                            | 44,174       | 45,524       | 58,615       | 52,976       | 49,389       | 44,521       | 39,586       | 49,561       | 48,344       | 50,590       |
| Citizen Support Center                        | 50           | 67           | 143          | 96           | 67           | 73           | 28           | 64           | 42           | 75           |
| Fire                                          |              |              |              |              |              |              |              |              |              |              |
| Emergency responses                           | 13,000       | 14,700       | 13,532       | 16,794       | 22,640       | 25,015       | 20,356       | 21,429       | 22,263       | 22,948       |
| Existing building inspections                 | N/A          | N/A          | N/A          | N/A          | 2,292        | 978          | 1,500        | 1,107        | 773          | 961          |
| Night club inspections                        | N/A          | N/A          | N/A          | N/A          | 3,184        | 2,769        | 3,198        | 3,718        | 1,957        | 2,477        |
| Site inspections                              | N/A          | N/A          | N/A          | N/A          | 4,932        | 4,953        | 3,672        | 5,187        | 7,369        | 9,047        |
| On duty inspections                           | N/A          | N/A          | N/A          | N/A          | 1,984        | 1,856        | 1,793        | 1,478        | 187          | 1,233        |
| Ocean rescue - victims rescued                | 900          | 281          | 313          | 680          | 506          | 579          | 645          | 747          | 531          | 733          |
| Ocean rescue prevention                       | 160,000      | 280,104      | 365,103      | 447,251      | 455,757      | 349,882      | 320,858      | 257,862      | 250,310      | 273,543      |
| Citizen Support Center                        | 144          | 189          | 182          | 149          | 137          | 115          | 50           | 91           | 78           | 76           |

N/A - Information not available.

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

<sup>A</sup> The City opened a second golf course which was operational for 9 months during

<sup>B</sup> 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 |        |        |        |        |        |        |        |        |        |
|--------------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                            | 2004        | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
| 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    | 440    | 486    | 486    | 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       | 1,006  | 1,009  | 1,009  | 1,009  | 1,009  | 1,009  | 1,009  | 1,009  | 1,009  |
| Fire lines                                 | 710         | 712    | 717    | 717    | 717    | 717    | 717    | 717    | 717    | 717    |
| Meters                                     | 12,350      | 12,424 | 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       | 6,000  | 5,000  | 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         | 144    | 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                               | 5,817       | 5,850  | 5,900  | 6,000  | 6,200  | 6,200  | 6,893  | 6,893  | 6,893  | 6,893  |
| Street lights cable (miles)                | 252         | 260    | 265    | 265    | 265    | 265    | 263    | 263    | 263    | 263    |
| Parking                                    |             |        |        |        |        |        |        |        |        |        |
| Parking Lots & Garages                     | 68          | 68     | 68     | 68     | 68     | 70     | 75     | 76     | 76     | 76     |
| Parking Spaces                             | 8,496       | 8,496  | 8,333  | 8,300  | 8,404  | 8,404  | 8,404  | 8,424  | 8,592  | 8,424  |
| Parks and recreation                       |             |        |        |        |        |        |        |        |        |        |
| Recreational open space (acres)            | 727         | 727    | 727    | 727    | 727    | 727    | 727    | 727    | 727    | 727    |
| Playground tot-lots                        | 14          | 14     | 14     | 15     | 15     | 19     | 15     | 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      | 6      | 7      | 7      | 7      |
| Basketball court sites                     | 9           | 9      | 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      | 2      | 3      | 3      | 4      | 3      | 4      | 4      | 4      |
| Parks - passive and staffed                | 28          | 37     | 25     | 26     | 26     | 26     | 26     | 26     | 26     | 36     |
| Municipal regulation golf courses          | 2           | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Trucks, off-road, and other vehicles       | 67          | 67     | 84     | 93     | 98     | 98     | 97     | 98     | N/A    | N/A    |
| Sanitation                                 |             |        |        |        |        |        |        |        |        |        |
| Sweepers                                   | 16          | 17     | 21     | 13     | 9      | 9      | 6      | 6      | 6      | N/A    |
| Front end loader                           | 1           | 1      | 2      | 3      | 3      | 3      |        |        |        |        |
| Trucks, Vans, and other vehicles           | 31          | 32     | 60     | 81     | 74     | 83     | 79     | 84     | 90     | N/A    |
| Pressure washers                           | 5           | 8      | 10     | 11     | 9      | 9      | 9      | 7      | 7      | N/A    |
| Transit-minibuses                          | 10          | 10     | 4      | 4      | 4      | 4      |        |        |        |        |

**Source:** Various City of Miami Beach departments.

N/A- Data not available

