

# **City of Miami Beach, Florida**

# **AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2015**

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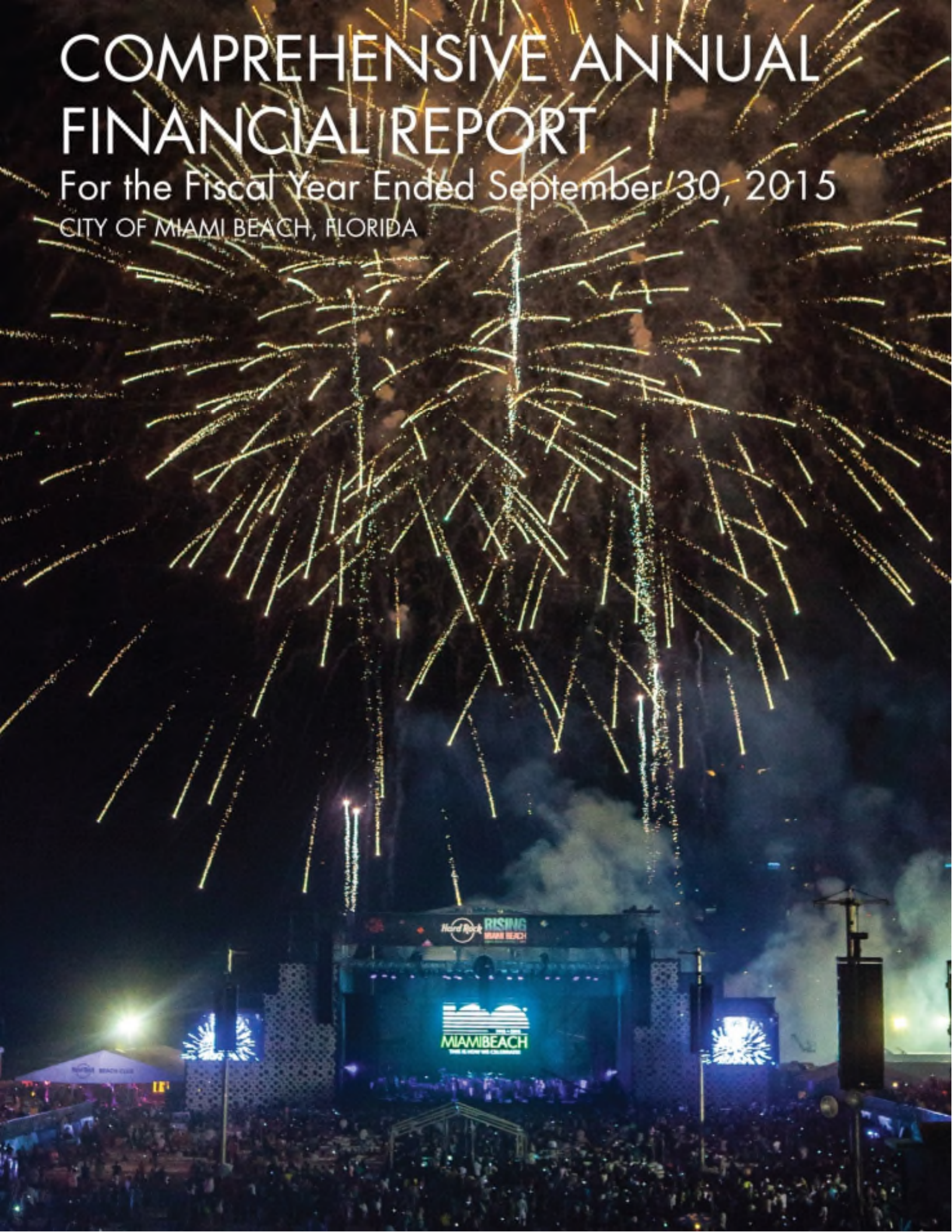
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City of Miami Beach (CMB)  
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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2015

CITY OF MIAMI BEACH, FLORIDA





**City of Miami Beach, Florida**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

**Jimmy L. Morales**  
City Manager

**Allison R. Williams**  
Chief Financial Officer

Report prepared by: Finance Department

Cover picture  
City of Miami Beach Centennial Celebration  
Photo credit: Jenna Lamb, Lamb Studios  
<http://web.miamibeachfl.gov/>



**City of Miami Beach, Florida  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2015**

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# MIAMI BEACH

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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)

April 29, 2016

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, 2015.

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 component units of the City. All disclosures necessary to enable the reader to gain an understanding of the financial activities of the City have been included.

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

State statutes require an annual audit by independent certified public accountants and for the City Commission to appoint an audit committee to make the selection of the independent auditor. Crowe Horwath LLP was selected by the audit committee and then approved by the City Commission. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City's basic financial statements for the fiscal year ended September 30, 2015 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, the State of Florida Single Audit Act in accordance with OMB Circular A-133 and Florida Rules of the Auditor General, Section 10.550. 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.

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

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 complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, Chapter 7672, Laws of Florida (1917). The City is governed by an elected Mayor and six Commissioners. The City operates under a Commission-Manager form of government. The term for the Mayor is two years, with a lifetime term limit of three two-year terms. The term for the Commissioners is four years, with a lifetime term limit of two four-year terms. The Commission is responsible, among other things, for passing ordinances, adopting the budget, approval of property tax levies, authorizing and approving debt secured by the full faith and credit of the City or any of its revenue streams, appointing committees, and hiring the City's manager, clerk, and attorney. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of 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, public transportation, 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's budget. Increases to funds or a 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 \$4 billion in direct tourist spending on hotel, food, and beverage, and also a large portion of the City's \$1 billion retail marketplace. In 2015, the City's hotels hosted more than 7 million overnight visitors, and approximately 4 million tourists visited South Beach and the Art Deco Historic district. Additionally, the City is a regional destination with approximately 9 to 11 million day-trips by residents of the surrounding area, making the City one of the most popular attractions in Florida.

In 2015, hotel room occupancy was 74.5%, down from 78% in 2014, reflecting continued absorption of an inventory of hotel rooms that has increased significantly from 14,138 in 2008 to 19,545 for 2015. 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, since the second quarter of 2008, room night demand has shown year over year increases.

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The City's unemployment rate of 4.6% at September 30, 2015 is below comparable geographies, such as 6.2% for Miami-Dade County, 5.5% for Florida, and the national rate of 6.1%. It was also a significant drop from a local unemployment rate of 9.5% in 2011.

In recent years, the City has diversified beyond its traditional tourism based economy to become a leading multi-industry business center with entertainment, health care, culture, and professional services industries. We have attracted major television series and movies to the City, including *Ballers* (HBO), *Alvin and the Chipmunks*, and *Arms and the Dudes*. The City hosted eMerge Americas Conference, for the second year in a row showcasing the best and brightest technology innovators and entrepreneurs, including Rokk3rlabs, a tech hub that is based in Miami Beach. In 2015, the world's most prestigious art fair, Art Basel, based in Switzerland, celebrated the thirteenth anniversary of its Miami Beach exhibition, with attendance and sales increasing year over year. In addition, the City hosted the inaugural Maison & Objet Americas, a world-renowned interior design trade show that attracted thousands of international visitors. The trade show will return in 2016 in the hopes of establishing an annual trademark event in Miami Beach.

Retail tenants continue to open locations and expand in the City, joining established operations such as Armani Exchange, Kenneth Cole, Urban Outfitters, Diesel, Nicole Miller, Forever 21, H&M, The Gap, and a newly expanded flagship Apple Store. As of September 30, 2015, Class A office space in prime locations continues to generate interest with a vacancy rate of approximately 5%, anchored by corporate tenants such as LNR Property Corporation, Terranova, and Benetton and recently added co-space operator WeWork.

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

## **Centennial Celebration**

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

## **Convention Center Renovation**

The Miami Beach Convention Center (the "Center"), originally built in 1957, is undergoing a \$550 million renovation and expansion. Once completed the Center will set a high standard of excellence and redefine meeting and entertainment solutions when hosting large-scale business, trade, civic, and cultural events. The City's professional design team, consisting of nationally recognized Fentress Architects, the local design firm of Arquitectonica, and international landscape architects West 8, have designed a Center that will position itself among the top globally significant convention centers in the world.

The new 1.4 million square foot, LEED certified facility will include a state-of-the-art 60,000 square foot grand ballroom, additional meeting rooms with flexible arrangements, a 20,000 square foot glass rooftop junior ballroom, advanced technology, and new versatile indoor/outdoor public spaces. For added convenience, 800 parking spaces located across from the Center will be relocated within the footprint of the building thus allowing the 5.8 acre parking lot to be converted into a public park surrounded by canopy trees, a flexible lawn area, a food pavilion, and a public plaza to honor the City's veterans. The park has potential to become the new civic "heart" of Miami Beach. The transformation will enable the Center to keep up with the demands of the competitive national and international convention community, while new outdoor public spaces will create improved walkability, connecting the Center and the City's adjacent historical cultural district and resorts.

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## Infrastructure

The City conducted a community survey in 2014 which identified storm drainage as a key issue for residents. Only 25% of residents rated storm drainage as excellent or good. In fact, nearly nine out of ten residents (87%) claimed they would support the City spending tax dollars to address rising sea levels. Two new committees were formed to address the City's current and future drainage issues, the Mayor's Blue Ribbon Panel on Flood Mitigation and the Sustainability & Resiliency Committee. In response to the rising tides the City's strategic plan includes key intended outcomes to ensure reliable storm water management and resiliency against flooding. During the past year, the City entered into a partnership with Harvard University on a multi-year study of adaptive strategies on the impact of sea level rise for coastal communities in South Florida.

## 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, 2015 was balanced and enables the City to continue delivering outstanding, enhanced services to our residents, businesses and visitors, and continuing structural enhancements to ensure the long-term sustainability of the City. Between fiscal year 2008 and 2015, the General Fund absorbed almost \$51 million in reductions and eliminated 295.5 full-time and 11 part-time positions across all funds. Combined with approximately \$27.8 million in employee "give-backs" achieved between fiscal year 2010 and 2015, this represents \$78.7 million in combined "give-backs" and reductions over 8 years.

**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 6.0237 mills. The total adopted operating millage is 5.7942 mills, including a general operating millage rate of 5.6859 mills and a general fund capital renewal and replacement rate of 0.1083 mills. The adopted voted debt service millage rate is decreased from 0.2529 to 0.2295, a decrease of 0.0234 mills. Further, although the City increased the operating tax rate by 0.56 mills in fiscal year ended September 30, 2011, the City's adopted combined millage rate is now the same as in fiscal year ending 2010 and the rate remains approximately 2.7 mills lower, or 30%, than it was in fiscal year ending 2000.

**Property Values and Ad Valorem Taxes:** On July 1, 2015, the City received the "2015 Certification of Taxable Value" from the Property Appraiser's Office stating that the taxable value for the City of Miami Beach is \$30.7 billion, including \$267 million in new construction. The preliminary 2015 value represents an increase of \$3.6 billion or 13.3 percent more than the July 1, 2014, Certification of Taxable Value of \$27.1 billion.

**Determining the Voted Debt Service Millage Levy:** The general obligation debt service payment for fiscal year 2015 was approximately \$5.9 million. Based on the July 1, 2015 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.2031 mills. This represents a decrease of 0.0264 mills.

**Efficiencies and Reductions:** As with the preparation of budgets for the last eight 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. As part of the fiscal year 2016 budget adopted in September 2015, the Finance & Citywide Projects Committee requested that departments submit lists of potential reductions and efficiencies totaling 5 percent of their 2015 budgets. At the July 1<sup>st</sup> meeting, the Finance & Citywide Projects Committee accepted \$1,211,750 of the recommended reductions and efficiencies.

## Debt Administration

The general obligation debt rating of the City remained at Aa2 with Moody's and AA+ with Standard and Poor's. 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. In August of 2015, the City issued \$99.6

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million in Stormwater Revenue Bonds to which Moody's assigned an Aa3 rating. The City increased their storm water rates by 84% to pay for infrastructure improvements to combat the effects of sea-level rise. The storm water system covers 4,200 acres and services 109,000 equivalent residential units. Additionally subsequent to September 30, 2015 the City issued at par value \$576 million in bonds composed of \$322 million in Redevelopment Agency, \$195 million in Resort Tax, and \$59 million in Parking Revenue Bonds. Of the \$322 million in bond proceeds for the Redevelopment Agency, \$296 million was for the Convention Center renovation and the remaining proceeds were for refunding of the 2005B and 1998A bonds. All of the Resort Tax and Parking Revenue Bonds were utilized for Convention Center renovations.

As of September 30, 2015, the general obligation bonded debt of the City totaling \$53.8 million was well below the legal limit of \$3.2 billion. The City's total debt per capita equaled \$5,546 at September 30, 2015.

## **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, 2014. This was the twenty-eighth (28) 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.

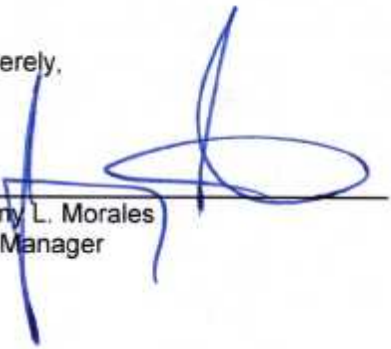
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2014. 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.

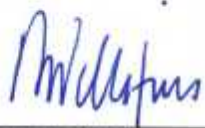
The preparation of the comprehensive annual financial report was made possible by the dedicated work and tireless efforts of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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



Allison R. Williams  
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

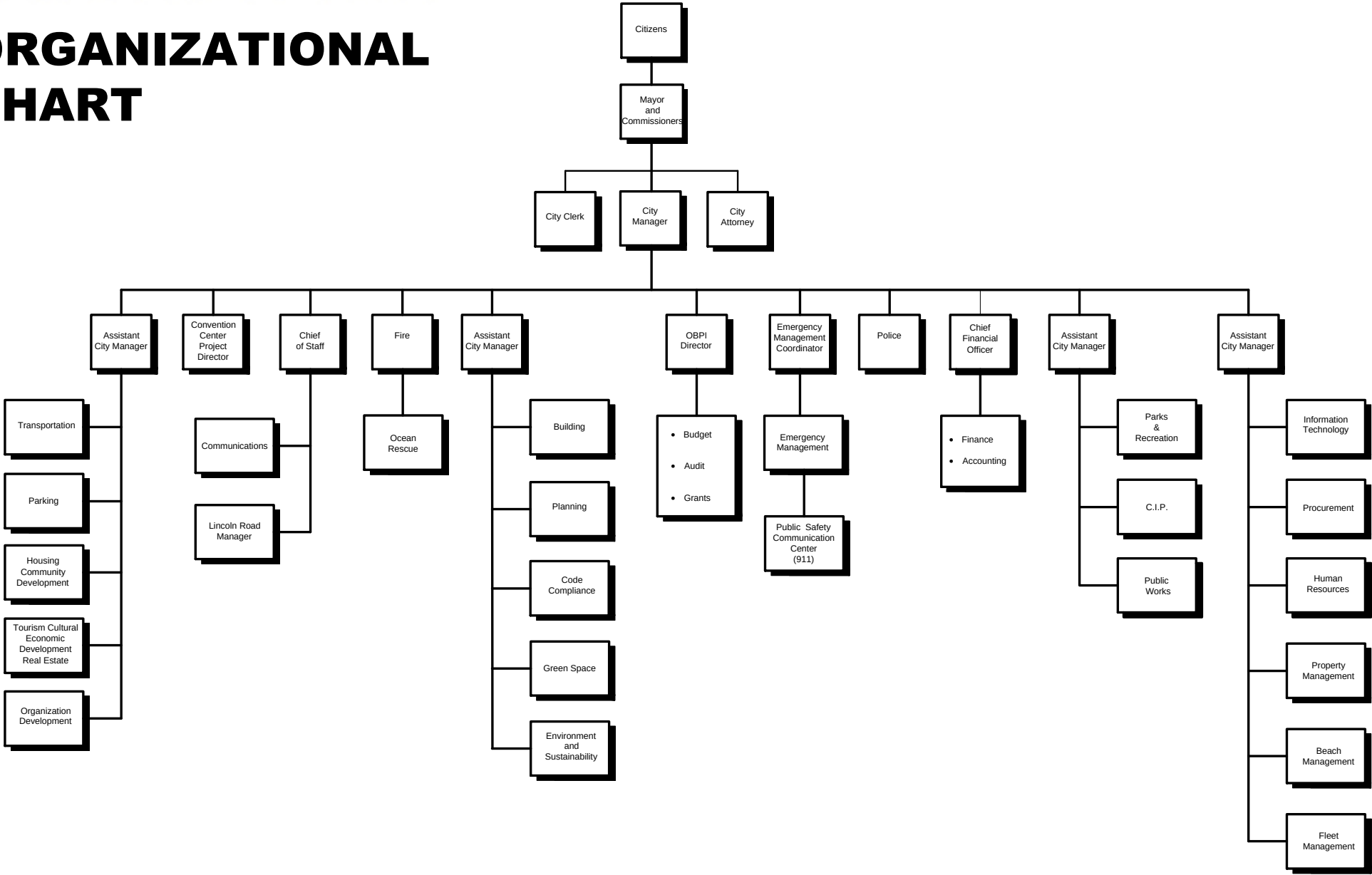
**September 30, 2014**

A handwritten signature in dark ink, reading "Jeffrey R. Emen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Executive Director/CEO



ORGANIZATIONAL CHART



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

**City Commission**

Philip Levine, Mayor

John Elizabeth Alemán, Commissioner  
Ricky Arriola, Commissioner  
Kristen Rosen Gonzalez, Commissioner  
Michael Grieco, Commissioner  
Joy Malakoff, Commissioner  
Micky Steinberg, Commissioner

---

**Administration**

Jimmy L Morales, City Manager

Allison R. Williams, Chief Financial Officer

Kathie G. Brooks, Assistant City Manager  
Eric Carpenter, Assistant City Manager  
Mark Taxis, Assistant City Manager  
Susy Torriente, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Miami Beach Florida Employees' Retirement Plan and the City Pension Fund for Firefighters and Police Officers, which represent 32 percent, 34 percent, and 14 percent; and 48 percent, 51 percent, and 21 percent, respectively, of the assets, net position, and revenues of the financial statements of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Miami Beach Florida Employees' Retirement Plan and the City Pension Fund for Firefighters and Police Officers, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City Pension Fund for Firefighters and Police Officers was not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

In June 2012 the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." As disclosed in Note 18, Statements 68 and 71 are effective for the City's fiscal year ending September 30, 2015. These Statements replace the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and Statement No. 50, "Pension Disclosures." Statements 68 and 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of contributions by employer and other contributing entities, schedule of changes in the City's net pension liability and related ratios, schedules of funding progress and contributions, and the budgetary comparison schedules on pages 12 through 27, 100, 101 through 102, 103, and 104 through 106, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Crowe Horwath LLP

Miami, Florida  
April 29, 2016

## **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, 2015. 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 Governmental Accounting Standards Board ("GASB") issued Statement No. 68 and No. 71 relating to accounting and financial reporting for pensions. The City has two defined benefit pension plans that qualified for implementation; City of Miami Beach Employees' Retirement Plan ("MBERP") and City of Miami Beach Fire & Police Plan ("MBF&P"). The effects of the implementation included a prior period adjustment reduction to the beginning balance of net position in the amount of \$359 million, an addition of deferred outflows of resources totaling \$69 million, deferred inflows of resources totaling \$23 million, and a long term liability known as a net pension liability by \$389 million. The net pension liability totaled \$352 million and \$37 million for the Governmental Activities and Business-Type Activities, respectively.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2015 by \$1.08 billion (net position). Of this amount, \$902.4 million was net investment in capital assets. Additionally, \$220.2 million was restricted by laws, agreements, or debt covenants. The City has unrestricted net position of \$(39.6) million.
- During fiscal year 2015, the City's net position decreased by \$253.9 million. Of this decrease, \$248.9 million was in governmental activities and the remaining decrease of \$5 million in business-type activities. For the governmental activities, revenues from charges for services increased by \$6.2 million or 7%, operating grants and contributions increased by \$8.2 million or 42.5%, capital grants and contributions decreased \$6 million or 14.5% and general revenues increased by \$8.1 million or 3.1%, while expenses increased by \$17 thousand or 0.0%. For the business-type activities, charges for services increased \$26.6 million or 17.6%, while expenses increased by \$8.4 million or 5.9% over the prior year.
- Overall the City's assets and deferred outflows increased from \$1,921 million to \$2,172 million. Major changes occurring in this area were; \$72.6 million increase in restricted cash and investments, \$91.8 million additions to construction in progress and \$69.1 million recognized in deferred outflows of resources due to the implementation of GASB No. 68 in the current fiscal year.
- The City's overall liabilities and deferred inflows increased from \$584 million to \$1,089 million. Major changes occurring in this area were; \$82.8 million increase in short and long term debt due to the issuance of new storm water bonds and a \$167.1 and \$222.2 million pension liability increase in the MBERP and MBF&P as a result of GASB No. 68.

### **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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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The statement of activities presents information showing how the City's net position changed during each fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Both the statement of net position and the statement of activities of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities of the City include general government, public safety, physical environment, transportation, economic development, human services, and culture and recreation. The business-type activities of the City include storm water, water, sewer, parking, convention center, 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 financial-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 is 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.

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

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**Proprietary Funds.** The City maintains seven different types of enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its storm water utilities, water and sewer utilities, parking, convention center complex, sanitation, and Miami Beach Redevelopment Agency's parking and leasing. The City maintains 6 internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management, property management, central services, risk management self-insurance, health self-insurance and communications operations. Since these services predominantly benefit governmental rather than business-type functions, they have been included within 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 34-36 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 40-99 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 100-106 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 107-127 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               |                     |
|----------------------------------------|-------------------------|-------------------|--------------------------|-------------------|---------------------|---------------------|
|                                        | 2014                    | 2015              | 2014                     | 2015              | 2014                | 2015                |
| Current and other assets               | \$ 438,103              | \$ 465,034        | \$ 283,388               | \$ 363,176        | \$ 721,491          | \$ 828,210          |
| Capital assets                         | 603,504                 | 635,502           | 592,509                  | 636,619           | 1,196,013           | 1,272,121           |
| Deferred outflows                      | 1,311                   | 63,946            | 1,997                    | 8,025             | 3,308               | 71,971              |
| Total assets and deferred outflows     | <u>1,042,918</u>        | <u>1,164,482</u>  | <u>877,894</u>           | <u>1,007,820</u>  | <u>1,920,812</u>    | <u>2,172,302</u>    |
| Long-term liabilities                  |                         |                   |                          |                   |                     |                     |
| outstanding                            | 280,934                 | 624,798           | 259,995                  | 387,302           | 540,929             | 1,012,100           |
| Other liabilities                      | 24,944                  | 30,938            | 17,142                   | 22,259            | 42,086              | 53,197              |
| Deferred inflows                       | 245                     | 20,801            | 675                      | 3,219             | 920                 | 24,020              |
| Total liabilities and deferred inflows | <u>306,123</u>          | <u>676,537</u>    | <u>277,812</u>           | <u>412,780</u>    | <u>583,935</u>      | <u>1,089,317</u>    |
| Net position:                          |                         |                   |                          |                   |                     |                     |
| Net investment in capital assets       | 429,990                 | 491,486           | 392,350                  | 410,866           | 822,340             | 902,352             |
| Restricted                             | 146,377                 | 172,033           | 39,437                   | 48,206            | 185,814             | 220,239             |
| Unrestricted                           | 160,428                 | (175,574)         | 168,295                  | 135,968           | 328,723             | (39,606)            |
| Total net position                     | <u>\$ 736,795</u>       | <u>\$ 487,945</u> | <u>\$ 600,082</u>        | <u>\$ 595,040</u> | <u>\$ 1,336,877</u> | <u>\$ 1,082,985</u> |

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.08 billion at September 30, 2015, a decrease of \$253.9 million or 19.0% from the prior year.

The largest portion of the City's net position, \$902.4 million or 83.3%, 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, \$220.2 million or 20.3% 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 balance of unrestricted net position, of \$(39.6) million consists of \$(175.6) million from governmental activities and \$136.0 million from business type activities. For financial reporting purposes, these balances are considered unrestricted, however, the majority of these balances are committed or assigned at the fund level by the City Commission.

At the end of the current fiscal year, the City as a whole is able to report positive balances in two of the three categories of net position. The City's net position decreased by \$253.9 million, or 19.0%, during the current fiscal year. Governmental activities accounted for a decrease of \$248.9 million while Business-type activities accounted for the remaining \$5 million 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)

|                                                                              | 2014                     | 2015                     |
|------------------------------------------------------------------------------|--------------------------|--------------------------|
| Revenues:                                                                    |                          |                          |
| Program revenues:                                                            |                          |                          |
| Charges for services                                                         | \$ 88,352                | \$ 94,529                |
| Operating grants and contributions                                           | 19,206                   | 27,376                   |
| Capital grants and contributions                                             | 3,938                    | 13,831                   |
| General revenues:                                                            |                          |                          |
| Taxes:                                                                       |                          |                          |
| Property taxes, levied for general purposes                                  | 115,939                  | 126,349                  |
| Property taxes, levied for debt services                                     | 5,657                    | 6,750                    |
| Resort taxes                                                                 | 61,761                   | 68,000                   |
| Tax increment                                                                | 49,962                   | 38,094                   |
| Utility taxes                                                                | 12,364                   | 12,193                   |
| Local business                                                               | 4,493                    | 4,630                    |
| Communication services                                                       | 4,679                    | 4,520                    |
| Miscellaneous                                                                | 1,155                    | 1,437                    |
| Unrestricted investment earnings                                             | 3,089                    | 5,265                    |
| Total revenues                                                               | <u>370,595</u>           | <u>402,974</u>           |
| Expenses:                                                                    |                          |                          |
| General government                                                           | 43,366                   | 47,399                   |
| Public safety                                                                | 197,240                  | 192,976                  |
| Physical environment                                                         | 3,168                    | 4,199                    |
| Transportation                                                               | 14,387                   | 17,449                   |
| Economic environment                                                         | 4,877                    | 5,612                    |
| Human services                                                               | 2,213                    | 2,783                    |
| Culture and recreation                                                       | 53,476                   | 59,369                   |
| Interest on long-term debt                                                   | 8,819                    | 8,242                    |
| Total expenses                                                               | <u>327,546</u>           | <u>338,029</u>           |
| Increase in net position before transfers and gain on sale of capital assets | 43,049                   | 64,945                   |
| Gain on sale of capital assets                                               | 200                      | 388                      |
| Unrealized Loss on Investments                                               |                          |                          |
| Transfers                                                                    | 4,664                    | 9,764                    |
| Increase in net position                                                     | <u>47,913</u>            | <u>75,097</u>            |
| Net position - beginning, as restated.                                       | 688,882                  | 412,847                  |
| Net position - ending                                                        | <u><u>\$ 736,795</u></u> | <u><u>\$ 487,944</u></u> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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**Governmental activities.** Governmental activities increased by \$64.9 million; however the prior period adjustment related to GASB 68 reduced net position by \$323.9 million, resulting in a net decrease in the City's net position by \$248.9 million, thereby accounting for 98.1% of the total decline in the net position of the City. Key elements of the fluctuation are as follows:

Governmental activities revenues consisted of program revenues which amounted to \$135.7 million and general revenues which amounted to \$267.2 million, for a total of \$403.0 million. Property tax revenue for general purposes which represents 31.4% of total revenues was \$126.3 million. This is an increase of \$10.4 million or 9% 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 \$24.66 billion in 2014 to \$27.1 billion in 2015, an increase of \$2.44 billion. The City's operating millage rate decreased from 5.8634 in fiscal year 2014 to 5.7942 in 2015, a decrease of .0692 mills, or 1.2%.

Charges for services which represent 23.5% of total revenues were \$94.5 million. This amount is an increase of \$6.2 million or 7% over the prior year. These charges at the government wide statement level are primarily derived from Parks and Recreation (including Golf Courses) user fees, ambulance fees, off duty services, franchise fees, rents and leases, license, permits, fines, forfeitures and administrative fees from enterprise funds and some forms of intergovernmental revenues.

Tax increment revenue which represents 9.5% of the revenues was \$38.1 million. This amount is a decrease of \$11.9 million or 23.8% from the prior year. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the "County") multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations. Fluctuations in tax increment revenue are based on real estate property values City wide. The decrease is due to the City not receiving the tax increment funds for the South Pointe District from the County in fiscal year 2015.

Resort tax which represents 16.9% of revenues was \$68 million which is an increase of \$6.2 million or 10.1% from the prior year. Resort tax is a 3% tax on the rent of a room or rooms in any hotel, motel, rooming house or apartment house and 2% on the total sales price of all food and beverage (included beer and wine sold at retail in any restaurant). Fluctuations in resort tax revenues are based on the fluctuations in the sales of the above items and vary 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 \$338.0 million. Significant portions of these expenses were in the public safety, general government and culture and recreation functions.

General government function expense was \$47.4 million and represents 14.0% of total expense. The City's general government function includes the City attorney's office, public works department, planning department, capital investment and upkeep office, budget and finance office, office of procurement, city manager's office, city clerk's office, human resources office and other special projects. Expenditures in this function increased by \$4.0 million or 14.0% from the prior year.

Public safety function expense was \$193.0 million and represents 57.1% 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 decreased by \$4.2 million or 2.2% from the prior year.

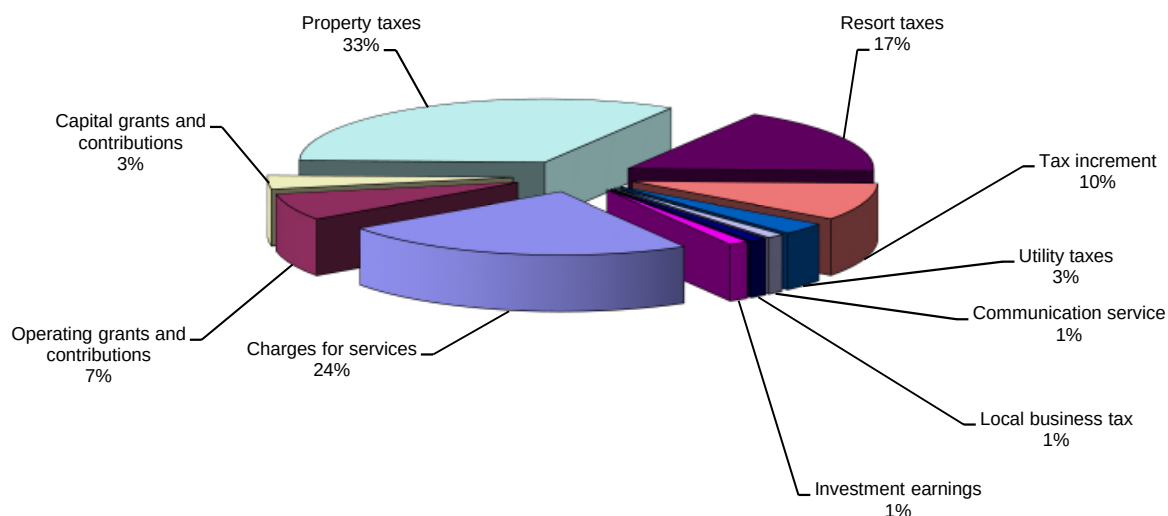
Culture and recreation function expense was \$59.4 million and represents 17.6% of total expenses. The City's culture and recreation function includes expenses for grant funded culture and recreation activities, the City's

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

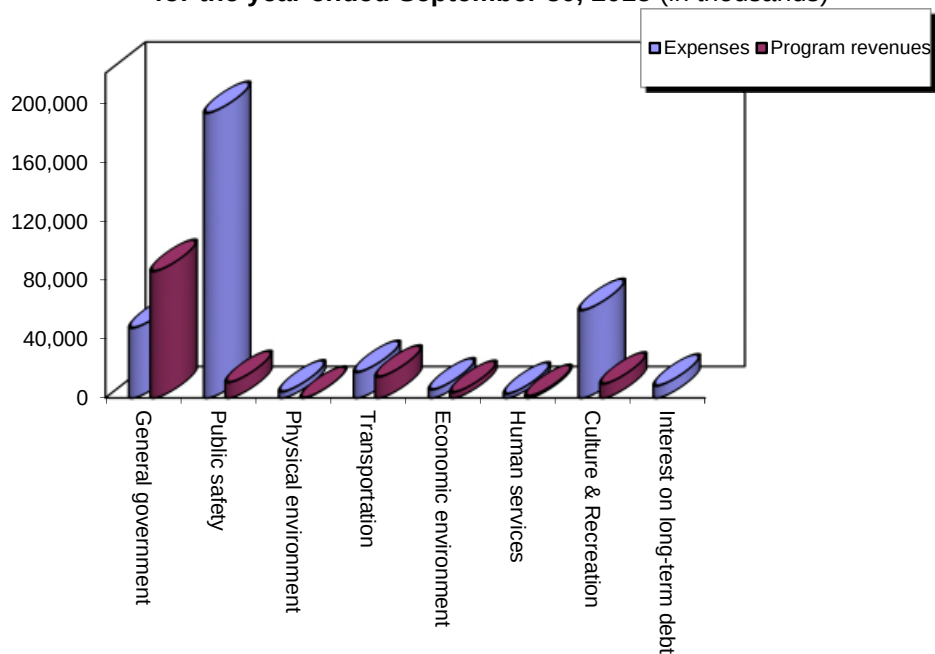
parks and recreation department, Office of Tourism and Cultural Development, Bryon and Colony theater operations, golf course operations, and a variety of arts, cultural and entertainment programs. Expenses in this function had a net increase of \$5.9 million or 11.0% from the prior year.

### Revenue by Source – Governmental Activities

for the year ended September 30, 2015 (in thousands)



### Expenses and Program Revenues – Governmental Activities for the year ended September 30, 2015 (in thousands)



# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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

|                                                                                                 | 2014              | 2015              |
|-------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Revenues:                                                                                       |                   |                   |
| Program revenues:                                                                               |                   |                   |
| Charges for services                                                                            | \$ 151,029        | \$ 177,605        |
| Operating grants and contributions                                                              | 10,622            | 12,001            |
| General revenues:                                                                               |                   |                   |
| Tax increments                                                                                  | 3,671             |                   |
| Unrestricted investment earnings                                                                | 1,115             | 989               |
| Total revenues                                                                                  | <u>166,437</u>    | <u>190,595</u>    |
| Expenses:                                                                                       |                   |                   |
| Storm water                                                                                     | 7,877             | 10,419            |
| Water                                                                                           | 28,965            | 29,255            |
| Sewer                                                                                           | 31,374            | 35,734            |
| Parking                                                                                         | 37,072            | 38,123            |
| Convention Center                                                                               | 17,418            | 16,191            |
| Sanitation                                                                                      | 15,876            | 16,923            |
| Redevelopment Agency's Parking                                                                  | 3,792             | 4,131             |
| Redevelopment Agency's Leasing                                                                  | 464               | 462               |
| Total expenses                                                                                  | <u>142,838</u>    | <u>151,238</u>    |
| Increase in net position before transfers and<br>gain on sale of capital assets and investments | 23,599            | 39,357            |
| Gain on sale of capital assets                                                                  | 108               | 170               |
| Unrealized loss on investments                                                                  | (12)              | 87                |
| Transfers                                                                                       | (4,664)           | (9,764)           |
| Increase in net position                                                                        | <u>19,031</u>     | <u>29,850</u>     |
| Net position - beginning, as restated.                                                          | <u>581,051</u>    | <u>565,190</u>    |
| Net position - ending                                                                           | <u>\$ 600,082</u> | <u>\$ 595,040</u> |

**Business-type activities.** Business-type activities decreased the City's net position by \$5 million, thereby accounting for 1.9% of the total decline in the net position of the City.

Key elements of the net decrease are as follows:

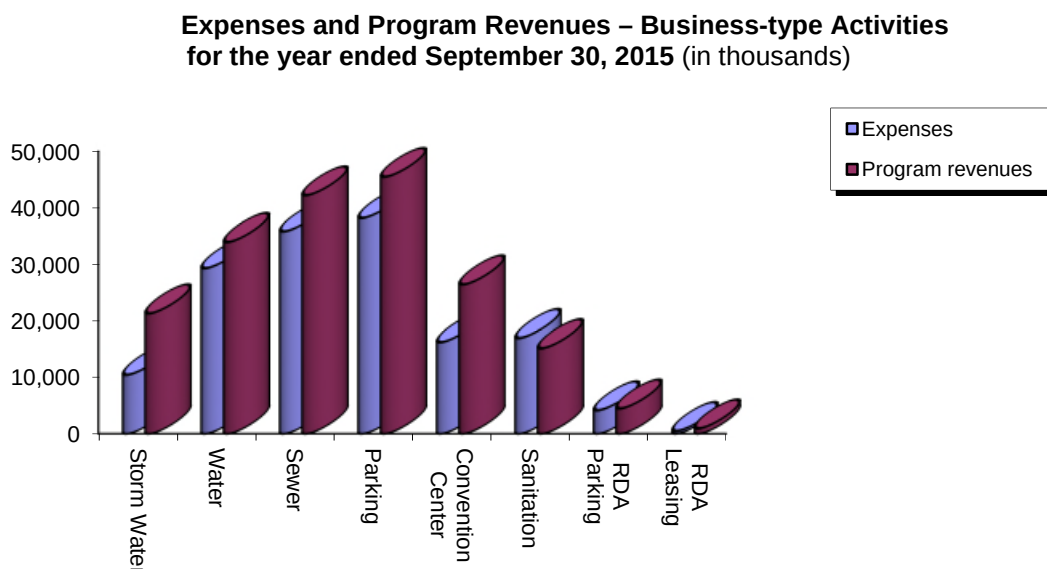
- The Storm Water fund had a change in net position of \$7 million. Operating revenues increased by \$9.5 or 81.5 % and operating expenses increased by \$1.7 million or 29.3% from the prior year. Net non-operating expenses were \$2.7 million, and consisted of \$2.8 million in interest and fiscal charges, \$36,889 in gains on disposal of capital assets, \$69,807 in unrealized gains on investments and 67,119 in interest income. In July, 2015 the City raised its Storm Water rates to \$16.67 per Equivalent Residential Unit (ERU) from \$9.06, or 84% to pay for infrastructure improvements to combat the effects of sea-level rise.
- The Water and Sewer fund had a change in net position of \$1.3 million. Operating revenues increased by \$5.9 million or 8.4% and operating expenses increased by \$4.6 million or 8.1 % from the prior year. Net

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

non-operating expenses were \$2.7 million and consisted of \$3 million in interest and fiscal charges, \$30,607 in gain on disposal of capital assets, \$14,106 in unrealized gain on investments and \$267,608 in interest income. Water rates increased during fiscal year 2015 to \$4.43 per 1,000 gallon, an increase from \$4.36 in 2014. Sewer rates increased to \$7.55 per 1,000 gallons, an increase from \$6.34 in 2014.

- The Parking System fund had a negative change in net position of \$3.4 million. Operating revenues increased by \$2.6 million or 6.6% and operating expenses increased by \$1.1 million or 2.9% from the prior year. Net non-operating revenues were \$ 2.7 million and consisted of \$562,533 in interest and fiscal charges, \$35,144 in gain on disposal of capital asset, \$2,898 in unrealized gain on investments and \$445,532 in interest income. Also included in this amount is \$2.8 million in intergovernmental revenues for the City's share in parking ticket revenue from Miami-Dade County. Intergovernmental revenue decreased by \$205,384 or 6.9% 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 of \$11.7 million. Operating revenues increased by \$8.8 million or 106.5% and operating expenses decreased by \$1.3 million or 7.3% from the prior year. Net non-operating revenues were \$9.3 million consisting of \$69,399 in interest income. Also included in this amount is \$9.2 million in intergovernmental revenue for the City's share of Convention Development Taxes (CDT) received from Miami-Dade County. Intergovernmental revenues increased by \$1.6 million or 20.7% from the prior year. The Convention Center's largest operating expenses were depreciation expense on capital assets and personal services costs.
- Other Enterprise funds, which include the Sanitation, Miami Beach Redevelopment Agency's ("RDA") Parking and Leasing funds, had a decrease in net position of \$5.7 million. The Parking funds accounts for the Anchor garage and Penn garage. The Leasing funds accounts for the Anchor Shoppe and Penn Shoppe. In the combined funds, operating revenues decreased by \$334,661 or 1.6% and operating expenses increased by \$1.4 million or 6.8% from the prior year. Net non-operating revenues were \$193,814 and consisted of \$8,928 in interest and fiscal charges, \$63,404 in gain on disposal of capital assets and \$139,338 in interest income.

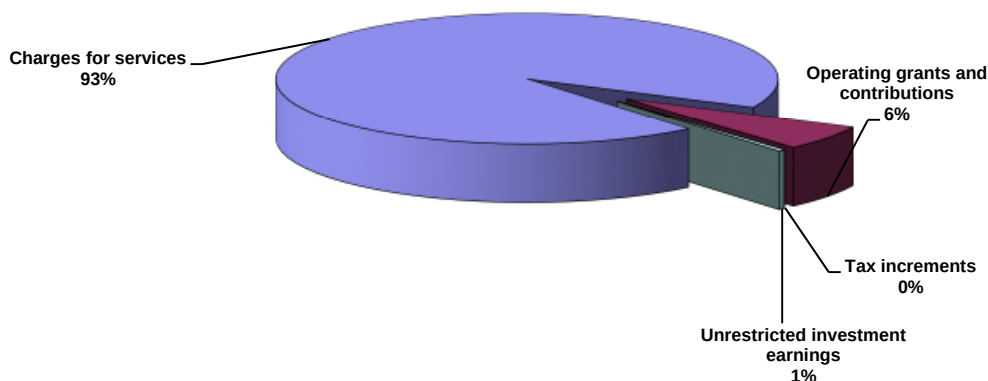
The following chart shows a comparison of expenses to program revenues for business-type activities for fiscal year 2015:





## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

### Revenue by Source – Business-type Activities for the year ended September 30, 2015 (in thousands)



### 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 Govern-<br>mental Funds | Total Govern-<br>mental Funds |
|-----------------------------------|-----------|------------|---------------------------------------------|---------------------|-------------------------------|-------------------------------|
| Fund balances                     |           |            |                                             |                     |                               |                               |
| Sep. 30, 2014                     | \$ 50,503 | \$ 19,587  | \$ 15,499                                   | \$ 184,360          | \$ 88,839                     | \$ 358,788                    |
| Revenues                          | 239,801   | 68,367     | 38,333                                      | 4,609               | 35,732                        | 386,842                       |
| Expenditures                      | (262,533) | (15,698)   | (17,050)                                    | (35,678)            | (50,780)                      | (381,739)                     |
| Other financing<br>sources (uses) | 31,520    | (48,436)   | (8,575)                                     | 3,284               | 33,005                        | 10,798                        |
| Fund balances                     |           |            |                                             |                     |                               |                               |
| Sept. 30, 2015                    | \$ 59,291 | \$ 23,820  | \$ 28,207                                   | \$ 156,575          | \$ 106,796                    | \$ 374,689                    |

**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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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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 \$59.3 million. This consisted of \$8.3 million restricted, \$50.3 million for emergencies, \$680,000 in purchase commitments, and \$19,765 non-spendable.

The general fund's net increase in fund balance for the fiscal year was \$8.8 million. Overall revenues had a net increase of \$19.9 million or 9% over the prior year. Ad-valorem tax, which is 53.4% of the general fund revenue collected, increased by \$12.1 million or 10.4%. There were also increases in permitting revenue of \$3.5 million or 17.7% and an increase of charges for services of \$1.4 million or 7.9%. Expenditures in the general fund increased by \$10.2 million or 4%, primarily in the public safety function, which account for 67.5% of general fund expenditures.

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 \$23.8 million. Resort tax collected during the year was \$68 million, an increase of \$6.2 million or 10.1% from the prior fiscal year. Net other financing uses, which was \$48.4 million decreased by \$2 million or 3.9% and expenditures increased by \$3.2 million or 25.4%. The resort tax fund balance increased by \$4.2 million or 21.6% from the prior fiscal year and represents 151.7% of total resort tax fund expenditures for the fiscal year.

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 \$38.1 million, which is an increase of \$637,546 or 1.7%, and net other financing uses decreased by \$12.2 million or 58.8% and expenditures decreased by \$1.8 million or 9.4%. The fund balance of the Miami Beach Redevelopment Agency Special Revenue Fund increased by \$12.7 million or 82% from the prior fiscal year and represents 165.4% of total Agency fund expenditures for the current fiscal year.

The City's capital projects fund accounts for the funding of the City's capital program. The primary resources are obtained from the issuance of City debt, tax increments and intergovernmental revenues. Intergovernmental revenues were \$1.7 million a decrease of \$1.6 million or 49.2% from the prior fiscal year. Net other financing sources which was \$3.2 million decreased by \$13.4 million or 80.3% from the prior fiscal year. The capital projects fund balance decreased by \$27.8 million or 15.1% from the prior fiscal year and represents 438.9% of total capital project fund expenditures for the current fiscal year.

The other governmental funds consist of the City's debt service funds and other special revenue funds, which accounts primarily for grants. Ad Valorem tax collected for debt service was \$6.8 million, and was an increase of \$1.2 million or 20.5% over the prior year. Intergovernmental revenue which was \$6.2 million, increased by \$2.6 million or 70.6% and net other financing sources which were \$33 million increased by \$2.3 million or 7.3%. Expenditures in the fund increased by \$8.6 million or 20.3%. The fund balance increased by \$18 million or 20.2% from the prior year and represents 210.3% 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 decline in net position for all enterprise funds was \$5 million and included a restatement of \$34.9 million in order to comply with the provisions of GASB 68. 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

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

revenues and actual revenues, with a net difference of \$2.8 million under budget. This variance resulted from the City appropriating \$8 million of revenue as a carry forward from unused dollars from prior years, to help balance the fiscal year 2015 budget. While this carryover of \$8 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. There were also variances between final budget expenditure and actual expenditure, with a net difference of \$11.5 million under budget.

**General Fund Revenues**  
**for the fiscal year ended September 30, 2015**  
(in thousands)

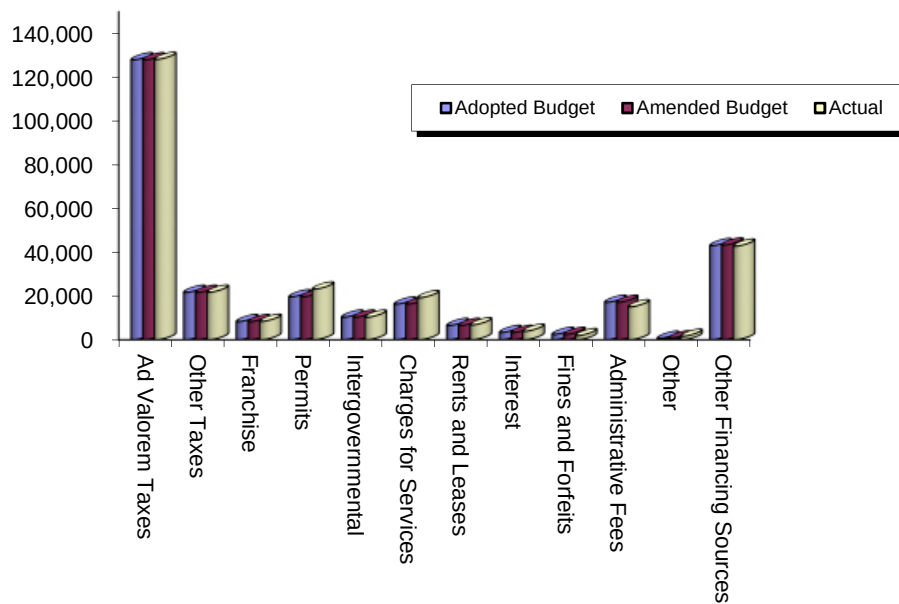
|                         | Original<br>Adopted<br>Budget | Final<br>Amended<br>Budget | Actual            |
|-------------------------|-------------------------------|----------------------------|-------------------|
| Taxes:                  |                               |                            |                   |
| Property                | \$ 127,904                    | \$ 127,904                 | \$ 128,131        |
| Sales, use, fuel        | 982                           | 982                        | 1,069             |
| Utility                 | 11,677                        | 11,677                     | 11,481            |
| Local business          | 4,506                         | 4,506                      | 4,630             |
| Communication Service   | 4,465                         | 4,465                      | 4,520             |
| Taxes                   | <u>149,534</u>                | <u>149,534</u>             | <u>149,831</u>    |
| Other than taxes:       |                               |                            |                   |
| Franchise               | 8,247                         | 8,247                      | 8,361             |
| Permits                 | 19,604                        | 19,604                     | 23,121            |
| Intergovernmental       | 10,290                        | 10,290                     | 10,263            |
| Charges for services    | 16,279                        | 16,279                     | 19,207            |
| Rents and leases        | 6,496                         | 6,496                      | 6,752             |
| Interest income         | 3,285                         | 3,285                      | 3,865             |
| Fines and forfeits      | 2,401                         | 2,401                      | 1,829             |
| Administrative fees     | 17,096                        | 17,096                     | 15,027            |
| Other                   | 626                           | 776                        | 1,545             |
| Other financing sources | 43,034                        | 43,308                     | 42,769            |
| Fund balance            | 3,187                         | 8,011                      |                   |
| Other than taxes        | <u>130,545</u>                | <u>135,793</u>             | <u>132,739</u>    |
| Total revenues          | <u>\$ 280,079</u>             | <u>\$ 285,327</u>          | <u>\$ 282,570</u> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

### General Fund Expenditures for the fiscal year ended September 30, 2015 (in thousands)

|                        | Original<br>Adopted<br>Budget | Final<br>Amended<br>Budget | Actual            |
|------------------------|-------------------------------|----------------------------|-------------------|
| General government     | \$ 42,601                     | \$ 45,665                  | \$ 41,129         |
| Public safety          | 180,296                       | 180,335                    | 177,142           |
| Physical environment   | 2,357                         | 2,357                      | 2,357             |
| Transportation         | 4,017                         | 4,017                      | 4,013             |
| Economic environment   | 1,235                         | 1,235                      | 1,181             |
| Human services         | 1,973                         | 1,973                      | 1,795             |
| Culture and recreation | 35,412                        | 35,779                     | 33,193            |
| Capital Outlay         | 1,643                         | 1,283                      | 294               |
| Debt service           | 1,321                         | 1,434                      | 1,429             |
| Other financing uses   | 9,224                         | 11,249                     | 11,249            |
| Total expenditure      | <u>\$ 280,079</u>             | <u>\$ 285,327</u>          | <u>\$ 273,782</u> |

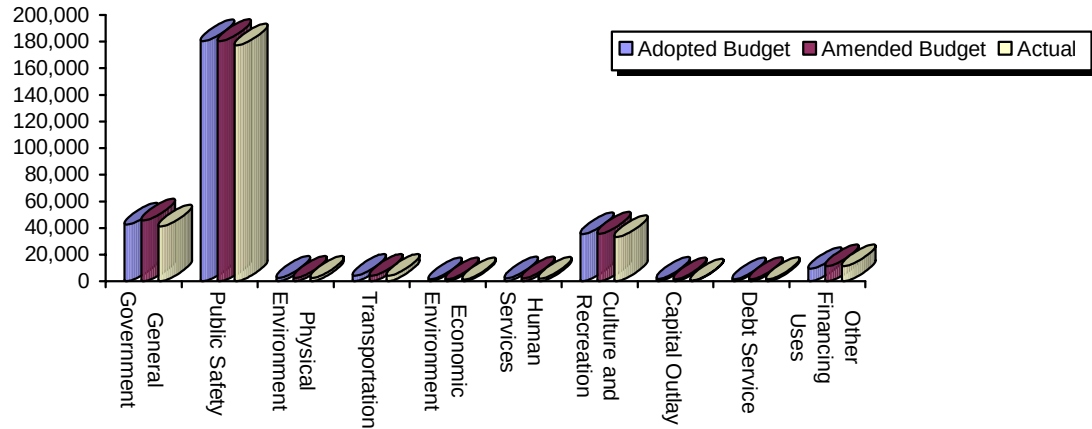
### General Fund Revenues for the year ended September 30, 2015 (in thousands).



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The following chart and table summarizes actual expenditures by function/program for fiscal year 2015 and compares expenditures with Adopted Budget, Amended Budget and Actual.

### General Fund Expenditure for the year ended September 30, 2015 (in thousands).



### Capital Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2015 amounts to \$1.3 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               |                     |
|                      | 2014                             | 2015              | 2014              | 2015              | 2014                | 2015                |
| Land                 | \$ 52,224                        | \$ 58,758         | \$ 25,835         | \$ 25,835         | \$ 78,059           | \$ 84,593           |
| Intangible assets    | 4,182                            | 4,182             | 4,318             | 4,318             | 8,500               | 8,500               |
| Construction         |                                  |                   |                   |                   |                     |                     |
| work-in-progress     | 86,291                           | 122,940           | 125,341           | 180,494           | 211,632             | 303,434             |
| Building & Structure | 76,376                           | 77,959            | 187,532           | 183,962           | 263,908             | 261,921             |
| Permanent            |                                  |                   |                   |                   |                     |                     |
| improvements         | 268,215                          | 259,014           | 10,864            | 10,698            | 279,079             | 269,712             |
| Furniture, Fixtures  |                                  |                   |                   |                   |                     |                     |
| & Equipment          | 24,992                           | 24,990            | 54,912            | 51,619            | 79,904              | 76,609              |
| Infrastructure       | 91,224                           | 87,659            | 183,707           | 179,693           | 274,931             | 267,352             |
| Total                | <u>\$ 603,504</u>                | <u>\$ 635,502</u> | <u>\$ 592,509</u> | <u>\$ 636,619</u> | <u>\$ 1,196,013</u> | <u>\$ 1,272,121</u> |

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

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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 Harbor Pump Stations. This project upgraded three pump stations in Sunset Harbor to provide a greater level of storm water service for the community.
- Completed Bandshell Park Master Plan Improvements Project that includes the renovation of the historic band shell at the Bandshell Park located at 7275 Collins Avenue and surrounding park areas.
- Completed Bayshore A – Central Neighborhood Improvements includes street resurfacing, sidewalk repair, swale/planting strip restoration, Installation of curb and gutter, enhanced landscaping, drainage upgrades, streetlight upgrades, traffic calming, water main rehabilitation on Flamingo Dr., and improve on-street parking. Additional scope by residents entails providing additional drainage improvements defined by West 28th Street to the south, Prairie Ave. to the west, Sheridan Ave. to the east and West 34th Street to the north, as well as North Meridian Ave. between 28th Street and Dade Blvd.
- Completed City Center BP 9C – City Center Lincoln Road This project limits are Lincoln Road between Washington Avenue and Collins Avenue, and was designed to address the needs of the commercial and retail area, as well as pedestrians, private and public vehicular access. The project includes roadway reconfiguration to accommodate uniform traffic lanes throughout, installation of landscape center median with uplighting, sidewalk replacement, installation of pedra portuguesa pavers on portions of the sidewalk that ranges in with from approximately 26.6 feet to 15.6 feet, paver crosswalks with ADA curb ramps, bump outs to formalize parking area and reduce the crosswalk distance, installation of street furniture, resurfacing of the asphalt pavement. The project supports the City Center RDA Master Plan.
- Scott Rakow Youth Center – Ice Rink Mechanical Repairs, project was expanded to include a future Phase III that will provide an in-depth investigation and correct humidity conditions in the existing ice rink that have led to the formation of mold on one wall and caused electrical shorts in the ice rink lights. This work includes the removal and replacement of the existing dehumidification system; possible removal and reconstruction, with insulation, of a section of the wall between the ice rink and the basketball gymnasium; and the replacement of the existing lighting fixtures with more suitable energy efficient models for operation in a cold environment.
- South Pointe Neighborhood – South Pointe Drive Median Enhancement includes the Installation of structural median planters on South Pointe Drive between Washington Avenue and Collins Avenue and also includes pump station beautification on Washington south of South Pointe Drive.
- Continued construction included the following:
  - Audible Pedestrian Countdown Signals Phase II
  - Bayshore B – Lower North Bay Road
  - Bayshore D – Sunset Islands III & IV Neighborhood Improvements
  - Flamingo Park Soccer Field
  - Flamingo Park Restrooms Facility
  - LED Lighting Installation
  - Lifeguard Stands Replacement ( 7 lifeguard towers)
  - London House Renovation
  - Normandy Isle Neighborhood – Phase II
  - Palm & Hibiscus Neighborhood Improvements
  - South Pointe Drive Medians Uplighting
  - South Pointe Landscaping Phase II
  - South Pointe Park – Landscape and Turf Rehabilitation

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

- South Pointe Park – Water Feature Remediation
- Venetian Islands Neighborhood Improvements

Additional information on the City's capital assets can be found in [Note 6](#) to the financial statements.

### Long-term Debt

#### Outstanding Debt General Obligation, Special Obligation, Revenue Bonds and Loans (in thousands)

|                    | Governmental activities |                   | Business-type activities |                   | Total             |                   |
|--------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                    | 2014                    | 2015              | 2014                     | 2015              | 2014              | 2015              |
| General obligation | \$ 57,280               | \$ 53,755         | \$                       | \$                | \$ 57,280         | \$ 53,755         |
| Special obligation | 98,810                  | 86,634            |                          |                   | 98,810            | 86,634            |
| Revenue bonds      |                         |                   | 245,595                  | 335,496           | 245,595           | 335,496           |
| Loans              | 13,558                  | 12,091            | 1,270                    | 830               | 14,828            | 12,921            |
| Other debt         | 12,882                  | 11,801            |                          |                   | 12,882            | 11,801            |
| Total              | <u>\$ 182,530</u>       | <u>\$ 164,281</u> | <u>\$ 246,865</u>        | <u>\$ 336,326</u> | <u>\$ 429,395</u> | <u>\$ 500,607</u> |

At the end of the current fiscal year the City had total bonded debt, loans and other long-term debt of \$501 million. Governmental activities had a net debt decrease of \$18.2 million or 31.9% while business-type activities debt increased by \$89.5 million or 36.2%. The increase is due to the issuance of \$99.6 million in Series 2015 Storm water bonds. Additional information on the City's long-term debt can be found in [Note 10](#) 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, 2015**

|                                                 | Primary Government      |                          |                  |                 |
|-------------------------------------------------|-------------------------|--------------------------|------------------|-----------------|
|                                                 | Governmental Activities | Business-type Activities | Total            | Component Units |
| ASSETS                                          |                         |                          |                  |                 |
| Cash and investments                            | \$ 434,663,750          | \$ 159,626,852           | \$ 594,290,602   | \$ 3,125,138    |
| Cash with fiscal agent                          | 250,000                 |                          | 250,000          |                 |
| Receivables (net)                               | 12,282,104              | 18,248,251               | 30,530,355       | 355,970         |
| Due from other governments                      | 738,961                 | 4,732,506                | 5,471,467        |                 |
| Internal balances                               | 1,797,233               | (1,797,233)              |                  |                 |
| Prepaid expenses                                | 1,902,914               | 225,231                  | 2,128,145        | 13,836          |
| Inventories                                     | 412,724                 | 1,396,054                | 1,808,778        |                 |
| Restricted cash and investments                 | 12,986,144              | 180,744,336              | 193,730,480      |                 |
| Capital assets not being depreciated:           |                         |                          |                  |                 |
| Land                                            | 58,758,676              | 25,835,429               | 84,594,105       |                 |
| Intangible assets                               | 4,181,941               | 4,318,059                | 8,500,000        |                 |
| Construction in progress                        | 122,939,582             | 180,494,511              | 303,434,093      |                 |
| Capital assets net of accumulated depreciation: |                         |                          |                  |                 |
| Buildings and structures                        | 77,959,238              | 183,961,469              | 261,920,707      |                 |
| Permanent improvements                          | 259,013,831             | 10,698,371               | 269,712,202      |                 |
| Machinery and equipment                         | 24,989,168              | 51,618,006               | 76,607,174       | 162,201         |
| Infrastructure                                  | 87,659,389              | 179,692,786              | 267,352,175      |                 |
| Total assets                                    | 1,100,535,655           | 999,794,628              | 2,100,330,283    | 3,657,145       |
| DEFERRED OUTFLOWS OF RESOURCES                  |                         |                          |                  |                 |
| Outflows - MBERP                                | 23,856,198              | 6,312,623                | 30,168,821       | 85,163          |
| Outflows - MBF&P                                | 38,926,663              |                          | 38,926,663       |                 |
| Unamortized refunding costs                     | 1,163,079               | 1,712,796                | 2,875,875        |                 |
| Total deferred outflows of Resources            | 63,945,940              | 8,025,419                | 71,971,359       | 85,163          |
| LIABILITIES                                     |                         |                          |                  |                 |
| Accounts payable                                | 14,698,803              | 14,658,806               | 29,357,609       |                 |
| Retainage payable                               | 3,930,155               | 3,143,014                | 7,073,169        |                 |
| Accrued expenses                                | 5,693,236               | 3,937,974                | 9,631,210        | 297,416         |
| Accrued interest payable                        | 1,435,136               |                          | 1,435,136        |                 |
| Unearned revenue                                | 5,067,880               | 470,064                  | 5,537,944        |                 |
| Deposits                                        | 29,893                  |                          | 29,893           |                 |
| Due to other governments                        | 82,583                  | 49,096                   | 131,679          |                 |
| Noncurrent liabilities:                         |                         |                          |                  |                 |
| Due within one year                             | 37,184,747              | 16,448,042               | 53,632,789       |                 |
| Due in more than one year                       | 235,310,889             | 333,818,414              | 569,129,303      | 22,940          |
| Net pension liability - MBERP                   | 130,095,666             | 37,035,908               | 167,131,574      | 512,291         |
| Net pension liability - MBF&P                   | 222,207,447             |                          | 222,207,447      |                 |
| Total liabilities                               | 655,736,435             | 409,561,318              | 1,065,297,753    | 832,647         |
| DEFERRED INFLOWS OF RESOURCES                   |                         |                          |                  |                 |
| Inflows - MBERP                                 | 8,936,665               | 2,544,109                | 11,480,774       | 35,191          |
| Inflows - MBF&P                                 | 11,621,210              |                          | 11,621,210       |                 |
| Other deferred revenue                          | 242,884                 | 675,000                  | 917,884          |                 |
| Total deferred inflows of Resources             | 20,800,759              | 3,219,109                | 24,019,868       | 35,191          |
| NET POSITION                                    |                         |                          |                  |                 |
| Net investment in capital assets                | 491,485,745             | 410,865,702              | 902,351,447      | 162,201         |
| Restricted for:                                 |                         |                          |                  |                 |
| Debt Service                                    | 9,851,228               | 47,661,148               | 57,512,376       |                 |
| Economic development                            | 29,069,134              |                          | 29,069,134       |                 |
| Capital Improvement                             | 50,771,911              |                          | 50,771,911       |                 |
| Convention center                               |                         | 544,383                  | 544,383          |                 |
| Transportation                                  | 51,130,902              |                          | 51,130,902       |                 |
| Building operations                             | 8,328,543               |                          | 8,328,543        |                 |
| Public safety                                   | 1,659,174               |                          | 1,659,174        |                 |
| Quality of life improvement                     | 21,222,126              |                          | 21,222,126       |                 |
| Unrestricted                                    | (175,574,362)           | 135,968,387              | (39,605,975)     | 2,712,269       |
| Total net position                              | \$ 487,944,401          | \$ 595,039,620           | \$ 1,082,984,021 | \$ 2,874,470    |

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, 2015

| Functions/Programs                                 | Expenses       | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                  |                 |
|----------------------------------------------------|----------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|------------------|-----------------|
|                                                    |                | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          |                  | Component Units |
|                                                    |                |                      |                                    |                                  | Governmental Activities                           | Business-type Activities | Total            |                 |
| Primary government:                                |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Governmental activities:                           |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| General government                                 | \$ 47,397,904  | \$ 75,232,828        | \$ 10,592,292                      | \$ 641,265                       | \$ 38,427,216                                     | \$ 38,427,216            | \$ 38,427,216    | \$              |
| Public safety                                      | 192,976,434    | 9,073,918            | 841,071                            |                                  | (182,420,180)                                     |                          | (182,420,180)    |                 |
| Physical environment                               | 4,198,730      |                      | 14,790                             |                                  | (4,183,940)                                       |                          | (4,183,940)      |                 |
| Transportation                                     | 17,448,894     | 1,723,853            | 11,413,610                         | 1,138,586                        | (3,172,845)                                       |                          | (3,172,845)      |                 |
| Economic environment                               | 5,611,831      |                      | 3,063,938                          | 11,295,778                       | 8,747,885                                         |                          | 8,747,885        |                 |
| Human services                                     | 2,783,057      |                      | 1,179,144                          |                                  | (1,603,913)                                       |                          | (1,603,913)      |                 |
| Culture and recreation                             | 59,368,604     | 8,497,903            | 271,514                            | 754,856                          | (49,844,331)                                      |                          | (49,844,331)     |                 |
| Interest on long-term debt                         | 8,242,353      |                      |                                    |                                  | (8,242,353)                                       |                          | (8,242,353)      |                 |
| Total governmental activities                      | 338,027,807    | 94,528,502           | 27,376,359                         | 13,830,485                       | (202,292,461)                                     |                          | (202,292,461)    |                 |
| Business-type activities:                          |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Storm Water                                        | 10,418,758     | 21,258,353           |                                    |                                  |                                                   | 10,839,595               | 10,839,595       |                 |
| Water                                              | 29,255,282     | 33,870,737           |                                    |                                  |                                                   | 4,615,455                | 4,615,455        |                 |
| Sewer                                              | 35,733,735     | 42,169,257           |                                    |                                  |                                                   | 6,435,522                | 6,435,522        |                 |
| Parking                                            | 38,123,221     | 42,672,887           | 2,768,345                          |                                  |                                                   | 7,318,011                | 7,318,011        |                 |
| Convention Center                                  | 16,190,590     | 17,147,941           | 9,232,506                          |                                  |                                                   | 10,189,857               | 10,189,857       |                 |
| Sanitation                                         | 16,923,525     | 15,120,927           |                                    |                                  |                                                   | (1,802,598)              | (1,802,598)      |                 |
| Redevelopment Agency's Parking                     | 4,131,234      | 4,452,329            |                                    |                                  |                                                   | 321,095                  | 321,095          |                 |
| Redevelopment Agency's Leasing                     | 461,844        | 912,855              |                                    |                                  |                                                   | 451,011                  | 451,011          |                 |
| Total business-type activities                     | 151,238,189    | 177,605,286          | 12,000,851                         |                                  |                                                   | 38,367,948               | 38,367,948       |                 |
| Total primary government                           | \$ 489,265,996 | \$ 272,133,788       | \$ 39,377,210                      | \$ 13,830,485                    | (202,292,461)                                     | 38,367,948               | (163,924,513)    |                 |
| Component units:                                   |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Visitor and Convention                             | \$ 2,338,168   | \$                   | \$ 40,514                          | \$                               |                                                   |                          |                  | (2,297,654)     |
| Health Facilities                                  | 295            |                      |                                    |                                  |                                                   |                          |                  | (295)           |
| Total component units                              | \$ 2,338,463   | \$                   | \$ 40,514                          | \$                               |                                                   |                          |                  | (2,297,949)     |
| General revenues:                                  |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Taxes:                                             |                |                      |                                    |                                  |                                                   |                          |                  |                 |
| Property taxes, levied for general purposes        |                |                      |                                    |                                  | 126,349,310                                       |                          | 126,349,310      |                 |
| Property taxes, levied for debt service            |                |                      |                                    |                                  | 6,749,969                                         |                          | 6,749,969        |                 |
| Resort taxes                                       |                |                      |                                    |                                  | 67,999,916                                        |                          | 67,999,916       | 2,640,555       |
| Tax increment                                      |                |                      |                                    |                                  | 38,094,108                                        |                          | 38,094,108       |                 |
| Utility taxes                                      |                |                      |                                    |                                  | 12,192,935                                        |                          | 12,192,935       |                 |
| Local business tax                                 |                |                      |                                    |                                  | 4,629,996                                         |                          | 4,629,996        |                 |
| Communication service tax                          |                |                      |                                    |                                  | 4,519,938                                         |                          | 4,519,938        |                 |
| Miscellaneous                                      |                |                      |                                    |                                  | 1,437,032                                         |                          | 1,437,032        |                 |
| Gain on sale of capital assets                     |                |                      |                                    |                                  | 387,671                                           | 170,013                  | 557,684          |                 |
| Unrestricted investment earnings                   |                |                      |                                    |                                  | 5,264,909                                         | 1,075,807                | 6,340,716        | 4,628           |
| Transfers                                          |                |                      |                                    |                                  | 9,763,889                                         | (9,763,889)              | -                |                 |
| Total general revenues and transfers               |                |                      |                                    |                                  | 277,389,673                                       | (8,518,069)              | 268,871,604      | 2,645,183       |
| Change in net position                             |                |                      |                                    |                                  | 75,097,212                                        | 29,849,879               | 104,947,091      | 347,234         |
| Net position - beginning, as restated. See NOTE 18 |                |                      |                                    |                                  | 412,847,189                                       | 565,189,741              | 978,036,930      | 2,527,236       |
| Net position - ending                              |                |                      |                                    |                                  | \$ 487,944,401                                    | \$ 595,039,620           | \$ 1,082,984,021 | \$ 2,874,470    |

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

**CITY OF MIAMI BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2015**

|                                                                       | 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                                                  | \$ 65,426,883        | \$ 20,712,518        | \$ 28,361,091                          | \$ 165,528,746        | \$ 108,356,570                 | \$ 388,385,808                 |
| Receivables (net of allowance for<br>uncollectibles)                  | 3,753,049            | 5,046,757            | 15,417                                 | 54,006                | 785,534                        | 9,654,763                      |
| Accrued interest                                                      | 927,765              |                      |                                        | 128,493               |                                | 1,056,258                      |
| Due from other funds                                                  | 1,480,913            |                      | 2,299,867                              | 10,484                | 694,773                        | 4,486,037                      |
| Due from other governments                                            |                      |                      |                                        |                       | 738,960                        | 738,960                        |
| Prepays                                                               | 19,765               |                      |                                        |                       |                                | 19,765                         |
| Total assets                                                          | <u>\$ 71,608,375</u> | <u>\$ 25,759,275</u> | <u>\$ 30,676,375</u>                   | <u>\$ 165,721,729</u> | <u>\$ 110,575,837</u>          | <u>\$ 404,341,591</u>          |
| <b>LIABILITIES</b>                                                    |                      |                      |                                        |                       |                                |                                |
| Accounts payable                                                      | \$ 3,797,592         | \$ 63,826            | \$ 609,294                             | \$ 4,145,528          | \$ 2,441,113                   | \$ 11,057,353                  |
| Retainage payable                                                     |                      |                      |                                        | 3,756,790             | 173,365                        | 3,930,155                      |
| Accrued expenditures                                                  | 2,291,506            | 1,182,863            | 269,907                                | 861,364               | 605,630                        | 5,211,270                      |
| Unearned revenues                                                     | 5,022,868            |                      |                                        |                       | 45,012                         | 5,067,880                      |
| Deposits                                                              |                      |                      |                                        |                       | 29,893                         | 29,893                         |
| Due to other governments                                              | 24,710               |                      |                                        |                       | 57,873                         | 82,583                         |
| Due to other funds                                                    | 1,180,490            | 692,641              | 1,590,032                              | 383,033               | 183,769                        | 4,029,965                      |
| Total liabilities                                                     | <u>12,317,166</u>    | <u>1,939,330</u>     | <u>2,469,233</u>                       | <u>9,146,715</u>      | <u>3,536,655</u>               | <u>29,409,099</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                      |                      |                                        |                       |                                |                                |
| Unavailable other revenues                                            |                      |                      |                                        |                       | 242,884                        | 242,884                        |
| Total deferred inflows of resources                                   |                      |                      |                                        |                       | <u>242,884</u>                 | <u>242,884</u>                 |
| <b>FUND BALANCES</b>                                                  |                      |                      |                                        |                       |                                |                                |
| Nonspendable                                                          | 19,765               |                      |                                        |                       |                                | 19,765                         |
| Restricted                                                            | 8,328,543            | 23,819,945           | 28,207,142                             | 133,936,603           | 92,659,943                     | 286,952,176                    |
| Committed                                                             | 48,151,901           |                      |                                        | 23,619,368            | 14,831,197                     | 86,602,466                     |
| Assigned                                                              | 2,791,000            |                      |                                        |                       |                                | 2,791,000                      |
| Unassigned                                                            |                      |                      |                                        | (980,957)             | (694,842)                      | (1,675,799)                    |
| Total fund balances                                                   | <u>59,291,209</u>    | <u>23,819,945</u>    | <u>28,207,142</u>                      | <u>156,575,014</u>    | <u>106,796,298</u>             | <u>374,689,608</u>             |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 71,608,375</u> | <u>\$ 25,759,275</u> | <u>\$ 30,676,375</u>                   | <u>\$ 165,721,729</u> | <u>\$ 110,575,837</u>          | <u>\$ 404,341,591</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, 2015**

**Total fund balances - governmental funds** **\$ 374,689,608**

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                     | \$ | 58,150,156           |             |
| Intangible assets        |    | 4,181,941            |             |
| Construction in progress |    | 122,923,582          |             |
| Building and structure   |    | 130,735,650          |             |
| Permanent improvements   |    | 373,818,113          |             |
| Machinery and equipment  |    | 22,347,354           |             |
| Infrastructure           |    | 206,002,425          |             |
| Accumulated depreciation |    | <u>(300,379,639)</u> |             |
| Total capital assets     |    |                      | 617,779,582 |

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

|                               |    |                      |               |
|-------------------------------|----|----------------------|---------------|
| Bonds payable                 | \$ | (140,389,492)        |               |
| Loans payable                 |    | (12,114,348)         |               |
| Net premium on bonds          |    | (2,041,313)          |               |
| Compensated absences          |    | (17,400,696)         |               |
| Accrued interest payable      |    | (1,435,136)          |               |
| OPEB                          |    | (53,063,932)         |               |
| Net pension liability - MBERP |    | (117,238,611)        |               |
| Net pension liability - MBF&P |    | <u>(222,207,447)</u> |               |
| Total long term liabilities   |    |                      | (565,890,975) |

Property taxes that have met the earned criteria for recognition in the Statement of Activities and is recorded in receivables (net) in the Statement of Net Position. 956,711

In governmental funds, deferred outflows and inflows of resources relating to pensions and deferred refunding costs are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

|                                                  |  |                     |            |
|--------------------------------------------------|--|---------------------|------------|
| Deferred refunding costs                         |  | 1,163,079           |            |
| Deferred outflows of resources relating to MBERP |  | 21,117,624          |            |
| Deferred outflows of resources relating to MBF&P |  | 38,926,663          |            |
| Deferred inflows of resources relating to MBERP  |  | (8,053,475)         |            |
| Deferred inflows of resources relating to MBF&P  |  | <u>(11,621,210)</u> |            |
|                                                  |  |                     | 41,532,681 |

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. 18,876,794

**Net position of governmental activities** **\$ 487,944,401**

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, 2015**

|                                                              | 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                                                     | \$ 128,130,702 | \$            | \$                                     | \$               | \$ 6,820,207                   | \$ 134,950,909                 |
| Sales, use and fuel                                          | 1,068,686      |               |                                        |                  | 3,538,820                      | 4,607,506                      |
| Utility                                                      | 11,481,300     |               |                                        |                  | 711,635                        | 12,192,935                     |
| Resort                                                       |                | 67,999,916    |                                        |                  |                                | 67,999,916                     |
| Local business                                               | 4,629,996      |               |                                        |                  |                                | 4,629,996                      |
| Tax increment                                                |                |               | 38,094,108                             |                  |                                | 38,094,108                     |
| Communication service                                        | 4,519,938      |               |                                        |                  |                                | 4,519,938                      |
| Other                                                        |                |               |                                        |                  | 2,298,784                      | 2,298,784                      |
| Franchise fees                                               | 8,361,063      |               |                                        |                  |                                | 8,361,063                      |
| Permits                                                      | 23,120,948     |               |                                        |                  | 2,928                          | 23,123,876                     |
| Intergovernmental                                            | 10,262,559     |               |                                        | 1,685,666        | 6,221,681                      | 18,169,906                     |
| Charges for services                                         | 19,207,389     |               |                                        |                  | 3,984,045                      | 23,191,434                     |
| Rents and leases                                             | 6,751,611      |               | 128,132                                |                  | 254,339                        | 7,134,082                      |
| Interest                                                     | 3,865,262      | 84,186        | 111,273                                | 884,778          | 98,563                         | 5,044,062                      |
| Fines and forfeitures                                        | 1,829,301      |               |                                        |                  | 860,877                        | 2,690,178                      |
| Administrative fees                                          | 15,027,026     |               |                                        |                  |                                | 15,027,026                     |
| Special assessment                                           |                | 272,478       |                                        | 10,169           |                                | 282,647                        |
| Impact fees                                                  |                |               |                                        |                  | 10,377,988                     | 10,377,988                     |
| Other                                                        | 1,545,080      | 10,925        |                                        | 2,027,936        | 562,017                        | 4,145,958                      |
| Total revenues                                               | 239,800,861    | 68,367,505    | 38,333,513                             | 4,608,549        | 35,731,884                     | 386,842,312                    |
| <b>EXPENDITURES</b>                                          |                |               |                                        |                  |                                |                                |
| Current:                                                     |                |               |                                        |                  |                                |                                |
| General government                                           | 41,128,668     | 1,151,678     | 5,889,295                              |                  | 359,200                        | 48,528,841                     |
| Public safety                                                | 177,142,236    |               | 4,500,056                              | 313,000          | 8,605,065                      | 190,560,357                    |
| Physical environment                                         | 2,356,862      |               |                                        | 188,660          | 1,277,034                      | 3,822,556                      |
| Transportation                                               | 4,012,788      |               |                                        |                  | 5,108,057                      | 9,120,845                      |
| Economic environment                                         | 1,180,846      |               | 2,385,988                              | 21,696           | 1,699,177                      | 5,287,707                      |
| Human services                                               | 1,795,040      |               |                                        |                  | 1,097,076                      | 2,892,116                      |
| Culture and recreation                                       | 33,193,450     | 14,388,286    | 821,852                                | 1,295,882        | 2,423,893                      | 52,123,363                     |
| Capital Outlay                                               | 294,350        | 157,102       | 3,453,173                              | 33,859,121       | 6,793,133                      | 44,556,879                     |
| Debt service:                                                |                |               |                                        |                  |                                |                                |
| Principal retirement                                         | 870,000        |               |                                        |                  | 15,911,013                     | 16,781,013                     |
| Interest and fiscal charges                                  | 558,681        | 1,239         |                                        |                  | 7,506,776                      | 8,066,696                      |
| Total expenditures                                           | 262,532,921    | 15,698,305    | 17,050,364                             | 35,678,359       | 50,780,424                     | 381,740,373                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | (22,732,060)   | 52,669,200    | 21,283,149                             | (31,069,810)     | (15,048,540)                   | 5,101,939                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                |               |                                        |                  |                                |                                |
| Loan proceeds                                                |                |               |                                        | 313,000          |                                | 313,000                        |
| Sale of capital assets                                       | 10,301         |               | 3,091                                  |                  |                                | 13,392                         |
| Transfers in                                                 | 42,759,000     |               |                                        | 3,350,000        | 34,642,364                     | 80,751,364                     |
| Transfers out                                                | (11,248,923)   | (48,435,804)  | (8,578,060)                            | (378,525)        | (1,637,059)                    | (70,278,371)                   |
| Total other financing sources (uses)                         | 31,520,378     | (48,435,804)  | (8,574,969)                            | 3,284,475        | 33,005,305                     | 10,799,385                     |
| Net change in fund balances                                  | 8,788,318      | 4,233,396     | 12,708,180                             | (27,785,335)     | 17,956,765                     | 15,901,324                     |
| Fund balances - beginning of year                            | 50,502,891     | \$ 19,586,549 | \$ 15,498,962                          | \$ 184,360,349   | \$ 88,839,533                  | \$ 358,788,284                 |
| Fund balances - end of year                                  | \$ 59,291,209  | \$ 23,819,945 | \$ 28,207,142                          | \$ 156,575,014   | \$ 106,796,298                 | \$ 374,689,608                 |

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, 2015**

**Net change in fund balance - total governmental funds** **\$ 15,901,324**

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                                     | \$ | 44,556,879          |            |
| Contributions proprietary funds, net               |    | 10,596              |            |
| Contributions from external sources                |    | 10,465,000          |            |
| Deletions                                          |    | (80,669)            |            |
| Depreciation expense                               |    | <u>(21,488,124)</u> |            |
| Excess of capital outlay over depreciation expense |    |                     | 33,463,682 |

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 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:

|                                                          |    |                    |            |
|----------------------------------------------------------|----|--------------------|------------|
| Proceeds of debt issuance/loan                           | \$ | (313,000)          |            |
| Bonds principal retirement                               |    | 15,700,772         |            |
| Loans principal retirement                               |    | 1,080,241          |            |
| Net bond premium                                         |    | 485,984            |            |
| Net deferred refunding costs                             |    | (147,916)          |            |
| OPEB                                                     |    | <u>(5,861,959)</u> |            |
| Total long term-debt retirement and related transactions |    |                    | 10,944,122 |

Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

|                                      |  |               |           |
|--------------------------------------|--|---------------|-----------|
| Increase in compensated absences     |  | (1,058,468)   |           |
| Decrease in accrued interest expense |  | <u>93,441</u> |           |
| Total additional expense             |  |               | (965,027) |

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contribution was:

|                     |  |                  |            |
|---------------------|--|------------------|------------|
| MBERP               |  | 6,277,015        |            |
| MBF&P               |  | <u>6,481,970</u> |            |
| Total pension costs |  |                  | 12,758,985 |

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes. (1,851,630)

Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. 4,845,756

**Change in net position of governmental activities** **\$ 75,097,212**

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, 2015**

|                                                              | 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                                         | \$ 8,887,386                | \$ 44,163,890           | \$ 53,855,994          | \$ 17,593,514                        | \$ 35,126,068                | \$ 159,626,852 | \$ 59,264,086                                            |
| Cash with fiscal agent                                       |                             |                         |                        |                                      |                              |                | 250,000                                                  |
| Restricted cash and investments:                             |                             |                         |                        |                                      |                              |                |                                                          |
| Revenue bonds covenant                                       | 6,403,813                   | 9,339,699               | 6,016,356              |                                      |                              | 21,759,868     |                                                          |
| Accounts receivable (net of<br>allowance for uncollectibles) | 2,060,279                   | 8,818,391               | 5,712,115              | 564,963                              | 1,070,291                    | 18,226,039     | 614,372                                                  |
| Accrued interest receivable                                  | 20,050                      | 2,039                   | 123                    |                                      |                              | 22,212         |                                                          |
| Due from other governments                                   |                             |                         |                        | 4,732,506                            |                              | 4,732,506      |                                                          |
| Due from other funds                                         | 28,450                      | 23,586                  | 81,722                 |                                      | 671,411                      | 805,169        | 1,448,684                                                |
| Prepaid expenses                                             |                             |                         | 43,222                 | 154,092                              | 27,917                       | 225,231        | 1,883,149                                                |
| Inventories                                                  |                             | 1,396,054               |                        |                                      |                              | 1,396,054      | 412,724                                                  |
| Total current assets                                         | 17,399,978                  | 63,743,659              | 65,709,532             | 23,045,075                           | 36,895,687                   | 206,793,931    | 63,873,015                                               |
| Noncurrent assets:                                           |                             |                         |                        |                                      |                              |                |                                                          |
| Restricted cash and<br>investments:                          |                             |                         |                        |                                      |                              |                |                                                          |
| Customer deposits and advance sales                          |                             | 6,527,115               | 443,251                | 1,646,340                            | 223,830                      | 8,840,536      |                                                          |
| Interlocal agreement                                         |                             |                         |                        | 4,914,641                            |                              | 4,914,641      |                                                          |
| Revenue bonds covenant                                       | 107,942,138                 | 30,114,308              | 7,172,845              |                                      |                              | 145,229,291    |                                                          |
| Capital assets:                                              |                             |                         |                        |                                      |                              |                |                                                          |
| Land                                                         |                             | 1,492,598               | 18,844,498             | 2,089,371                            | 3,408,962                    | 25,835,429     | 608,520                                                  |
| Intangible assets                                            |                             |                         | 4,318,059              |                                      |                              | 4,318,059      |                                                          |
| Buildings and structures                                     |                             | 7,948,552               | 98,565,923             | 181,098,041                          | 31,915,725                   | 319,528,241    | 2,601,827                                                |
| Parking lots                                                 |                             |                         | 9,314,771              |                                      |                              | 9,314,771      |                                                          |
| Mains and lines                                              | 69,597,927                  | 153,925,242             |                        |                                      |                              | 223,523,169    |                                                          |
| Meters and hydrants                                          |                             | 13,053,540              | 19,323,025             |                                      |                              | 32,376,565     |                                                          |
| Machinery and equipment                                      | 1,743,957                   | 51,568,521              | 5,724,223              | 18,714,729                           | 3,561,677                    | 81,313,107     | 63,035,310                                               |
| Construction in progress                                     | 90,754,675                  | 75,612,750              | 2,899,119              | 10,856,487                           | 371,480                      | 180,494,511    | 16,000                                                   |
| Less accumulated depreciation                                | (8,770,885)                 | (72,385,789)            | (44,342,352)           | (103,505,472)                        | (11,080,723)                 | (240,085,221)  | (48,539,414)                                             |
| Total capital assets (net of<br>accumulated depreciation)    | 153,325,674                 | 231,215,414             | 114,647,266            | 109,253,156                          | 28,177,121                   | 636,618,631    | 17,722,243                                               |
| Total noncurrent assets                                      | 261,267,812                 | 267,856,837             | 122,263,362            | 115,814,137                          | 28,400,951                   | 795,603,099    | 17,722,243                                               |
| Total assets                                                 | 278,667,790                 | 331,600,496             | 187,972,894            | 138,859,212                          | 65,296,638                   | 1,002,397,030  | 81,595,258                                               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |                             |                         |                        |                                      |                              |                |                                                          |
| Outflows - MBERP                                             | 564,028                     | 1,500,270               | 2,439,972              | 53,217                               | 1,755,136                    | 6,312,623      | 2,738,574                                                |
| Deferred Refunding                                           | 803,249                     | 316,745                 | 592,802                |                                      |                              | 1,712,796      |                                                          |
| Total deferred outflows of resources                         | 1,367,277                   | 1,817,015               | 3,032,774              | 53,217                               | 1,755,136                    | 8,025,419      | 2,738,574                                                |
| <b>LIABILITIES</b>                                           |                             |                         |                        |                                      |                              |                |                                                          |
| Current liabilities:                                         |                             |                         |                        |                                      |                              |                |                                                          |
| Accounts payable                                             | 4,599,492                   | 5,446,161               | 1,552,318              | 2,362,748                            | 698,087                      | 14,658,806     | 3,641,449                                                |
| Retainage payable                                            | 1,933,124                   | 1,069,169               | 136,776                | 3,945                                |                              | 3,143,014      |                                                          |
| Accrued expenses                                             | 939,468                     | 1,750,822               | 584,705                | 417,518                              | 245,461                      | 3,937,974      | 481,966                                                  |
| Due to other funds                                           | 11,000                      | 29,000                  | 40,712                 | 2,289,884                            | 231,806                      | 2,602,402      | 107,523                                                  |
| Due to other governments                                     |                             |                         | 26,943                 |                                      | 22,153                       | 49,096         |                                                          |
| Bonds payable                                                | 2,720,000                   | 3,770,000               | 2,230,500              |                                      |                              | 8,720,500      |                                                          |
| Loans payable                                                | 36,630                      | 96,397                  | 94,404                 |                                      | 100,462                      | 327,893        | 3,495,127                                                |
| Deposits                                                     |                             | 6,527,114               | 28,870                 | 1,646,340                            |                              | 8,202,324      |                                                          |
| Accrued compensated absences                                 | 105,557                     | 421,360                 | 537,164                | 10,065                               | 394,396                      | 1,468,542      | 505,330                                                  |
| Unearned revenues                                            |                             |                         | 412,249                |                                      | 57,815                       | 470,064        |                                                          |
| Pending insurance claims                                     |                             |                         |                        |                                      |                              |                | 8,250,000                                                |
| Total current liabilities                                    | 10,345,271                  | 19,110,023              | 5,644,641              | 6,730,500                            | 1,750,180                    | 43,580,615     | 16,481,395                                               |
| Noncurrent liabilities:                                      |                             |                         |                        |                                      |                              |                |                                                          |
| Pending insurance claims                                     |                             |                         |                        |                                      |                              |                | 6,014,000                                                |
| Insurance claims incurred but not<br>reported                |                             |                         |                        |                                      |                              |                | 20,175,418                                               |
| Deposits                                                     |                             |                         | 2,132                  |                                      | 166,015                      | 168,147        |                                                          |
| Accrued compensated absences                                 | 78,335                      | 88,107                  | 241,836                | 32,856                               | 216,245                      | 657,379        | 762,185                                                  |
| Net pension liability - MBERP                                | 3,422,905                   | 8,341,170               | 13,100,061             | 279,892                              | 11,891,880                   | 37,035,908     | 12,857,055                                               |
| Environmental remediation liability                          |                             |                         |                        | 150,000                              | 200,000                      | 350,000        |                                                          |
| Loans payable                                                | 76,802                      | 133,660                 | 98,571                 |                                      | 193,251                      | 502,284        | 8,283,795                                                |
| Revenue bonds payable (net of<br>unamortized discounts)      | 187,825,307                 | 105,798,678             | 36,245,402             |                                      |                              | 329,869,387    |                                                          |
| Total noncurrent liabilities                                 | 191,403,349                 | 114,361,615             | 49,688,002             | 462,748                              | 12,667,391                   | 368,583,105    | 48,092,453                                               |
| Total liabilities                                            | 201,748,620                 | 133,471,638             | 55,332,643             | 7,193,248                            | 14,417,571                   | 412,163,720    | 64,573,848                                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |                             |                         |                        |                                      |                              |                |                                                          |
| Other deferred revenue                                       |                             |                         |                        | 675,000                              |                              | 675,000        |                                                          |
| Infloes - MBERP                                              | 235,130                     | 572,980                 | 899,883                | 19,227                               | 816,889                      | 2,544,109      | 883,190                                                  |
| Total deferred inflows of resources                          | 235,130                     | 572,980                 | 899,883                | 694,227                              | 816,889                      | 3,219,109      | 883,190                                                  |
| <b>NET POSITION</b>                                          |                             |                         |                        |                                      |                              |                |                                                          |
| Net investment in capital assets                             | 55,606,213                  | 134,808,724             | 83,318,146             | 109,249,211                          | 27,883,408                   | 410,865,702    | 5,943,321                                                |
| Restricted:                                                  |                             |                         |                        |                                      |                              |                |                                                          |
| Interlocal agreement                                         |                             |                         |                        | 544,383                              |                              | 544,383        |                                                          |
| Debt covenant                                                | 18,669,065                  | 22,975,727              | 6,016,356              |                                      |                              | 47,661,148     |                                                          |
| Unrestricted                                                 | 3,776,039                   | 41,588,442              | 45,438,640             | 21,231,360                           | 23,933,906                   | 135,968,387    | 12,933,473                                               |
| Total net position                                           | \$ 78,051,317               | \$ 199,372,893          | \$ 134,773,142         | \$ 131,024,954                       | \$ 51,817,314                | \$ 595,039,620 | \$ 18,876,794                                            |

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, 2015**

|                                                       | 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                                  | \$ 21,258,353               | \$ 75,754,595           | \$ 40,333,009          | \$ 17,147,941                        | \$ 13,594,799                | \$ 168,088,697 | \$ 76,435,495                                            |
| Permits, rentals, and other                           |                             | 285,399                 | 2,339,878              |                                      | 6,891,312                    | 9,516,589      | 1,435,829                                                |
| Total operating revenues                              | 21,258,353                  | 76,039,994              | 42,672,887             | 17,147,941                           | 20,486,111                   | 177,605,286    | 77,871,324                                               |
| Operating expenses:                                   |                             |                         |                        |                                      |                              |                |                                                          |
| Personal services                                     | 2,418,606                   | 7,397,897               | 11,333,193             | 5,289,066                            | 8,847,908                    | 35,286,670     | 10,683,268                                               |
| Operating supplies                                    | 17,860                      | 21,270                  | 181,623                | 44,802                               | 28,663                       | 294,218        | 3,340,989                                                |
| Contractual services                                  | 1,004,910                   | 41,851,268              | 9,290,464              | 2,400,963                            | 7,234,388                    | 61,781,993     | 11,597,427                                               |
| Utilities                                             | 131,791                     | 854,193                 | 2,011,877              | 1,239,270                            | 188,516                      | 4,425,647      | 2,739,345                                                |
| Insurance                                             |                             |                         | 158,941                | 95,264                               |                              | 254,205        | 9,891,307                                                |
| Internal charges                                      | 359,129                     | 2,755,620               | 3,444,592              | 1,113,437                            | 1,608,522                    | 9,281,300      | 1,365,994                                                |
| Depreciation                                          | 2,115,169                   | 4,776,284               | 6,518,607              | 5,362,667                            | 1,124,312                    | 19,897,039     | 5,039,444                                                |
| Administrative fees                                   | 631,000                     | 3,379,000               | 1,745,001              | 308,000                              | 1,572,000                    | 7,635,001      | 1,100,000                                                |
| Claims and judgements                                 |                             |                         |                        |                                      |                              |                | 27,261,561                                               |
| Other operating                                       | 872,332                     | 646,990                 | 2,542,689              | 202,170                              | 748,220                      | 5,012,401      | 553,007                                                  |
| Total operating expenses                              | 7,550,797                   | 61,682,522              | 37,226,987             | 16,055,639                           | 21,352,529                   | 143,868,474    | 73,572,342                                               |
| Operating income (loss)                               | 13,707,556                  | 14,357,472              | 5,445,900              | 1,092,302                            | (866,418)                    | 33,736,812     | 4,298,982                                                |
| Nonoperating revenues<br>(expenses):                  |                             |                         |                        |                                      |                              |                |                                                          |
| Intergovernmental                                     |                             |                         | 2,768,345              | 9,232,506                            |                              | 12,000,851     |                                                          |
| Interest and fiscal charges                           | (2,832,474)                 | (3,037,134)             | (562,533)              |                                      | (8,928)                      | (6,441,069)    | (269,098)                                                |
| Gain (loss) on disposal of<br>capital assets          | 36,889                      | 30,607                  | 35,144                 | 3,969                                | 63,404                       | 170,013        | 374,279                                                  |
| Unrealized gains (losses)<br>on investments           | 69,807                      | 14,106                  | 2,898                  |                                      |                              | 86,811         |                                                          |
| Interest income                                       | 67,119                      | 267,608                 | 445,532                | 69,399                               | 139,338                      | 988,996        | 220,847                                                  |
| Total nonoperating revenues<br>(expenses)             | (2,658,659)                 | (2,724,813)             | 2,689,386              | 9,305,874                            | 193,814                      | 6,805,602      | 326,028                                                  |
| Income (loss) before<br>contributions and transfers   | 11,048,897                  | 11,632,659              | 8,135,286              | 10,398,176                           | (672,604)                    | 40,542,414     | 4,625,010                                                |
| Capital contributions                                 |                             |                         | (165,207)              |                                      |                              | (165,207)      | 166,411                                                  |
| Transfers in                                          | 311                         |                         | 177,840                | 189                                  | 666,706                      | 845,046        | 404,060                                                  |
| Transfers out                                         | (658,000)                   | (27,311)                | (9,788,437)            | (863,189)                            | (35,437)                     | (11,372,374)   | (349,725)                                                |
| Change in net position                                | 10,391,208                  | 11,605,348              | (1,640,518)            | 9,535,176                            | (41,335)                     | 29,849,879     | 4,845,756                                                |
| Net position - beginning, as restated.<br>See NOTE 18 | 67,660,109                  | 187,767,545             | 136,413,660            | 121,489,778                          | 51,858,649                   | 565,189,741    | 14,031,038                                               |
| Total net position - ending                           | \$ 78,051,317               | \$ 199,372,893          | \$ 134,773,142         | \$ 131,024,954                       | \$ 51,817,314                | \$ 595,039,620 | \$ 18,876,794                                            |

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, 2015**

|                                                                         | <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:                                   |                                     |                                 |                                |                                               |                                       |                |                                                                    |
| Receipts received from customers                                        | \$ 20,272,590                       | \$ 74,462,698                   | \$ 39,897,731                  | \$ 16,640,699                                 | \$ 13,621,095                         | \$ 164,894,813 | \$ 76,221,934                                                      |
| Payments to suppliers                                                   | (3,149,038)                         | (42,447,153)                    | (13,391,075)                   | (4,082,027)                                   | (8,517,006)                           | (71,586,299)   | (29,126,377)                                                       |
| Payments to employees                                                   | (2,412,002)                         | (7,337,313)                     | (11,302,173)                   | (5,288,383)                                   | (8,815,130)                           | (35,155,001)   | (10,652,929)                                                       |
| Payments on behalf of employees                                         | (130,741)                           | (444,406)                       | (781,705)                      | (17,787)                                      | (249,806)                             | (1,624,445)    | (1,111,069)                                                        |
| Payments for claims and judgements                                      |                                     |                                 |                                |                                               |                                       |                | (23,639,045)                                                       |
| Payments for interfund services used                                    | (990,129)                           | (6,134,620)                     | (5,189,593)                    | 868,447                                       | (3,296,543)                           | (14,742,438)   | (2,096,420)                                                        |
| Receipts for other operating revenues                                   |                                     | 285,399                         | 2,339,878                      |                                               | 6,891,312                             | 9,516,589      | 1,417,422                                                          |
| Net cash provided by (used in) operating activities                     | 13,590,680                          | 18,384,605                      | 11,573,063                     | 8,120,949                                     | (366,078)                             | 51,303,219     | 11,013,516                                                         |
| Cash flows for non-capital financing activities:                        |                                     |                                 |                                |                                               |                                       |                |                                                                    |
| Contributions from other governments                                    |                                     |                                 | 2,768,345                      | 7,644,636                                     |                                       | 10,412,981     |                                                                    |
| Transfers in                                                            | 311                                 |                                 | 177,840                        | 189                                           | 666,706                               | 845,046        | 404,060                                                            |
| Transfers out                                                           | (658,000)                           | (27,311)                        | (9,788,437)                    | (863,189)                                     | (35,437)                              | (11,372,374)   | (349,725)                                                          |
| Net cash provided by (used in) non-capital financing activities         | (657,689)                           | (27,311)                        | (6,842,252)                    | 6,781,636                                     | 631,269                               | (114,347)      | 54,335                                                             |
| Cash flows from capital and related financing activities:               |                                     |                                 |                                |                                               |                                       |                |                                                                    |
| Proceeds from loan                                                      |                                     |                                 |                                |                                               |                                       |                | 2,150,173                                                          |
| Principal paid on loan                                                  | (35,173)                            | (138,114)                       | (137,537)                      |                                               | (129,112)                             | (439,936)      | (3,929,614)                                                        |
| Proceeds from issuance of bonds                                         | 99,590,000                          |                                 |                                |                                               |                                       | 99,590,000     |                                                                    |
| Bond issuance costs                                                     | (830,327)                           |                                 |                                |                                               |                                       | (830,327)      |                                                                    |
| Proceeds from bond premium                                              | 1,240,327                           |                                 |                                |                                               |                                       | 1,240,327      |                                                                    |
| Interest and fiscal charges                                             | (1,623,689)                         | (3,057,043)                     | (573,869)                      |                                               | (8,987)                               | (5,263,588)    | (275,471)                                                          |
| Principal paid on bond                                                  | (2,620,000)                         | (4,935,000)                     | (2,134,228)                    |                                               |                                       | (9,689,228)    |                                                                    |
| Purchase of capital assets                                              | (25,802,803)                        | (15,580,888)                    | (5,355,994)                    | (11,069,738)                                  | (1,852,446)                           | (59,661,869)   | (3,432,377)                                                        |
| Proceeds from sale of capital assets                                    | 36,889                              | 30,607                          | 35,144                         | 3,970                                         | 88,407                                | 195,017        | 399,707                                                            |
| Net cash provided by (used in) capital and related financing activities | 69,955,224                          | (23,680,438)                    | (8,166,484)                    | (11,065,768)                                  | (1,902,138)                           | 25,140,396     | (5,087,582)                                                        |
| Cash flows from investing activities:                                   |                                     |                                 |                                |                                               |                                       |                |                                                                    |
| Unrealized gain (loss) on investment                                    | 69,807                              | 14,106                          | 2,898                          |                                               |                                       | 86,811         |                                                                    |
| Interest on investments                                                 | 82,368                              | 275,893                         | 447,139                        | 69,399                                        | 139,338                               | 1,014,137      | 220,847                                                            |
| Net cash provided by investing activities                               | 152,175                             | 289,999                         | 450,037                        | 69,399                                        | 139,338                               | 1,100,948      | 220,847                                                            |
| Net increase (decrease) in cash and equivalents                         | 83,040,390                          | (5,033,145)                     | (2,985,636)                    | 3,906,216                                     | (1,497,609)                           | 77,430,216     | 6,201,116                                                          |
| Cash and investments - beginning of year                                | 40,192,947                          | 95,178,157                      | 70,474,082                     | 20,248,279                                    | 36,847,507                            | 262,940,972    | 53,312,970                                                         |
| Cash and investments - end of year                                      | \$ 123,233,337                      | \$ 90,145,012                   | \$ 67,488,446                  | \$ 24,154,495                                 | \$ 35,349,898                         | \$ 340,371,188 | \$ 59,514,086                                                      |
| Classified as:                                                          |                                     |                                 |                                |                                               |                                       |                |                                                                    |
| Current assets                                                          | \$ 8,887,386                        | \$ 44,163,890                   | \$ 53,855,994                  | \$ 17,593,514                                 | \$ 35,126,068                         | \$ 159,626,852 | \$ 59,514,086                                                      |
| Restricted assets                                                       | 114,345,951                         | 45,981,122                      | 13,632,452                     | 6,560,981                                     | 223,830                               | 180,744,336    |                                                                    |
| Total cash and investments                                              | \$ 123,233,337                      | \$ 90,145,012                   | \$ 67,488,446                  | \$ 24,154,495                                 | \$ 35,349,898                         | \$ 340,371,188 | \$ 59,514,086                                                      |
| Non-cash transactions affecting financial position:                     |                                     |                                 |                                |                                               |                                       |                |                                                                    |
| Change in construction and related liabilities                          | \$ 1,288,193                        | \$ 1,012,670                    | \$ 162,530                     | \$ 2,076,428                                  | \$ 4,986                              | \$ 4,544,807   | \$ 158,683                                                         |
| Capital contributions                                                   |                                     |                                 | (165,207)                      |                                               |                                       | (165,207)      |                                                                    |
| Change in deferred refunding costs                                      | 159,262                             | 38,785                          | 85,707                         |                                               |                                       | 283,754        |                                                                    |
| Change in bond discount/premium                                         | (152,283)                           | 11,268                          | (76,287)                       |                                               |                                       | (217,302)      |                                                                    |
| Unrealized gain (loss) on investment                                    | 280,860                             | 14,106                          | 2,898                          |                                               |                                       | 297,864        |                                                                    |
| Total Non-cash transactions affecting financial position                | \$ 1,576,032                        | \$ 1,076,829                    | \$ 9,641                       | \$ 2,076,428                                  | \$ 4,986                              | \$ 4,743,916   | \$ 158,683                                                         |

(continued)



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, 2015

(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)                                                                                       | \$ 13,707,556               | \$ 14,357,472           | \$ 5,445,900           | \$ 1,092,302                         | \$ (866,418)                 | \$ 33,736,812 | \$ 4,298,982                                             |
| Adjustments to reconcile<br>operating income (loss) to<br>cash provided by (used in)<br>operating activities: |                             |                         |                        |                                      |                              |               |                                                          |
| Depreciation                                                                                                  | 2,115,169                   | 4,776,284               | 6,518,607              | 5,362,667                            | 1,124,312                    | 19,897,039    | 5,039,444                                                |
| Pension expense                                                                                               | (130,741)                   | (444,406)               | (781,705)              | (17,787)                             | (249,806)                    | (1,624,445)   | (1,111,069)                                              |
| Provision for uncollectible<br>accounts                                                                       | 209,355                     | 404,436                 | 127,282                |                                      | 606,409                      | 1,347,482     | 15,262                                                   |
| Changes in assets/liabilities<br>and deferred inflows:                                                        |                             |                         |                        |                                      |                              |               |                                                          |
| (Increase) decrease in<br>inventories                                                                         |                             | (169,444)               |                        |                                      |                              | (169,444)     | (50,332)                                                 |
| (Increase) decrease in<br>accounts receivable                                                                 | (1,141,268)                 | (1,502,890)             | (459,324)              | (255,643)                            | (262,228)                    | (3,621,353)   | (242,295)                                                |
| (Increase) decrease in<br>due from other funds                                                                | (28,450)                    | (23,586)                | (46,057)               |                                      | (418,766)                    | (516,859)     | 333,594                                                  |
| (Increase) decrease in<br>prepaid expense                                                                     |                             |                         | 15,531                 | 51,085                               | (23,434)                     | 43,182        | (529,221)                                                |
| Increase (decrease) in<br>accounts payable                                                                    | (1,168,269)                 | 884,901                 | 521,074                | (109,200)                            | (5,243)                      | 123,263       | (722,890)                                                |
| Increase (decrease) in<br>accrued expenses                                                                    | 62,158                      | 245,960                 | 281,287                | (41,312)                             | (269,950)                    | 278,143       | 301,306                                                  |
| Increase (decrease) in<br>deposits                                                                            |                             | (28,724)                | (657)                  | (251,599)                            | (87,986)                     | (368,966)     |                                                          |
| Increase (decrease) in<br>due to other governments                                                            |                             |                         | 26,021                 |                                      | (3,027)                      | 22,994        |                                                          |
| Increase (decrease) in due to other<br>funds                                                                  | (25,400)                    | (141,133)               | (76,745)               | 2,289,884                            | 75,252                       | 2,121,858     | 36,563                                                   |
| Increase (decrease) in<br>unearned revenues                                                                   |                             |                         | 20,223                 |                                      | 6,320                        | 26,543        |                                                          |
| Increase in pending<br>insurance claims                                                                       |                             |                         |                        |                                      |                              |               | 1,127,783                                                |
| (Decrease) in insurance<br>claims incurred but not<br>reported                                                |                             |                         |                        |                                      |                              |               | 2,494,733                                                |
| Increase (decrease) in<br>accrued compensated<br>absences                                                     | (9,430)                     | 25,735                  | (18,374)               | 552                                  | 8,487                        | 6,970         | 21,656                                                   |
| Total adjustments                                                                                             | (116,876)                   | 4,027,133               | 6,127,163              | 7,028,647                            | 500,340                      | 17,566,407    | 6,714,534                                                |
| Net cash provided by<br>(used in) operating activities                                                        | \$ 13,590,680               | \$ 18,384,605           | \$ 11,573,063          | \$ 8,120,949                         | \$ (366,078)                 | \$ 51,303,219 | \$ 11,013,516                                            |

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

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

**September 30, 2015**

|                                 | <u>Trust Funds</u>      | <u>Agency Fund</u>   |
|---------------------------------|-------------------------|----------------------|
| <b>Assets</b>                   |                         |                      |
| Cash and cash equivalents       | \$ 6,176,927            | \$ 12,373,948        |
| Receivables:                    |                         |                      |
| Accounts, net                   |                         | 165,309              |
| Accrued interest                | 2,514,248               |                      |
| Contributions                   | 951,158                 |                      |
| Other                           | 353,158                 |                      |
| Prepaid expenses                | 4,390                   |                      |
| Investments, at fair value:     |                         |                      |
| Short-term investments          | 13,072,508              |                      |
| U.S. Government securities      | 134,654,970             |                      |
| Corporate bonds and notes       | 215,845,625             |                      |
| Bond Funds                      | 51,862,592              |                      |
| Foreign Bonds                   | 46,577,580              |                      |
| Common stocks and index funds   | 589,411,445             |                      |
| Foreign Stocks                  | 99,879,729              |                      |
| Real estate funds               | 97,154,516              |                      |
| Mutual funds                    | 46,664,939              |                      |
| Total investments               | <u>1,295,123,904</u>    |                      |
| Total assets                    | <u>1,305,123,785</u>    | <u>\$ 12,539,257</u> |
| <b>Liabilities</b>              |                         |                      |
| Accounts payable                | 396,175                 | \$ 278,974           |
| Accrued expenses                | 202,003                 |                      |
| Deposits                        |                         | <u>12,260,283</u>    |
| Total liabilities               | <u>598,178</u>          | <u>\$ 12,539,257</u> |
| <b>Net Position</b>             |                         |                      |
| Restricted for pension benefits | 1,279,673,013           |                      |
| Restricted for OPEB benefits    | 24,852,594              |                      |
| Total net position              | <u>\$ 1,304,525,607</u> |                      |

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

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

**For the Fiscal Year Ended September 30, 2015**

|                                                                                       | <u>Trust Funds</u>      |
|---------------------------------------------------------------------------------------|-------------------------|
| Additions:                                                                            |                         |
| Contributions -                                                                       |                         |
| Employer                                                                              | \$ 59,632,460           |
| Employee                                                                              | 13,254,597              |
| State of Florida                                                                      | 2,298,784               |
| Total contributions                                                                   | <u>75,185,841</u>       |
| Investment Income (loss) -                                                            |                         |
| Net increase/(decrease) in fair value of investments                                  | (19,083,784)            |
| Interest and dividends income                                                         | <u>24,286,721</u>       |
|                                                                                       | 5,202,937               |
| Investment management expenses                                                        | <u>(4,206,290)</u>      |
| Net investment income                                                                 | <u>996,647</u>          |
| Total additions                                                                       | <u>76,182,488</u>       |
| Deductions:                                                                           |                         |
| Benefit paid                                                                          | 101,443,309             |
| Contributions refunded                                                                | 1,027,986               |
| Administrative expenses                                                               | <u>1,758,907</u>        |
| Total deductions                                                                      | <u>104,230,202</u>      |
| Net increase                                                                          | (28,047,714)            |
| Net position - amount restricted for pension and OPEB benefits -<br>beginning of year | 1,332,573,321           |
| Net position - amount restricted for pension and OPEB benefits -<br>end of year       | <u>\$ 1,304,525,607</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, 2015**  
**(Continued)**

**NOTE 1 - 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 2015.

**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 2015.

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

The Miami Beach Neighborhood Improvement District No. 3 (the "NID No.3") was created under Chapter 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 2015.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

Normandy Shores Local Government Neighborhood Improvement District

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

2. Discretely Presented Component Units-Governmental Fund Type:

Miami Beach Health Facilities Authority

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

Miami Beach Visitor and Convention Authority

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

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

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

Miami Beach Visitor and Convention Authority  
777 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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.

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

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

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

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

**Other fund types:**

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

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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

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

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

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

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

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

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

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



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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

**1. *Cash and investments***

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

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

**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, 2015:

- 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, 2015, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30, 2015, 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, 2015.
- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2015, state revenue sharing received within 45 days of year end, and Miami-Dade County revenue sharing related to CDT receipts.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

**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, 2015 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.

**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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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

| Capital Assets<br>Category             | Capitalizing<br>Threshold | Estimated<br>Useful Life (in years)                       |
|----------------------------------------|---------------------------|-----------------------------------------------------------|
| Land                                   | Capitalize all            | Not depreciable                                           |
| Intangible assets                      | Capitalize all            | Not depreciable                                           |
| Construction in progress               | \$ 100,000                | Not depreciable                                           |
| Building and structure                 | 100,000                   | 50 years                                                  |
| Permanent improvements                 | 100,000                   | Limited to useful life of bldg.<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.

**7. *Long-term obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt principal payments are reported as debt service expenditures.

**8. *Unearned Revenue***

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

**9. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category.

- a. A deferred charge on refunding reported in the government-wide and proprietary fund statement of net position. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- b. Deferred outflows of resources related to GASB 68 are recognized when the City makes contributions subsequent to the measurement date of the actuarially calculated net pension liability and variances between expected and actual earnings on investment. The deferred outflows of resources are only reported on the Proprietary funds and the Government-Wide financial statements. The City has two pension plans that result in the recognition of these deferred outflows, MBERP and MBF&P.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of item that qualify for reporting in this category.

- a. Unavailable property taxes, is reported only in the governmental funds balance sheet. The government wide statement reports deferred inflows as a result of receiving grants with grantor stipulations that funds received cannot be used until future periods. These amounts are capitalized and recognized as an inflow of resources in the period that the time requirements have been met and the amounts may be spent.
- b. Deferred inflows of resources related to GASB 68 are recognized when changes in the net pension liability are not included in the pension expense of the actuarially calculated net pension liability, such as the difference between projected and actual earnings. The deferred inflows of resources are only reported on the Proprietary funds and the Government-Wide financial statements. The City has two pension plans that result in the recognition of these deferred inflows, MBERP and MBF&P.

**10. *Net Position/ Fund Equity***

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

On September 21, 2006, the Commission adopted Resolution No. 2006-26341 which stated that in addition to the 11% of General Fund operating budget emergency reserve, the City shall have a goal to maintain a General Fund reserve for contingencies equal to 6% of the General Fund operating

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budget. In combination with the 11% of emergency reserve, this represents 2 months of the General Fund operating budget expenditures. If the reserve for contingencies level falls below the 6% level, a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

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

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

- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Commission through an ordinance or resolution which are equally binding as the highest decision making authority. The Commission adopts a City resolution, which includes the amount to be committed and the reason for the commitment. Only an adopted resolution by the Commission can establish, modify or rescind the commitment.
- Assigned Fund Balance – amounts that are constrained by the City Commission intent to be used for specific purposes, but are neither restricted nor committed. Some amounts are approved and committed by the City commission subsequent to September 30, 2015.
- Unassigned Fund Balance – may include residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

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

**11. Restricted Component of Net Position**

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2015, the Government-wide statement of net position reports \$220,238,549 in restricted net position. Of this amount, \$217,282,505 is restricted as a result of enabling legislation.

**12. Use of estimates**

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

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**13. Risk Management**

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

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

**14. Employee Benefits Plans**

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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miami Beach Employees' Retirement System (MBERP), and Miami Beach Retirement Systems for Firefighters and Police Officers (MBF&P) and additions to and deletions from the systems fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, including refunds of employees contributions are recognized when due and payable in accordance with the benefit terms discussed in NOTE 16. Investments are reported at fair value.

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

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

**16. Health Self Insurance**

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

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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.

**17. Recent Accounting Pronouncements Adopted/Implemented**

On October 1, 2014 the City adopted GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions*" an amendment of GASB Statement No. 27" (GASB 68) and GASB Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*" which is effective for periods beginning after June 15, 2014. The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of the state and local governmental employers through pension plans that are administered through trusts that meet certain characteristics. This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The implementation of these statements resulted in the recognition of a significant liability on the financial statements and a prior period adjustment see Note 16 and Note 18.

**NOTE 2 - Stewardship, compliance, and accountability**

Unrestricted Net Position

At September 30, 2015 the City's Internal Service Risk Insurance fund has a cumulative deficit of approximately \$4.2 million. The decrease in net position was \$1.8 million. During the fiscal year, the self-insurance funds received \$14.6 million in operating revenues and \$.1 million in interest income. It also incurred \$17 million in operating expenses which includes \$3.7 million in actuarially determined liabilities related to case reserve and IBNR and \$.8 million related to the recognition of the net pension liability required by GASB 68. It is the City's intention to continue to increase revenues and thus reduce the deficit in future years.

**NOTE 3 - 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.

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**NOTES TO FINANCIAL STATEMENTS**  
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As of September 30, 2015, 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                   |
| U.S. government agency    | \$ 138,688,292        | \$ 17,219,510                    | \$ 121,468,782        |
| U.S. treasuries           | 207,646,809           | 68,792,571                       | 138,854,238           |
| Corporate bonds           | 35,789,839            | 23,639,594                       | 12,150,245            |
| Israeli bonds             | 5,000,000             | 3,000,000                        | 2,000,000             |
| Money Market Trust        | 5,942,541             | 5,942,541                        |                       |
| Repurchase agreement      | 294,451,008           | 294,451,008                      |                       |
| Total                     | \$ <u>687,518,489</u> | \$ <u>413,045,224</u>            | \$ <u>274,473,265</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. There were no individual investments that represent five percent or more of total investments at September 30, 2015.

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.



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As of September 30, 2015 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     | \$ 43,490,753       |
|                           | FNMA                | AA+                  | Aaa     | 42,182,184          |
|                           | FHLMC               | AA+                  | Aaa     | 43,011,765          |
|                           | FFCB                | AA+                  | Aaa     | 10,003,590          |
|                           |                     |                      |         | <u>138,688,292</u>  |
| US Government Treasuries: |                     |                      |         |                     |
|                           | U. S. Government    | AA+                  | Aaa     | 207,646,809         |
|                           |                     |                      |         | <u>207,646,809</u>  |
| Corporate Bonds:          |                     |                      |         |                     |
|                           | GE Capital          | AA+                  | Aa3     | 5,000,300           |
|                           | IBM Corporation     | AA-                  | Aa3     | 7,081,263           |
|                           | Procter & Gamble    | AA-                  | Aa3     | 6,673,060           |
|                           | Toyota Motor Credit | AA-                  | Aa3     | 5,055,045           |
|                           | Berkshire Hathaway  | AA                   | Aa2     | 7,095,200           |
|                           | 3M Company          | AA-                  | Aa2     | 4,884,971           |
|                           |                     |                      |         | <u>35,789,839</u>   |
| Israeli Bonds:            |                     |                      |         |                     |
|                           | State of Israel     | A+                   | A1      | 5,000,000           |
|                           |                     |                      |         | <u>5,000,000</u>    |
| Money Market Trust:       |                     |                      |         |                     |
|                           | U. S. Government    | AA+                  | Aaa     | 5,749,116           |
|                           | Other               | N/A                  | N/A     | 193,425             |
|                           |                     |                      |         | <u>\$ 5,942,541</u> |

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**NOTES TO FINANCIAL STATEMENTS**  
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The City's cash and investments held at September 30, 2015 (including restricted cash and cash with paying agent) are shown below:

|                               | <u>Carrying Amount</u> | <u>% of Portfolio</u> |
|-------------------------------|------------------------|-----------------------|
| U.S. government agency        | \$ 138,627,907         | 20.0 %                |
| U.S. treasuries               | 207,485,153            | 30.0                  |
| Corporate bonds               | 35,695,545             | 5.0                   |
| Israeli Bond                  | 5,000,000              | 1.0                   |
| Money market trust            | 5,942,541              | 1.0                   |
| Repurchase agreements         | <u>294,451,009</u>     | <u>43.0</u>           |
| Total City Investments        | <u>687,202,155</u>     | <u>100.0 %</u>        |
| City funds managed by others: |                        |                       |
| Cash with fiscal agent        | 250,000                |                       |
| Common stock                  | 40,332                 |                       |
| Demand deposit                | <u>113,152,545</u>     |                       |
| Total cash and investments    | <u>\$ 800,645,032</u>  |                       |

Schedule of cash and investments by funds:

|                            |                       |
|----------------------------|-----------------------|
| General                    | \$ 65,426,883         |
| Resort Tax                 | 20,712,518            |
| Redevelopment Agency       | 28,361,091            |
| Capital Projects           | 165,528,746           |
| Storm Water                | 123,233,337           |
| Water & Sewer              | 90,145,014            |
| Parking                    | 67,488,446            |
| Convention Center Complex  | 24,154,495            |
| Internal Service           | 59,514,085            |
| Agency                     | 12,373,948            |
| Nonmajor Governmental      | 108,356,570           |
| Nonmajor Enterprise        | <u>35,349,899</u>     |
| Total cash and investments | <u>\$ 800,645,032</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.

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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 cannot 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.

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, 2015.

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

| Investment Type            | Fair Value     | Investment Maturities (in years) |                |                |               |
|----------------------------|----------------|----------------------------------|----------------|----------------|---------------|
|                            |                | Less Than 1                      | 1-5            | 6-10           | More than 10  |
| U.S. Government Securities | \$ 30,501,825  | \$                               | \$ 3,267,393   | \$ 9,189,765   | \$ 18,044,667 |
| Corporate bonds and notes  | 208,341,514    | 6,064,052                        | 95,954,820     | 100,241,669    | 6,080,973     |
| Foreign Bonds              | 14,847,400     |                                  | 6,037,146      | 8,810,254      |               |
| Private Placement          | 31,448,351     | 932,861                          | 6,506,264      | 19,335,712     | 4,673,514     |
| Total                      | \$ 285,139,090 | \$ 6,996,913                     | \$ 111,765,623 | \$ 137,577,400 | \$ 28,799,154 |

**Employees' Retirement Plan:**

| Investment Type           | Fair Value     | Investment Maturities (in years) |               |
|---------------------------|----------------|----------------------------------|---------------|
|                           |                | Less Than 1                      | 1-5           |
| Corporate bonds and notes | \$ 102,970,038 | \$ 102,970,038                   | \$            |
| Bond Funds                | 51,862,592     |                                  | 51,862,592    |
| Total                     | \$ 154,832,630 | \$ 102,970,038                   | \$ 51,862,592 |

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**SEPTEMBER 30, 2015**  
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**Firemen's Relief and Pension Fund:**

| Investment Type            | Fair<br>Value | Investment Maturities (in years) |              |              |                 |
|----------------------------|---------------|----------------------------------|--------------|--------------|-----------------|
|                            |               | Less<br>Than 1                   | 1-5          | More<br>6-10 | More<br>than 10 |
| U.S. Government Securities | \$ 868,233    | \$ 51,591                        | \$ 209,642   | \$ 202,631   | \$ 404,369      |
| Corporate bonds and notes  | 5,142,367     | 252,632                          | 1,525,829    | 2,760,151    | 603,755         |
| Total                      | \$ 6,010,600  | \$ 304,223                       | \$ 1,735,471 | \$ 2,962,782 | \$ 1,008,124    |

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

| Investment Type            | Fair<br>Value | Investment Maturities (in years) |              |              |
|----------------------------|---------------|----------------------------------|--------------|--------------|
|                            |               | Less<br>Than 1                   | 1-5          | 6-10         |
| U.S. Government Securities | \$ 314,874    | \$                               | \$ 160,446   | \$ 154,428   |
| Corporate bonds and notes  | 2,361,744     |                                  | 979,916      | 1,381,828    |
| Short-term obligations     | 250,962       | 250,962                          |              |              |
| Total                      | \$ 2,927,580  | \$ 250,962                       | \$ 1,140,362 | \$ 1,536,256 |

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 Poor's 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 Poor's 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. There were no individual investments that represent five percent or more of the fiduciary net position at September 30, 2015.

Foreign Currency Risk Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan has exposure through international holding in a private placement trust fund. The Plan has exposure to currency fluctuations at September 30, 2015 as follows:

**CITY OF MIAMI BEACH, FLORIDA**  
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|                        | Holdings Valued in<br>U.S. Dollars<br>Private Placement<br>City Pension Fund for<br>Police and Fire |
|------------------------|-----------------------------------------------------------------------------------------------------|
| Australian Dollar      | \$ 13,236                                                                                           |
| Brazilian Real         | (56,019)                                                                                            |
| British Pound Sterling | 3,878,090                                                                                           |
| Canadian Dollar        | 16,479                                                                                              |
| Euro                   | 13,930,887                                                                                          |
| Japanese Yen           | 11,094,319                                                                                          |
| Mexican Peso           | 211,029                                                                                             |
| South African Rand     | (4,982)                                                                                             |
| Other                  | 1,838,447                                                                                           |
| Total                  | <u>\$ 30,921,486</u>                                                                                |

Credit risk is generally measured by the assignment of a rating by a nationally recognized rating organization. The following table discloses credit ratings by investment type at September 30, 2015.

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

|                                               | Fair<br>Value         | Percentage of<br>Portfolio |
|-----------------------------------------------|-----------------------|----------------------------|
| U.S. Government Securities                    | \$ 30,501,825         | 10.70 %                    |
| Quality rating of credit risk debt securities |                       |                            |
| AAA                                           | 10,149,088            | 3.56                       |
| AA+                                           | 14,449,062            | 5.07                       |
| AA                                            | 15,058,967            | 5.28                       |
| AA-                                           | 21,475,606            | 7.53                       |
| A+                                            | 20,752,837            | 7.28                       |
| A                                             | 62,173,174            | 21.80                      |
| A-                                            | 57,682,976            | 20.23                      |
| BBB+                                          | 37,514,615            | 13.16                      |
| BBB                                           | 10,441,059            | 3.66                       |
| BBB-                                          | 2,624,907             | 0.92                       |
| BB+                                           | 98,245                | 0.03                       |
| BB                                            | 121,320               | 0.04                       |
| BB-                                           | 382,821               | 0.13                       |
| B+                                            | 81,888                | 0.03                       |
| B                                             | 369,811               | 0.13                       |
| B-                                            | 328,026               | 0.12                       |
| Total credit risk debt securities             | <u>253,704,402</u>    | <u>88.98</u>               |
| * Not Rated                                   | <u>932,863</u>        | <u>0.32</u>                |
| Total fixed income securities                 | <u>\$ 285,139,090</u> | <u>100.00 %</u>            |

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**Miami Beach Employees' Retirement Plan:**

|                                               | <u>Fair<br/>Value</u> | <u>Percentage of<br/>Portfolio</u> |   |
|-----------------------------------------------|-----------------------|------------------------------------|---|
| Quality rating of credit risk debt securities |                       |                                    |   |
| AA+                                           | \$ 102,970,038        | 66.50                              | % |
| AA                                            | 51,862,592            | 33.50                              |   |
| Total credit risk debt securities             | <u>\$ 154,832,630</u> | <u>100.00</u>                      |   |

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

|                                               | <u>Fair<br/>Value</u> | <u>Percentage of<br/>Portfolio</u> |   |
|-----------------------------------------------|-----------------------|------------------------------------|---|
| U.S. Government Securities                    | \$ 868,233            | 14.45                              | % |
| Quality rating of credit risk debt securities |                       |                                    |   |
| Aa1                                           | 54,203                | 0.90                               |   |
| Aa2                                           | 321,865               | 5.35                               |   |
| Aa3                                           | 312,735               | 5.20                               |   |
| BAA1                                          | 616,111               | 10.25                              |   |
| BAA2                                          | 150,379               | 2.50                               |   |
| A1                                            | 712,226               | 11.85                              |   |
| A2                                            | 1,422,128             | 23.66                              |   |
| A3                                            | 1,552,720             | 25.83                              |   |
| Total credit risk debt securities             | <u>5,142,367</u>      | <u>85.55</u>                       |   |
| Total fixed income securities                 | <u>\$ 6,010,600</u>   | <u>100.00</u>                      | % |

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

|                                               | <u>Fair<br/>Value</u> | <u>Percentage of<br/>Portfolio</u> |   |
|-----------------------------------------------|-----------------------|------------------------------------|---|
| U.S. Government Securities                    | \$ 314,874            | 11.76                              | % |
| Quality rating of credit risk debt securities |                       |                                    |   |
| AA+                                           | 99,579                | 3.72                               |   |
| AA-                                           | 229,968               | 8.59                               |   |
| A+                                            | 328,428               | 12.27                              |   |
| A                                             | 729,433               | 27.25                              |   |
| A-                                            | 758,773               | 28.35                              |   |
| BBB+                                          | 215,563               | 8.05                               |   |
| Total credit risk debt securities             | <u>2,361,744</u>      | <u>88.24</u>                       |   |
| Total fixed income securities                 | <u>\$ 2,676,618</u>   | <u>100.00</u>                      | % |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

As of September 30, 2015 the System had the following cash and investments in its portfolio:

|                              | Fair<br>Value           |
|------------------------------|-------------------------|
| Short term investments       | \$ 13,072,508           |
| U.S. government securities   | 134,654,970             |
| Corporate bonds and notes    | 215,845,625             |
| Bond funds                   | 51,862,592              |
| Foreign bonds                | 46,577,580              |
| Common stock and index funds | 589,411,445             |
| Foreign stocks               | 99,879,729              |
| Real estate funds            | 97,154,516              |
| Mutual funds                 | 46,664,939              |
| Cash                         | 6,176,927               |
| Total cash and investments   | \$ <u>1,301,300,831</u> |

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

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

Discretely Presented Component Units

Component unit's cash and investment in the amount of \$3,125,138 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 cannot 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, 2015**  
**(Continued)**

**NOTE 4 - Receivables**

Receivables at September 30, 2015 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 Funds                               |                     |                       |                         |                                 |                     |                     |                      |
|--------------------------------------------------|---------------------|-----------------------|-------------------------|---------------------------------|---------------------|---------------------|----------------------|
|                                                  | General             | Resort<br>Tax         | Redevelopment<br>Agency | Capital<br>Projects             | Nonmajor<br>Funds   | Total               |                      |
| Receivables:                                     |                     |                       |                         |                                 |                     |                     |                      |
| Accounts                                         | \$ 7,434,344        | \$ 4,109,415          | \$ 15,417               | \$ 2,779                        | \$ 3,119,339        | \$ 14,681,294       |                      |
| Special Assessments                              |                     | 937,342               |                         | 51,227                          |                     | 988,569             |                      |
| Gross receivables                                | 7,434,344           | 5,046,757             | 15,417                  | 54,006                          | 3,119,339           | 15,669,863          |                      |
| Less: allowance<br>for uncollectible<br>accounts | (3,681,295)         |                       |                         |                                 | (2,333,805)         | (6,015,100)         |                      |
| Net total<br>receivables                         | <u>\$ 3,753,049</u> | <u>\$ 5,046,757</u>   | <u>\$ 15,417</u>        | <u>\$ 54,006</u>                | <u>\$ 785,534</u>   | <u>\$ 9,654,763</u> |                      |
| Proprietary Funds                                |                     |                       |                         |                                 |                     |                     |                      |
|                                                  | Storm<br>Water      | Water<br>and<br>Sewer | Parking                 | Convention<br>Center<br>Complex | Nonmajor<br>Funds   | Internal<br>Service | Total                |
| Receivables:                                     |                     |                       |                         |                                 |                     |                     |                      |
| Accounts                                         | \$ 2,992,290        | \$ 11,313,961         | \$ 6,029,716            | \$ 564,963                      | \$ 2,739,343        | \$ 681,583          | \$ 24,321,856        |
| Gross receivables                                | 2,992,290           | 11,313,961            | 6,029,716               | 564,963                         | 2,739,343           | 681,583             | 24,321,856           |
| Less: allowance<br>for uncollectible<br>accounts | (932,011)           | (2,495,570)           | (317,601)               |                                 | (1,669,052)         | (67,211)            | (5,481,445)          |
| Net total<br>receivables                         | <u>\$ 2,060,279</u> | <u>\$ 8,818,391</u>   | <u>\$ 5,712,115</u>     | <u>\$ 564,963</u>               | <u>\$ 1,070,291</u> | <u>\$ 614,372</u>   | <u>\$ 18,840,411</u> |

**NOTE 5 - Property Taxes**

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



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

**NOTE 6 - Capital assets**

Capital asset activities for the year ended September 30, 2015 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                                         | \$ 52,223,503        | \$ 6,535,173              | \$                        | \$ 58,758,676     |
| Intangible assets                            | 4,181,941            |                           |                           | 4,181,941         |
| Construction work-in-progress                | 86,291,419           | 41,299,894                | 4,651,731                 | 122,939,582       |
| Total capital assets, not being depreciated  | 142,696,863          | 47,835,067                | 4,651,731                 | 185,880,199       |
| Capital assets, being depreciated:           |                      |                           |                           |                   |
| Building                                     | 129,734,167          | 4,218,460                 | 615,150                   | 133,337,477       |
| Permanent improvements                       | 372,473,812          | 1,344,301                 |                           | 373,818,113       |
| Furniture & fixtures                         | 5,621,509            | 1,584,585                 | 24,396                    | 7,181,698         |
| Equipment                                    | 77,136,908           | 5,606,958                 | 4,542,900                 | 78,200,966        |
| Infrastructure                               | 203,259,637          | 2,742,788                 |                           | 206,002,425       |
| Total capital assets, being depreciated      | 788,226,033          | 15,497,092                | 5,182,446                 | 798,540,679       |
| Less: accumulated depreciation for:          |                      |                           |                           |                   |
| Building                                     | 53,357,778           | 2,554,942                 | 534,481                   | 55,378,239        |
| Permanent improvements                       | 104,259,251          | 10,545,031                |                           | 114,804,282       |
| Furniture & fixtures                         | 3,108,878            | 718,763                   | 28,015                    | 3,799,626         |
| Equipment                                    | 54,657,219           | 6,401,339                 | 4,464,688                 | 56,593,870        |
| Infrastructure                               | 112,035,543          | 6,307,493                 |                           | 118,343,036       |
| Total accumulated depreciation               | 327,418,669          | 26,527,568                | 5,027,184                 | 348,919,053       |
| Total capital assets, being depreciated, net | 460,807,364          | (11,030,476)              | 155,262                   | 449,621,626       |
| Governmental activities capital assets, net  | \$ 603,504,227       | \$ 36,804,591             | \$ 4,806,993              | \$ 635,501,825    |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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

|                                                        | Beginning<br>Balance  | Increases            | Adjustments/<br>Decreases | Ending<br>Balance     |
|--------------------------------------------------------|-----------------------|----------------------|---------------------------|-----------------------|
| Capital assets, not being depreciated:                 |                       |                      |                           |                       |
| Land                                                   | \$ 25,835,429         | \$                   | \$                        | \$ 25,835,429         |
| Intangible assets                                      | 4,318,059             |                      |                           | 4,318,059             |
| Construction work-in-progress                          | 125,340,606           | 57,245,472           | 2,091,567                 | 180,494,511           |
| Total capital assets, not being depreciated            | <u>155,494,094</u>    | <u>57,245,472</u>    | <u>2,091,567</u>          | <u>210,647,999</u>    |
| Capital assets, being depreciated:                     |                       |                      |                           |                       |
| Main & lines                                           | 222,870,615           | 652,554              |                           | 223,523,169           |
| Building & structure                                   | 303,579,733           | 4,491,385            | 253,438                   | 307,817,680           |
| Meters & hydrants                                      | 30,508,315            | 1,868,250            |                           | 32,376,565            |
| Furniture, equipment & vehicles                        | 81,398,516            | 2,150,320            | 2,235,729                 | 81,313,107            |
| Parking lots                                           | 21,249,318            |                      | 223,986                   | 21,025,332            |
| Total capital assets, being depreciated                | <u>659,606,497</u>    | <u>9,162,509</u>     | <u>2,713,153</u>          | <u>666,055,853</u>    |
| Less: accumulated depreciation for:                    |                       |                      |                           |                       |
| Main & lines                                           | 39,163,908            | 4,666,475            |                           | 43,830,383            |
| Building & structure                                   | 116,047,520           | 7,945,138            | 136,447                   | 123,856,211           |
| Meters & hydrants                                      | 13,380,933            | 2,879,551            |                           | 16,260,484            |
| Furniture, equipment & vehicles                        | 43,613,312            | 4,405,875            | 2,208,005                 | 45,811,182            |
| Improvements other than building                       | 10,385,741            |                      | 58,780                    | 10,326,961            |
| Total accumulated depreciation                         | <u>222,591,414</u>    | <u>19,897,039</u>    | <u>2,403,232</u>          | <u>240,085,221</u>    |
| Total capital assets, being depreciated, net           | <u>437,015,083</u>    | <u>(10,734,530)</u>  | <u>309,921</u>            | <u>425,970,632</u>    |
| Business-type activities, combined capital assets, net | <u>\$ 592,509,177</u> | <u>\$ 46,510,942</u> | <u>\$ 2,401,488</u>       | <u>\$ 636,618,631</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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

**Governmental activities:**

|                                                      |                             |
|------------------------------------------------------|-----------------------------|
| General government                                   | \$ 6,856,042                |
| Public safety                                        | 2,950,362                   |
| Physical environment                                 | 388,449                     |
| Transportation                                       | 8,339,039                   |
| Economic environment                                 | 291,335                     |
| Human Services                                       | 3,353                       |
| Culture and recreation                               | <u>7,698,988</u>            |
| Total depreciation expense - governmental activities | <u><u>\$ 26,527,568</u></u> |

**Business-type activities**

|                                                       |                             |
|-------------------------------------------------------|-----------------------------|
| Storm Water                                           | \$ 2,115,169                |
| Water & Sewer                                         | 4,776,284                   |
| Parking Systems                                       | 6,518,607                   |
| Convention Center Complex                             | 5,362,667                   |
| Nonmajor enterprise                                   | <u>1,124,312</u>            |
| Total depreciation expense - business-type activities | <u><u>\$ 19,897,039</u></u> |

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$5,039,444 of depreciation expenses for internal services.

**NOTE 7 - Construction, other Commitments and Capitalized Interest**

At September 30, 2015 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     | \$ 26,110,179               |
| Storm Water Utility  | 16,647,293                  |
| Water & Sewer        | 9,020,797                   |
| Sanitation           | 375,596                     |
| Parking Systems      | 1,428,132                   |
| Non-major Enterprise | <u>381,997</u>              |
|                      | <u><u>\$ 53,963,994</u></u> |

The City funds had the following encumbrance commitments at September 30, 2015

|                      |                             |
|----------------------|-----------------------------|
| General              | \$ 682,196                  |
| Redevelopment Agency | 19,125                      |
| Capital Project      | 26,110,179                  |
| Other Governmental   | <u>7,772,993</u>            |
|                      | <u><u>\$ 34,584,493</u></u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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 | \$ 4,522,140                | \$ 2,582,697                  |
| Water and Sewer     | 5,236,825                   | 2,402,849                     |
| Parking Systems     | 1,937,172                   | 1,387,508                     |

**NOTE 8 - Interfund receivables, payables and transfers**

Interfund balances at September 30, 2015 consist of the following:

| <u>Due To</u>        | <u>Due From</u>     |                      |                  |                    |                  |                  |                  |                   |                     |                     |
|----------------------|---------------------|----------------------|------------------|--------------------|------------------|------------------|------------------|-------------------|---------------------|---------------------|
|                      | General             | Redevelopment Agency | Capital Projects | Other Governmental | Storm Water      | Water & Sewer    | Parking Fund     | Other Enterprise  | Internal Service    | Total               |
| General              | \$                  | \$ 6,653             | \$ 10,484        | \$ 3,129           | \$               | \$               | \$               | \$ 199,103        | \$ 961,121          | \$ 1,180,490        |
| Resort Tax           |                     |                      |                  | 690,641            |                  |                  |                  |                   | 2,000               | 692,641             |
| Redevelopment Agency | 849,691             |                      |                  |                    | 500              | 1,000            |                  | 468,569           | 270,272             | 1,590,032           |
| Capital Projects     | 383,033             |                      |                  |                    |                  |                  |                  |                   |                     | 383,033             |
| Other Governmental   | 177,614             |                      |                  | 1,003              |                  |                  |                  |                   | 5,152               | 183,769             |
| Stormwater           |                     |                      |                  |                    |                  |                  |                  |                   | 11,000              | 11,000              |
| Water & Sewer        |                     |                      |                  |                    |                  |                  |                  |                   | 29,000              | 29,000              |
| Parking              |                     |                      |                  |                    |                  |                  |                  | 1,712             | 39,000              | 40,712              |
| Convention Center    |                     | 2,289,884            |                  |                    |                  |                  |                  |                   |                     | 2,289,884           |
| Other Enterprise     | 70,351              | 3,330                |                  |                    |                  |                  | 81,722           | 1,877             | 74,526              | 231,806             |
| Internal Service     | 224                 |                      |                  |                    | 27,950           | 22,586           |                  | 150               | 56,613              | 107,523             |
|                      | <u>\$ 1,480,913</u> | <u>\$ 2,299,867</u>  | <u>\$ 10,484</u> | <u>\$ 694,773</u>  | <u>\$ 28,450</u> | <u>\$ 23,586</u> | <u>\$ 81,722</u> | <u>\$ 671,411</u> | <u>\$ 1,448,684</u> | <u>\$ 6,739,890</u> |

The outstanding balances between funds 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, 2015 consisted of the following:

| <u>Transfer In</u> | <u>Transfer Out</u>  |                      |                      |                   |                     |                   |                  |                     |                   |                  |                      |
|--------------------|----------------------|----------------------|----------------------|-------------------|---------------------|-------------------|------------------|---------------------|-------------------|------------------|----------------------|
|                    | General              | Resort Tax           | Redevelopment Agency | Capital Projects  | Other Governmental  | Storm Water       | Water Sewer      | Parking             | Convention Center | Other Enterprise | Internal Service     |
| General            | \$                   | \$ 34,359,000        | \$                   | \$                | \$                  | \$                | \$               | \$ 8,400,000        | \$                | \$               | \$                   |
| Capital Projects   | 3,350,000            |                      |                      |                   |                     |                   |                  |                     |                   |                  |                      |
| Other Governmental | 7,503,923            | 14,076,804           | 8,578,060            | 378,525           | 1,460,052           | 12,000            | 27,000           | 1,384,000           | 863,000           | 31,000           | 328,000              |
| Storm Water        |                      |                      |                      |                   |                     |                   | 311              |                     |                   |                  |                      |
| Parking            |                      |                      |                      |                   | 177,007             |                   |                  |                     |                   |                  | 833                  |
| Convention Ctr     |                      |                      |                      |                   |                     |                   |                  |                     | 189               |                  |                      |
| Other Enterprise   |                      |                      |                      |                   |                     | 646,000           |                  |                     |                   |                  | 20,706               |
| Internal Service   | 395,000              |                      |                      |                   |                     |                   |                  | 4,437               |                   | 4,437            | 186                  |
|                    | <u>\$ 11,248,923</u> | <u>\$ 48,435,804</u> | <u>\$ 8,578,060</u>  | <u>\$ 378,525</u> | <u>\$ 1,637,059</u> | <u>\$ 658,000</u> | <u>\$ 27,311</u> | <u>\$ 9,788,437</u> | <u>\$ 863,189</u> | <u>\$ 35,437</u> | <u>\$ 349,725</u>    |
|                    |                      |                      |                      |                   |                     |                   |                  |                     |                   |                  | <u>\$ 82,000,470</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 \$4.9 million for debt service payments, \$2.2 million for capital renewal and replacement, \$1.4 million to the pay as you go capital fund and \$2.0 million for capital projects. \$34.0 million was transferred from the resort tax fund to the general fund to support south beach, middle beach and north beach services, various culture and recreation events, and tourism related citywide expenditures. The resort tax fund also transferred \$1.2 million for debt services, \$5.8 million for transportation, \$1.2 million for cultural arts council programs and \$5.8 million to other funds to fund various south beach, middle and north beach approved projects. \$8.6 million was transferred from the Redevelopment Agency Fund to other governmental funds for debt service payments. \$8.4 million was transferred from the parking systems fund to the general fund for operating activities and \$1.3 million for transportation.

**NOTE 9 - 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, 2015, are as follows:

| <u>September 30</u> | <u>Business-type<br/>Operating<br/>Leases</u> | <u>Governmental<br/>Operating<br/>Leases</u> |
|---------------------|-----------------------------------------------|----------------------------------------------|
| 2016                | \$ 1,903,641                                  | \$ 2,733,462                                 |
| 2017                | 2,035,876                                     | 2,708,506                                    |
| 2018                | 1,987,115                                     | 2,732,322                                    |
| 2019                | 1,881,432                                     | 2,401,439                                    |
| 2020                | 1,909,588                                     | 2,277,820                                    |
| 2021 and thereafter | <u>23,311,969</u>                             | <u>16,408,116</u>                            |
|                     | <u>\$ 33,029,621</u>                          | <u>\$ 29,261,665</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, 2015:

|                                 |                      |
|---------------------------------|----------------------|
| Parking facilities              | \$ 7,947,504         |
| Recreational facilities         | 15,831,132           |
| Retail space                    | 51,058,049           |
| Marina                          | <u>5,654,752</u>     |
|                                 | 80,491,437           |
| Less: Accumulated depreciation  | <u>(44,305,683)</u>  |
| Net book value of leased assets | <u>\$ 36,185,754</u> |

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

**NOTE 10 - Long-Term debt**

**A. 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 \$53,755,000. 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, 2015 consist of the following:

| Issue Name                       | Interest Rate | Year Issued | Final Maturity | Original Issue       | Outstanding          |
|----------------------------------|---------------|-------------|----------------|----------------------|----------------------|
| 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           | 25,675,000           |
| Total General Obligation Bonds   |               |             |                | <u>\$ 97,305,000</u> | <u>\$ 53,755,000</u> |

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

| Fiscal Year<br>Ending<br>September 30 | General Obligation Bonds<br>Governmental Activities |                      |                      |
|---------------------------------------|-----------------------------------------------------|----------------------|----------------------|
|                                       | Principal                                           | Interest             | Total                |
| 2016                                  | \$ 3,635,000                                        | \$ 2,280,019         | \$ 5,915,019         |
| 2017                                  | 3,740,000                                           | 2,170,969            | 5,910,969            |
| 2018                                  | 3,845,000                                           | 2,058,769            | 5,903,769            |
| 2019                                  | 3,995,000                                           | 1,904,969            | 5,899,969            |
| 2020                                  | 4,145,000                                           | 1,745,169            | 5,890,169            |
| 2021-2025                             | 11,010,000                                          | 6,733,443            | 17,743,443           |
| 2026-2030                             | 13,650,000                                          | 4,066,131            | 17,716,131           |
| 2031-2033                             | 9,735,000                                           | 888,750              | 10,623,750           |
|                                       | <u>53,755,000</u>                                   | <u>21,848,219</u>    | <u>75,603,219</u>    |
| Plus: Unamortized Bond Premium        | 1,663,971                                           |                      | 1,663,971            |
|                                       | <u>\$ 55,418,971</u>                                | <u>\$ 21,848,219</u> | <u>\$ 77,267,190</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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
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**SEPTEMBER 30, 2015**  
**(Continued)**

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, 2015, the City did not have any defeased General Obligation debt.

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

At September 30, 2015 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               | \$ 210,000                        |
| 1985C | Gulf Breeze fixed rate                | Non Ad-Valorem            | 14,301,954                 | 1,344,492                         |
| 1985E | Gulf Breeze fixed rate                | Non Ad-Valorem            | 22,500,000                 | 6,930,000                         |
| 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                 | 23,160,000                        |
| 2005A | Tax Increment Revenue Refunding Bonds | RDA Tax increment Revenue | 51,440,000                 | 27,815,000                        |
| 2005B | Tax Increment Revenue Refunding Bonds | RDA Tax increment Revenue | 29,330,000                 | 17,175,000                        |
|       | Total Special Obligation Bonds        |                           | <u>\$ 201,906,954</u>      | <u>\$ 86,634,492</u>              |

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 1985C variable rate notes. \$14,977,000 was used to repay a portion of the outstanding principal from the Sunshine State Loan. The remaining funds will be used for the renovation and improvement of two City owned golf courses and their related facilities. A portion of the Gulf breeze 1985C outstanding debt relates to the construction of a Parking Garage. The Parking Enterprise Fund includes an outstanding amount of \$765,500 that relates to this debt.

On July 1, 1998, the Agency issued \$29,105,000 (Series 1998A) and \$9,135,000 (Series 1998B) in tax-increment bonds. The net trust fund revenue received by the Agency from the City Center/Historic Convention Village Redevelopment and Revitalization Area, and 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. The Series 1998A Tax-increment bonds were partially refunded/defeased by the issuance of the Series 2005A and 2005B tax increment revenue refunding bonds on September 22, 2005. The Series 1998A bonds had a remaining outstanding principle balance of \$10,000,000 at September 30, 2015.

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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

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 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 the net trust fund revenue received by the Agency from the Redevelopment Area, and 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. At September 30, 2015, the Agency did not have any defeased 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, 2015, \$1,470,000 is still considered defeased.

At September 30, 2015 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                 |
| 2016                                  | \$ 12,754,492                                         | \$ 4,328,256         | \$ 17,082,748         |
| 2017                                  | 11,055,000                                            | 3,711,768            | 14,766,768            |
| 2018                                  | 11,645,000                                            | 3,113,007            | 14,758,007            |
| 2019                                  | 12,245,000                                            | 2,479,309            | 14,724,309            |
| 2020                                  | 12,850,000                                            | 1,810,174            | 14,660,174            |
| 2021-2023                             | 26,085,000                                            | 1,961,363            | 28,046,363            |
|                                       | 86,634,492                                            | 17,403,877           | 104,038,369           |
| Plus: Net unamortized<br>Bond Premium | 377,342                                               |                      | 377,342               |
|                                       | <u>\$ 87,011,834</u>                                  | <u>\$ 17,403,877</u> | <u>\$ 104,415,711</u> |

For the fiscal year ended September 30, 2015, debt service on the tax increment bonds was \$8,414,103 and the tax increment revenues totaled \$38,094,108 and net customer revenues were \$24,496,917. Remaining outstanding principal and interest is \$67,402,917.



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**SEPTEMBER 30, 2015**  
**(Continued)**

**C. Revenue bonds – Business-Type Activities**

Parking Fund

On August 1, 2001, the City executed three loan agreements with the City of Gulf Breeze, Florida, Local Government Pool to borrow \$47,145,000 on fixed rate notes. A portion of the \$22,445,000, Gulf Breeze Series 1985C, one of three loans, is allocated to the Fund. The principal is to be repaid in 14 annual installments commencing December 1, 2002 with interest paid semiannually. A portion of the Gulf Breeze 1985C outstanding debt relates to the construction of a parking garage. The Fund includes an outstanding amount of \$765,500 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, 2015, 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>\$ 765,500</u>    |
| \$ 17,155,000 | Series 2010A Parking Revenue Refunding Bonds due in annual installments through 2022: interest at 3.00% - 5.00% | <u>\$ 10,395,000</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, 2015, the Fund did not have any defeased debt.

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The aggregate maturities of Long-Term Debt at September 30, 2015, are as follows:

| Fiscal Year<br>Ending<br>September 30  | Bonded Debt          |                      |                      |
|----------------------------------------|----------------------|----------------------|----------------------|
|                                        | Principal            | Interest             | Total                |
| 2016                                   | \$ 2,230,500         | \$ 1,796,643         | \$ 4,027,143         |
| 2017                                   | 1,525,000            | 1,719,863            | 3,244,863            |
| 2018                                   | 1,590,000            | 1,649,112            | 3,239,112            |
| 2019                                   | 1,660,000            | 1,585,513            | 3,245,513            |
| 2020                                   | 1,725,000            | 1,519,112            | 3,244,112            |
| 2021-2025                              | 6,605,000            | 6,465,813            | 13,070,813           |
| 2026-2030                              | 5,995,000            | 5,165,300            | 11,160,300           |
| 2031-2035                              | 7,570,000            | 3,588,500            | 11,158,500           |
| 2036-2040                              | 9,665,000            | 1,496,750            | 11,161,750           |
|                                        | 38,565,500           | 24,986,606           | 63,552,106           |
| Less: Net Unamortized<br>Bond Discount | 89,598               |                      | 89,598               |
|                                        | <u>\$ 38,475,902</u> | <u>\$ 24,986,606</u> | <u>\$ 63,462,508</u> |

The Series 2010A and 2010B revenue bonds are payable from and secured by a lien on and pledge of net revenues derived from the operation of the City's parking system. The total principal and interest remaining to be paid on all parking bonds is \$63,552,106. Principal and interest paid for the current year and total customer net revenues were \$4,022,571 and \$9,530,225 respectively.

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 Taxable Series 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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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, 2015 is as follows:

|               |                                                                                                                                                       |                      |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| \$ 54,310,000 | 2000 Revenue Bonds due in annual installments<br>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<br>through 2015: Interest at 4.25% - 4.50%  | <u>\$ 1,285,000</u>  |
| \$ 18,300,000 | 2006B-2 Water & Sewer Revenue Bonds<br>Gulf Breeze Loan Series 1985B due in annual installments<br>through 2019: Interest at 4.40% - 4.50%            | <u>\$ 18,300,000</u> |
| \$ 5,700,000  | 2006E Water & Sewer Revenue Bonds<br>Gulf Breeze Loan Series 1985E due in annual installments<br>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<br>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<br>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<br>through 2039: Interest at 5.00%                   | <u>\$ 30,000,000</u> |

At September 30, 2015, none of the bonds outstanding are considered defeased.

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**(Continued)**

The aggregate maturities of Long-term debt as of September 30, 2015 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Bonded Debt           |                      |                       |
|---------------------------------------|-----------------------|----------------------|-----------------------|
|                                       | Principal             | Interest             | Total                 |
| 2016                                  | \$ 3,770,000          | \$ 5,111,733         | \$ 8,881,733          |
| 2017                                  | 6,415,000             | 4,889,445            | 11,304,445            |
| 2018                                  | 6,700,000             | 4,603,255            | 11,303,255            |
| 2019                                  | 6,995,000             | 4,300,719            | 11,295,719            |
| 2020                                  | 7,335,000             | 3,977,500            | 11,312,500            |
| 2021-2025                             | 25,320,000            | 16,826,612           | 42,146,612            |
| 2026-2030                             | 23,170,000            | 11,158,275           | 34,328,275            |
| 2031-2035                             | 11,725,000            | 6,363,375            | 18,088,375            |
| 2036-2040                             | 18,275,000            | 2,373,625            | 20,648,625            |
|                                       | <u>109,705,000</u>    | <u>59,604,539</u>    | <u>169,309,539</u>    |
| Less:                                 |                       |                      |                       |
| Unamortized Discount                  | <u>136,322</u>        | <u></u>              | <u>136,322</u>        |
|                                       | <u>\$ 109,568,678</u> | <u>\$ 59,604,539</u> | <u>\$ 169,173,217</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 \$169,309,539. Principal and interest paid for the current year and total customer net revenues were \$10,234,541 and \$18,751,960 respectively.

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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On August 5, 2015, the City issued \$99,590,000 in Stormwater Revenue Bonds, Series 2015. The Series 2015 Bonds are being issued by the City for the purpose of providing funds to (i) finance a portion of the costs of certain capital improvements currently contemplated as part of the City's five year program to improve and enhance the effectiveness and reliability of the Stormwater Utility, and (ii) pay the costs of issuing the Series 2015 Bonds. The Series 2015 Bonds were issued with interest rates of 2.00% to 5.00% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2045. The Series 2015 Bonds will be repaid solely from pledged revenues of the Stormwater System.

Indebtedness of the Storm Water Fund at September 30, 2015 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>\$10,375,000</u> |
| \$52,130,000 | 2011A Storm Water Revenue Bonds Due in annual installments through 2041: Interest at 4.00% - 4.25%             | <u>\$51,145,000</u> |
| \$26,575,000 | 2011B Storm Water Revenue Refunding Bonds Due in annual installments through 2030: Interest at 2.00% - 5.25%   | <u>\$26,115,000</u> |
| \$99,590,000 | 2015 Storm Water Revenue Bonds Due in annual installments Through 2045: Interest at 2.00% - 5.00%              | <u>\$99,590,000</u> |

The aggregate maturities of Long-term debt at September 30, 2015 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Bonded Debt           |                       |                       |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
|                                       | Principal             | Interest              | Total                 |
| 2016                                  | \$ 2,720,000          | \$ 8,516,865          | \$ 11,236,865         |
| 2017                                  | 3,250,000             | 8,111,226             | 11,361,226            |
| 2018                                  | 3,380,000             | 7,986,131             | 11,366,131            |
| 2019                                  | 3,525,000             | 7,836,505             | 11,361,505            |
| 2020                                  | 3,685,000             | 7,680,427             | 11,365,427            |
| 2021-2025                             | 20,975,000            | 35,838,127            | 56,813,127            |
| 2026-2030                             | 26,420,000            | 30,398,358            | 56,818,358            |
| 2031-2035                             | 32,540,000            | 24,281,585            | 56,821,585            |
| 2036-2040                             | 40,225,000            | 16,593,626            | 56,818,626            |
| 2041-2045                             | 50,505,000            | 6,310,750             | 56,815,750            |
|                                       | <u>187,225,000</u>    | <u>153,553,600</u>    | <u>340,778,600</u>    |
| Plus Unamortized Premium              | <u>3,320,308</u>      |                       | <u>3,320,308</u>      |
|                                       | <u>\$ 190,545,308</u> | <u>\$ 153,553,600</u> | <u>\$ 344,098,908</u> |

Series 2009J-2, the Series 2011A and the Series 2011B, and the Series 2015 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 \$340,778,600. Principal and interest paid for the current year and total customer net revenues were \$6,828,298 and \$15,786,095 respectively.

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**(Continued)**

**D. Loans**

On February 20, 2008, the City entered into a new loan agreement which allows the City to be reimbursed for the purchase of machinery and equipment up to a maximum of \$37,500,000. The interest rates on this loan agreement range from 1.9% to 4.5%. At September 30, 2015, the City was indebted for \$12,922,099.

The aggregate maturities of loans at September 30, 2015 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Loans                |                   |                      |
|---------------------------------------|----------------------|-------------------|----------------------|
|                                       | Principal            | Interest          | Total                |
| 2016                                  | \$ 3,868,619         | \$ 263,069        | \$ 4,131,688         |
| 2017                                  | 3,180,148            | 178,339           | 3,358,487            |
| 2018                                  | 2,490,486            | 112,349           | 2,602,835            |
| 2019                                  | 1,862,716            | 60,620            | 1,923,336            |
| 2020                                  | 802,569              | 26,914            | 829,483              |
| 2021-2025                             | 717,561              | 20,515            | 738,075              |
|                                       | <u>\$ 12,922,099</u> | <u>\$ 661,806</u> | <u>\$ 13,583,904</u> |

The above debt has been recorded in the following funds:

|                  |                      |
|------------------|----------------------|
| Internal Service | \$ 11,778,922        |
| Stormwater       | 113,432              |
| Water & Sewer    | 230,057              |
| Parking          | 192,975              |
| Other Enterprise | 293,713              |
| General Fund     | 313,000              |
|                  | <u>\$ 12,922,099</u> |

**E. Energy Savings Obligation**

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, 2015, the outstanding balance on this loan was \$11,801,348. 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.

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**SEPTEMBER 30, 2015**  
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The aggregate maturities of other long-term obligations at September 30, 2015 are as follows:

| Fiscal Year<br>Ending<br>September 30 | Long-term<br>Obligation | Interest            | Total                |
|---------------------------------------|-------------------------|---------------------|----------------------|
| 2016                                  | \$ 798,998              | \$ 478,341          | \$ 1,277,339         |
| 2017                                  | 881,348                 | 443,385             | 1,324,733            |
| 2018                                  | 968,999                 | 404,888             | 1,373,887            |
| 2019                                  | 1,062,244               | 362,620             | 1,424,864            |
| 2020                                  | 1,173,139               | 316,261             | 1,489,400            |
| 2021-2025                             | 6,916,620               | 715,300             | 7,631,920            |
|                                       | <u>\$ 11,801,348</u>    | <u>\$ 2,720,795</u> | <u>\$ 14,522,143</u> |

On May 21, 2014, the City of Miami Beach issued Resolution No. 2014-28599 which authorized the issuance of a line of credit not to exceed an aggregate principal amount of \$60 million to pay the costs of capital projects. The line of credit was obtained from one financial institution. Tax-exempt draws against the line of credit will have a variable interest rate of 70% of Libor rate plus 0.50%, and the taxable draws will have a variable rate equal to Libor rate plus 0.75%. There will be an annual fee of 0.20% on the unused portion of the line of credit payable on a quarterly basis. The City shall pay the financial institution the entire unpaid principal balance together with all accrued and unpaid interest on May 30, 2016 (the "Maturity Date"). As of September 30, 2015, no amounts have been drawn down from this line of credit.

On November 12, 2014, the City of Miami Beach entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. The amount of the loan is \$7,500,000 plus \$147,500 of capitalized interest and \$150,000 in loan service fees which amounts to \$7,797,500 to be repaid back to the State. Loan payments will commence on February 15, 2018 and semiannually thereafter on August 15 and February 15 of each year until all amounts due have been fully paid. The interest rate on this loan is 1.62% per annum. The loan shall be repaid in 40 semiannual loan payments of \$229,001. Loan disbursement from the State to the City will be made for reimbursements of allowable invoiced costs. As of September 30, 2015, no loan disbursements have been received by the City.

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**(Continued)**

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

Long-term liability activity for the year ended September 30, 2015 is as follows:

**Governmental activities:**

|                                     | Beginning<br>Balance  | Additions             | Reductions           | Ending<br>Balance     | Due Within<br>One Year |
|-------------------------------------|-----------------------|-----------------------|----------------------|-----------------------|------------------------|
| <b>Bonds payable:</b>               |                       |                       |                      |                       |                        |
| General obligation                  | \$ 57,280,000         | \$                    | \$ 3,525,000         | \$ 53,755,000         | \$ 3,635,000           |
| Special obligation                  | 98,810,264            |                       | 12,175,772           | 86,634,492            | 12,754,492             |
| Plus: Net unamortized bond Premium  | 2,532,552             |                       | 487,280              | 2,045,272             | 739,983                |
| Less: Net unamortized bond Discount | (5,255)               |                       | 1,296                | (3,959)               | (3,959)                |
| Total bonds payable                 | <u>158,617,561</u>    |                       | <u>16,189,348</u>    | <u>142,430,805</u>    | <u>17,125,516</u>      |
| Claims and judgments                | 30,816,902            | 27,261,561            | 23,639,045           | 34,439,418            | 7,510,418              |
| Compensated absences                | 17,588,087            | 11,027,523            | 9,947,399            | 18,668,211            | 8,208,817              |
| Energy savings obligation           | 12,881,589            |                       | 1,080,241            | 11,801,348            | 798,998                |
| OPEB Liability                      | 47,201,973            | 5,861,959             |                      | 53,063,932            |                        |
| Loans payable                       | 13,558,363            | 2,463,173             | 3,929,614            | 12,091,922            | 3,540,725              |
| Net pension liability - MBERP       | 125,168,261           | 4,927,405             |                      | 130,095,666           |                        |
| Net pension liability - MBF&P       | <u>207,161,239</u>    | <u>15,046,208</u>     |                      | <u>222,207,447</u>    |                        |
| Governmental activity               |                       |                       |                      |                       |                        |
| Long-term liabilities               | <u>\$ 612,993,975</u> | <u>\$ 66,587,829</u>  | <u>\$ 54,785,647</u> | <u>\$ 624,798,749</u> | <u>\$ 37,184,474</u>   |
| <b>Business-type activities:</b>    |                       |                       |                      |                       |                        |
| Revenue bonds payable               | \$ 245,594,728        | \$ 99,590,000         | \$ 9,689,228         | \$ 335,495,500        | \$ 8,720,500           |
| Plus: Unamortized bond Premium      | 2,688,096             | 1,240,327             | 253,818              | 3,674,605             | 296,361                |
| Less: Unamortized bond Discount     | (616,733)             |                       | 36,517               | (580,216)             | (36,517)               |
| Total bonds payable                 | <u>247,666,091</u>    | <u>100,830,327</u>    | <u>9,979,563</u>     | <u>338,589,889</u>    | <u>8,980,344</u>       |
| Loans payable                       | 1,270,112             |                       | 439,935              | 830,177               | 327,893                |
| Environmental remediation liability | 200,000               | 150,000               |                      | 350,000               |                        |
| Compensated absences                | 2,118,951             | 1,683,034             | 1,676,064            | 2,125,921             | 1,468,542              |
| Deposits                            | 8,739,437             | 5,322,575             | 5,691,543            | 8,370,469             | 5,671,263              |
| Net pension liability - MBERP       | <u>34,891,839</u>     | <u>2,144,069</u>      |                      | <u>37,035,908</u>     |                        |
| Business-type activity              |                       |                       |                      |                       |                        |
| Long-term liabilities               | <u>\$ 294,886,430</u> | <u>\$ 110,130,005</u> | <u>\$ 17,787,105</u> | <u>\$ 387,302,364</u> | <u>\$ 16,448,042</u>   |

The City's internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At September 30, 2015, \$1,267,515 in compensated absences and \$11,778,922 in loans payable are included in the above amounts for the internal service funds. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the internal service.



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**(Continued)**

**NOTE 11 - Governmental Fund – Fund balance**

Below is a table of fund balance categories and classifications at September 30, 2015 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                                  | \$ 19,765            | \$                   | \$                                        | \$                    | \$                    |
| <b>Restricted:</b>                       |                      |                      |                                           |                       |                       |
| General government                       |                      |                      |                                           | 28,110,009            | 804,351               |
| Building operations reserves             | 8,328,543            |                      |                                           |                       |                       |
| Public safety                            |                      |                      |                                           | 647,497               | 3,012,130             |
| Human services                           |                      |                      |                                           |                       | 231,423               |
| Physical environment                     |                      |                      |                                           |                       | 19,145                |
| Economic environment                     |                      |                      | 28,207,142                                | 2,782,130             | 1,141,294             |
| Quality of life improvement              |                      |                      |                                           |                       | 20,689,857            |
| Transportation                           |                      |                      |                                           | 1,016,756             | 56,174,583            |
| Culture and recreation                   |                      | 23,819,945           |                                           | 7,406,876             | 870,985               |
| Sewer improvement                        |                      |                      |                                           | 81,683                |                       |
| Street improvement                       |                      |                      |                                           | 18,846,722            |                       |
| Infrastructure                           |                      |                      |                                           | 20,939                |                       |
| Communications                           |                      |                      |                                           | 78,488                |                       |
| Other capital projects                   |                      |                      |                                           | 16,784,991            |                       |
| Neighborhood improvement                 |                      |                      |                                           | 15,263,089            |                       |
| South Pointe improvement                 |                      |                      |                                           | 42,897,423            |                       |
| Debt service                             |                      |                      |                                           |                       | 9,851,228             |
| <b>Committed:</b>                        |                      |                      |                                           |                       |                       |
| General government                       |                      |                      |                                           | 4,789,698             |                       |
| Public safety                            |                      |                      |                                           | 48,297                |                       |
| Culture and recreation                   |                      |                      |                                           | 511,498               | 6,183,471             |
| Transportation                           |                      |                      |                                           | 488,726               |                       |
| Physical environment                     |                      |                      |                                           | 28,358                |                       |
| Emergencies                              | 47,471,901           |                      |                                           |                       |                       |
| Encumbrances                             | 680,000              |                      |                                           |                       |                       |
| Reserved for pay as you go projects      |                      |                      |                                           | 6,565,191             |                       |
| Capital Reserve                          |                      |                      |                                           | 10,569,961            |                       |
| Other capital projects                   |                      |                      |                                           | 617,639               |                       |
| Capital renewal and replacement          |                      |                      |                                           |                       | 8,647,726             |
| <b>Assigned:</b>                         |                      |                      |                                           |                       |                       |
| Reserve set aside for future budgets     | 1,798,000            |                      |                                           |                       |                       |
| Contingencies                            | 993,000              |                      |                                           |                       |                       |
| Public safety                            |                      |                      |                                           |                       |                       |
| <b>Unassigned:</b>                       |                      |                      |                                           |                       |                       |
| Reimbursable grants funds                |                      |                      |                                           | (892,603)             | (326,499)             |
| Reimbursable boardup/ Relocation charges |                      |                      |                                           |                       | 74,008                |
| Non-reimbursable grant funds             |                      |                      |                                           | (88,354)              | (577,404)             |
| <b>Total Fund Balance</b>                | <b>\$ 59,291,209</b> | <b>\$ 23,819,945</b> | <b>\$ 28,207,142</b>                      | <b>\$ 156,575,014</b> | <b>\$ 106,796,298</b> |

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The City is pending reimbursement from various grantors for the reimbursable grant funds balance of \$2,379,854. The non-reimbursable grant fund consists of \$665,758 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.

**NOTE 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 Self-Insurance Fund (the "Fund") to account for its risk financing activities. The Fund pays for all claims and judgments for which the City is liable, for self-insured programs, and the premium costs for insurance policies that 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 2015 the City paid \$2.5 million in property insurance premium (including flood insurance).

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 2014 and 2015 respectively:

|                                                          | 2014                 | 2015                 |
|----------------------------------------------------------|----------------------|----------------------|
| Unpaid claims, beginning of year                         | \$ 25,221,791        | \$ 29,681,242        |
| Incurred claims (includes incurred but not yet reported) | 11,070,369           | 10,134,316           |
| Less: claim payments                                     | 6,610,918            | 6,386,558            |
| Unpaid claims, end of year                               | <u>\$ 29,681,242</u> | <u>\$ 33,429,000</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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**(Continued)**

The following are the changes in the funds' claims liability amount during fiscal years 2014 and 2015 respectively:

|                                                          | 2014                | 2015                |
|----------------------------------------------------------|---------------------|---------------------|
| Unpaid claims, beginning of year                         | \$ 1,260,081        | \$ 1,135,660        |
| Incurred claims (includes incurred but not yet reported) | 16,839,981          | 17,127,245          |
| Less: claim payments                                     | <u>16,964,402</u>   | <u>17,252,487</u>   |
| Unpaid claims, end of year                               | <u>\$ 1,135,660</u> | <u>\$ 1,010,418</u> |

**NOTE 13 - Pollution Remediation**

GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations establish accounting and financial reporting standards for pollution remediation obligations. The City has identified six (6) sites that are undergoing pollution remediation activities. These sites and activities are as follows:

1. Miami Beach Golf Course Material Recovery Facility(MRF) - ammonia contamination
2. Miami Beach Golf and Normandy Shores Course - arsenic investigation
3. Former Par 3 Golf Course - arsenic investigation
4. Maurice Gibb Park - hydrocarbon contamination
5. Fleet Management Mechanical Maintenance Facility - synthetic oil investigation
6. Miami Beach Convention Center- arsenic investigation

As of September 30, 2015, the City has recorded pollution remediation liabilities of \$200,000 in the Sanitation fund, and \$150,000 in the Convention Center fund for a total of \$350,000 in the business-type activities for the Miami Beach Golf Course and Miami Beach Convention Center respectively; and \$1,000,000 in the capital project fund and governmental-type activities for the Maurice Gibb Park and Miami Beach Convention Center. Other remediation or monitoring costs were deemed immaterial and will be paid from annual operating expenses. These obligations are estimates and are subject to change depending on price increases or reductions, technology, and changes in laws and regulations.

**NOTE 14 - Significant Commitments and Contingencies**

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

**NOTE 15 - Current and Advance Refunding**

There is no debt refunding to report for the fiscal year ended September 30, 2015.

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**(Continued)**

**NOTE 16 - Pension Plan**

**A. Miami Beach Employees' Retirement System (MBERP)**

Summary of Significant Accounting Principles

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

Investments are recorded at fair value in the Statement of Plan Net Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

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

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

Plan Description

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

Members are full-time employees, classified and unclassified positions, who work more than 30 hours per week except for policemen and firemen and persons who elect to join the defined contribution retirement Plan sponsored by the City. Membership consisted of the following as of October 1, 2014, the date of the latest accrual valuation:

|                                                                      |                     |
|----------------------------------------------------------------------|---------------------|
| Inactive plan members and beneficiaries currently receiving benefits | 1,159               |
| Inactive plan members entitled but not yet receiving benefits        | 88                  |
| Active plan members                                                  | <u>1,011</u>        |
| Total members                                                        | <u><u>2,258</u></u> |

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

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

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

Final average monthly earnings (FAME) means one-twelfth of the average annual earnings during the highest two paid years of credible service. For Unclassified First Tier members who became a member prior to October 18, 1992 and was continuously a member from that date until March 18, 2006, FAME is defined as the larger of one-twelfth average covered salary during the two highest paid years of creditable service or one-twelfth of the pay of the year immediately preceding March 18, 2006. Effective as of September 30, 2010, FAME for members who have obtained normal retirement age or are within 24 months from normal retirement age is defined as average covered salary during the two highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 24 and 36 months from normal retirement age is defined as average covered salary during the three highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 36 and 48 months from normal retirement age is defined as average covered salary during the four highest paid years of creditable service. FAME for those members who as of September 30, 2010 are more than 48 months from normal retirement age is defined as average covered salary during the five highest paid years of creditable service. A Member with five or more years of creditable service may, at any time prior to retirement, elect to purchase a maximum of two years additional creditable service. Effective September 30, 2013, Members whose classification is included in the CWA and GSAF bargaining unit and Members who are not included in any collective bargaining unit shall not be eligible to purchase additional creditable service. Effective April 23, 2015, members whose classifications are included in the AFSCME bargaining unit are not eligible to purchase additional creditable service.

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

Deferred retirement option plan (DROP)

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

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

A DROP participant shall not be entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there shall be no accidental death benefit for pension purposes. DROP participation does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement. First and Second Tier members receive an annual cost-of-living adjustment (COLA) of 2.5%. The COLA is not payable while members are in the DROP. For Third Tier members the COLA is 1.5%. As of September 30, 2015, there were 109 members in the DROP and the value of DROP investment was \$10,617,672 which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$248,000 in loans were outstanding as of September 30, 2015.

Funding Policy, Contributions Required and Contributions Made

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

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For the fiscal year ended September 30, 2015, the City was required to make contributions of \$26,456,580 or 32.12% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2014. For the year ended September 30, 2015, the employees contributed \$7,310,183 and buybacks were \$941,310.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.

For the year ended September 30, 2015, the City recognized pension expense of \$17,444,052. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 3,712,241                      | \$                               |
| City contributions subsequent to measurement date                                | 26,456,580                        |                                  |
| Net difference between projected and actual earnings on pension plan investments |                                   | 11,480,774                       |
| Total                                                                            | <u>\$ 30,168,821</u>              | <u>\$ 11,480,774</u>             |

City contributions of \$26,456,580 subsequent to the measurement date are reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

|                          |                       |
|--------------------------|-----------------------|
| Year ended September 30: |                       |
| 2016                     | \$ (1,672,697)        |
| 2017                     | (1,672,697)           |
| 2018                     | (1,672,697)           |
| 2019                     | (2,750,442)           |
| Total                    | <u>\$ (7,768,533)</u> |

The Plan uses the following actuarial valuations at the measurement date of September 30, 2014:

|                               |                                                                                                                                                                   |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date                | September 30, 2014                                                                                                                                                |
| Actuarial Cost Method         | Entry Age Normal                                                                                                                                                  |
| Amortization Method           | Level dollar, Closed                                                                                                                                              |
| Remaining Amortization Period | 30 years                                                                                                                                                          |
| Asset Valuation Method        | 5-year smoothed market                                                                                                                                            |
| Inflation                     | 3%                                                                                                                                                                |
| Salary Increases              | 4.5% to 7% depending on service, including inflation                                                                                                              |
| Investment Rate of Return     | 8%                                                                                                                                                                |
| Retirement Age                | Experience-based table of rates that are specific to the type of eligibility condition                                                                            |
| Mortality                     | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after year 2000 to the year 2010 using Scale AA. |

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Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2015 were as follows:

|                               |                              |
|-------------------------------|------------------------------|
| Total pension liability       | \$ 683,519,359               |
| Plan's fiduciary net position | <u>(516,387,785)</u>         |
| City net pension liability    | <u><u>\$ 167,131,574</u></u> |

The actuarial assumptions used in the September 30, 2014 valuation were based on the results of an actuarial experience study for the period of October 1, 2003 through September 30, 2009.

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

| <u>Target<br/>Asset Class</u> | <u>Long-Term Nominal<br/>Allocation</u> | <u>Rate of Return</u> |
|-------------------------------|-----------------------------------------|-----------------------|
| Domestic equities             | 51%                                     | 8.50%                 |
| Fixed income                  | 31                                      | 2.95                  |
| International equities        | 18                                      | 9.00                  |
| Cash and equivalents          | <u>0</u>                                | 3.0                   |
| Total                         | <u><u>100%</u></u>                      |                       |



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Discount

A single discount rate of 8 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Pension Plan investment of 8 percent. The long-term municipal bond rate was 4.11 percent. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (8 percent) was applied to all periods of projected benefit payments to determine the total pension liability. The long-term municipal bond rate utilized in determining the single discount rate is 4.11 percent taken from the Federal Reserve statistical release as of September 25, 2014. The discount rate and the long-term expected rate of return have decreased to 7.85 percent subsequent to the measurement date.

Changes in the Net Pension Liability

The following table shows the components of the City's annual pension liability and related plan fiduciary net position measured as of September 30, 2014:

|                                                          | <u>Increase (Decrease)</u>                 |                                                |                                            |
|----------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------|
|                                                          | <u>Total Pension<br/>Liability<br/>(a)</u> | <u>Plan Fiduciary<br/>Net Position<br/>(b)</u> | <u>Net Pension Liability<br/>(a) – (b)</u> |
| <b>Balances at September 30, 2013</b>                    | \$ 654,010,904                             | \$ 470,952,819                                 | \$ 183,058,085                             |
| <b>Changes for the year:</b>                             |                                            |                                                |                                            |
| Service cost                                             | 12,306,795                                 |                                                | 12,306,795                                 |
| Interest                                                 | 51,809,378                                 |                                                | 51,809,378                                 |
| Changes of benefit terms                                 | (1,183,267)                                |                                                | (1,183,267)                                |
| Differences between expected<br>and actual experience    | 4,909,738                                  |                                                | 4,909,738                                  |
| Changes of assumptions                                   |                                            |                                                |                                            |
| Contributions—employer                                   |                                            | 25,602,030                                     | (25,602,030)                               |
| Contributions—employee                                   |                                            | 7,373,407                                      | (7,373,407)                                |
| Net investment income                                    |                                            | 51,773,646                                     | (51,773,646)                               |
| Benefit payments, including<br>refunds of employee       | (37,501,400)                               | (37,501,400)                                   |                                            |
| Refunds                                                  | (1,143,866)                                | (1,143,866)                                    |                                            |
| Administrative expense                                   |                                            | (668,851)                                      | 668,851                                    |
| Other (Change in Receivable<br>from Excess Benefit Plan) | 311,077                                    |                                                | 311,077                                    |
| <b>Net changes</b>                                       | <u>29,508,455</u>                          | <u>45,434,966</u>                              | <u>(15,926,511)</u>                        |
| <b>Balances at September 30, 2014</b>                    | <u>\$ 683,519,359</u>                      | <u>\$ 516,387,785</u>                          | <u>\$ 167,131,574</u>                      |

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

Sensitivity of the net pension liability to changes in the discount rate

The following present the Plan's net pension liability, calculated using a single discount rate of 8 percent, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

| 1% Decrease<br>(7.00%) | Current Single<br>Discount Rate<br>Assumption<br>(8.00%) | 1% Increase<br>(9.00%) |
|------------------------|----------------------------------------------------------|------------------------|
| \$244,767,159          | \$167,131,574                                            | \$101,981,403          |

Historical trend information is presented in the required supplementary information schedules following the notes to the financial statements to show the changes in the net pension liability and the contributions to the plan.

**B. Retirement System for Firefighters and Police Officers (MBF&P)**

Summary of Significant Accounting Principles

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

Investments are recorded at fair value in the Statement of Fiduciary Net Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

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

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

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 The City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The plan is a single employer defined benefit plan established by the City of Miami Beach, Florida (The "City") and was created under Chapter 23414, Laws of Florida, Special Acts of 1945, as amended through October 14, 2015. The Plan's governing board is the Board of Trustees, which comprises nine members: three of which are elected by the fire department, three of which are elected by the police department, and three of which are appointed by the mayor. Members are substantially all police

**CITY OF MIAMI BEACH, FLORIDA**  
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officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following three tiers:

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

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

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

*Tier One members*

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

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

*Tier Two members*

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

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

*Tier Three members*

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

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the five

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highest paid years prior to the date of retirement or the average of the last three paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

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

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

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

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

|                             | As of<br>October 1, 2014 |
|-----------------------------|--------------------------|
| Active Members              |                          |
| Deferred Vested Members     | 487                      |
| Retired Members:            | 16                       |
| a. Service                  | *543                     |
| b. Disabled                 | 57                       |
| c. Beneficiaries            | 107                      |
| Subtotal of retired members | 707                      |
| Total                       | 1,210                    |

\* Including members in the drop

#### Deferred retirement option plan

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

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the date of DROP entry shall be eligible to the 2.5% COLA adjustment.

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

At September 30, 2015, \$11,437,162 the total amount of the Deferred Retirement Option Plan represents the balance of the self-directed participants as all of the participants are now in the self-directed DROP.

Funding Policy, Contributions Required and Contributions Made

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

The actual contribution from the City of Miami Beach, and the State of Florida for active employees for the fiscal year ended September 30, 2015, was \$33,028,839 and covered payroll excluding DROP members was approximately \$50,750,000. The contribution required from the City and the State of Florida for the fiscal year ended September 30, 2014, was actuarially determined by the October 1, 2013 valuation to be \$35,960,326. The actuarially computed annual covered payroll used in the October 1, 2012 valuation was \$46,313,650. The annual pension cost was \$35,960,326 for the fiscal year ended September 30, 2014.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.

For the year ended September 30, 2015, the City recognized pension expense of \$26,667,418. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                     | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                  | \$ 5,897,824                      | \$                               |
| City contributions subsequent to measurement date                                   | 33,028,839                        |                                  |
| Net difference between projected and actual earnings on<br>pension plan investments |                                   | 11,621,210                       |
| Total                                                                               | <u>\$ 38,926,663</u>              | <u>\$ 11,621,210</u>             |

City contributions of \$33,028,839 subsequent to the measurement date reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

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Year ended September 30:

|       |                       |
|-------|-----------------------|
| 2016  | \$ (1,118,083)        |
| 2017  | (1,118,083)           |
| 2018  | (1,118,083)           |
| 2019  | (2,369,137)           |
| Total | <u>\$ (5,723,386)</u> |

The Plan uses the following actuarial valuations at October 1, 2014:

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date             | September 30, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Actuarial cost method      | Entry age Normal                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Amortization method        | Level percentage, closed                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Amortization period        | 30 years                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Asset valuation method     | 5-year smoothed market                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Actuarial Assumptions:     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Investment rate of return  | 8%                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Projected salary increases | 2.87% - 9.87%                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Inflation                  | 3%                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Payroll growth             | 3.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| COLA                       | 1.5%, 2%, or 2.5%                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Retirement age             | Experience-based table of rates that is specific to the type of eligibility                                                                                                                                                                                                                                                                                                                                                                                     |
| Mortality                  | For healthy participants, RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with Blue Collar Adjustment and projected 15 years from valuation date for pre-retirement mortality and 7 years from valuation date for post-retirement mortality with Scale AA. For disabled participants, RP-2000 Disabled Mortality Tables, separate rates for males and females, without projection for future mortality improvement |

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period of October 1, 2003 through September 30, 2009.

Discount

A discount rate of 8.00% was used to measure the September 30, 2014 total pension liability. This discount rate was based on the expected rate of return on Fund investments of 8.00%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension Fund's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Fund members. Therefore, the long-term expected rate of return on Pension Plan investments (8 percent) was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate and the long-term expected rate of return have decreased to 7.85 percent subsequent to the measurement date.

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Net Pension Liability of the City

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

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

The target and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Target<br/>Asset Class</u> | <u>Long-Term Nominal<br/>Allocation</u> | <u>Rate of Return</u> |
|-------------------------------|-----------------------------------------|-----------------------|
| Domestic equity               | 50%                                     | 7.86%                 |
| Fixed income                  | 35                                      | 2.59                  |
| International equity          | 5                                       | 7.10                  |
| Real estate equity            | 5                                       | 6.00                  |
| Cash/short-term investments   | <u>5</u>                                | 0.00                  |
| Total                         | <u>100%</u>                             |                       |

**CITY OF MIAMI BEACH, FLORIDA**  
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Changes in the Net Pension Liability

The following table shows the components of the City's annual pension liability and related plan fiduciary net position measured as of September 30, 2014:

|                                                    | <b>Increase (Decrease)</b>                 |                                                |                                                |
|----------------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------------------|
|                                                    | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a) – (b)</b> |
| <b>Balances at September 30, 2013</b>              | \$ 947,553,563                             | \$ 710,329,822                                 | \$ 237,223,741                                 |
| <b>Changes for the year:</b>                       |                                            |                                                |                                                |
| Service cost                                       | 14,763,595                                 |                                                | 14,763,595                                     |
| Interest                                           | 75,108,912                                 |                                                | 75,108,912                                     |
| Changes of benefit terms                           |                                            |                                                | -                                              |
| Differences between expected and actual experience | 7,685,043                                  |                                                | 7,685,043                                      |
| Changes of assumptions                             |                                            |                                                | -                                              |
| Contributions—employer and state                   |                                            | 35,960,326                                     | (35,960,326)                                   |
| Contributions—employee                             |                                            | 5,258,974                                      | (5,258,974)                                    |
| Net investment income                              |                                            | 72,259,674                                     | (72,259,674)                                   |
| Benefit payments, including refunds of employee    | (53,605,094)                               | (53,605,094)                                   | -                                              |
| Administrative expense                             |                                            | (905,130)                                      | 905,130                                        |
| <b>Net changes</b>                                 | <b>43,952,456</b>                          | <b>58,968,750</b>                              | <b>(15,016,294)</b>                            |
| <b>Balances at September 30, 2014</b>              | <b>\$ 991,506,019</b>                      | <b>\$ 769,298,572</b>                          | <b>\$ 222,207,447</b>                          |

The following present the Plan's net pension liability, calculated using a single discount rate of 8 percent, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

| 1% Decrease<br>(7.00%) | Current Single<br>Discount Rate<br>Assumption<br>(8.00%) | 1% Increase<br>(9.00%) |
|------------------------|----------------------------------------------------------|------------------------|
| \$345,519,095          | \$222,207,447                                            | \$120,722,501          |



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Trend Information

Historical trend information is presented in the required supplementary information schedules following the notes to the financial statements to show the changes in the net pension liability and the contributions to the plan.

**C. Florida's Federal-State Social Security Agreement**

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

**D. Firemen's and Police Relief and Pension Funds**

The City's firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within City limits. This tax, which is collected from insurers by the State of Florida, is remitted to the Plans' Boards of Trustees. The City is under no obligation to make any further contributions to the plans. The excise taxes received from the State of Florida and remitted to the plans for the year ended September 30, 2015 was \$1,539,056 for firefighters and \$759,728 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year.

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

**E. Defined Contribution Retirement Plan-401(A)**

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

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

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

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At October 1, 2014, the date of the most recent actuarial valuation, plan participation consisted of

|                        |              |
|------------------------|--------------|
| OPEB plan participants | 1,997        |
| Retirees               | <u>1,009</u> |
| Total                  | <u>3,006</u> |

Funding policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2015, the City paid \$9.3 million in OPEB benefits on a pay-as-go basis and \$147,041 to the Trust. The City's net OPEB obligation at September 30, 2015 was \$53 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.

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.

|                                            |                          |
|--------------------------------------------|--------------------------|
| Annual required contribution               | \$ 14,259,000            |
| Interest on net OPEB obligation            | 3,776,000                |
| Adjustment to annual required contribution | <u>(2,728,000)</u>       |
| Annual OPEB cost (expense)                 | 15,307,000               |
| Contributions made                         | <u>9,445,068</u>         |
| Net OPEB obligation                        | 5,861,932                |
| Net OPEB obligation - beginning of year    | <u>47,202,000</u>        |
| <br>Net OPEB obligation - end of year      | <br>\$ <u>53,063,932</u> |

Trend Information

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

| <u>Year Ended</u><br><u>September 30,</u> | <u>Annual OPEB</u><br><u>Cost</u> | <u>Contribution</u> | <u>Annual OPEB</u><br><u>Cost Contributed</u> | <u>Net OPEB</u><br><u>Obligation</u> |
|-------------------------------------------|-----------------------------------|---------------------|-----------------------------------------------|--------------------------------------|
| 2013                                      | \$ 16,212,000                     | \$ 8,314,000        | 51%                                           | \$ 38,733,000                        |
| 2014                                      | 17,351,000                        | 8,882,000           | 51                                            | 47,202,000                           |
| 2015                                      | 15,307,000                        | 9,463,000           | 62                                            | 53,046,000                           |

Funded status and funding progress

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Participants Covered Payroll | UAAL as % of Participants Covered Payroll |
|----------------|---------------------------|-----------------------------------|---------------------|--------------|------------------------------|-------------------------------------------|
| 10/1/2014      | \$ 24,761,000             | \$ 203,509,000                    | \$ 178,748,000      | 12.2%        | \$ 109,003,000               | 164.0%                                    |

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.

As of October 1, 2014 the actuarial methods are:

The actuarial methods are:

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

The actuarial assumptions are:

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

|                      | Select | Ultimate |
|----------------------|--------|----------|
| Pre 65 Medical & Rx  | 8 %    | 4.5 %    |
| Post 65 Medical & Rx | 7      | 4.5      |
| Administrative Fees  | 4.5    | 4.5      |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2015 are as follows:

| Statement of<br>Fiduciary Net Position<br>September 30, 2015 |                             | Statement of Change in<br>Fiduciary Net Position<br>September 30, 2015 |                             |
|--------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------|-----------------------------|
|                                                              |                             | Additions                                                              |                             |
| Cash                                                         | \$ 24,704,857               | Employer contribution                                                  | \$ 147,041                  |
| Receivable                                                   | 147,737                     | Change in fair value                                                   | (997,206)                   |
| Total Assets                                                 | <u>24,852,594</u>           | Interest and dividends income                                          | <u>1,064,679</u>            |
|                                                              |                             | Total Additions                                                        | 214,514                     |
|                                                              |                             | Deductions:                                                            |                             |
|                                                              |                             | Administrative Expense                                                 | <u>123,161</u>              |
| Liabilities                                                  | <u>                    </u> | Total Deductions                                                       | 123,161                     |
| Total liabilities                                            | <u>                    </u> |                                                                        |                             |
|                                                              |                             | Net increase                                                           | 91,353                      |
|                                                              |                             | Net position - held in Trust                                           |                             |
|                                                              |                             | Beginning of year                                                      | <u>24,761,241</u>           |
| Net Position                                                 | \$ <u><u>24,852,594</u></u> | End of Year                                                            | \$ <u><u>24,852,594</u></u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

**NOTE 18 - Prior Period Adjustment**

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, an *Amendment of GASB Statement No. 27* ("GASB 68"), which was adopted by the City for the year ended September 30, 2015. GASB 68 requires governments providing defined benefit pension to recognize their long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits. In accordance with GASB 68, the City now reports a net pension liability on its financial statements, as well as deferred outflows of resources and deferred inflows of resources. In addition, the impact of implementing this statement resulted in a restatement of the beginning net position for governmental activities to adjust for the pension benefit liability that would have been reported in previous years. The prior period adjustment includes deferred outflows of contributions made subsequent to the measurement date.

The City's net position at October 1, 2014 has been restated as follows:

|                                        | 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 | Business-type<br>Activities Total |
|----------------------------------------|-----------------------------|-------------------------|------------------------|--------------------------------------|------------------------------|-----------------------------------|
| Business-Type Activities               |                             |                         |                        |                                      |                              |                                   |
| Net Position, October 1, 2014          | \$ 70,884,857               | \$ 195,625,831          | \$ 148,755,337         | \$ 121,753,467                       | \$ 63,062,088                | \$ 600,081,580                    |
| Restatement for:                       |                             |                         |                        |                                      |                              |                                   |
| GASB 68 MBERP                          | (3,224,748)                 | (7,858,286)             | (12,341,677)           | (263,689)                            | (11,203,439)                 | (34,891,839)                      |
| Restated Net Position, October 1, 2014 | <u>\$ 67,660,109</u>        | <u>\$ 187,767,545</u>   | <u>\$ 136,413,660</u>  | <u>\$ 121,489,778</u>                | <u>\$ 51,858,649</u>         | <u>\$ 565,189,741</u>             |

|                                        | Governmental<br>Activities | Total Government      | Component Units     | Internal Service     |
|----------------------------------------|----------------------------|-----------------------|---------------------|----------------------|
| Net Position, October 1, 2014          | \$ 736,795,370             | \$ 1,336,876,950      | \$ 3,021,249        | \$ 26,143,778        |
| Restatement for:                       |                            |                       |                     |                      |
| GASB 68 MBERP                          | (122,564,217)              | (157,456,056)         | (494,013)           | (12,112,740)         |
| GASB 68 MBF&P                          | (201,383,964)              | (201,383,964)         |                     |                      |
| Restated Net Position, October 1, 2014 | <u>\$ 412,847,189</u>      | <u>\$ 978,036,930</u> | <u>\$ 2,527,236</u> | <u>\$ 14,031,038</u> |

**NOTE 19 - Subsequent Events**

On December 15, 2015, the City issued \$164,920,000 in Series 2015 Resort Tax Revenue Bonds. These Series of bonds were issued by the City for the purpose of providing funds to (i) finance a portion of the costs renovations to the Miami Beach Convention Center and related improvements, and (ii) pay the costs of issuing the Series 2015 bonds. These bonds were issued with interest rates of 4.00% to 5.00%, payable semiannually on March 1 and September 1, and will mature serially through September 1, 2045. These bonds are solely payable from and secured by a pledge of and first lien on the pledged funds derived by the City from (i) resort Tax revenue, and (ii) except for moneys, securities and instruments in the Rebate fund, all moneys, securities and instruments held in the funds and accounts established under the bond Resolution.

On December 15, 2015, the City issued \$58,825,000 in Series 2015 Parking Revenue Bonds. These Series of bonds are being issued by the City for the purpose of providing funds to (i) finance a portion of the costs constructing a new parking facility and improvements to a surface parking lot to service the City's Convention Center, and (ii) pay the cost of issuing the Series 2015 bonds, including the premium for the municipal bond insurance policy to guarantee the scheduled payment of principal and interest on certain maturities of the Series 2015 bonds and the municipal bond debt reserve insurance policy to satisfy the increase in the reserve account requirement resulting from the issuance of the Series 2015 bonds. These bonds were issued with interest rates of 3.00% to 5.00%, payable semiannually on March

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**  
**(Continued)**

1 and September 1, and will mature serially through September 1, 2045. These bonds will be repaid solely from pledged revenues of the Parking System.

On December 15, 2015, the Miami Beach Redevelopment Agency (the "Agency") issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue Refunding Bonds, and \$35,850,000 in Taxable Series 2015B Tax Increment Revenue Refunding Bonds. The Series 2015A and 2015B bonds are secured equally and ratably by a first lien on and pledge of the pledge funds, which consist of (i) the trust fund revenues by the Agency, and (ii) except for moneys, securities and instruments in the rebate fund, all moneys, securities and instruments held in the funds and accounts established under the bond resolution. The Series 2015A and 2015B bonds are subject to a trust indenture, which requires that annual debt service requirements be fully funded upon receipts of the trust fund revenue. The Series 2015A bonds will be used, together with certain other legally available moneys of the Agency, to (i) provide for the current refunding of all the outstanding Series 2005B bonds, (ii) finance certain costs of acquiring and constructing renovations to the Miami Beach Convention Center and certain other improvements, and (iii) pay costs of issuance of the Series 2015A bond and refunding the outstanding Series 2005B bonds, including the premium for the bond insurance policy to guarantee the scheduled payment of principal and interest on certain maturities of the Series 2015A bonds and the portion of the premium allocable to the Series 2015A bond for the reserve policy. The Series 2015A bonds were issued with interest rates of 4.00% to 5.00%, payable semiannually on February 1 and August 1, and will mature serially through February 1, 2044. The Series 2015B will be used to (i) provide for the advance refunding of all the outstanding Series 1998A bonds, (ii) provide for the current refunding of all the outstanding Series 2005A bonds, and (iii) pay costs of issuance of the Series 2015B bonds and refunding the outstanding Series 1998A bonds and the outstanding Series 2015A bonds, including the portion of the premium allocable to the Series 2015B bonds for the reserve policy. The Series 2015B bonds were issued with interest rates of 1.926% to 3.688%, payable semiannually on February 1 and August 1, and will mature serially through February 1, 2023.

# **REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES**  
**RETIREMENT SYSTEMS**  
**(Unaudited)**

**\*Miami Beach Employees Retirement Plan**

|                                               | <u>2015</u>       | <u>2014</u>       |
|-----------------------------------------------|-------------------|-------------------|
| Actuarially determined contribution           | \$ 26,456,580     | \$ 25,602,030     |
| Actual contribution                           | <u>26,456,580</u> | <u>25,602,030</u> |
| Contribution deficiency (excess)              | <u>\$ -</u>       | <u>\$ -</u>       |
|                                               |                   |                   |
| Covered-employee payroll                      | \$ 82,359,302     | \$ 76,362,960     |
| Actual contribution as a % of covered payroll | 32.12%            | 33.53%            |

\* Information provided for only 2 years

**City Pension for Firefighters and Police Officers**

|                                               | <u>2015</u>       | <u>2014</u>       | <u>2013</u>       | <u>2012</u>       | <u>2011</u>       | <u>2010</u>       | <u>2009</u>       | <u>2008</u>       | <u>2007</u>       | <u>2006</u>       |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution           | \$ 33,149,388     | \$ 35,960,326     | \$ 39,492,050     | \$ 36,297,459     | \$ 32,811,570     | \$ 23,403,818     | \$ 20,159,995     | \$ 17,618,045     | \$ 15,231,417     | \$ 14,601,836     |
| Actual contribution                           | <u>33,149,388</u> | <u>35,960,326</u> | <u>39,492,050</u> | <u>36,297,459</u> | <u>32,811,570</u> | <u>23,403,818</u> | <u>20,159,995</u> | <u>17,618,045</u> | <u>15,231,417</u> | <u>14,601,836</u> |
| Contribution deficiency (excess)              | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |
|                                               |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| ** Covered-employee payroll                   | \$ 64,530,740     | \$ 57,545,593     | \$ 46,313,650     | \$ 49,186,724     | \$ 49,718,966     | \$ 51,636,070     | \$ 53,153,934     | \$ 40,060,096     | \$ 36,592,193     | \$ 32,354,015     |
| Actual contribution as a % of covered payroll | 51.37%            | 62.49%            | 85.27%            | 73.80%            | 65.99%            | 45.32%            | 37.93%            | 43.98%            | 41.62%            | 45.13%            |

\*\* Includes DROP members

**Notes:**

1. This is a ten year schedule. However the information displayed in the Employees Retirement Plan schedule is not required to be presented retroactively. Years will be added in future periods until ten years of information is available.
2. City Pension for Firefighters and Police Officers actual contributions include certain Chapter 175/185 non-employer contributions amounts. These amounts are from the State of Florida.



**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED**  
**RATIOS**  
**RETIREMENT SYSTEMS**  
**(Unaudited)**

**Miami Beach Employees Retirement Plan (MBERP)**

|                                                                        | 2015           |
|------------------------------------------------------------------------|----------------|
| <b>Total pension liability</b>                                         |                |
| Service cost                                                           | \$ 12,306,795  |
| Interest                                                               | 51,809,378     |
| Benefit changes                                                        | (1,183,267)    |
| Differences between expected and actual experience                     | 4,909,738      |
| Changes of assumption                                                  | -              |
| Benefit payments, including refunds or member contributions            | (37,501,400)   |
| Refunds                                                                | (1,143,866)    |
| Other (change in receivable from excess benefit plan)                  | 311,077        |
| Net change in total pension liability                                  | 29,508,455     |
| Total pension liability - beginning                                    | 654,010,904    |
| Total pension liability - ending                                       | 683,519,359    |
| <b>Plan fiduciary net position</b>                                     |                |
| Contributions - employer                                               | 25,602,030     |
| Contributions - member                                                 | 7,373,407      |
| Net investment income                                                  | 51,773,646     |
| Benefit payments, including refunds of member contributions            | (37,501,400)   |
| Refunds                                                                | (1,143,866)    |
| Administrative expenses                                                | (668,851)      |
| Other                                                                  | -              |
| Net change in plan fiduciary net position                              | 45,434,966     |
| Plan fiduciary net position - beginning                                | 470,952,819    |
| Plan fiduciary net position - ending                                   | \$ 516,387,785 |
| City's net pension liability                                           | \$ 167,131,574 |
| Plan fiduciary net position as a percentage of total pension liability | 75.55%         |
| * Covered employee payroll                                             | \$ 76,362,960  |
| Net pension liability as a percentage of covered employee payroll      | 218.86%        |

\* Expected total covered payroll for the fiscal year ending September 30, 2015

**City Pension for Firefighters and Police Officers (MBF&P)**

|                                                                        | 2015           |
|------------------------------------------------------------------------|----------------|
| <b>Total pension liability</b>                                         |                |
| Service cost                                                           | \$ 14,763,595  |
| Interest                                                               | 75,108,912     |
| Benefit changes                                                        | -              |
| Differences between expected and actual experience                     | 7,685,043      |
| Changes of assumption                                                  | -              |
| Benefit payments, including refunds or member contributions            | (53,605,094)   |
| Net change in total pension liability                                  | 43,952,456     |
| Total pension liability - beginning                                    | 947,553,563    |
| Total pension liability - ending                                       | 991,506,019    |
| <b>Plan fiduciary net position</b>                                     |                |
| Contributions - City and State                                         | 35,960,326     |
| Contributions - member                                                 | 5,258,974      |
| Net investment income                                                  | 72,259,674     |
| Benefit payments, including refunds of member contributions            | (53,605,094)   |
| Administrative expenses                                                | (905,130)      |
| Other                                                                  | -              |
| Net change in plan fiduciary net position                              | 58,968,750     |
| Plan fiduciary net position - beginning                                | 710,329,822    |
| Plan fiduciary net position - ending                                   | \$ 769,298,572 |
| City's net pension liability                                           | \$ 222,207,447 |
| Plan fiduciary net position as a percentage of total pension liability | 77.59%         |
| *Covered employee payroll                                              | \$ 57,545,593  |
| Net pension liability as a percentage of covered employee payroll      | 386.14%        |

\* Projected pensionable payroll (including DROPs) - GASB No. 68 references total payroll  
The amounts presented for each fiscal year were determined as of the year end that  
occurred one year prior.

CITY OF MIAMI BEACH  
NOTES TO THE RETIREMENT SYSTEMS SCHEDULES  
September 30, 2015

The above schedules are ten year schedules, however, the information in the schedules are not required to be presented retroactively. Years will be added to these schedules in future periods until ten years of information is available.

Notes to the net pension liability - MBERP

|                           |                                                                                                                                                                   |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date            | September 30, 2014                                                                                                                                                |
| Measurement Date          | September 30, 2014                                                                                                                                                |
| Actuarial Cost Method     | Entry Age Normal                                                                                                                                                  |
| Inflation                 | 3.0%                                                                                                                                                              |
| Salary Increases          | 4.5% to 7% depending on service, including inflation                                                                                                              |
| Investment Rate of Return | 8.00%                                                                                                                                                             |
| Retirement Age            | Experience-based table of rates that are specific to the type of eligibility condition                                                                            |
| Salary Increases          | 4.5% to 7% depending on service, including inflation                                                                                                              |
| Mortality                 | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after year 2000 to the year 2010 using Scale AA. |
| Assumption Changes        | Investment return assumption plan to decrease in the next period from 8.00% to 7.85%                                                                              |

Notes to the net pension liability – MBF&P

|                |                 |
|----------------|-----------------|
| Valuation Date | October 1, 2013 |
|----------------|-----------------|

Update procedures used to roll forward TPL excluding DROP account balances to the measurement dates – actual Drop account balances as of measurement dates included in TPL. No assumption and/or method changes or benefit changes during the year

Each of the Retirement Systems are audited separately. Complete financial statement 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

**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFITS (in thousands)**  
**(Unaudited)**

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 |
|---------------------------------|----------------------------------------|------------------------------------------------------------------------------|---------------------------------|--------------------------|---------------------------|-----------------------------------------------|
| 10/1/12                         | \$ 19,015                              | \$ 191,353                                                                   | \$ 172,338                      | 9.9                      | \$ 108,263                | 159.2 %                                       |
| 10/1/13                         | 22,167                                 | 203,809                                                                      | 181,642                         | 10.9                     | 107,951                   | 168.3                                         |
| 10/1/14                         | 24,761                                 | 203,509                                                                      | 178,748                         | 12.2                     | 109,003                   | 164.0                                         |

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

The following is the OPEB contributions by year:

| Year | ARC           | Contributions | Percent<br>Contributed | NOO          |
|------|---------------|---------------|------------------------|--------------|
| 2009 | \$ 16,008,000 | \$ 16,008,000 | 100.0%                 | \$ 6,908,000 |
| 2010 | 16,285,000    | 7,931,000     | 48.7%                  | 17,370,000   |
| 2011 | 18,075,000    | 10,669,000    | 59.0%                  | 22,875,000   |
| 2012 | 18,556,000    | 11,104,000    | 59.8%                  | 30,835,000   |
| 2013 | 15,527,000    | 8,314,000     | 53.5%                  | 38,733,000   |
| 2014 | 16,490,000    | 8,882,000     | 53.9%                  | 47,202,000   |
| 2015 | 14,259,000    | 9,463,000     | 66.4%                  | 53,046,000   |
|      |               | 79,272,000    |                        |              |

**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, 2015**  
**(Unaudited)**

|                                                              | Budgeted Amounts |                | Actual Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|----------------|----------------|---------------------------------------------------------|
|                                                              | Original         | Final          |                |                                                         |
| <b>Revenues</b>                                              |                  |                |                |                                                         |
| Taxes:                                                       |                  |                |                |                                                         |
| Property                                                     | \$ 127,904,000   | \$ 127,904,000 | \$ 128,130,702 | \$ 226,702                                              |
| Sales, use and fuel taxes                                    | 982,000          | 982,000        | 1,068,686      | 86,686                                                  |
| Utility                                                      | 11,677,000       | 11,677,000     | 11,481,300     | (195,700)                                               |
| Local business                                               | 4,506,000        | 4,506,000      | 4,629,996      | 123,996                                                 |
| Communication Service                                        | 4,465,000        | 4,465,000      | 4,519,938      | 54,938                                                  |
| Franchise fees                                               | 8,247,000        | 8,247,000      | 8,361,063      | 114,063                                                 |
| Permits                                                      | 19,604,000       | 19,604,000     | 23,120,948     | 3,516,948                                               |
| Intergovernmental                                            | 10,290,000       | 10,290,000     | 10,262,559     | (27,441)                                                |
| Charges for services                                         | 16,279,000       | 16,279,000     | 19,207,389     | 2,928,389                                               |
| Rents and leases                                             | 6,496,000        | 6,496,000      | 6,751,611      | 255,611                                                 |
| Interest income                                              | 3,285,000        | 3,285,000      | 3,865,262      | 580,262                                                 |
| Fines and forfeits                                           | 2,401,000        | 2,401,000      | 1,829,301      | (571,699)                                               |
| Administrative fees                                          | 17,096,000       | 17,096,000     | 15,027,026     | (2,068,974)                                             |
| Other                                                        | 626,000          | 776,000        | 1,545,080      | 769,080                                                 |
| Total revenues                                               | 233,858,000      | 234,008,000    | 239,800,861    | 5,792,861                                               |
| <b>Expenditures</b>                                          |                  |                |                |                                                         |
| General government:                                          |                  |                |                |                                                         |
| Mayor and Commission                                         | 1,912,000        | 1,912,000      | 1,884,779      | 27,221                                                  |
| City Manager                                                 | 3,391,000        | 3,396,000      | 3,180,302      | 215,698                                                 |
| City Clerk                                                   | 1,371,000        | 1,371,000      | 1,328,492      | 42,508                                                  |
| Budget and Performance Management                            | 2,797,000        | 2,819,497      | 2,580,245      | 239,252                                                 |
| Finance                                                      | 5,289,000        | 5,289,000      | 4,912,115      | 376,885                                                 |
| Human Resources                                              | 2,166,000        | 2,189,000      | 1,974,189      | 214,811                                                 |
| Procurement                                                  | 1,657,000        | 1,660,000      | 1,545,568      | 114,432                                                 |
| City Attorney                                                | 5,000,000        | 5,000,872      | 4,793,200      | 207,672                                                 |
| Planning                                                     | 3,871,000        | 3,909,603      | 3,907,235      | 2,368                                                   |
| Media Relations                                              | 1,385,000        | 1,445,580      | 1,388,547      | 57,033                                                  |
| Public Works                                                 | 3,180,000        | 3,296,121      | 3,122,392      | 173,729                                                 |
| Capital Improvement                                          | 4,886,000        | 4,886,000      | 4,417,728      | 468,272                                                 |
| Unclassified                                                 | 5,696,000        | 8,490,716      | 6,093,876      | 2,396,840                                               |
| Total general government                                     | 42,601,000       | 45,665,389     | 41,128,668     | 4,536,721                                               |
| Public safety:                                               |                  |                |                |                                                         |
| Building Services                                            | 13,208,000       | 12,828,543     | 12,018,977     | 809,566                                                 |
| Code Compliance                                              | 5,242,000        | 5,355,579      | 4,892,956      | 462,623                                                 |
| Fire                                                         | 61,338,000       | 61,497,206     | 61,078,848     | 418,358                                                 |
| Police                                                       | 91,884,500       | 91,990,993     | 90,663,062     | 1,327,931                                               |
| Emergency Management                                         | 8,623,000        | 8,663,087      | 8,488,393      | 174,694                                                 |
| Total public safety                                          | 180,295,500      | 180,335,408    | 177,142,236    | 3,193,172                                               |
| Physical Environment                                         | 2,357,000        | 2,357,000      | 2,356,862      | 138                                                     |
| Transportation                                               | 4,017,400        | 4,017,410      | 4,012,788      | 4,622                                                   |
| Economic Environment                                         | 1,235,000        | 1,235,000      | 1,180,846      | 54,154                                                  |
| Human Services                                               | 1,973,000        | 1,973,000      | 1,795,040      | 177,960                                                 |
| Culture and recreation                                       | 35,412,000       | 35,778,668     | 33,193,450     | 2,585,218                                               |
| Capital Outlay                                               | 1,643,100        | 1,282,576      | 294,350        | 988,226                                                 |
| Debt service:                                                |                  |                |                |                                                         |
| Principal retirement                                         | 1,216,000        | 872,000        | 870,000        | 2,000                                                   |
| Interest and fiscal charges                                  | 105,000          | 562,394        | 558,681        | 3,713                                                   |
| Total expenditures                                           | 270,855,000      | 274,078,845    | 262,532,921    | 11,545,924                                              |
| Excess (deficiency) of revenues<br>over (under) expenditures | (36,997,000)     | (40,070,845)   | (22,732,060)   | 17,338,785                                              |
| <b>Other financing sources (uses)</b>                        |                  |                |                |                                                         |
| Transfers in                                                 | 43,034,000       | 43,309,000     | 42,759,000     | (550,000)                                               |
| Transfers out                                                | (9,224,000)      | (11,249,155)   | (11,248,923)   | 232                                                     |
| Sale of capital assets                                       |                  |                | 10,301         | 10,301                                                  |
| Total other financing sources                                | 33,810,000       | 32,059,845     | 31,520,378     | (539,467)                                               |
| Net change in fund balances                                  | (3,187,000)      | (8,011,000)    | 8,788,318      | 16,799,318                                              |
| Fund balances - beginning of year                            | 50,502,891       | 50,502,891     | 50,502,891     |                                                         |
| Fund balances - end of year                                  | \$ 47,315,891    | \$ 42,491,891  | \$ 59,291,209  | \$ 16,799,318                                           |

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended September 30, 2015**  
**(Unaudited)**

|                                                              | Resort Tax Revenue Fund         |                              |                   |                                    | Miami Beach Redevelopment Agency |                              |                   |                                    |
|--------------------------------------------------------------|---------------------------------|------------------------------|-------------------|------------------------------------|----------------------------------|------------------------------|-------------------|------------------------------------|
|                                                              | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>Positive<br>(Negative) | Original<br>Budgeted<br>Amounts  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>Positive<br>(Negative) |
| <b>Revenues</b>                                              |                                 |                              |                   |                                    |                                  |                              |                   |                                    |
| Resort taxes                                                 | \$ 62,481,500                   | \$ 62,481,500                | \$ 67,999,916     | \$ 5,518,416                       | \$                               | \$                           | \$                | \$                                 |
| Tax increment                                                |                                 |                              |                   |                                    | 38,394,000                       | 38,394,000                   | 38,094,108        | (299,892)                          |
| Rents and leases                                             |                                 |                              |                   |                                    |                                  |                              | 128,132           | 128,132                            |
| Interest income                                              | 100,000                         | 100,000                      | 84,186            | (15,814)                           | 25,000                           | 25,000                       | 111,273           | 86,273                             |
| Special assessment                                           | 300,000                         | 300,000                      | 272,478           | (27,522)                           |                                  |                              |                   |                                    |
| Other                                                        | 7,000                           | 7,000                        | 10,925            | 3,925                              | 100,000                          | 100,000                      |                   | (100,000)                          |
| Total revenues                                               | 62,888,500                      | 62,888,500                   | 68,367,505        | 5,479,005                          | 38,519,000                       | 38,519,000                   | 38,333,513        | (185,487)                          |
| <b>Expenditures</b>                                          |                                 |                              |                   |                                    |                                  |                              |                   |                                    |
| General government                                           | 1,394,000                       | 1,406,213                    | 1,151,678         | 254,535                            | 20,439,000                       | 24,956,864                   | 5,889,295         | 19,067,569                         |
| Public safety                                                |                                 |                              |                   |                                    | 4,575,000                        | 4,575,000                    | 4,500,056         | 74,944                             |
| Economic environment                                         |                                 |                              |                   |                                    | 2,400,000                        | 2,398,000                    | 2,385,988         | 12,012                             |
| Culture and recreation                                       | 12,897,000                      | 15,183,101                   | 14,388,286        | 794,815                            | 1,169,000                        | 1,188,000                    | 821,852           | 366,148                            |
| Capital Outlay                                               | 1,000                           | 171,686                      | 157,102           | 14,584                             |                                  | 8,138,953                    | 3,453,173         | 4,685,780                          |
| Debt Service:                                                |                                 |                              |                   |                                    |                                  |                              |                   |                                    |
| Interest and fiscal charges                                  |                                 | 3,500                        | 1,239             | 2,261                              |                                  |                              |                   |                                    |
| Total expenditures                                           | 14,292,000                      | 16,764,500                   | 15,698,305        | 1,066,195                          | 28,583,000                       | 41,256,817                   | 17,050,364        | 24,206,453                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | 48,596,500                      | 46,124,000                   | 52,669,200        | 6,545,200                          | 9,936,000                        | (2,737,817)                  | 21,283,149        | 24,020,966                         |
| <b>Other financing sources (uses)</b>                        |                                 |                              |                   |                                    |                                  |                              |                   |                                    |
| Transfers out                                                | (48,596,500)                    | (48,871,500)                 | (48,435,804)      | 435,696                            | (9,936,000)                      | (9,936,000)                  | (8,578,060)       | 1,357,940                          |
| Sale of capital assets                                       |                                 |                              |                   |                                    |                                  |                              | 3,091             | 3,091                              |
| Total other financing sources<br>(uses)                      | (48,596,500)                    | (48,871,500)                 | (48,435,804)      | 435,696                            | (9,936,000)                      | (9,936,000)                  | (8,574,969)       | 1,361,031                          |
| Net change in fund balances                                  |                                 | (2,747,500)                  | 4,233,396         | 6,980,896                          |                                  | (12,673,817)                 | 12,708,180        | 25,381,997                         |
| Fund balances - beginning of year                            | 19,586,549                      | 19,586,549                   | 19,586,549        |                                    | 15,498,962                       | 15,498,962                   | 15,498,962        |                                    |
| Fund balances - end of year                                  | \$ 19,586,549                   | \$ 16,839,049                | \$ 23,819,945     | \$ 6,980,896                       | \$ 15,498,962                    | \$ 2,825,145                 | \$ 28,207,142     | \$ 25,381,997                      |

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2015**  
**(Unaudited)**

**1. Budgetary Policy**

**A. Budgetary Data**

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

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

Pursuant to the City's Charter, the City Manager shall make public a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 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 nine (9) supplemental budgetary appropriations for the funds mentioned above; four (4) operating and five (5) capital during fiscal year ended September 30, 2015.

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.

The final amended budget included an additional net budget increase of \$15.9 million for fiscal year 2015 expenditures and transfers to other funds.

Encumbrance accounting, under which purchase order commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as commitments of fund balances, since they do not constitute expenditures or liabilities because the commitments will be re-appropriated 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, and directs the City's concurrency management system, the land use/transportation planning and traffic management efforts and projects.

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

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

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

### Debt Service Funds:

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

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

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

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

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

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

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



**CITY OF MIAMI BEACH, FLORIDA  
COMBINED BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2015**

|                                                                       | <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                                                  | \$ 98,505,628                                               | \$ 9,850,942                                         | \$ 108,356,570                                       |
| Receivables, net                                                      | 785,248                                                     | 286                                                  | 785,534                                              |
| Due from other funds                                                  | 694,773                                                     |                                                      | 694,773                                              |
| Due from other governments                                            | 738,960                                                     |                                                      | 738,960                                              |
|                                                                       | <u>100,724,609</u>                                          | <u>9,851,228</u>                                     | <u>110,575,837</u>                                   |
| Total assets                                                          | <u>\$ 100,724,609</u>                                       | <u>\$ 9,851,228</u>                                  | <u>\$ 110,575,837</u>                                |
| <b>LIABILITIES</b>                                                    |                                                             |                                                      |                                                      |
| Accounts payable                                                      | \$ 2,441,113                                                | \$                                                   | \$ 2,441,113                                         |
| Retainage payable                                                     | 173,365                                                     |                                                      | 173,365                                              |
| Accrued expenditures                                                  | 605,630                                                     |                                                      | 605,630                                              |
| Unearned revenues                                                     | 45,012                                                      |                                                      | 45,012                                               |
| Deposits                                                              | 29,893                                                      |                                                      | 29,893                                               |
| Due to other governments                                              | 57,873                                                      |                                                      | 57,873                                               |
| Due to other funds                                                    | 183,769                                                     |                                                      | 183,769                                              |
|                                                                       | <u>3,536,655</u>                                            | <u></u>                                              | <u>3,536,655</u>                                     |
| Total liabilities                                                     | <u>3,536,655</u>                                            | <u></u>                                              | <u>3,536,655</u>                                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                                                             |                                                      |                                                      |
| Unavailable other revenues                                            | 242,884                                                     |                                                      | 242,884                                              |
|                                                                       | <u>242,884</u>                                              | <u></u>                                              | <u>242,884</u>                                       |
| Total deferred inflows of resources                                   | <u>242,884</u>                                              | <u></u>                                              | <u>242,884</u>                                       |
| <b>FUND BALANCES</b>                                                  |                                                             |                                                      |                                                      |
| Restricted                                                            | 82,808,715                                                  | 9,851,228                                            | 92,659,943                                           |
| Committed                                                             | 14,831,197                                                  |                                                      | 14,831,197                                           |
| Assigned                                                              |                                                             |                                                      |                                                      |
| Unassigned                                                            | (694,842)                                                   |                                                      | (694,842)                                            |
|                                                                       | <u>96,945,070</u>                                           | <u>9,851,228</u>                                     | <u>106,796,298</u>                                   |
| Total fund balances                                                   | <u>96,945,070</u>                                           | <u>9,851,228</u>                                     | <u>106,796,298</u>                                   |
| Total liabilities, deferred inflows<br>of resources and fund balances | <u>\$ 100,724,609</u>                                       | <u>\$ 9,851,228</u>                                  | <u>\$ 110,575,837</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, 2015**

|                                                              | <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                                               | \$                                                      | \$ 6,820,207                                         | \$ 6,820,207                                         |
| Sales , Use and Fuel Taxes                                   | 3,538,820                                               |                                                      | 3,538,820                                            |
| Utility taxes                                                | 711,635                                                 |                                                      | 711,635                                              |
| Other taxes                                                  | 2,298,784                                               |                                                      | 2,298,784                                            |
| Federal grants                                               | 4,146,722                                               |                                                      | 4,146,722                                            |
| State grants                                                 | 209,797                                                 |                                                      | 209,797                                              |
| Grants from other local units                                | 1,702,307                                               |                                                      | 1,702,307                                            |
| Charges for services                                         | 3,984,045                                               |                                                      | 3,984,045                                            |
| Fines and forfeitures                                        | 860,877                                                 |                                                      | 860,877                                              |
| Impact Fees                                                  | 10,377,988                                              |                                                      | 10,377,988                                           |
| Interest income                                              | 97,296                                                  | 1,267                                                | 98,563                                               |
| Permits                                                      | 2,928                                                   |                                                      | 2,928                                                |
| Rent and leases                                              | 254,339                                                 |                                                      | 254,339                                              |
| Intergovernmental                                            | 162,855                                                 |                                                      | 162,855                                              |
| Miscellaneous                                                | 557,699                                                 | 4,318                                                | 562,017                                              |
|                                                              | <u>28,906,092</u>                                       | <u>6,825,792</u>                                     | <u>35,731,884</u>                                    |
| <b>Total revenues</b>                                        |                                                         |                                                      |                                                      |
|                                                              | <u>28,906,092</u>                                       | <u>6,825,792</u>                                     | <u>35,731,884</u>                                    |
| <b>EXPENDITURES</b>                                          |                                                         |                                                      |                                                      |
| Current:                                                     |                                                         |                                                      |                                                      |
| General government                                           | 359,200                                                 |                                                      | 359,200                                              |
| Public safety                                                | 8,605,065                                               |                                                      | 8,605,065                                            |
| Physical environment                                         | 1,277,034                                               |                                                      | 1,277,034                                            |
| Transportation                                               | 5,108,057                                               |                                                      | 5,108,057                                            |
| Economic environment                                         | 1,699,177                                               |                                                      | 1,699,177                                            |
| Human services                                               | 1,097,076                                               |                                                      | 1,097,076                                            |
| Culture and recreation                                       | 2,423,893                                               |                                                      | 2,423,893                                            |
| Capital Outlay                                               | 6,793,133                                               |                                                      | 6,793,133                                            |
| Debt Service:                                                |                                                         |                                                      |                                                      |
| Principal                                                    |                                                         | 15,911,013                                           | 15,911,013                                           |
| Interest                                                     |                                                         | 7,506,776                                            | 7,506,776                                            |
|                                                              | <u>27,362,635</u>                                       | <u>23,417,789</u>                                    | <u>50,780,424</u>                                    |
| <b>Total expenditures</b>                                    |                                                         |                                                      |                                                      |
|                                                              | <u>27,362,635</u>                                       | <u>23,417,789</u>                                    | <u>50,780,424</u>                                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>1,543,457</u>                                        | <u>(16,591,997)</u>                                  | <u>(15,048,540)</u>                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                                         |                                                      |                                                      |
| Transfers in                                                 | 16,849,275                                              | 17,793,089                                           | 34,642,364                                           |
| Transfers out                                                | (314,554)                                               | (1,322,505)                                          | (1,637,059)                                          |
|                                                              | <u>16,534,721</u>                                       | <u>16,470,584</u>                                    | <u>33,005,305</u>                                    |
| <b>Total other financing sources</b>                         |                                                         |                                                      |                                                      |
|                                                              | <u>16,534,721</u>                                       | <u>16,470,584</u>                                    | <u>33,005,305</u>                                    |
| Net change in fund balances                                  | 18,078,178                                              | (121,413)                                            | 17,956,765                                           |
| Fund balances - beginning of year                            | 78,866,892                                              | 9,972,641                                            | 88,839,533                                           |
| Fund balances - end of year                                  | <u>\$ 96,945,070</u>                                    | <u>\$ 9,851,228</u>                                  | <u>\$ 106,796,298</u>                                |

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

September 30, 2015

|                                                          | 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 | HOME<br>Investment<br>Partnership<br>Program Grant<br>Fund | Other<br>Special<br>Revenue<br>Fund | Total                 |
|----------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------------------------------------|------------------------------------------------------------|-------------------------------------|-----------------------|
| <b>ASSETS</b>                                            |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                       |
| Cash and investments                                     | \$ 20,744                                       | \$ 641,902                                          | \$ 20,173,016                  | \$ 16,911,007                                       | \$ 1,480,082                                   | \$ 100,255                                                 | \$ 59,178,622                       | \$ 98,505,628         |
| Receivables, net                                         |                                                 |                                                     | 289,290                        | 5,714                                               | 22,216                                         |                                                            | 468,028                             | 785,248               |
| Due from other funds                                     | 3,194                                           |                                                     |                                |                                                     |                                                | 938                                                        | 690,641                             | 694,773               |
| Due from other governments                               | 120,685                                         |                                                     |                                |                                                     |                                                | 336,590                                                    | 281,685                             | 738,960               |
| Total assets                                             | <u>\$ 144,623</u>                               | <u>\$ 641,902</u>                                   | <u>\$ 20,462,306</u>           | <u>\$ 16,916,721</u>                                | <u>\$ 1,502,298</u>                            | <u>\$ 437,783</u>                                          | <u>\$ 60,618,976</u>                | <u>\$ 100,724,609</u> |
| <b>LIABILITIES</b>                                       |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                       |
| Accounts payable                                         | \$ 40,800                                       | \$                                                  | \$                             | \$                                                  | \$ 14,805                                      | \$ 336,398                                                 | \$ 2,049,110                        | \$ 2,441,113          |
| Retainage payable                                        | 1,583                                           |                                                     |                                |                                                     |                                                | 123,659                                                    | 48,123                              | 173,365               |
| Accrued expenditures                                     | 2,331                                           |                                                     |                                |                                                     |                                                | 758                                                        | 602,541                             | 605,630               |
| Unearned revenue                                         |                                                 |                                                     |                                |                                                     |                                                |                                                            | 45,012                              | 45,012                |
| Due to other funds                                       | 101,343                                         |                                                     |                                |                                                     |                                                | 78,427                                                     | 3,999                               | 183,769               |
| Due to other governments                                 |                                                 |                                                     |                                |                                                     |                                                |                                                            | 57,873                              | 57,873                |
| Deposits                                                 |                                                 |                                                     |                                |                                                     |                                                |                                                            | 29,893                              | 29,893                |
| Total liabilities                                        | <u>146,057</u>                                  |                                                     |                                |                                                     | <u>14,805</u>                                  | <u>539,242</u>                                             | <u>2,836,551</u>                    | <u>3,536,655</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                       |
| Unavailable other revenues                               |                                                 | 242,884                                             |                                |                                                     |                                                |                                                            |                                     | 242,884               |
| Total deferred inflows of resources                      |                                                 | <u>242,884</u>                                      |                                |                                                     |                                                |                                                            |                                     | <u>242,884</u>        |
| <b>FUND BALANCES</b>                                     |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                       |
| Restricted                                               | (1,434)                                         | 399,018                                             | 20,462,306                     | 16,916,721                                          | 1,487,493                                      | (101,459)                                                  | 43,646,070                          | 82,808,715            |
| Committed                                                |                                                 |                                                     |                                |                                                     |                                                |                                                            | 14,831,197                          | 14,831,197            |
| Assigned                                                 |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                       |
| Unassigned                                               |                                                 |                                                     |                                |                                                     |                                                |                                                            | (694,842)                           | (694,842)             |
| Total fund balances                                      | <u>(1,434)</u>                                  | <u>399,018</u>                                      | <u>20,462,306</u>              | <u>16,916,721</u>                                   | <u>1,487,493</u>                               | <u>(101,459)</u>                                           | <u>57,782,425</u>                   | <u>96,945,070</u>     |
| Total liabilities, deferred inflows<br>and fund balances | <u>\$ 144,623</u>                               | <u>\$ 641,902</u>                                   | <u>\$ 20,462,306</u>           | <u>\$ 16,916,721</u>                                | <u>\$ 1,502,298</u>                            | <u>\$ 437,783</u>                                          | <u>\$ 60,618,976</u>                | <u>\$ 100,724,609</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, 2015

|                                                           | 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 | 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                                 | \$                                              | \$                                                  | \$                             | \$                                                  | \$                                             | \$                                                         | \$ 3,538,820                        | \$ 3,538,820         |
| Utility taxes                                             |                                                 |                                                     |                                |                                                     |                                                |                                                            | 711,635                             | 711,635              |
| Other taxes                                               |                                                 |                                                     |                                |                                                     |                                                |                                                            | 2,298,784                           | 2,298,784            |
| Federal grants                                            | 1,156,992                                       |                                                     |                                |                                                     | 194,348                                        | 755,678                                                    | 2,039,704                           | 4,146,722            |
| State grants                                              |                                                 | 2,713                                               |                                |                                                     | 103,131                                        |                                                            | 103,953                             | 209,797              |
| Grants from other local units                             |                                                 |                                                     |                                |                                                     | 28,475                                         |                                                            | 1,673,832                           | 1,702,307            |
| Charges for services                                      |                                                 |                                                     |                                |                                                     |                                                |                                                            | 3,984,045                           | 3,984,045            |
| Fines and forfeitures                                     |                                                 |                                                     |                                |                                                     |                                                |                                                            | 860,877                             | 860,877              |
| Impact Fees                                               |                                                 |                                                     | 7,779,159                      | 2,598,829                                           |                                                |                                                            |                                     | 10,377,988           |
| Interest income                                           | 66                                              | 2,394                                               | 71,280                         |                                                     | 6,582                                          | 19                                                         | 16,955                              | 97,296               |
| Permits                                                   |                                                 |                                                     |                                |                                                     |                                                |                                                            | 2,928                               | 2,928                |
| Rent and leases                                           |                                                 |                                                     |                                |                                                     |                                                |                                                            | 254,339                             | 254,339              |
| Intergovernmental                                         |                                                 |                                                     |                                |                                                     |                                                |                                                            | 162,855                             | 162,855              |
| Miscellaneous                                             |                                                 | 263,810                                             | 1,474                          |                                                     |                                                |                                                            | 292,415                             | 557,699              |
| Total revenues                                            | <u>1,157,058</u>                                | <u>268,917</u>                                      | <u>7,851,913</u>               | <u>2,598,829</u>                                    | <u>332,536</u>                                 | <u>755,697</u>                                             | <u>15,941,142</u>                   | <u>28,906,092</u>    |
| <b>Expenditures:</b>                                      |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                      |
| Current:                                                  |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                      |
| General government                                        |                                                 |                                                     |                                |                                                     |                                                |                                                            | 359,200                             | 359,200              |
| Public safety                                             |                                                 |                                                     |                                |                                                     | 553,693                                        |                                                            | 8,051,372                           | 8,605,065            |
| Physical environment                                      |                                                 |                                                     |                                |                                                     |                                                |                                                            | 1,277,034                           | 1,277,034            |
| Transportation                                            |                                                 |                                                     |                                |                                                     |                                                |                                                            | 5,108,057                           | 5,108,057            |
| Economic environment                                      | 1,142,741                                       | 2,713                                               |                                |                                                     |                                                | 58,886                                                     | 494,837                             | 1,699,177            |
| Human services                                            |                                                 |                                                     |                                |                                                     |                                                |                                                            | 1,097,076                           | 1,097,076            |
| Culture and recreation                                    |                                                 |                                                     |                                |                                                     |                                                |                                                            | 2,423,893                           | 2,423,893            |
| Capital Outlay                                            | 15,835                                          |                                                     |                                | 301,385                                             | 151,501                                        | 820,451                                                    | 5,503,961                           | 6,793,133            |
| Total expenditures                                        | <u>1,158,576</u>                                | <u>2,713</u>                                        | <u></u>                        | <u>301,385</u>                                      | <u>705,194</u>                                 | <u>879,337</u>                                             | <u>24,315,430</u>                   | <u>27,362,635</u>    |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,518)</u>                                  | <u>266,204</u>                                      | <u>7,851,913</u>               | <u>2,297,444</u>                                    | <u>(372,658)</u>                               | <u>(123,640)</u>                                           | <u>(8,374,288)</u>                  | <u>1,543,457</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                                 |                                                     |                                |                                                     |                                                |                                                            |                                     |                      |
| Transfers in                                              |                                                 |                                                     |                                |                                                     | 36,155                                         |                                                            | 16,813,120                          | 16,849,275           |
| Transfers out                                             |                                                 |                                                     |                                |                                                     |                                                |                                                            | (314,554)                           | (314,554)            |
| Total other financing sources (uses)                      |                                                 |                                                     |                                |                                                     | <u>36,155</u>                                  |                                                            | <u>16,498,566</u>                   | <u>16,534,721</u>    |
| Net change in fund balances                               | (1,518)                                         | 266,204                                             | 7,851,913                      | 2,297,444                                           | (336,503)                                      | (123,640)                                                  | 8,124,278                           | 18,078,178           |
| Fund balances - beginning of year                         | <u>84</u>                                       | <u>132,814</u>                                      | <u>12,610,393</u>              | <u>14,619,277</u>                                   | <u>1,823,996</u>                               | <u>22,181</u>                                              | <u>49,658,147</u>                   | <u>78,866,892</u>    |
| Fund balances - end of year                               | <u>\$ (1,434)</u>                               | <u>\$ 399,018</u>                                   | <u>\$ 20,462,306</u>           | <u>\$ 16,916,721</u>                                | <u>\$ 1,487,493</u>                            | <u>\$ (101,459)</u>                                        | <u>\$ 57,782,425</u>                | <u>\$ 96,945,070</u> |

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

September 30, 2015

|                                                          | 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>ASSETS</b>                                            |                                               |                                                       |                                                           |                                                                |                                                              |                                |                     |
| Cash and investments                                     | \$ 1,674,679                                  | \$ 2,006                                              | \$ 2,268,697                                              | \$ 5,747,124                                                   | \$ 126,547                                                   | \$ 31,889                      | \$ 9,850,942        |
| Receivables, net                                         | 286                                           |                                                       |                                                           |                                                                |                                                              |                                | 286                 |
| Total assets                                             | <u>\$ 1,674,965</u>                           | <u>\$ 2,006</u>                                       | <u>\$ 2,268,697</u>                                       | <u>\$ 5,747,124</u>                                            | <u>\$ 126,547</u>                                            | <u>\$ 31,889</u>               | <u>\$ 9,851,228</u> |
| <b>FUND BALANCES</b>                                     |                                               |                                                       |                                                           |                                                                |                                                              |                                |                     |
| Restricted                                               | <u>1,674,965</u>                              | <u>2,006</u>                                          | <u>2,268,697</u>                                          | <u>5,747,124</u>                                               | <u>126,547</u>                                               | <u>31,889</u>                  | <u>9,851,228</u>    |
| Total fund balances                                      | <u>1,674,965</u>                              | <u>2,006</u>                                          | <u>2,268,697</u>                                          | <u>5,747,124</u>                                               | <u>126,547</u>                                               | <u>31,889</u>                  | <u>9,851,228</u>    |
| Total liabilities, deferred inflows<br>and fund balances | <u>\$ 1,674,965</u>                           | <u>\$ 2,006</u>                                       | <u>\$ 2,268,697</u>                                       | <u>\$ 5,747,124</u>                                            | <u>\$ 126,547</u>                                            | <u>\$ 31,889</u>               | <u>\$ 9,851,228</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, 2015

|                                         | 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                          | \$ 6,820,207                                  | \$                                                    | \$                                                        | \$                                                             | \$                                                              | \$                             | \$ 6,820,207 |
| Interest income                         | 526                                           |                                                       |                                                           | 741                                                            |                                                                 |                                | 1,267        |
| Other                                   | 4,318                                         |                                                       |                                                           |                                                                |                                                                 |                                | 4,318        |
| Total revenues                          | 6,825,051                                     |                                                       |                                                           | 741                                                            |                                                                 |                                | 6,825,792    |
| <b>Expenditures</b>                     |                                               |                                                       |                                                           |                                                                |                                                                 |                                |              |
| Debt Service:                           |                                               |                                                       |                                                           |                                                                |                                                                 |                                |              |
| Principal                               | 3,525,000                                     | 3,775,000                                             | 2,155,772                                                 | 5,375,000                                                      |                                                                 | 1,080,241                      | 15,911,013   |
| Interest                                | 2,386,171                                     | 1,395,662                                             | 173,387                                                   | 3,039,103                                                      |                                                                 | 512,453                        | 7,506,776    |
| Total expenditures                      | 5,911,171                                     | 5,170,662                                             | 2,329,159                                                 | 8,414,103                                                      |                                                                 | 1,592,694                      | 23,417,789   |
| Excess of expenditures over<br>revenues | 913,880                                       | (5,170,662)                                           | (2,329,159)                                               | (8,413,362)                                                    |                                                                 | (1,592,694)                    | (16,591,997) |
| Other financing sources (uses):         |                                               |                                                       |                                                           |                                                                |                                                                 |                                |              |
| Transfers in                            |                                               | 5,172,000                                             | 2,542,505                                                 | 8,454,059                                                      |                                                                 | 1,624,525                      | 17,793,089   |
| Transfers out                           |                                               |                                                       |                                                           | (1,322,505)                                                    |                                                                 |                                | (1,322,505)  |
| Total other financing sources           |                                               | 5,172,000                                             | 2,542,505                                                 | 7,131,554                                                      |                                                                 | 1,624,525                      | 16,470,584   |
| Net change in fund balances             | 913,880                                       | 1,338                                                 | 213,346                                                   | (1,281,808)                                                    |                                                                 | 31,831                         | (121,413)    |
| Fund balances at beginning of year      | 761,085                                       | 668                                                   | 2,055,351                                                 | 7,028,932                                                      | 126,547                                                         | 58                             | 9,972,641    |
| Fund balances at end of year            | \$ 1,674,965                                  | \$ 2,006                                              | \$ 2,268,697                                              | \$ 5,747,124                                                   | \$ 126,547                                                      | \$ 31,889                      | \$ 9,851,228 |

**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, 2015**

|                                                              | 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                                               | \$ 5,911,000                              | \$ 6,820,207      | \$ 909,207                                               | \$                                                                       | \$                           | \$                | \$                                                       |
| Interest income                                              | 17,000                                    | 526               | (16,474)                                                 |                                                                          |                              | 741               | 741                                                      |
| Other                                                        |                                           | 4,318             | 4,318                                                    |                                                                          |                              |                   |                                                          |
| Total revenues                                               | 5,928,000                                 | 6,825,051         | 897,051                                                  |                                                                          |                              | 741               | 741                                                      |
| <b>Expenditures</b>                                          |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Debt Service:                                                |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Principal payments                                           | 3,525,000                                 | 3,525,000         |                                                          | 5,450,392                                                                | 5,450,392                    | 5,375,000         | 75,392                                                   |
| Interest payments                                            | 2,403,000                                 | 2,386,171         | 16,829                                                   | 3,039,103                                                                | 3,039,103                    | 3,039,103         |                                                          |
| Total expenditures                                           | 5,928,000                                 | 5,911,171         | 16,829                                                   | 8,489,495                                                                | 8,489,495                    | 8,414,103         | 75,392                                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures |                                           | 913,880           | 913,880                                                  | (8,489,495)                                                              | (8,489,495)                  | (8,413,362)       | 76,133                                                   |
| <b>Other financing sources (uses)</b>                        |                                           |                   |                                                          |                                                                          |                              |                   |                                                          |
| Transfers in                                                 |                                           |                   |                                                          | 9,812,000                                                                | 9,812,000                    | 8,454,059         | (1,357,941)                                              |
| Transfers out                                                |                                           |                   |                                                          | (1,322,505)                                                              | (1,322,505)                  | (1,322,505)       |                                                          |
| Total other financing sources                                |                                           |                   |                                                          | 8,489,495                                                                | 8,489,495                    | 7,131,554         | (1,357,941)                                              |
| Net change in fund balances                                  |                                           | 913,880           | 913,880                                                  |                                                                          |                              | (1,281,808)       | (1,281,808)                                              |
| Fund balances - beginning                                    | 761,085                                   | 761,085           |                                                          | 7,028,932                                                                | 7,028,932                    | 7,028,932         |                                                          |
| Fund balances - ending                                       | \$ 761,085                                | \$ 1,674,965      | \$ 913,880                                               | \$ 7,028,932                                                             | \$ 7,028,932                 | \$ 5,747,124      | \$ (1,281,808)                                           |

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**September 30, 2015**

|                                                              | 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                                         | \$ 11,322,836       | \$ 14,974,606                                            | \$ 8,828,626                                             | \$ 35,126,068        |
| Accounts receivable (net of<br>allowance for uncollectibles) | 783,314             | 142,134                                                  | 144,843                                                  | 1,070,291            |
| Due from other funds                                         | 470,595             | 192,765                                                  | 8,051                                                    | 671,411              |
| Prepaid expenses                                             |                     |                                                          | 27,917                                                   | 27,917               |
| Total current assets                                         | <u>12,576,745</u>   | <u>15,309,505</u>                                        | <u>9,009,437</u>                                         | <u>36,895,687</u>    |
| Noncurrent assets:                                           |                     |                                                          |                                                          |                      |
| Cash and investments                                         |                     |                                                          |                                                          |                      |
| Customer deposits and advance sales                          |                     | 64,265                                                   | 159,565                                                  | 223,830              |
| Capital assets:                                              |                     |                                                          |                                                          |                      |
| Land                                                         | 405,680             | 2,793,052                                                | 210,230                                                  | 3,408,962            |
| Buildings and structures                                     | 1,153,418           | 28,426,115                                               | 2,336,192                                                | 31,915,725           |
| Machinery and equipment                                      | 3,213,741           | 338,532                                                  | 9,404                                                    | 3,561,677            |
| Construction in progress                                     | 302,680             | 68,800                                                   |                                                          | 371,480              |
| Less accumulated depreciation                                | <u>(2,115,401)</u>  | <u>(8,268,856)</u>                                       | <u>(696,466)</u>                                         | <u>(11,080,723)</u>  |
| Total capital assets (net of<br>accumulated depreciation)    | <u>2,960,118</u>    | <u>23,357,643</u>                                        | <u>1,859,360</u>                                         | <u>28,177,121</u>    |
| Total noncurrent assets                                      | <u>2,960,118</u>    | <u>23,421,908</u>                                        | <u>2,018,925</u>                                         | <u>28,400,951</u>    |
| Total assets                                                 | <u>15,536,863</u>   | <u>38,731,413</u>                                        | <u>11,028,362</u>                                        | <u>65,296,638</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |                     |                                                          |                                                          |                      |
| Outflows - MBERP                                             | 1,755,136           |                                                          |                                                          | 1,755,136            |
| Total deferred outflows of resources                         | <u>1,755,136</u>    |                                                          |                                                          | <u>1,755,136</u>     |
| <b>LIABILITIES</b>                                           |                     |                                                          |                                                          |                      |
| Current liabilities:                                         |                     |                                                          |                                                          |                      |
| Accounts payable                                             | 311,069             | 384,975                                                  | 2,043                                                    | 698,087              |
| Accrued expenses                                             | 245,461             |                                                          |                                                          | 245,461              |
| Due to other funds                                           | 50,330              | 138,792                                                  | 42,684                                                   | 231,806              |
| Due to other governments                                     |                     | 14,405                                                   | 7,748                                                    | 22,153               |
| Loan payable                                                 | 100,462             |                                                          |                                                          | 100,462              |
| Accrued compensated absences                                 | 394,396             |                                                          |                                                          | 394,396              |
| Unearned revenues                                            |                     | 57,815                                                   |                                                          | 57,815               |
| Total current liabilities                                    | <u>1,101,718</u>    | <u>595,987</u>                                           | <u>52,475</u>                                            | <u>1,750,180</u>     |
| Noncurrent liabilities:                                      |                     |                                                          |                                                          |                      |
| Deposits                                                     |                     | 6,450                                                    | 159,565                                                  | 166,015              |
| Accrued compensated absences                                 | 216,245             |                                                          |                                                          | 216,245              |
| Environmental remediation liability                          | 200,000             |                                                          |                                                          | 200,000              |
| Net pension liability - MBERP                                | 11,891,880          |                                                          |                                                          | 11,891,880           |
| Loan payable                                                 | 193,251             |                                                          |                                                          | 193,251              |
| Total noncurrent liabilities                                 | <u>12,501,376</u>   | <u>6,450</u>                                             | <u>159,565</u>                                           | <u>12,667,391</u>    |
| Total liabilities                                            | <u>13,603,094</u>   | <u>602,437</u>                                           | <u>212,040</u>                                           | <u>14,417,571</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |                     |                                                          |                                                          |                      |
| Inflows - MBERP                                              | 816,889             |                                                          |                                                          | 816,889              |
| Total deferred inflows of resources                          | <u>816,889</u>      |                                                          |                                                          | <u>816,889</u>       |
| <b>NET POSITION</b>                                          |                     |                                                          |                                                          |                      |
| Net investment in capital assets                             | 2,666,405           | 23,357,643                                               | 1,859,360                                                | 27,883,408           |
| Unrestricted                                                 | 205,611             | 14,771,333                                               | 8,956,962                                                | 23,933,906           |
| Total net position                                           | <u>\$ 2,872,016</u> | <u>\$ 38,128,976</u>                                     | <u>\$ 10,816,322</u>                                     | <u>\$ 51,817,314</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, 2015**

|                                              | 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 revenues:                          |                     |                                                          |                                                          |                      |
| Charges for services                         | \$ 9,733,267        | \$ 3,861,532                                             | \$                                                       | \$ 13,594,799        |
| Permits, rentals, and other                  | 5,387,660           | 590,797                                                  | 912,855                                                  | 6,891,312            |
| Total operating revenues                     | <u>15,120,927</u>   | <u>4,452,329</u>                                         | <u>912,855</u>                                           | <u>20,486,111</u>    |
| Operating expenses:                          |                     |                                                          |                                                          |                      |
| Personal services                            | 8,847,908           |                                                          |                                                          | 8,847,908            |
| Operating supplies                           | 28,663              |                                                          |                                                          | 28,663               |
| Contractual services                         | 4,457,633           | 2,493,794                                                | 282,961                                                  | 7,234,388            |
| Utilities                                    | 50,835              | 128,282                                                  | 9,399                                                    | 188,516              |
| Internal charges                             | 1,317,940           | 266,582                                                  | 24,000                                                   | 1,608,522            |
| Depreciation                                 | 330,314             | 721,711                                                  | 72,287                                                   | 1,124,312            |
| Administrative fees                          | 1,150,000           | 356,000                                                  | 66,000                                                   | 1,572,000            |
| Other operating                              | 603,810             | 139,497                                                  | 4,913                                                    | 748,220              |
| Total operating expenses                     | <u>16,787,103</u>   | <u>4,105,866</u>                                         | <u>459,560</u>                                           | <u>21,352,529</u>    |
| Operating income (loss)                      | <u>(1,666,176)</u>  | <u>346,463</u>                                           | <u>453,295</u>                                           | <u>(866,418)</u>     |
| Nonoperating revenues<br>(expenses):         |                     |                                                          |                                                          |                      |
| Interest and fiscal charges                  | (8,928)             |                                                          |                                                          | (8,928)              |
| Gain (Loss) on disposal of<br>capital assets | 63,404              |                                                          |                                                          | 63,404               |
| Interest income                              | 59,055              | 49,993                                                   | 30,290                                                   | 139,338              |
| Total nonoperating expenses                  | <u>113,531</u>      | <u>49,993</u>                                            | <u>30,290</u>                                            | <u>193,814</u>       |
| Income before contributions<br>and transfers | <u>(1,552,645)</u>  | <u>396,456</u>                                           | <u>483,585</u>                                           | <u>(672,604)</u>     |
| Transfers in                                 | 666,706             |                                                          |                                                          | 666,706              |
| Transfers out                                | (35,437)            |                                                          |                                                          | (35,437)             |
| Change in net position                       | <u>(921,376)</u>    | <u>396,456</u>                                           | <u>483,585</u>                                           | <u>(41,335)</u>      |
| Net position - beginning                     | 14,996,831          | 37,732,520                                               | 10,332,737                                               | 63,062,088           |
| Prior period adjustment GASB 68              | (11,203,439)        |                                                          |                                                          | (11,203,439)         |
| Net position - beginning, as restated        | 3,793,392           | 37,732,520                                               | 10,332,737                                               | 51,858,649           |
| Total net position - ending                  | <u>\$ 2,872,016</u> | <u>\$ 38,128,976</u>                                     | <u>\$ 10,816,322</u>                                     | <u>\$ 51,817,314</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended September 30, 2015**

|                                                           | 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:                     |                      |                                                          |                                                          |                      |
| Receipts received from customers                          | \$ 9,763,916         | \$ 3,844,521                                             | \$ 12,658                                                | \$ 13,621,095        |
| Payments to suppliers                                     | (5,157,972)          | (3,046,496)                                              | (312,538)                                                | (8,517,006)          |
| Payments to employees                                     | (8,815,130)          |                                                          |                                                          | (8,815,130)          |
| Payments on behalf of employees                           | (249,806)            |                                                          |                                                          | (249,806)            |
| Payments for interfund services used                      | (2,467,940)          | (747,910)                                                | (80,693)                                                 | (3,296,543)          |
| Receipts for other operating revenue                      | 5,387,660            | 590,797                                                  | 912,855                                                  | 6,891,312            |
| Net cash provided by (used in) operating activities       | <u>(1,539,272)</u>   | <u>640,912</u>                                           | <u>532,282</u>                                           | <u>(366,078)</u>     |
| Cash flows for non-capital financing activities:          |                      |                                                          |                                                          |                      |
| Transfers in                                              | 666,706              |                                                          |                                                          | 666,706              |
| Transfers out                                             | (35,437)             |                                                          |                                                          | (35,437)             |
| Net cash provided by non-capital financing activities     | <u>631,269</u>       |                                                          |                                                          | <u>631,269</u>       |
| Cash flows from capital and related financial activities: |                      |                                                          |                                                          |                      |
| Principal paid on loan                                    | (129,112)            |                                                          |                                                          | (129,112)            |
| Interest and fiscal charges                               | (8,987)              |                                                          |                                                          | (8,987)              |
| Purchase of capital assets                                | (1,563,669)          | (288,777)                                                |                                                          | (1,852,446)          |
| Proceeds from sale of capital assets                      | 88,407               |                                                          |                                                          | 88,407               |
| Net cash used in capital and related financial activities | <u>(1,613,361)</u>   | <u>(288,777)</u>                                         |                                                          | <u>(1,902,138)</u>   |
| Cash flows from investing activities:                     |                      |                                                          |                                                          |                      |
| Interest on investments                                   | 59,055               | 49,993                                                   | 30,290                                                   | 139,338              |
| Net cash provided by investing activities                 | <u>59,055</u>        | <u>49,993</u>                                            | <u>30,290</u>                                            | <u>139,338</u>       |
| Net increase in cash and investments                      | (2,462,309)          | 402,128                                                  | 562,572                                                  | (1,497,609)          |
| Cash and investments - beginning of year                  | <u>13,785,145</u>    | <u>14,636,743</u>                                        | <u>8,425,619</u>                                         | <u>36,847,507</u>    |
| Cash and investments - end of year                        | <u>\$ 11,322,836</u> | <u>\$ 15,038,871</u>                                     | <u>\$ 8,988,191</u>                                      | <u>\$ 35,349,898</u> |
| Classified as:                                            |                      |                                                          |                                                          |                      |
| Current assets                                            | \$ 11,322,836        | \$ 14,974,606                                            | \$ 8,828,626                                             | \$ 35,126,068        |
| Restricted assets                                         |                      | 64,265                                                   | 159,565                                                  | 223,830              |
| Total cash and investments                                | <u>\$ 11,322,836</u> | <u>\$ 15,038,871</u>                                     | <u>\$ 8,988,191</u>                                      | <u>\$ 35,349,898</u> |
| Non-cash transactions affecting financial position:       |                      |                                                          |                                                          |                      |
| Change in construction and related related liabilities    | \$ 4,986             | \$                                                       | \$                                                       | \$ 4,986             |
| Total non-cash transactions affecting financial position: | <u>\$ 4,986</u>      | <u>\$</u>                                                | <u>\$</u>                                                | <u>\$ 4,986</u>      |

**CITY OF MIAMI BEACH, FLORIDA**  
**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY**  
**OPERATING ACTIVITIES**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended September 30, 2015**

(continued)

|                                                                                                         | <u>Sanitation<br/>Fund</u> | <u>Miami Beach<br/>Redevelopment<br/>Agency's<br/>Parking Fund</u> | <u>Miami Beach<br/>Redevelopment<br/>Agency's<br/>Leasing Fund</u> | <u>Totals</u>       |
|---------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|---------------------|
| Operating income (loss)                                                                                 | \$ (1,666,176)             | \$ 346,463                                                         | \$ 453,295                                                         | \$ (866,418)        |
| Adjustments to reconcile operating income<br>(loss) to cash provided by (used in) operating activities: |                            |                                                                    |                                                                    |                     |
| Depreciation                                                                                            | 330,314                    | 721,711                                                            | 72,287                                                             | 1,124,312           |
| Pension expense                                                                                         | (249,806)                  |                                                                    |                                                                    | (249,806)           |
| Provision for uncollectible accounts                                                                    | 69,918                     | 2,157                                                              | 534,334                                                            | 606,409             |
| Changes in assets/liabilities and deferred inflows:                                                     |                            |                                                                    |                                                                    |                     |
| (Increase) decrease in accounts receivable                                                              | 196,950                    | (25,428)                                                           | (433,750)                                                          | (262,228)           |
| (Increase) decrease in due from other funds                                                             | (236,219)                  | (178,309)                                                          | (4,238)                                                            | (418,766)           |
| (Increase) decrease in prepaid expense                                                                  |                            |                                                                    | (23,434)                                                           | (23,434)            |
| Increase (decrease) in accounts payable                                                                 | (172,682)                  | 165,396                                                            | 2,043                                                              | (5,243)             |
| Increase (decrease) in accrued expenses                                                                 | 171,216                    | (441,166)                                                          |                                                                    | (269,950)           |
| Increase (decrease) in deposits                                                                         |                            | (60)                                                               | (87,926)                                                           | (87,986)            |
| Increase (decrease) in due to other governments                                                         |                            | (9,153)                                                            | 6,126                                                              | (3,027)             |
| Increase (decrease) in due to other funds                                                               | 8,726                      | 52,981                                                             | 13,545                                                             | 75,252              |
| Increase (decrease) in unearned revenues                                                                |                            | 6,320                                                              |                                                                    | 6,320               |
| Increase (decrease) in accrued compensated<br>absences                                                  | 8,487                      |                                                                    |                                                                    | 8,487               |
| Total adjustments                                                                                       | 126,904                    | 294,449                                                            | 78,987                                                             | 500,340             |
| Net cash provided by (used in) operating activities                                                     | <u>\$ (1,539,272)</u>      | <u>\$ 640,912</u>                                                  | <u>\$ 532,282</u>                                                  | <u>\$ (366,078)</u> |

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2015**

|                                                        | <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                                   | \$ 5,359,692                         | \$ 4,619,821                            | \$ 1,376,313                         | \$ 28,592,074                      | \$ 8,358,186                         | \$ 10,958,000                  | \$ 59,264,086        |
| Cash with fiscal agent                                 |                                      |                                         |                                      | 250,000                            |                                      |                                | 250,000              |
| Accounts receivable, net                               | 33,801                               | 2,500                                   | 1,407                                | 145,106                            | 421,633                              | 9,925                          | 614,372              |
| Due from other funds                                   | 12,093                               | 239,294                                 | 238                                  | 41,821                             | 1,145,118                            | 10,120                         | 1,448,684            |
| Prepaid expenses                                       | 3,503                                | 5,674                                   | 967                                  | 1,556,224                          | 310,742                              | 6,039                          | 1,883,149            |
| Inventories                                            | 282,301                              | 105,326                                 | 25,097                               |                                    |                                      |                                | 412,724              |
| Total current assets                                   | <u>5,691,390</u>                     | <u>4,972,615</u>                        | <u>1,404,022</u>                     | <u>30,585,225</u>                  | <u>10,235,679</u>                    | <u>10,984,084</u>              | <u>63,873,015</u>    |
| Noncurrent assets:                                     |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Capital assets:                                        |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Land                                                   | 608,520                              |                                         |                                      |                                    |                                      |                                | 608,520              |
| Buildings and structures                               | 2,582,551                            | 19,276                                  |                                      |                                    |                                      |                                | 2,601,827            |
| Machinery and equipment                                | 34,361,913                           | 3,287,101                               | 108,576                              | 207,066                            |                                      | 25,070,654                     | 63,035,310           |
| Construction in progress                               |                                      |                                         |                                      |                                    |                                      | 16,000                         | 16,000               |
| Less accumulated depreciation                          | (22,426,291)                         | (2,818,108)                             | (88,885)                             | (207,066)                          |                                      | (22,999,064)                   | (48,539,414)         |
| Total capital assets (net of accumulated depreciation) | <u>15,126,693</u>                    | <u>488,269</u>                          | <u>19,691</u>                        |                                    |                                      | <u>2,087,590</u>               | <u>17,722,243</u>    |
| Total noncurrent assets                                | <u>15,126,693</u>                    | <u>488,269</u>                          | <u>19,691</u>                        |                                    |                                      | <u>2,087,590</u>               | <u>17,722,243</u>    |
| Total assets                                           | <u>20,818,083</u>                    | <u>5,460,884</u>                        | <u>1,423,713</u>                     | <u>30,585,225</u>                  | <u>10,235,679</u>                    | <u>13,071,674</u>              | <u>81,595,258</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Outflows - MBERP                                       | 438,955                              | 920,053                                 | 89,973                               | 138,224                            | 32,663                               | 1,118,706                      | 2,738,574            |
| Total deferred outflows of resources                   | <u>438,955</u>                       | <u>920,053</u>                          | <u>89,973</u>                        | <u>138,224</u>                     | <u>32,663</u>                        | <u>1,118,706</u>               | <u>2,738,574</u>     |
| <b>LIABILITIES</b>                                     |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Current liabilities:                                   |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Accounts payable                                       | 751,611                              | 514,226                                 | 26,304                               | 235,856                            | 1,676,284                            | 437,168                        | 3,641,449            |
| Accrued expenses                                       | 86,151                               | 48,003                                  | 4,600                                | 267,220                            | 547                                  | 75,445                         | 481,966              |
| Due to other funds                                     | 8,000                                | 11,000                                  | 3,000                                | 1,000                              | 70,523                               | 14,000                         | 107,523              |
| Accrued compensated absences                           | 77,689                               | 145,205                                 | 20,411                               | 16,112                             | 1,690                                | 244,223                        | 505,330              |
| Loan payable                                           | 3,128,014                            | 87,024                                  |                                      |                                    |                                      | 280,089                        | 3,495,127            |
| Pending insurance claims                               |                                      |                                         |                                      | 8,250,000                          |                                      |                                | 8,250,000            |
| Total current liabilities                              | <u>4,051,465</u>                     | <u>805,458</u>                          | <u>54,315</u>                        | <u>8,770,188</u>                   | <u>1,749,044</u>                     | <u>1,050,925</u>               | <u>16,481,395</u>    |
| Noncurrent liabilities:                                |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Accrued compensated absences                           | 149,661                              | 17,819                                  | 25,661                               | 63,734                             | 992                                  | 504,318                        | 762,185              |
| Net pension liability - MBERP                          | 2,249,071                            | 3,243,937                               | 449,015                              | 865,512                            | 164,902                              | 5,884,618                      | 12,857,055           |
| Loan payable                                           | 8,024,358                            | 165,085                                 |                                      |                                    |                                      | 94,352                         | 8,283,795            |
| Pending insurance claims                               |                                      |                                         |                                      | 6,014,000                          |                                      |                                | 6,014,000            |
| Insurance claims incurred but not reported             |                                      |                                         |                                      | 19,165,000                         | 1,010,418                            |                                | 20,175,418           |
| Total noncurrent liabilities                           | <u>10,423,090</u>                    | <u>3,426,841</u>                        | <u>474,676</u>                       | <u>26,108,246</u>                  | <u>1,176,312</u>                     | <u>6,483,288</u>               | <u>48,092,453</u>    |
| Total liabilities                                      | <u>14,474,555</u>                    | <u>4,232,299</u>                        | <u>528,991</u>                       | <u>34,878,434</u>                  | <u>2,925,356</u>                     | <u>7,534,213</u>               | <u>64,573,848</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Inflows - MBERP                                        | 154,495                              | 222,836                                 | 30,844                               | 59,455                             | 11,328                               | 404,232                        | 883,190              |
| Total deferred inflows of resources                    | <u>154,495</u>                       | <u>222,836</u>                          | <u>30,844</u>                        | <u>59,455</u>                      | <u>11,328</u>                        | <u>404,232</u>                 | <u>883,190</u>       |
| <b>NET POSITION</b>                                    |                                      |                                         |                                      |                                    |                                      |                                |                      |
| Net investment in capital assets                       | 3,974,321                            | 236,160                                 | 19,691                               |                                    |                                      | 1,713,149                      | 5,943,321            |
| Unrestricted                                           | 2,653,667                            | 1,689,642                               | 934,160                              | (4,214,440)                        | 7,331,658                            | 4,538,786                      | 12,933,473           |
| Total net position                                     | <u>\$ 6,627,988</u>                  | <u>\$ 1,925,802</u>                     | <u>\$ 953,851</u>                    | <u>\$ (4,214,440)</u>              | <u>\$ 7,331,658</u>                  | <u>\$ 6,251,935</u>            | <u>\$ 18,876,794</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, 2015**

|                                                  | <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                             | \$ 9,558,006                         | \$ 8,900,982                            | \$ 1,245,241                         | \$ 13,939,175                      | \$ 28,445,587                        | \$ 14,346,504                  | \$ 76,435,495 |
| Miscellaneous                                    | 118,913                              |                                         |                                      | 703,331                            | 613,585                              |                                | 1,435,829     |
| Total operating revenues                         | 9,676,919                            | 8,900,982                               | 1,245,241                            | 14,642,506                         | 29,059,172                           | 14,346,504                     | 77,871,324    |
| Operating expenses:                              |                                      |                                         |                                      |                                    |                                      |                                |               |
| Personal services                                | 1,908,553                            | 3,065,314                               | 423,718                              | 604,305                            | 112,902                              | 4,568,476                      | 10,683,268    |
| Operating supplies                               | 2,314,128                            | 23,805                                  | 999                                  | 11,396                             |                                      | 990,661                        | 3,340,989     |
| Contractual services                             | 1,124,706                            | 3,196,120                               | 352,823                              | 2,533,306                          | 791,463                              | 3,599,009                      | 11,597,427    |
| Utilities                                        | 63,101                               | 569,839                                 | 2,755                                | 841                                |                                      | 2,102,809                      | 2,739,345     |
| Internal charges                                 | 335,210                              | 523,814                                 | 67,949                               | 30,355                             |                                      | 408,666                        | 1,365,994     |
| Administrative fees                              |                                      |                                         |                                      | 1,100,000                          |                                      |                                | 1,100,000     |
| Depreciation                                     | 3,620,336                            | 158,969                                 | 1,244                                |                                    |                                      | 1,258,895                      | 5,039,444     |
| Insurance                                        |                                      |                                         |                                      | 2,019,779                          | 7,871,528                            |                                | 9,891,307     |
| Claims and judgements                            |                                      |                                         |                                      | 10,134,316                         | 17,127,245                           |                                | 27,261,561    |
| Other operating                                  | 27,145                               | 13,989                                  | 42,305                               | 177,135                            | 215,034                              | 77,399                         | 553,007       |
| Total operating expenses                         | 9,393,179                            | 7,551,850                               | 891,793                              | 16,611,433                         | 26,118,172                           | 13,005,915                     | 73,572,342    |
| Operating income (loss)                          | 283,740                              | 1,349,132                               | 353,448                              | (1,968,927)                        | 2,941,000                            | 1,340,589                      | 4,298,982     |
| Nonoperating revenues (expenses):                |                                      |                                         |                                      |                                    |                                      |                                |               |
| Interest and fiscal charges                      | (241,355)                            | (7,823)                                 |                                      |                                    |                                      | (19,920)                       | (269,098)     |
| Gain (loss) on sale of capital assets            | 328,517                              | 38,484                                  |                                      | 7,278                              |                                      |                                | 374,279       |
| Interest income                                  | 20,660                               | 18,830                                  | 5,390                                | 129,658                            |                                      | 46,309                         | 220,847       |
| Total nonoperating revenues (expenses)           | 107,822                              | 49,491                                  | 5,390                                | 136,936                            |                                      | 26,389                         | 326,028       |
| Income (loss) before contributions and transfers | 391,562                              | 1,398,623                               | 358,838                              | (1,831,991)                        | 2,941,000                            | 1,366,978                      | 4,625,010     |
| Capital contributions                            | 158,683                              |                                         |                                      |                                    |                                      | 7,728                          | 166,411       |
| Transfers in                                     | 8,874                                | 186                                     |                                      |                                    |                                      | 395,000                        | 404,060       |
| Transfers out                                    | (15,019)                             | (312,706)                               | (2,000)                              | (2,000)                            |                                      | (18,000)                       | (349,725)     |
| Change in net position                           | 544,100                              | 1,086,103                               | 356,838                              | (1,833,991)                        | 2,941,000                            | 1,751,706                      | 4,845,756     |
| Net position-beginning                           | 8,202,756                            | 3,895,840                               | 1,020,034                            | (1,565,043)                        | 4,546,014                            | 10,044,177                     | 26,143,778    |
| GASB 68 restatement                              | (2,118,868)                          | (3,056,141)                             | (423,021)                            | (815,406)                          | (155,356)                            | (5,543,948)                    | (12,112,740)  |
| Net position-beginning, as restated              | 6,083,888                            | 839,699                                 | 597,013                              | (2,380,449)                        | 4,390,658                            | 4,500,229                      | 14,031,038    |
| Net position-ending                              | \$ 6,627,988                         | \$ 1,925,802                            | \$ 953,851                           | \$ (4,214,440)                     | \$ 7,331,658                         | \$ 6,251,935                   | \$ 18,876,794 |

**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, 2015

|                                                                 | <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:                           |                                      |                                          |                                      |                                    |                                      |                                |               |
| Receipts from users                                             | \$ 9,558,006                         | \$ 8,906,470                             | \$ 1,246,662                         | \$ 13,794,069                      | \$ 28,375,366                        | \$ 14,341,361                  | \$ 76,221,934 |
| Payments to suppliers                                           | (4,489,026)                          | (3,545,199)                              | (403,458)                            | (5,159,102)                        | (8,533,065)                          | (6,996,527)                    | (29,126,377)  |
| Payments to employees                                           | (1,865,947)                          | (3,114,446)                              | (413,027)                            | (586,950)                          | (139,057)                            | (4,533,502)                    | (10,652,929)  |
| Payments on behalf of employees                                 | (154,257)                            | (509,421)                                | (33,135)                             | (28,663)                           | (11,789)                             | (373,804)                      | (1,111,069)   |
| Payments for claims and judgements                              |                                      |                                          |                                      | (6,386,558)                        | (17,252,487)                         |                                | (23,639,045)  |
| Payments for interfund services used                            | (335,210)                            | (726,123)                                | (66,107)                             | (1,130,355)                        | 570,041                              | (408,666)                      | (2,096,420)   |
| Receipts from other operating revenues                          | 100,390                              | 116                                      |                                      | 703,331                            | 613,585                              |                                | 1,417,422     |
| Net cash provided by (used in) operating activities             | 2,813,956                            | 1,011,397                                | 330,935                              | 1,205,772                          | 3,622,594                            | 2,028,862                      | 11,013,516    |
| Cash flows for non-capital financing activities:                |                                      |                                          |                                      |                                    |                                      |                                |               |
| Transfers in                                                    | 8,874                                | 186                                      |                                      |                                    |                                      | 395,000                        | 404,060       |
| Transfers out                                                   | (15,019)                             | (312,706)                                | (2,000)                              | (2,000)                            |                                      | (18,000)                       | (349,725)     |
| Net cash provided by (used in) non-capital financing activities | (6,145)                              | (312,520)                                | (2,000)                              | (2,000)                            |                                      | 377,000                        | 54,335        |
| Cash flows from capital and related financial activities:       |                                      |                                          |                                      |                                    |                                      |                                |               |
| Proceeds from loan                                              | 2,150,173                            |                                          |                                      |                                    |                                      |                                | 2,150,173     |
| Principal paid on loan                                          | (3,170,098)                          | (109,777)                                |                                      |                                    |                                      | (649,739)                      | (3,929,614)   |
| Interest and fiscal charges                                     | (243,090)                            | (7,823)                                  |                                      |                                    |                                      | (24,558)                       | (275,471)     |
| Purchase of capital assets                                      | (2,606,176)                          | (100,887)                                | (20,727)                             |                                    |                                      | (704,587)                      | (3,432,377)   |
| Proceeds from sale of capital assets                            | 353,945                              | 38,484                                   |                                      | 7,278                              |                                      |                                | 399,707       |
| Net cash used in capital and related financial activities       | (3,515,246)                          | (180,003)                                | (20,727)                             | 7,278                              |                                      | (1,378,884)                    | (5,087,582)   |
| Cash flows from investing activities:                           |                                      |                                          |                                      |                                    |                                      |                                |               |
| Interest on investments                                         | 20,660                               | 18,830                                   | 5,390                                | 129,658                            |                                      | 46,309                         | 220,847       |
| Net cash provided by investing activities                       | 20,660                               | 18,830                                   | 5,390                                | 129,658                            |                                      | 46,309                         | 220,847       |
| Net increase (decrease) in cash and investments                 | (686,775)                            | 537,704                                  | 313,598                              | 1,340,708                          | 3,622,594                            | 1,073,287                      | 6,201,116     |
| Cash and investments - beginning of year                        | 6,046,467                            | 4,082,117                                | 1,062,715                            | 27,501,366                         | 4,735,592                            | 9,884,713                      | 53,312,970    |
| Cash and investments - end of year                              | \$ 5,359,692                         | \$ 4,619,821                             | \$ 1,376,313                         | \$ 28,842,074                      | \$ 8,358,186                         | \$ 10,958,000                  | \$ 59,514,086 |
| Classified as:                                                  |                                      |                                          |                                      |                                    |                                      |                                |               |
| Cash and investments-current                                    | \$ 5,359,692                         | \$ 4,619,821                             | \$ 1,376,313                         | \$ 28,842,074                      | \$ 8,358,186                         | \$ 10,958,000                  | \$ 59,514,086 |
| Non-cash transactions affecting financial position:             |                                      |                                          |                                      |                                    |                                      |                                |               |
| Capital contributions of capital assets                         | \$ 158,683                           |                                          |                                      |                                    |                                      |                                | \$ 158,683    |
| Total Non-cash transactions affecting financial position        | \$ 158,683                           | \$                                       | \$                                   | \$                                 | \$                                   | \$                             | \$ 158,683    |

(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, 2015**

(continued)

|                                                                                                                | <u>Fleet<br/>Management<br/>Fund</u> | <u>Property<br/>Maintenance<br/>Fund</u> | <u>Central<br/>Services<br/>Fund</u> | <u>Risk<br/>Insurance<br/>Fund</u> | <u>Health<br/>Insurance<br/>Fund</u> | <u>Communications<br/>Fund</u> | <u>Totals</u> |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--------------------------------|---------------|
| Operating income (loss)                                                                                        | \$ 283,740                           | \$ 1,349,132                             | \$ 353,448                           | \$ (1,968,927)                     | \$ 2,941,000                         | \$ 1,340,589                   | \$ 4,298,982  |
| Adjustments to reconcile operating<br>income (loss) to net cash provided by<br>(used in) operating activities: |                                      |                                          |                                      |                                    |                                      |                                |               |
| Depreciation                                                                                                   | 3,620,336                            | 158,969                                  | 1,244                                |                                    |                                      | 1,258,895                      | 5,039,444     |
| Provision for uncollectible accounts                                                                           |                                      | 5,488                                    | 2,646                                |                                    | 7,128                                |                                | 15,262        |
| Pension expense                                                                                                | (154,257)                            | (509,421)                                | (33,135)                             | (28,663)                           | (11,789)                             | (373,804)                      | (1,111,069)   |
| Changes in assets and liabilities:                                                                             |                                      |                                          |                                      |                                    |                                      |                                |               |
| (Increase) decrease in inventories                                                                             | (18,931)                             | (30,697)                                 | (704)                                |                                    |                                      |                                | (50,332)      |
| (Increase) decrease in accounts<br>receivable                                                                  | (20,326)                             | 116                                      | (1,225)                              | (145,106)                          | (77,349)                             | 1,595                          | (242,295)     |
| (Increase) decrease in due from<br>other funds                                                                 | 1,803                                | (202,309)                                | 209                                  | 9,068                              | 526,128                              | (1,305)                        | 333,594       |
| Increase in prepaid expense                                                                                    | (3,503)                              | (5,674)                                  | (967)                                | (202,296)                          | (310,742)                            | (6,039)                        | (529,221)     |
| Increase (decrease) in accounts<br>payable                                                                     | (996,872)                            | 283,030                                  | (2,905)                              | (441,235)                          | 655,702                              | (220,610)                      | (722,890)     |
| Increase (decrease) in accrued<br>compensated absences                                                         | 37,851                               | (32,743)                                 | 10,352                               | 13,564                             | (25,238)                             | 17,870                         | 21,656        |
| Increase (decrease) in due to<br>other funds                                                                   | 1,067                                | (3,567)                                  | 1,633                                | (1,050)                            | 43,913                               | (5,433)                        | 36,563        |
| Increase (decrease) in pending<br>insurance claims                                                             |                                      |                                          |                                      | 1,127,783                          |                                      |                                | 1,127,783     |
| (Decrease) in insurance claims<br>incurred but not reported                                                    |                                      |                                          |                                      | 2,619,975                          | (125,242)                            |                                | 2,494,733     |
| Increase (decrease) in accrued<br>expenses                                                                     | 63,048                               | (927)                                    | 339                                  | 222,659                            | (917)                                | 17,104                         | 301,306       |
| Total adjustments                                                                                              | 2,530,216                            | (337,735)                                | (22,513)                             | 3,174,699                          | 681,594                              | 688,273                        | 6,714,534     |
| Net cash provided by (used in) operating<br>activities                                                         | \$ 2,813,956                         | \$ 1,011,397                             | \$ 330,935                           | \$ 1,205,772                       | \$ 3,622,594                         | \$ 2,028,862                   | \$ 11,013,516 |

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

**September 30, 2015**

|                                          | 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                | \$ 4,526,360                       | \$ 22,795                                                          | \$ 1,524,960                            | \$ 8,060                                  | \$ 94,752                                                  | \$ 6,176,927            |
| Accrued interest receivable              | 68,249                             | 2,367,546                                                          | 56,780                                  | 21,673                                    |                                                            | 2,514,248               |
| Contribution receivable                  |                                    |                                                                    | 43,693                                  | 759,728                                   | 147,737                                                    | 951,158                 |
| Other receivables                        | 248,021                            | 99,050                                                             | 6,087                                   |                                           |                                                            | 353,158                 |
| Prepaid insurance                        |                                    |                                                                    |                                         | 4,390                                     |                                                            | 4,390                   |
| Investments, at fair value:              |                                    |                                                                    |                                         |                                           |                                                            |                         |
| Short-term investments                   |                                    | 12,821,546                                                         |                                         | 250,962                                   |                                                            | 13,072,508              |
| U.S. Government securities               | 102,970,038                        | 30,501,825                                                         | 868,233                                 | 314,874                                   |                                                            | 134,654,970             |
| Corporate bonds and notes                |                                    | 208,341,514                                                        | 5,142,367                               | 2,361,744                                 |                                                            | 215,845,625             |
| Bond Funds                               | 51,862,592                         |                                                                    |                                         |                                           |                                                            | 51,862,592              |
| Foreign Bonds                            |                                    | 46,295,751                                                         |                                         | 281,829                                   |                                                            | 46,577,580              |
| Common stocks and index funds            | 206,778,561                        | 373,081,692                                                        | 6,539,495                               | 3,011,697                                 |                                                            | 589,411,445             |
| Foreign Stocks                           | 73,795,023                         | 25,794,216                                                         |                                         | 290,490                                   |                                                            | 99,879,729              |
| Real estate funds                        | 56,866,879                         | 40,287,637                                                         |                                         |                                           |                                                            | 97,154,516              |
| Mutual funds                             | 10,617,672                         | 11,437,162                                                         |                                         |                                           | 24,610,105                                                 | 46,664,939              |
| Total investments                        | <u>502,890,765</u>                 | <u>748,561,343</u>                                                 | <u>12,550,095</u>                       | <u>6,511,596</u>                          | <u>24,610,105</u>                                          | <u>1,295,123,904</u>    |
| Total assets                             | <u>507,733,395</u>                 | <u>751,050,734</u>                                                 | <u>14,181,615</u>                       | <u>7,305,447</u>                          | <u>24,852,594</u>                                          | <u>1,305,123,785</u>    |
| <b>Liabilities</b>                       |                                    |                                                                    |                                         |                                           |                                                            |                         |
| Accounts payable                         |                                    | 395,095                                                            | 1,080                                   |                                           |                                                            | 396,175                 |
| Accrued expenses                         | <u>148,862</u>                     | <u>38,141</u>                                                      |                                         | <u>15,000</u>                             |                                                            | <u>202,003</u>          |
| Total liabilities                        | <u>148,862</u>                     | <u>433,236</u>                                                     | <u>1,080</u>                            | <u>15,000</u>                             |                                                            | <u>598,178</u>          |
| <b>Net Position</b>                      |                                    |                                                                    |                                         |                                           |                                                            |                         |
| Restricted for pension and OPEB benefits | <u>\$ 507,584,533</u>              | <u>\$ 750,617,498</u>                                              | <u>\$ 14,180,535</u>                    | <u>\$ 7,290,447</u>                       | <u>\$ 24,852,594</u>                                       | <u>\$ 1,304,525,607</u> |



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

**For the Fiscal Year Ended September 30, 2015**

|                                                                                       | 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                                                                              | \$ 26,456,580                      | \$ 33,028,839                                                      | \$                                      | \$                                        | \$ 147,041                                                 | \$ 59,632,460 |
| Employee                                                                              | 7,310,183                          | 5,944,414                                                          |                                         |                                           |                                                            | 13,254,597    |
| State of Florida                                                                      |                                    | 120,549                                                            | 1,489,176                               | 689,059                                   |                                                            | 2,298,784     |
| Total contributions                                                                   | 33,766,763                         | 39,093,802                                                         | 1,489,176                               | 689,059                                   | 147,041                                                    | 75,185,841    |
| Investment income -                                                                   |                                    |                                                                    |                                         |                                           |                                                            |               |
| Net increase (decrease) in fair value of investments                                  | (9,806,578)                        | (8,170,202)                                                        | (58,861)                                | (50,937)                                  | (997,206)                                                  | (19,083,784)  |
| Interest and dividends income                                                         | 5,433,273                          | 17,319,653                                                         | 296,159                                 | 172,957                                   | 1,064,679                                                  | 24,286,721    |
| Investment management expenses                                                        | (4,373,305)                        | 9,149,451                                                          | 237,298                                 | 122,020                                   | 67,473                                                     | 5,202,937     |
|                                                                                       | (675,101)                          | (3,460,118)                                                        | (46,474)                                | (24,597)                                  |                                                            | (4,206,290)   |
| Net investment income/(loss)                                                          | (5,048,406)                        | 5,689,333                                                          | 190,824                                 | 97,423                                    | 67,473                                                     | 996,647       |
| Total additions/(reduction)                                                           | 28,718,357                         | 44,783,135                                                         | 1,680,000                               | 786,482                                   | 214,514                                                    | 76,182,488    |
| Deductions:                                                                           |                                    |                                                                    |                                         |                                           |                                                            |               |
| Benefits paid                                                                         | 35,874,016                         | 62,600,040                                                         | 2,233,855                               | 735,398                                   |                                                            | 101,443,309   |
| Contributions refunded                                                                | 941,310                            | 86,676                                                             |                                         |                                           |                                                            | 1,027,986     |
| Administrative expenses                                                               | 706,283                            | 777,493                                                            | 50,329                                  | 101,641                                   | 123,161                                                    | 1,758,907     |
| Total deductions                                                                      | 37,521,609                         | 63,464,209                                                         | 2,284,184                               | 837,039                                   | 123,161                                                    | 104,230,202   |
| Net increase/(decrease)                                                               | (8,803,252)                        | (18,681,074)                                                       | (604,184)                               | (50,557)                                  | 91,353                                                     | (28,047,714)  |
| Net position - amount restricted for pension<br>and OPEB benefits - beginning of year | 516,387,785                        | 769,298,572                                                        | 14,784,719                              | 7,341,004                                 | 24,761,241                                                 | 1,332,573,321 |
| Net position - amount restricted for pension<br>and OPEB benefits - end of year       | \$ 507,584,533                     | 750,617,498                                                        | 14,180,535                              | 7,290,447                                 | 24,852,594                                                 | 1,304,525,607 |

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

**For the Fiscal Year Ended September 30, 2015**

|                      | September 30,<br>2014 | Additions             | Deductions            | September 30,<br>2015 |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>Assets</u>        |                       |                       |                       |                       |
| Cash and investments | \$ 9,041,350          | \$ 84,577,963         | \$ 81,245,365         | \$ 12,373,948         |
| Accounts receivable  | <u>279,429</u>        | <u>1,735,294</u>      | <u>1,849,414</u>      | <u>165,309</u>        |
| Total Assets         | <u>\$ 9,320,779</u>   | <u>\$ 86,313,257</u>  | <u>\$ 83,094,779</u>  | <u>\$ 12,539,257</u>  |
| <u>Liabilities</u>   |                       |                       |                       |                       |
| Accounts payable     | \$ 176,168            | \$ 64,400,960         | \$ 64,298,154         | \$ 278,974            |
| Deposits             | <u>9,144,611</u>      | <u>84,453,874</u>     | <u>81,338,202</u>     | <u>12,260,283</u>     |
| Total Liabilities    | <u>\$ 9,320,779</u>   | <u>\$ 148,854,834</u> | <u>\$ 145,636,356</u> | <u>\$ 12,539,257</u>  |

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

**September 30, 2015**

|                                                 | Miami Beach<br>Visitor and<br>Convention<br>Authority | Miami Beach<br>Health<br>Facilities<br>Authority | Total               |
|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|---------------------|
| <b>Assets</b>                                   |                                                       |                                                  |                     |
| Cash and investments                            | \$ 3,055,214                                          | \$ 69,924                                        | \$ 3,125,138        |
| Prepaid items                                   | 13,836                                                |                                                  | 13,836              |
| Accounts receivable                             | 351,176                                               | 4,794                                            | 355,970             |
| Capital assets, net of accumulated depreciation | <u>162,201</u>                                        |                                                  | <u>162,201</u>      |
| Total assets                                    | <u>3,582,427</u>                                      | <u>74,718</u>                                    | <u>3,657,145</u>    |
| <b>Deferred Outflows of Resources</b>           |                                                       |                                                  |                     |
| Outflows - MBERP                                | <u>85,163</u>                                         |                                                  | <u>85,163</u>       |
| Total deferred outflows of resources            | <u>85,163</u>                                         |                                                  | <u>85,163</u>       |
| <b>Liabilities</b>                              |                                                       |                                                  |                     |
| Accrued expenses                                | <u>297,416</u>                                        |                                                  | <u>297,416</u>      |
| Total current liabilities                       | <u>297,416</u>                                        |                                                  | <u>297,416</u>      |
| Non-current liabilities                         |                                                       |                                                  |                     |
| Net pension liability - MBERP                   | 512,291                                               |                                                  | 512,291             |
| Compensated absences                            | <u>22,940</u>                                         |                                                  | <u>22,940</u>       |
| Total non-current liabilities                   | <u>535,231</u>                                        |                                                  | <u>535,231</u>      |
| Total liabilities                               | <u>832,647</u>                                        |                                                  | <u>832,647</u>      |
| <b>Deferred Inflows of Resources</b>            |                                                       |                                                  |                     |
| Inflows - MBERP                                 | <u>35,191</u>                                         |                                                  | <u>35,191</u>       |
| Total deferred inflows of resources             | <u>35,191</u>                                         |                                                  | <u>35,191</u>       |
| <b>Net Position</b>                             |                                                       |                                                  |                     |
| Net investment in capital assets                | 162,201                                               |                                                  | 162,201             |
| Unrestricted                                    | <u>2,637,551</u>                                      | 74,718                                           | <u>2,712,269</u>    |
| Total net position                              | <u>\$ 2,799,752</u>                                   | <u>\$ 74,718</u>                                 | <u>\$ 2,874,470</u> |

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

**For the Fiscal Year Ended September 30, 2015**

|                                                         |                 | <b>Program<br/>Revenues</b> | <b>Net (Expense) Revenue and<br/>Changes in Net Position</b> |                                                 |                                            |
|---------------------------------------------------------|-----------------|-----------------------------|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------|
|                                                         |                 |                             | <b>Operating<br/>Grants and<br/>Contributions</b>            | <b>Visitor and<br/>Convention<br/>Authority</b> | <b>Health<br/>Facilities<br/>Authority</b> |
|                                                         | <b>Expenses</b> |                             |                                                              |                                                 | <b>Totals</b>                              |
| <b>Miami Beach Visitor and<br/>Convention Authority</b> |                 |                             |                                                              |                                                 |                                            |
| Cultural - grant program                                | \$ 609,904      | \$                          |                                                              | \$ (609,904)                                    | \$ (609,904)                               |
| General administrative                                  | 1,728,264       |                             | 40,514                                                       | (1,687,750)                                     | (1,687,750)                                |
| Total Miami Beach Visitor<br>and Convention Authority   | 2,338,168       |                             | 40,514                                                       | (2,297,654)                                     | (2,297,654)                                |
| <b>Miami Beach Health<br/>Facilities Authority</b>      |                 |                             |                                                              |                                                 |                                            |
| General administrative                                  | 295             |                             |                                                              |                                                 | (295)                                      |
| Total component units                                   | \$ 2,338,463    | \$ 40,514                   |                                                              |                                                 | (2,297,949)                                |
| General revenues:                                       |                 |                             |                                                              |                                                 |                                            |
| Resort tax allocation                                   |                 |                             |                                                              | 2,640,555                                       | 2,640,555                                  |
| Financing fees                                          |                 |                             |                                                              |                                                 | 0                                          |
| Interest                                                |                 |                             |                                                              | 4,615                                           | 4,628                                      |
| Total general revenues                                  |                 |                             |                                                              | 2,645,170                                       | 2,645,183                                  |
| Change in net position                                  |                 |                             |                                                              | 347,516                                         | 347,234                                    |
| Net position - beginning                                |                 |                             |                                                              | 2,946,249                                       | 3,021,249                                  |
| Prior period adjustment - GASB 68                       |                 |                             |                                                              | (494,013)                                       | (494,013)                                  |
| Net position - beginning as restated                    |                 |                             |                                                              | 2,452,236                                       | 2,527,236                                  |
| Net position - ending                                   |                 |                             |                                                              | \$ 2,799,752                                    | \$ 2,874,470                               |

# MIAMI BEACH

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# **STATISTICAL SECTION**

## 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           |                       |                       |                         |                         |                         |                         |                         |                         |                         |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                 | 2006                  | 2007                  | 2008                  | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    | 2014                    | 2015                    |
| Governmental activities                         |                       |                       |                       |                         |                         |                         |                         |                         |                         |                         |
| Net investment in capital assets                | \$ 191,314,123        | \$ 228,227,002        | \$ 286,954,685        | \$ 340,034,409          | \$ 375,968,328          | \$ 400,586,856          | \$ 428,246,552          | \$ 429,859,674          | \$ 429,989,670          | \$ 491,485,745          |
| Restricted                                      | 96,933,608            | 93,796,180            | 142,367,431           | 232,738,568             | 99,434,540              | 66,049,987              | 108,516,557             | 129,615,957             | 146,377,701             | 172,033,018             |
| Unrestricted                                    | 54,787,021            | 103,833,704           | 84,668,344            | 2,239,393               | 126,677,221             | 136,255,477             | 118,779,886             | 131,579,116             | 160,427,999             | (175,574,362)           |
| Total net position for governmental activities  | <u>343,034,752</u>    | <u>425,856,886</u>    | <u>513,990,460</u>    | <u>575,012,370</u>      | <u>602,080,089</u>      | <u>602,892,320</u>      | <u>655,542,995</u>      | <u>691,054,747</u>      | <u>736,795,370</u>      | <u>487,944,401</u>      |
| Business-type activities                        |                       |                       |                       |                         |                         |                         |                         |                         |                         |                         |
| Net investment in capital assets                | 249,458,274           | 261,687,666           | 239,922,397           | 320,033,874             | 346,807,794             | 381,291,750             | 375,703,323             | 382,255,186             | 343,218,833             | 410,865,702             |
| Restricted                                      | 28,977,432            | 28,894,110            | 21,887,662            | 18,984,310              | 41,033,514              | 36,061,707              | 41,491,319              | 40,085,381              | 88,568,103              | 48,205,531              |
| Unrestricted                                    | 112,344,279           | 122,077,059           | 167,223,594           | 122,454,301             | 114,224,652             | 124,563,510             | 146,511,507             | 161,059,156             | 168,294,644             | 135,968,387             |
| Total net position for business-type activities | <u>390,779,985</u>    | <u>412,658,835</u>    | <u>429,033,653</u>    | <u>461,472,485</u>      | <u>502,065,960</u>      | <u>541,916,967</u>      | <u>563,706,149</u>      | <u>583,399,723</u>      | <u>600,081,580</u>      | <u>595,039,620</u>      |
| Primary government                              |                       |                       |                       |                         |                         |                         |                         |                         |                         |                         |
| Net investment in capital assets                | 440,772,397           | 489,914,668           | 526,877,082           | 660,068,283             | 722,776,122             | 781,878,606             | 803,949,875             | 812,114,860             | 773,208,503             | 902,351,447             |
| Restricted                                      | 125,911,040           | 122,690,290           | 164,255,093           | 251,722,878             | 140,468,054             | 102,111,694             | 150,007,876             | 169,701,338             | 234,945,804             | 220,238,549             |
| Unrestricted                                    | 167,131,300           | 225,910,763           | 251,891,938           | 124,693,694             | 240,901,873             | 260,818,987             | 265,291,393             | 292,638,272             | 328,722,643             | (39,605,975)            |
| Total net position for primary government       | <u>\$ 733,814,737</u> | <u>\$ 838,515,721</u> | <u>\$ 943,024,113</u> | <u>\$ 1,036,484,855</u> | <u>\$ 1,104,146,049</u> | <u>\$ 1,144,809,287</u> | <u>\$ 1,219,249,144</u> | <u>\$ 1,274,454,470</u> | <u>\$ 1,336,876,950</u> | <u>\$ 1,082,984,021</u> |



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

|                                                | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           | 2015           |
| <b>Expenses</b>                                |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                       |                |                |                |                |                |                |                |                |                |                |
| General government                             | \$ 43,639,010  | \$ 48,188,199  | \$ 44,608,072  | \$ 44,331,119  | \$ 44,772,492  | \$ 47,705,535  | \$ 41,088,006  | \$ 45,986,648  | \$ 43,365,675  | \$ 47,397,904  |
| Public safety                                  | 121,678,913    | 133,068,393    | 149,953,945    | 155,153,733    | 164,903,020    | 176,946,485    | 175,282,705    | 188,420,690    | 197,239,550    | 192,976,434    |
| Physical environment                           | 4,088,447      | 2,418,815      | 1,684,934      | 2,237,314      | 2,654,793      | 2,883,878      | 2,412,040      | 2,739,664      | 3,168,494      | 4,198,730      |
| Transportation                                 | 693,673        | 10,187,046     | 9,733,789      | 8,927,038      | 10,229,616     | 10,639,329     | 16,084,458     | 11,842,989     | 14,386,802     | 17,448,894     |
| Economic environment                           | 232,748        | 22,006,137     | 4,293,175      | 3,934,183      | 12,569,809     | 20,504,954     | 4,406,521      | 4,537,985      | 4,876,697      | 5,611,831      |
| Human services                                 | 1,839,731      | 1,438,987      | 1,721,151      | 1,606,517      | 1,714,419      | 1,462,354      | 2,218,460      | 2,138,763      | 2,212,540      | 2,783,057      |
| Culture and recreation                         | 40,288,229     | 38,301,266     | 39,430,360     | 41,569,779     | 42,088,492     | 43,241,187     | 43,713,126     | 49,424,532     | 53,476,429     | 59,368,604     |
| Interest on long-term debt                     | 12,991,581     | 13,570,730     | 12,476,916     | 11,767,919     | 11,294,742     | 10,571,366     | 9,739,449      | 9,467,996      | 8,819,846      | 8,242,353      |
| Total governmental activities expenses         | 225,452,332    | 269,179,573    | 263,902,342    | 269,527,602    | 290,227,383    | 313,955,088    | 294,944,765    | 314,559,267    | 327,546,033    | 338,027,807    |
| Business-type activities:                      |                |                |                |                |                |                |                |                |                |                |
| Stormwater                                     | 4,353,932      | 5,421,124      | 4,980,583      | 3,755,854      | 4,116,313      | 4,831,699      | 6,713,885      | 7,651,595      | 7,876,993      | 10,418,758     |
| Water                                          | 20,974,282     | 21,124,609     | 20,930,577     | 23,467,862     | 26,677,078     | 28,376,149     | 27,124,273     | 28,797,909     | 28,965,261     | 29,255,282     |
| Sewer                                          | 23,747,056     | 25,818,687     | 26,619,914     | 25,425,037     | 28,895,679     | 29,548,149     | 28,205,784     | 31,186,853     | 31,373,772     | 35,733,735     |
| Parking                                        | 20,378,613     | 22,826,900     | 24,612,370     | 25,141,478     | 26,903,927     | 28,674,475     | 28,773,051     | 33,137,387     | 37,071,518     | 38,123,221     |
| Convention Center                              | 18,139,037     | 18,365,554     | 17,788,549     | 14,743,596     | 13,520,338     | 14,270,835     | 17,666,204     | 17,153,279     | 17,417,988     | 16,190,590     |
| Other                                          | 17,005,334     | 14,324,409     | 15,860,607     | 15,784,821     | 19,138,483     | 19,079,420     | 19,688,052     | 20,029,662     | 20,132,046     | 21,516,603     |
| Total business-type activities expenses        | 104,598,254    | 107,881,283    | 110,792,600    | 108,318,648    | 119,251,818    | 124,780,727    | 128,171,249    | 137,956,685    | 142,837,578    | 151,238,189    |
| Total primary government expenses              | \$ 330,050,586 | \$ 377,060,856 | \$ 374,694,942 | \$ 377,846,250 | \$ 409,479,201 | \$ 438,735,815 | \$ 423,116,014 | \$ 452,515,952 | \$ 470,383,611 | \$ 489,265,996 |
| <b>Program Revenues</b>                        |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                       |                |                |                |                |                |                |                |                |                |                |
| Charges for services:                          |                |                |                |                |                |                |                |                |                |                |
| General government                             | \$ 19,464,495  | \$ 30,405,003  | \$ 30,588,011  | \$ 47,607,219  | \$ 43,225,083  | \$ 50,693,412  | \$ 55,699,107  | \$ 67,605,958  | \$ 72,088,018  | \$ 75,232,828  |
| Public safety                                  | 20,452,808     | 20,074,100     | 23,485,245     | 5,668,803      | 5,707,217      | 2,403,350      | 7,934,329      | 8,146,390      | 8,101,151      | 9,073,918      |
| Culture and recreation                         | 5,581,803      | 5,849,885      | 5,837,885      | 6,513,589      | 6,852,311      | 10,969,329     | 7,284,999      | 7,708,231      | 8,120,209      | 8,497,903      |
| Other                                          | 65,111         | 55,028         | 34,470         | 20,305         | 16,040         | 14,470         | 17,745         | 29,211         | 42,993         | 1,723,853      |
| Operating grants and contributions             | 45,361,039     | 40,520,024     | 25,591,885     | 18,890,498     | 30,959,673     | 27,185,554     | 25,061,223     | 19,528,573     | 19,206,319     | 27,376,359     |
| Capital grants and contributions               | 2,464,239      | 1,883,176      | 14,732,625     | 4,766,094      | 8,313,962      | 4,400,711      | 4,899,293      | 3,449,389      | 3,937,362      | 13,830,485     |
| Total governmental activities program revenue  | 93,389,495     | 98,787,216     | 100,270,121    | 83,466,508     | 95,074,286     | 95,666,826     | 100,896,696    | 106,467,752    | 111,496,052    | 135,735,346    |
| Business-type activities:                      |                |                |                |                |                |                |                |                |                |                |
| Charges for services:                          |                |                |                |                |                |                |                |                |                |                |
| Stormwater                                     | 7,415,170      | 7,357,399      | 7,109,411      | 9,671,731      | 11,212,773     | 11,683,524     | 11,612,237     | 11,671,714     | 11,715,299     | 21,258,353     |
| Water                                          | 20,131,642     | 21,653,555     | 23,080,564     | 30,141,576     | 32,941,405     | 33,303,263     | 33,172,990     | 32,788,878     | 33,403,046     | 33,870,737     |
| Sewer                                          | 27,492,458     | 25,816,726     | 28,953,077     | 32,906,403     | 35,786,811     | 35,248,733     | 35,091,105     | 35,409,042     | 36,737,566     | 42,169,257     |
| Parking                                        | 22,118,981     | 25,063,379     | 25,626,973     | 28,267,558     | 30,014,763     | 34,876,171     | 38,185,494     | 40,302,744     | 40,049,313     | 42,672,887     |
| Convention Center                              | 9,486,466      | 10,167,750     | 9,044,165      | 6,884,276      | 6,898,642      | 6,376,573      | 9,969,719      | 9,494,760      | 8,302,873      | 17,147,941     |
| Other                                          | 7,465,516      | 7,956,217      | 10,038,593     | 10,758,578     | 9,787,677      | 10,588,118     | 15,046,388     | 17,467,720     | 20,820,772     | 20,486,111     |
| Operating grants and contributions             | 18,749,928     | 18,517,953     | 14,833,004     | 13,360,122     | 13,882,449     | 13,944,300     | 10,659,421     | 10,025,165     | 10,622,366     | 12,000,851     |
| Total business-type activities program revenue | 112,860,161    | 116,532,979    | 118,685,787    | 131,990,244    | 140,524,520    | 146,020,682    | 153,737,354    | 157,160,023    | 161,651,235    | 189,606,137    |
| Total primary government program revenue       | \$ 206,249,656 | \$ 215,320,195 | \$ 218,955,908 | \$ 215,456,752 | \$ 235,598,806 | \$ 241,687,508 | \$ 254,634,050 | \$ 263,627,775 | \$ 273,147,287 | \$ 325,341,483 |

Continued,

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

|                                                           | Fiscal Year             |                         |                         |                         |                         |                         |                         |                         |                         |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                           | 2006                    | 2007                    | 2008                    | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    | 2014                    | 2015                    |
| <b>Net (Expense)/Revenue</b>                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities                                   | \$ (132,062,837)        | \$ (170,392,357)        | \$ (163,632,221)        | \$ (186,061,094)        | \$ (195,153,097)        | \$ (218,288,262)        | \$ (194,048,069)        | \$ (208,091,515)        | \$ (216,049,981)        | \$ (202,292,461)        |
| Business-type activities                                  | 8,261,907               | 8,651,696               | 7,893,187               | 23,671,596              | 21,272,702              | 21,239,955              | 25,566,105              | 19,203,338              | 18,813,657              | 38,367,948              |
| Total primary government net expense                      | <u>\$ (123,800,930)</u> | <u>\$ (161,740,661)</u> | <u>\$ (155,739,034)</u> | <u>\$ (162,389,498)</u> | <u>\$ (173,880,395)</u> | <u>\$ (197,048,307)</u> | <u>\$ (168,481,964)</u> | <u>\$ (188,888,177)</u> | <u>\$ (197,236,324)</u> | <u>\$ (163,924,513)</u> |
| <b>General Revenues and Other Changes in net position</b> |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Taxes                                                     |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Property taxes                                            | \$ 120,679,428          | \$ 145,594,729          | \$ 131,585,285          | \$ 133,505,827          | \$ 119,990,444          | \$ 113,448,485          | \$ 116,004,442          | \$ 117,163,758          | \$ 121,595,988          | \$ 133,099,279          |
| Resort taxes                                              | 34,265,010              | 36,595,885              | 38,100,260              | 37,412,291              | 42,394,976              | 48,773,891              | 53,920,167              | 58,617,992              | 61,760,518              | 67,999,916              |
| Tax increment                                             | 24,934,704              | 34,521,406              | 48,964,692              | 47,655,082              | 44,012,804              | 46,145,257              | 42,411,382              | 43,297,433              | 49,962,380              | 38,094,108              |
| Utility taxes                                             | 12,998,955              | 13,098,395              | 13,785,849              | 9,225,871               | 9,975,273               | 10,209,678              | 10,293,270              | 11,391,955              | 12,364,114              | 12,192,935              |
| Communication service                                     |                         |                         |                         | 7,196,266               | 6,328,924               | 5,859,093               | 5,443,905               | 4,583,368               | 4,678,905               | 4,519,938               |
| Local business tax                                        | 9,258,301               | 3,662,796               | 3,341,802               | 3,684,320               | 4,298,739               | 4,242,891               | 4,404,357               | 4,411,651               | 4,493,950               | 4,629,996               |
| Miscellaneous                                             | 169,664                 | 118,640                 | 1,304,665               | 894,995                 | 6,653,210               | 618,470                 | 883,457                 | 982,771                 | 1,154,512               | 1,437,032               |
| Unrealized loss on investments                            |                         |                         |                         |                         |                         |                         |                         | (5,241,121)             |                         |                         |
| Unrestricted investment earnings                          | 13,696,366              | 22,674,807              | 14,715,094              | 10,899,704              | 3,102,439               | 3,288,360               | 4,749,664               | 3,494,199               | 3,088,992               | 5,264,909               |
| Gain or (loss) on disposal of capital assets              |                         | 257,928                 | 220,559                 | 28,837                  | 89,522                  | 264,801                 | 259,635                 | 491,394                 | 200,295                 | 387,671                 |
| Transfers                                                 | (654,166)               | (3,310,095)             | (252,411)               | (3,420,189)             | (14,625,515)            | (13,750,433)            | 8,328,465               | 4,409,667               | 4,663,756               | 9,763,889               |
| Total governmental activities                             | <u>215,348,262</u>      | <u>253,214,491</u>      | <u>251,765,795</u>      | <u>247,083,004</u>      | <u>222,220,816</u>      | <u>219,100,493</u>      | <u>246,698,744</u>      | <u>243,603,267</u>      | <u>263,963,410</u>      | <u>277,389,673</u>      |
| Business-type activities:                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Tax increment                                             |                         |                         | 2,357,697               | 2,405,168               | 2,619,643               | 3,071,141               | 3,046,200               | 3,671,000               | 3,671,000               |                         |
| Unrealized gain on investments                            |                         |                         |                         |                         |                         |                         |                         | (178,004)               | (12,388)                | 297,864                 |
| Unrestricted investment earnings                          | 6,403,497               | 9,930,008               | 5,871,523               | 2,941,879               | 2,083,080               | 1,714,113               | 1,391,120               | 1,333,480               | 1,114,406               | 777,943                 |
| Gain (Loss) on disposal of capital assets                 |                         | (12,949)                |                         |                         | (7,465)                 | 75,365                  | 114,222                 | 73,427                  | 107,809                 | 170,013                 |
| Transfers                                                 | 654,166                 | 3,310,095               | 252,411                 | 3,420,189               | 14,625,515              | 13,750,433              | (8,328,465)             | (4,409,667)             | (4,663,756)             | (9,763,889)             |
| Total business-type activities                            | <u>7,057,663</u>        | <u>13,227,154</u>       | <u>8,481,631</u>        | <u>8,767,236</u>        | <u>19,320,773</u>       | <u>18,611,052</u>       | <u>(3,776,923)</u>      | <u>490,236</u>          | <u>217,071</u>          | <u>(8,518,069)</u>      |
| Total primary government                                  | <u>\$ 222,405,925</u>   | <u>\$ 266,441,645</u>   | <u>\$ 260,247,426</u>   | <u>\$ 255,850,240</u>   | <u>\$ 241,541,589</u>   | <u>\$ 237,711,545</u>   | <u>\$ 242,921,821</u>   | <u>\$ 244,093,503</u>   | <u>\$ 264,180,481</u>   | <u>\$ 268,871,604</u>   |
| <b>Change in net position</b>                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities                                   | \$ 83,285,425           | \$ 82,822,134           | \$ 88,133,574           | \$ 61,021,910           | \$ 27,067,719           | \$ 812,231              | \$ 52,650,675           | \$ 35,511,752           | \$ 47,913,429           | \$ 75,097,212           |
| Business-type activities                                  | 15,319,570              | 21,878,850              | 16,374,818              | 32,438,832              | 40,593,475              | 39,851,007              | 21,789,182              | 19,693,574              | 19,030,728              | 29,849,879              |
| Total primary government                                  | <u>\$ 98,604,995</u>    | <u>\$ 104,700,984</u>   | <u>\$ 104,508,392</u>   | <u>\$ 93,460,742</u>    | <u>\$ 67,661,194</u>    | <u>\$ 40,663,238</u>    | <u>\$ 74,439,857</u>    | <u>\$ 55,205,326</u>    | <u>\$ 66,944,157</u>    | <u>\$ 104,947,091</u>   |

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

|                                    | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                    | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015                  |
| General Fund                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Reserved                           | \$ 1,128,937          | \$ 1,736,059          | \$ 1,845,391          | \$                    | \$                    | \$                    | \$                    | \$                    | \$                    | \$                    |
| Unreserved                         | 36,688,832            | 42,406,855            | 44,645,724            |                       |                       |                       |                       |                       |                       |                       |
| Nonspendable                       |                       |                       |                       | 164,846               |                       | 78,020                | 10,558                | 332                   |                       | 19,765                |
| Restricted                         |                       |                       |                       | 6,200,000             | 4,653,291             | 4,653,291             | 5,188,291             | 7,289,291             | 4,752,809             | 8,328,543             |
| Committed                          |                       |                       |                       | 39,821,254            | 272,922               | 272,922               | 3,915,257             | 3,048,458             | 29,505,725            | 48,151,901            |
| Assigned                           |                       |                       |                       | 4,499,003             | 44,452,200            | 47,865,087            | 47,506,132            | 43,800,099            | 16,244,357            | 2,790,000             |
| Unassigned                         |                       |                       |                       | 4,385,813             | 6,053,327             | 2,906,247             | 4,232,166             |                       |                       |                       |
| Total general fund                 | <u>\$ 37,817,769</u>  | <u>\$ 44,142,914</u>  | <u>\$ 46,491,115</u>  | <u>\$ 55,070,916</u>  | <u>\$ 55,158,818</u>  | <u>\$ 55,775,567</u>  | <u>\$ 60,852,404</u>  | <u>\$ 54,138,180</u>  | <u>\$ 50,502,891</u>  | <u>\$ 59,290,209</u>  |
| All Other Governmental Funds       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Reserved                           | \$ 32,287,596         | \$ 59,563,178         | \$ 55,922,849         | \$                    | \$                    | \$                    | \$                    | \$                    | \$                    | \$                    |
| Unreserved, reported in:           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Special revenue funds              | 79,958,508            | 76,668,102            | 61,423,282            |                       |                       |                       |                       |                       |                       |                       |
| Capital projects fund              | 138,518,580           | 143,690,512           | 170,639,551           |                       |                       |                       |                       |                       |                       |                       |
| Nonspendable                       |                       |                       |                       | 4,490                 | 4,489                 | 4,490                 | 4,490                 | 4,490                 |                       | 19,765                |
| Restricted                         |                       |                       |                       | 219,624,064           | 226,066,215           | 219,902,708           | 231,046,613           | 250,022,626           | 266,604,162           | 286,952,176           |
| Committed                          |                       |                       |                       | 50,557,449            | 45,904,634            | 42,625,948            | 39,723,193            | 39,141,545            | 43,288,503            | 86,602,466            |
| Assigned                           |                       |                       |                       | 49,918                | 69,221                | 53,020                | 42,116                | 165,534               | 752,927               | 2,791,000             |
| Unassigned                         |                       |                       |                       |                       | (3,540,285)           | (2,445,745)           | (4,596,490)           | (4,537,581)           | (2,360,199)           | (1,675,799)           |
| Total all other governmental funds | <u>\$ 250,764,684</u> | <u>\$ 279,921,792</u> | <u>\$ 287,985,682</u> | <u>\$ 270,235,921</u> | <u>\$ 268,504,274</u> | <u>\$ 260,140,421</u> | <u>\$ 266,219,922</u> | <u>\$ 284,796,614</u> | <u>\$ 308,285,393</u> | <u>\$ 374,689,608</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, |                |                |                |                |                |                |                |                |                |
|---------------------------------------------------------|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                         | 2006                            | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           | 2015           |
| <b>Revenues</b>                                         |                                 |                |                |                |                |                |                |                |                |                |
| Taxes                                                   | \$ 197,067,924                  | \$ 239,203,139 | \$ 240,892,131 | \$ 240,019,580 | \$ 233,363,354 | \$ 238,204,970 | \$ 240,478,321 | \$ 246,332,649 | \$ 261,527,060 | \$ 269,294,092 |
| Franchise fees                                          | 9,258,301                       | 10,138,123     | 10,259,817     | 9,265,529      | 8,456,962      | 8,005,556      | 9,261,120      | 7,775,685      | 8,206,099      | 8,361,063      |
| Permits                                                 | 16,048,780                      | 16,039,898     | 15,753,552     | 15,761,752     | 10,746,531     | 12,649,435     | 15,825,051     | 17,897,983     | 19,638,114     | 23,123,876     |
| Intergovernmental                                       | 41,093,126                      | 31,958,565     | 27,649,446     | 17,446,057     | 30,551,634     | 21,083,904     | 20,726,490     | 17,468,596     | 17,290,372     | 18,169,906     |
| Charges for services                                    | 7,476,404                       | 8,172,727      | 10,927,789     | 12,292,964     | 12,647,769     | 13,453,404     | 15,793,374     | 16,547,096     | 21,520,543     | 23,191,434     |
| Rents & leases                                          | 3,190,274                       | 3,985,054      | 4,380,278      | 4,909,518      | 4,856,424      | 5,611,215      | 6,154,965      | 6,821,959      | 6,801,937      | 7,134,082      |
| Interest                                                | 13,272,632                      | 21,775,230     | 13,935,715     | 10,207,446     | 2,611,739      | 2,924,400      | 4,471,754      | 3,266,782      | 2,857,175      | 5,044,062      |
| Fines and forfeitures                                   | 2,677,439                       | 1,937,689      | 3,236,217      | 2,627,410      | 3,419,409      | 3,090,229      | 3,391,565      | 3,276,222      | 3,143,282      | 2,690,178      |
| Administrative fees                                     | 8,426,624                       | 8,507,845      | 8,407,423      | 8,407,571      | 8,827,372      | 14,830,787     | 15,018,027     | 15,595,882     | 14,446,790     | 15,027,026     |
| Special assessment                                      | 991,014                         | 838,519        | 918,633        | 767,239        | 741,796        | 748,128        | 697,000        | 737,063        | 647,145        | 282,647        |
| Impact fees                                             | 2,759,185                       | 6,065,876      | 5,746,024      | 1,448,689      | 1,211,002      | 1,897,593      | 5,319,311      | 2,340,350      | 4,439,358      | 10,377,988     |
| Other revenues                                          | 5,369,991                       | 5,598,263      | 6,813,440      | 6,178,008      | 8,052,435      | 9,043,926      | 4,090,875      | 3,938,918      | 2,881,720      | 4,145,958      |
| Total revenues                                          | 307,631,694                     | 354,220,928    | 348,920,465    | 329,331,763    | 325,486,427    | 331,543,547    | 341,227,853    | 341,999,185    | 363,399,595    | 386,842,312    |
| <b>Expenditures</b>                                     |                                 |                |                |                |                |                |                |                |                |                |
| General government                                      | 40,892,104                      | 45,043,039     | 41,599,216     | 41,509,515     | 40,436,067     | 54,260,197     | 44,345,488     | 43,932,077     | 44,948,607     | 48,528,841     |
| Public safety                                           | 119,027,153                     | 130,158,943    | 145,980,228    | 147,543,192    | 153,278,244    | 163,631,354    | 169,615,823    | 178,483,658    | 184,316,059    | 190,560,357    |
| Physical environment                                    | 2,936,530                       | 2,420,347      | 1,650,073      | 2,156,520      | 2,435,047      | 2,618,574      | 2,134,541      | 2,414,724      | 2,765,742      | 3,822,556      |
| Transportation                                          | 5,029,124                       | 6,109,025      | 6,952,067      | 5,503,295      | 6,236,431      | 4,712,854      | 5,489,882      | 5,083,060      | 5,944,005      | 9,120,845      |
| Economic environment                                    | 4,963,596                       | 22,741,500     | 4,891,342      | 4,487,831      | 13,103,994     | 6,725,993      | 5,536,866      | 5,480,964      | 4,528,992      | 5,287,707      |
| Human services                                          | 1,853,781                       | 1,435,428      | 1,694,566      | 1,573,533      | 1,673,702      | 1,441,069      | 2,216,627      | 2,103,404      | 2,222,204      | 2,892,116      |
| Culture and recreation                                  | 37,984,917                      | 36,137,323     | 37,279,978     | 38,647,808     | 38,637,014     | 39,142,720     | 41,056,256     | 42,468,693     | 45,973,463     | 52,123,363     |
| Capital Outlay                                          | 24,312,333                      | 39,871,622     | 72,996,719     | 72,042,408     | 55,060,144     | 47,432,227     | 38,137,968     | 25,145,843     | 33,489,057     | 44,556,879     |
| Debt service                                            |                                 |                |                |                |                |                |                |                |                |                |
| Principal                                               | 13,883,995                      | 12,342,289     | 12,381,548     | 12,623,520     | 15,227,706     | 12,829,124     | 13,920,633     | 15,632,156     | 15,719,650     | 16,781,013     |
| Interest                                                | 12,314,686                      | 13,371,990     | 12,314,392     | 11,734,519     | 11,077,047     | 10,462,092     | 9,863,906      | 14,567,063     | 8,706,129      | 8,066,696      |
| Total expenditures                                      | 263,198,219                     | 309,631,506    | 337,740,129    | 337,822,141    | 337,165,396    | 343,256,204    | 332,317,990    | 335,311,642    | 348,613,908    | 381,740,373    |
| Excess of revenue over (under) expenditures             | 44,433,475                      | 44,589,422     | 11,180,336     | (8,490,378)    | (11,678,969)   | (11,712,657)   | 8,909,863      | 6,687,543      | 14,785,687     | 5,101,939      |
| <b>Other Financing Sources (Uses)</b>                   |                                 |                |                |                |                |                |                |                |                |                |
| Refunding Bonds Issued                                  |                                 |                |                |                |                |                | 34,840,000     |                |                |                |
| Premium on refunding bonds issued                       |                                 |                |                |                |                |                | 3,117,141      |                |                |                |
| Payment to escrow agent                                 |                                 |                |                |                |                |                | (37,957,141)   |                |                |                |
| Transfer to escrow agent                                |                                 | (3,060,000)    |                |                |                |                |                |                |                |                |
| Proceeds from loan                                      |                                 |                |                |                | 13,279,659     |                |                |                |                | 313,000        |
| Sale of assets                                          | 34,183                          | 24,592         | 12,127         | 5,421          | 4,478          | 14,592         | 34,321         | 30,478         | 20,850         | 13,392         |
| Proceeds from sale of land and building                 |                                 |                |                |                |                |                |                |                |                |                |
| Transfers in                                            | 142,081,583                     | 120,015,032    | 97,778,854     | 80,562,562     | 71,821,958     | 64,082,002     | 91,924,389     | 87,275,289     | 101,957,775    | 80,751,364     |
| Transfers out                                           | (144,440,066)                   | (126,086,793)  | (98,559,226)   | (81,247,765)   | (75,070,671)   | (60,131,041)   | (89,712,235)   | (82,130,842)   | (96,910,822)   | (70,278,371)   |
| Total other financing sources (uses)                    | (2,324,300)                     | (9,107,169)    | (768,245)      | (679,782)      | 10,035,424     | 3,965,553      | 2,246,475      | 5,174,925      | 5,067,803      | 10,799,385     |
| Net change in fund balances                             | \$ 42,109,175                   | \$ 35,482,253  | \$ 10,412,091  | \$ (9,170,160) | \$ (1,643,545) | \$ (7,747,104) | \$ 11,156,338  | \$ 11,862,468  | \$ 19,853,490  | \$ 15,901,324  |
| Debt service as a percentage of noncapital expenditures | 10.97%                          | 9.53%          | 9.33%          | 9.16%          | 9.32%          | 7.87%          | 8.09%          | 9.74%          | 7.75%          | 7.37%          |

**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                                                    |                                 |                                       |            |        | Total Taxable<br>Assessed Value | Total Direct<br>Tax Rate <sup>D</sup> |
|------------------------------------------|----------------------|------------------------|------------------------|-------------------|---------------------------------|---------------------------------------------------------------|---------------------------------|---------------------------------------|------------|--------|---------------------------------|---------------------------------------|
|                                          | Residential Property | Commercial<br>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>Adjustments<br>to Just Value |            |        |                                 |                                       |
| 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 |                                 |                                       |
| 2014                                     | 22,262,896           | 6,870,554              | 34,051                 | 2,776,696         | 31,944,197                      | 2,787,123                                                     | 2,507,009                       | 1,993,488                             | 24,656,577 | 6.1163 |                                 |                                       |
| 2015                                     | 26,372,550           | 7,457,822              | 31,671                 | 3,004,039         | 36,866,082                      | 3,888,518                                                     | 2,478,873                       | 3,394,820                             | 27,103,871 | 6.0237 |                                 |                                       |

**Source:** 2014 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 5.7942 mills for operating, 0.1083 mills for capital renewal and replacement and 0.2295 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 |         |
| 2006                                  | 7.4810                           | 0.5920                     | 8.0730                     | 8.4380                         | 7.0348            | 0.7355           | 24.2813 |
| 2007                                  | 7.3740                           | 0.2990                     | 7.6730                     | 8.1050                         | 6.8080            | 0.7355           | 23.3215 |
| 2008                                  | 5.6555                           | 0.2415                     | 5.8970                     | 7.9480                         | 5.6711            | 0.6585           | 20.1746 |
| 2009                                  | 5.6555                           | 0.2375                     | 5.8930                     | 7.7970                         | 5.9263            | 0.6585           | 20.2748 |
| 2010                                  | 5.6555                           | 0.2568                     | 5.9123                     | 7.9950                         | 6.0050            | 0.6590           | 20.5713 |
| 2011                                  | 6.2155                           | 0.2870                     | 6.5025                     | 8.2490                         | 6.6565            | 0.6585           | 22.0665 |
| 2012                                  | 6.1655                           | 0.2884                     | 6.4539                     | 8.0050                         | 5.7695            | 0.4708           | 20.6992 |
| 2013                                  | 6.0909                           | 0.2568                     | 6.3477                     | 7.9980                         | 5.6610            | 0.4634           | 20.4701 |
| 2014                                  | 5.8634                           | 0.2529                     | 6.1163                     | 7.9770                         | 5.7980            | 0.4455           | 20.3368 |
| 2015                                  | 5.7942                           | 0.2295                     | 6.0237                     | 7.9740                         | 5.9009            | 0.4187           | 20.3173 |

**Source:** Miami-Dade County, Florida; Department of Property Appraisal  
2014 Millage Table and The City of Miami Beach 2014/2015  
Adopted Budget Book.

**State Legislated Operating millage Requirements**

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

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

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

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

<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

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

| 2015                             |                         |                                                           | 2006                       |                        |                                                           |
|----------------------------------|-------------------------|-----------------------------------------------------------|----------------------------|------------------------|-----------------------------------------------------------|
| 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  | \$ 354,525,328          | 1.31 %                                                    | Loews Miami Beach Hotel    | \$ 143,400,000         | 0.82 %                                                    |
| MB Redevelopment INC/Lowes Hotel | 213,000,000             | 0.79                                                      | Morton Towers              | 110,675,000            | 0.63                                                      |
| 2201 Collins Fee LLC             | 200,174,671             | 0.74                                                      | Fontainbleau               | 104,449,118            | 0.60                                                      |
| Florida Power & Light Company    | 181,359,703             | 0.67                                                      | Sandy Lane Residential LLC | 72,230,700             | 0.41                                                      |
| Di Lido Beach Hotel Corp         | 114,000,000             | 0.42                                                      | DiLido Beach Hotel Corp.   | 61,900,000             | 0.35                                                      |
| Eden Roc LLP                     | 104,060,000             | 0.38                                                      | Eden Roc Acquisition LP    | 49,500,000             | 0.28                                                      |
| MCZ/ Centrum Flamingo II LLC     | 100,590,000             | 0.37                                                      | Shore Club                 | 48,500,000             | 0.28                                                      |
| VCP Lincoln Road LLC             | 98,000,000              | 0.36                                                      | Morton Towers Expansion    | 48,325,000             | 0.28                                                      |
| Miami Beach Resort Owner LLC     | 93,758,512              | 0.35                                                      | South Gate Apartments      | 48,000,000             | 0.28                                                      |
| MCZ/ Centrum Flamingo III LLC    | 83,900,000              | 0.31                                                      | 2201 Collins Fee LLC       | 44,583,667             | 0.26                                                      |
|                                  |                         |                                                           |                            |                        |                                                           |
|                                  | <u>\$ 1,543,368,214</u> | <u>5.70 %</u>                                             |                            | <u>\$ 731,563,485</u>  | <u>4.19 %</u>                                             |

**Source:** 2014 and 2005 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 2006 THRU 2015**

| 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 |
| 2006                               | \$ 135,910,285                      | 132,487,342 (A)                                 | 97.48 %               | 1,814,064                             |              | 134,301,406               | 98.82                 |
| 2007                               | 165,759,439                         | 163,120,484                                     | 98.41                 | 2,145,835                             |              | 165,266,319               | 99.70                 |
| 2008                               | 150,418,073                         | 145,433,238                                     | 96.69                 | 4,646,716                             |              | 150,079,954               | 99.78                 |
| 2009                               | 150,588,328                         | 144,321,499                                     | 95.84                 | 4,633,049                             |              | 148,954,548               | 98.92                 |
| 2010                               | 138,703,567                         | 131,355,903                                     | 94.70                 | 3,550,990                             |              | 134,906,893               | 97.26                 |
| 2011                               | 136,549,286                         | 128,719,932                                     | 94.27                 | 290,254                               |              | 129,010,186               | 94.48                 |
| 2012                               | 134,753,401                         | 129,572,373                                     | 96.16                 | 125,152                               |              | 129,697,525               | 96.25                 |
| 2013                               | 139,133,369                         | 134,848,787                                     | 96.92                 | 3,403,910                             |              | 138,252,697               | 99.37                 |
| 2014                               | 143,266,670                         | 141,551,552                                     | 98.80                 |                                       | <sup>B</sup> | 141,551,552               | 98.80                 |
| 2015                               | 155,102,311                         | 155,004,712                                     | 99.94                 |                                       | <sup>B</sup> | 155,004,712               | 99.94                 |

**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 |
| 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                       |
| 2014                    | 59,338                   |                                       | 11,510                              |                                          | 26,935                   | 60,365                                           | 13,558                     | 12,882              | 184,588                       |
| 2015                    | 55,419 <sup>L</sup>      |                                       | 8,484                               |                                          | 23,160                   | 55,367 <sup>M</sup>                              | 11,779                     | 11,801              | 166,010                       |

| Business-type activities |                           |                               |                            |                           | Total                     |                          | Percentage of Personal Income | Per Capita |
|--------------------------|---------------------------|-------------------------------|----------------------------|---------------------------|---------------------------|--------------------------|-------------------------------|------------|
| Fiscal Year              | Storm Water Revenue Bonds | Water and Sewer Revenue Bonds | Parking Revenue Bonds/Loan | Loan Payable <sup>A</sup> | Total Business Activities | Total Primary Government |                               |            |
| 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                  | 13.55 %                       | 5.26495    |
| 2013                     | 93,108                    | 117,272                       | 42,059                     | 1,793                     | 254,232                   | 452,896                  | 11.85 %                       | 4.98621    |
| 2014                     | 92,487                    | 114,492                       | 40,686                     | 1,271                     | 248,936                   | 433,524                  | 11.99 %                       | 4.78476    |
| 2015                     | 190,545                   | 109,569                       | 38,476                     | 1,143                     | 339,733                   | 505,743                  | 13.24 %                       | 5.54597    |

**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 143 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

L Net of premium and discount

M Net of premium and discount totaling \$377,342

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

| Fiscal Year       | Net Bonded Debt          |                     |                              |                         |                                  |            | Fund Balance Reduction <sup>D</sup> | Grand Total | 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      |                                     |             |                                                |                         |
| 2006              | \$ 80,217                | \$ 88,176           | \$ 31,288                    | \$ 50,650               | \$ 4,311                         | \$ 254,642 | \$                                  |             | 1.46 %                                         | 2.7224                  |
| 2007              | 77,596                   | 84,401              | 29,003                       | 48,175                  | 3,822                            | 242,997    |                                     |             | 1.07                                           | 2.6371                  |
| 2008              | 75,105                   | 81,355              | 26,713                       | 45,590                  | 3,334                            | 232,097    |                                     |             | 0.86                                           | 2.4765                  |
| 2009              | 72,702                   | 77,280              | 24,163                       | 42,885                  | 2,930                            | 219,960    |                                     |             | 0.82                                           | 2.3390                  |
| 2010              | 70,196                   | 72,939              | 21,587                       | 40,055                  |                                  | 204,777    |                                     |             | 0.83                                           | 2.2059                  |
| 2011              | 67,579                   | 68,474              | 18,601                       | 37,095                  |                                  | 191,749    |                                     |             | 0.87                                           | 2.1845                  |
| 2012              | 62,491                   | 63,603              | 15,499                       | 33,995                  |                                  | 175,588    |                                     |             | 0.80                                           | 1.9489                  |
| 2013              | 59,692                   | 58,592              | 12,583                       | 30,550                  |                                  | 161,417    |                                     |             | 0.70                                           | 1.7768                  |
| 2014              | 56,519                   | 53,336              | 9,455                        | 26,935                  |                                  | 146,245    |                                     |             | 0.59                                           | 1.6066                  |
| 2015 <sup>C</sup> | 55,419                   | 55,367              | 8,484                        | 23,160                  |                                  | 142,430    | (9,689)                             | 132,741     | 0.53                                           | 1.5527                  |

**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 143 for population information.

<sup>C</sup> Debt net of premium and discount

<sup>D</sup> In fiscal year 2015 Fund balance reduction was added as a separate line item

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

|                                                                         | Fiscal Year             |                         |                         |                         |                         |
|-------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                         | 2006                    | 2007                    | 2008                    | 2009                    | 2010                    |
| Debt limit                                                              | \$ 2,584,651,615        | \$ 3,338,693,748        | \$ 3,920,416,339        | \$ 3,882,603,724        | \$ 3,465,358,138        |
| Total net debt applicable to limit                                      | <u>80,348,515</u>       | <u>77,595,559</u>       | <u>75,105,405</u>       | <u>72,702,497</u>       | <u>70,195,935</u>       |
| Legal Debt margin                                                       | <u>\$ 2,504,303,100</u> | <u>\$ 3,261,098,189</u> | <u>\$ 3,845,310,934</u> | <u>\$ 3,809,901,227</u> | <u>\$ 3,395,162,203</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 3.11%                   | 2.32%                   | 1.92%                   | 1.87%                   | 2.03%                   |
|                                                                         | Fiscal Year             |                         |                         |                         |                         |
|                                                                         | 2011                    | 2012                    | 2013                    | 2014                    | 2015                    |
| Debt limit                                                              | \$ 3,315,711,442        | \$ 3,296,743,489        | \$ 3,460,848,297        | \$ 3,698,486,533        | \$ 4,065,580,713        |
| Total net debt applicable to limit                                      | <u>67,579,117</u>       | <u>62,490,554</u>       | <u>60,722,308</u>       | <u>56,518,915</u>       | <u>52,080,035</u>       |
| Legal Debt margin                                                       | <u>\$ 3,248,132,325</u> | <u>\$ 3,234,252,935</u> | <u>\$ 3,400,125,989</u> | <u>\$ 3,641,967,618</u> | <u>\$ 4,013,500,678</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 2.04%                   | 1.90%                   | 1.75%                   | 1.53%                   | 1.28%                   |

Legal Debt Margin Calculation for Fiscal Year 2015

|                                                                    |                         |
|--------------------------------------------------------------------|-------------------------|
| Assessed value                                                     | \$ 27,103,871,420       |
| Debt limit (15% of assessed value)                                 | 4,065,580,713           |
| Debt applicable to limit:                                          |                         |
| General obligation bonds                                           | 53,755,000              |
| Less: Amount set aside for repayment of general<br>obligation debt | <u>1,674,965</u>        |
| Total net debt applicable to limit                                 | <u>52,080,035</u>       |
| Legal debt margin                                                  | <u>\$ 4,013,500,678</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:<br>Operating<br>Expenses | Net available<br>Revenue | Debt Service |              | Coverage |
|-----------------------|---------------|--------------------------------|--------------------------|--------------|--------------|----------|
|                       |               |                                |                          | Principal    | Interest     |          |
| Parking Revenue Bonds |               |                                |                          |              |              |          |
| 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     |
| 2014                  | 40,466,836    | 27,386,957                     | 13,079,879               | 2,049,762    | 1,977,231    | 3.25     |
| 2015                  | 42,741,293    | 27,065,549                     | 15,675,744               | 1,405,000    | 1,834,663    | 4.84     |

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.

|                                        |               |               |               |           |           |      |
|----------------------------------------|---------------|---------------|---------------|-----------|-----------|------|
| <b>Water &amp; Sewer Revenue Bonds</b> |               |               |               |           |           |      |
| 2006                                   | \$ 50,313,742 | \$ 35,398,721 | \$ 14,915,021 | \$ A      | 4,148,258 | 3.60 |
| 2007                                   | 51,181,355    | 36,816,705    | 14,364,650    | 3,285,000 | 5,466,855 | 1.64 |
| 2008                                   | 54,366,038    | 37,618,570    | 16,747,468    | 3,480,000 | 5,331,556 | 1.90 |
| 2009                                   | 64,360,255    | 38,982,808    | 25,377,447    | 3,740,000 | 5,187,155 | 2.84 |
| 2010                                   | 69,632,326    | 45,831,721    | 23,800,605    | 3,775,000 | 5,036,856 | 2.70 |
| 2011                                   | 69,086,475    | 48,509,804    | 20,576,671    | 3,930,000 | 5,961,736 | 2.08 |
| 2012                                   | 68,622,998    | 46,769,683    | 21,853,315    | 4,100,000 | 5,801,135 | 2.21 |
| 2013                                   | 68,382,564    | 49,737,831    | 18,644,733    | 4,285,000 | 5,633,434 | 1.88 |
| 2014                                   | 69,399,550    | 49,242,030    | 20,157,520    | 3,185,000 | 5,633,434 | 2.29 |
| 2015                                   | 76,118,870    | 53,527,238    | 22,591,632    | 4,935,000 | 5,299,541 | 2.21 |

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.

|                                 |            |           |            |           |           |      |
|---------------------------------|------------|-----------|------------|-----------|-----------|------|
| <b>Stormwater Revenue Bonds</b> |            |           |            |           |           |      |
| 2006                            | 9,583,080  | 1,967,624 | 7,615,456  | 995,000   | 2,575,997 | 2.13 |
| 2007                            | 10,248,168 | 2,457,949 | 7,790,219  | 1,040,000 | 2,531,221 | 2.18 |
| 2008                            | 8,493,071  | 3,189,531 | 5,303,540  | 1,085,000 | 2,484,422 | 1.49 |
| 2009                            | 10,129,595 | 2,875,115 | 7,254,480  | 1,135,000 | 2,434,511 | 2.03 |
| 2010                            | 11,444,244 | 2,716,689 | 8,727,555  | 1,190,000 | 2,381,166 | 2.44 |
| 2011                            | 11,845,218 | 3,346,893 | 8,498,325  |           | 2,042,670 | 4.16 |
| 2012                            | 11,754,024 | 3,770,907 | 7,983,117  | 1,500,000 | 3,337,013 | 1.65 |
| 2013                            | 11,778,578 | 3,011,708 | 8,766,870  | 1,545,000 | 4,302,595 | 1.50 |
| 2014                            | 11,938,937 | 3,287,102 | 8,651,835  | 1,590,000 | 4,258,872 | 1.48 |
| 2015                            | 21,321,751 | 4,804,628 | 16,517,123 | 2,620,000 | 4,208,297 | 2.42 |

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.

|                                                         |            |         |            |           |           |       |
|---------------------------------------------------------|------------|---------|------------|-----------|-----------|-------|
| <b>Redevelopment Agency Tax Increment Revenue Bonds</b> |            |         |            |           |           |       |
| 2006                                                    | 58,902,508 | 500,000 | 58,402,508 | 2,000,000 | 3,686,227 | 10.27 |
| 2007                                                    | 67,755,835 | 500,000 | 67,255,835 | 3,655,000 | 4,704,013 | 8.05  |
| 2008                                                    | 70,596,698 | 500,000 | 70,096,698 | 3,860,000 | 4,515,554 | 8.37  |
| 2009                                                    | 70,858,394 | 500,000 | 70,358,394 | 4,045,000 | 4,329,697 | 8.40  |
| 2010                                                    | 73,108,937 | 500,000 | 72,608,937 | 4,255,000 | 4,138,267 | 8.65  |
| 2011                                                    | 81,936,306 | 500,000 | 81,436,306 | 4,450,000 | 3,943,254 | 9.70  |
| 2012                                                    | 84,906,486 | 500,000 | 84,406,486 | 4,660,000 | 3,733,816 | 10.06 |
| 2013                                                    | 90,690,478 | 500,000 | 90,190,478 | 4,885,000 | 3,512,766 | 10.74 |
| 2014                                                    | 37,456,562 | 500,000 | 36,956,562 | 4,885,000 | 3,513,000 | 4.40  |
| 2015                                                    | 36,251,898 |         | 36,251,898 | 5,375,000 | 3,039,103 | 4.31  |

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

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

CITY OF MIAMI BEACH, FLORIDA  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
SEPTEMBER 30, 2015

---

DIRECT DEBT

General obligation indebtedness

|                                       |    |                  |
|---------------------------------------|----|------------------|
| Public improvement bonds              | \$ | 53,755,000       |
| Premium/(Discount)                    |    | <u>1,663,971</u> |
| Total General obligation indebtedness |    | 55,418,971       |

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

|                                        |    |                   |                   |
|----------------------------------------|----|-------------------|-------------------|
| Gulf breeze government loan program    | \$ | 8,484,492         |                   |
| Pension obligation bonds               |    | 23,160,000        |                   |
| Tax increment revenue bonds            |    | 54,990,000        |                   |
| Premium/(Discount)                     |    | 377,342           |                   |
| Energy savings obligation              |    | <u>11,801,348</u> |                   |
| Total non-self-supporting indebtedness |    |                   | <u>98,813,182</u> |
| Total direct indebtedness              |    |                   | 154,232,153       |

OVERLAPPING DEBT <sup>B</sup>

Miami-Dade County

|                                                    |    |               |             |
|----------------------------------------------------|----|---------------|-------------|
| Total general obligation indebtedness              | \$ | 1,384,231,000 |             |
| Percent applicable to City - 12.8732% <sup>C</sup> |    |               | 178,194,825 |

|                                                    |    |         |        |
|----------------------------------------------------|----|---------|--------|
| Total school district obligation indebtedness      | \$ | 349,151 |        |
| Percent applicable to City - 12.8732% <sup>C</sup> |    |         | 44,947 |

|                                                    |    |               |                    |
|----------------------------------------------------|----|---------------|--------------------|
| Total net non-self-supporting indebtedness         | \$ | 2,305,285,800 |                    |
| Percent applicable to City - 12.8732% <sup>C</sup> |    |               | <u>296,764,052</u> |

|                        |  |  |                    |
|------------------------|--|--|--------------------|
| Total overlapping debt |  |  | <u>475,003,824</u> |
|------------------------|--|--|--------------------|

|                                   |    |                           |
|-----------------------------------|----|---------------------------|
| TOTAL DIRECT AND OVERLAPPING DEBT | \$ | <u><u>629,235,977</u></u> |
|-----------------------------------|----|---------------------------|

<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 2015 assessed valuation figures for the City and Dade County.

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

| Miami-Dade County |                        |                                           |                            |           |                           |                       |                   |
|-------------------|------------------------|-------------------------------------------|----------------------------|-----------|---------------------------|-----------------------|-------------------|
| Year              | Miami Beach Population | Personal Income<br>(thousands of dollars) | Per Capita Personal Income | Auto Tags | Bank Deposits (Thousands) | School Age Population | Unemployment Rate |
| 2005              | 93,535                 | \$ 75,464                                 | \$ 32,025                  | 2,094,012 | \$ 70,222                 | 427,449               | 3.7 %             |
| 2006              | 92,145                 | 80,112                                    | 33,712                     | 2,183,782 | 73,205                    | 428,229               | 3.3               |
| 2007              | 93,721                 | 85,978                                    | 36,081                     | 2,187,394 | 74,987                    | 431,184               | 3.1               |
| 2008              | 94,040                 | 88,955                                    | 35,887                     | 2,160,963 | 77,178                    | 429,531               | 5.8               |
| 2009              | 92,833                 | 90,916                                    | 36,357                     | 2,074,138 | <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               |
| 2013              | 91,026                 | 104,373                                   | 39,880                     |           | <sup>A</sup> 95,058       | 398,203               | 8.4               |
| 2014              | 91,732                 | 111,529                                   | 41,883                     |           | <sup>A</sup> 102,382      | 405,803               | 6.8               |

**Source:** Florida Statistical Abstract, 2014

<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>                  | 2015             |             | Percentage<br>of Total<br>County<br>Employment | 2006             |             |
|                                  | <u>Employees</u> | <u>Rank</u> |                                                | <u>Employees</u> | <u>Rank</u> |
| Miami-Dade County Public Schools | 31,000           | 1           | 2.74 %                                         | 50,000           | 1           |
| Miami-Dade County                | 24,692           | 2           | 2.08                                           | 30,000           | 2           |
| Federal Government               | 19,300           | 3           | 1.57                                           | 20,300           | 3           |
| Florida State Government         | 19,200           | 4           | 1.40                                           | 18,300           | 4           |
| Jackson Health System            | 8,163            | 5           | 0.80                                           | 10,453           | 5           |
| Florida International University | 4,951            | 6           | 0.33                                           | 3,500            | 8           |
| City of Miami                    | 3,820            | 7           | 0.29                                           | 3,954            | 7           |
| Homestead AFB                    | 2,810            | 8           | 0.27                                           |                  |             |
| Miami Dade College               | 2,572            | 9           | 0.20                                           | 5,400            | 6           |
| City of Miami Beach              | 1,795            | 10          | 0.20                                           | 1,839            | 10          |
| Miami VA Medical Center          |                  |             |                                                | 2,400            | 9           |
| Ten Largest Private Employers    |                  |             |                                                |                  |             |
| <u>Employer</u>                  | 2015             |             | Percentage<br>of Total<br>County<br>Employment | 2006             |             |
|                                  | <u>Employees</u> | <u>Rank</u> |                                                | <u>Employees</u> | <u>Rank</u> |
| University of Miami              | 13,864           | 1           | 1.11 %                                         | 9,367            | 2           |
| Baptist Health South Florida     | 13,369           | 2           | 1.07                                           | 10,683           | 1           |
| American Airlines                | 11,773           | 3           | 0.95                                           | 9,000            | 3           |
| Mount Sinai Medical Center       | 3,402            | 4           | 0.27                                           |                  |             |
| Florida Power and Light          | 3,011            | 5           | 0.24                                           |                  |             |
| Miami Children's Hospital        | 2,991            | 6           | 0.24                                           |                  |             |
| Wells Fargo                      | 2,050            | 7           | 0.16                                           |                  |             |
| Bank of America Merrill Lynch    | 2,000            | 8           | 0.16                                           |                  |             |
| Fountainebleau Miami Beach       | 1,966            | 9           | 0.16                                           |                  |             |
| Royal Caribbean                  | 1,710            | 10          | 0.14                                           |                  |             |
| Bellsouth                        |                  |             |                                                | 4,800            | 5           |
| Winn-Dixie Stores                |                  |             |                                                | 4,616            | 6           |
| Precision Response Corporation   |                  |             |                                                | 4,196            | 7           |
| Publix Super Markets             |                  |             |                                                | 4,000            | 8           |
| Florida Power & Light Co.        |                  |             |                                                | 3,655            | 9           |
| Burdines-Macy's                  |                  |             |                                                | 3,368            | 10          |
| United Parcel Service            |                  |             |                                                | 5,000            | 4           |

**Source:** Employer and employees information provided by the Beacon Council. Percentage of total County employment was calculated based on total County employment of 1,244,234 as presented in the 2015 Florida Statistical Abstract.

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

|                                                         | Full-time Equivalent Employees as of September 30 |       |       |       |       |       |       |       |       |       |
|---------------------------------------------------------|---------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Function/Program                                        | 2006                                              | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  |
| General government:                                     |                                                   |       |       |       |       |       |       |       |       |       |
| Mayor and commission                                    | 20                                                | 20    | 19    | 19    | 19    | 18    | 18    | 18    | 18    | 20    |
| City manager                                            | 13                                                | 13    | 11    | 11    | 10    | 10    | 10    | 10    | 13    | 15    |
| Office of communications                                | 8                                                 | 9     | 8     | 6     | 5     | 5     | 5     | 5     | 4     | 9     |
| Budget and performance improvement                      | 20                                                | 21    | 19    | 19    | 18    | 18    | 18    | 18    | 18    | 20    |
| Organization Development and Performance Initiatives    |                                                   |       |       |       |       |       |       |       |       | 2     |
| Finance                                                 | 45                                                | 46    | 39    | 37    | 37    | 37    | 37    | 37    | 37    | 50    |
| Information technology                                  | 44                                                | 46    | 43    | 40    | 38    | 36    | 36    | 37    | 36    | 38    |
| Human resources                                         | 17                                                | 18    | 16    | 17    | 15    | 14    | 14    | 14    | 15    | 23    |
| Labor relations <sup>C</sup>                            | 2                                                 | 3     | 3     |       |       |       |       |       |       |       |
| Risk Management <sup>F</sup>                            | 6                                                 | 6     | 6     | 6     | 6     | 7     | 7     | 7     | 6     |       |
| City clerk                                              | 17                                                | 17    | 16    | 16    | 14    | 14    | 14    | 13    | 14    | 14    |
| Procurement                                             | 9                                                 | 10    | 10    | 9     | 9     | 9     | 8     | 8     | 8     | 12    |
| City attorney                                           | 22                                                | 22    | 22    | 20    | 19    | 19    | 19    | 19    | 19    | 21    |
| Economic Development and Cultural Arts:                 |                                                   |       |       |       |       |       |       |       |       |       |
| Real Estate, Housing and Comm. Development <sup>E</sup> |                                                   |       |       |       | 13    | 13    | 13    | 13    | 11    | 11    |
| Economic development                                    | 7                                                 | 7     | 6     | 5     |       |       |       |       |       |       |
| Building <sup>A</sup>                                   | 71                                                | 79    | 79    | 79    | 72    | 66    | 73    | 73    | 73    | 86    |
| Planning                                                | 28                                                | 29    | 29    | 26    | 26    | 25    | 25    | 25    | 25    | 26    |
| Tourism & cultural development                          | 14                                                | 13    | 12    | 11    | 11    | 11    | 11    | 11    | 13    | 17    |
| Bass museum                                             | 8                                                 | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Operations:                                             |                                                   |       |       |       |       |       |       |       |       |       |
| Neighborhood services <sup>D</sup>                      | 65                                                | 67    | 60    | 56    |       |       |       |       |       |       |
| Community Services                                      |                                                   |       |       |       | 4     | 4     | 4     | 4     | 4     | 4     |
| Code compliance                                         |                                                   |       |       |       | 42    | 30    | 41    | 41    | 42    | 57    |
| Parks & recreation <sup>B</sup>                         | 195                                               | 205   | 198   | 195   | 182   | 156   | 173   | 173   | 167   | 152   |
| Public works                                            | 34                                                | 33    | 39    | 48    | 45    | 41    | 41    | 40    | 41    | 57    |
| Sanitation                                              | 148                                               | 179   | 177   | 187   | 187   | 187   | 179   | 178   | 178   | 169   |
| Property management                                     | 71                                                | 71    | 69    | 66    | 54    | 24    | 50    | 50    | 50    | 33    |
| Capital improvement projects                            | 31                                                | 31    | 31    | 32    | 35    | 35    | 37    | 37    | 36    | 34    |
| Parking                                                 | 111                                               | 116   | 120   | 118   | 117   | 83    | 116   | 110   | 111   | 107   |
| Sewer                                                   | 42                                                | 42    | 41    | 38    | 33    | 35    | 35    | 34    | 34    | 34    |
| Stormwater                                              | 25                                                | 25    | 26    | 25    | 25    | 23    | 21    | 21    | 21    | 29    |
| Water                                                   | 69                                                | 69    | 63    | 59    | 54    | 56    | 52    | 52    | 52    | 52    |
| Fleet management                                        | 24                                                | 24    | 23    | 21    | 21    | 21    | 20    | 20    | 22    | 22    |
| Transportation management                               |                                                   |       |       |       |       |       |       |       |       | 6     |
| Public safety:                                          |                                                   |       |       |       |       |       |       |       |       |       |
| Police - Officers                                       | 386                                               | 403   | 396   | 381   | 370   | 370   | 370   | 381   | 381   | 385   |
| Police - Civilians                                      | 164                                               | 166   | 148   | 149   | 140   | 138   | 138   | 144   | 158   | 92    |
| Fire - Officers                                         | 208                                               | 207   | 206   | 203   | 200   | 200   | 200   | 200   | 200   | 201   |
| Fire - Civilians                                        | 23                                                | 21    | 23    | 27    | 26    | 27    | 27    | 27    | 27    | 27    |
| Ocean rescue <sup>B</sup>                               | 68                                                | 76    | 76    | 76    | 76    | 56    | 76    | 76    | 76    | 78    |
| Emergency Management                                    |                                                   |       |       |       |       |       |       |       |       | 72    |
| Total                                                   | 2,013                                             | 2,102 | 2,042 | 2,007 | 1,927 | 1,794 | 1,894 | 1,903 | 1,917 | 1,983 |

**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>B</sup>Beach patrol was transferred from the Parks & Recreation department to become the Ocean Rescue

<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.

<sup>F</sup>Risk Management merged with Human Resources in 2015



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

| Function/Program                                           | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                            | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         |
| <b>General government:</b>                                 |              |              |              |              |              |              |              |              |              |              |
| Mayor and commission                                       |              |              |              |              |              |              |              |              |              |              |
| Ordinances approved                                        | 36           | 43           | 46           | 39           | 44           | 43           | 35           | 26           | 73           | 69           |
| Resolutions approved                                       | 322          | 296          | 251          | 308          | 274          | 245          | 230          | 266          | 382          | 383          |
| City manager                                               |              |              |              |              |              |              |              |              |              |              |
| Responses to resident inquiries/complaints                 | 612          | 692          | 540          | 575          | 545          | 553          | 549          | N/A          | N/A          | N/A          |
| Better Place Requests Open and Closed                      | 23           | 21           | 15           | 4            | 10           | N/A          | 42           | 2            | 7            | 58           |
| Budget and performance improvement                         |              |              |              |              |              |              |              |              |              |              |
| Audits performed <sup>D</sup>                              | 254          | 266          | 242          | 272          | 263          | 233          | 235          | 198          | 187          | 155          |
| Grants awarded                                             | \$ 3,410,086 | \$ 2,065,480 | \$ 2,483,516 | \$ 6,934,165 | \$ 5,639,593 | \$ 3,221,421 | \$ 2,869,671 | \$ 3,574,486 | \$ 3,447,853 | \$ 3,146,417 |
| Finance                                                    |              |              |              |              |              |              |              |              |              |              |
| Utility customer accounts                                  | 10,500       | 10,059       | 10,043       | 10,044       | 10,057       | 10,061       | 10,062       | 10,070       | 10,075       | 10,085       |
| Licenses issued                                            | 7,330        | 8,000        | 7,541        | 8,650        | 7,748        | 7,718        | 6,592        | 6,496        | 6,943        | 7,555        |
| Lien statements                                            | 3,850        | 3,942        | 2,415        | 2,658        | 4,076        | 6,600        | 6,326        | 7,355        | 6,734        | 6,298        |
| Annual resort tax accounts                                 | 1,127        | 1,119        | 1,054        | 1,066        | 1,050        | 1,067        | 1,066        | 1,087        | 1,054        | 1,058        |
| Citizen Support Center                                     | 93           | 116          | 68           | 12           | 48           | 2            | 4            | 6            | 5            | 15           |
| Human resources                                            |              |              |              |              |              |              |              |              |              |              |
| Employees                                                  | 1,879        | 1,870        | 1,926        | 1,902        | 1,869        | 1,837        | 1,824        | 1,905        | 1,930        | 1,960        |
| Hires                                                      | 363          | 314          | 195          | 188          | 206          | 146          | 154          | 176          | 163          | 218          |
| Building                                                   |              |              |              |              |              |              |              |              |              |              |
| Building and trade permits processed/issued                | 18,348       | 13,943       | 11,904       | 11,361       | 11,039       | 12,523       | 13,272       | 13,881       | 14,071       | 14,076       |
| Certificates                                               | 622          | 736          | 337          | 383          | 411          | 342          | 417          | 529          | 536          | 558          |
| Tourism & cultural development                             |              |              |              |              |              |              |              |              |              |              |
| Film & print and special events permits                    | 1,280        | 1,563        | 1,232        | 966          | 1,023        | 1,215        | 1,225        | 1,190        | 1,141        | 1,249        |
| Bass Museum Visitors                                       | 19,211       | 25,210       | 30,071       | 26,414       | 29,642       | 26,477       | 36,708       | 47,162       | 64,323       | 53,093       |
| Theater Events (Byron/Colony)                              | 255          | 380          | 267          | 225          | 223          | 218          | 222          | 237          | 172          | 90           |
| <b>Operations:</b>                                         |              |              |              |              |              |              |              |              |              |              |
| Parking                                                    |              |              |              |              |              |              |              |              |              |              |
| Residential Parking Permits                                | 26,837       | 26,437       | 28,131       | 11,557       | 11,830       | 12,357       | 13,720       | 12,523       | 14,566       | 13,539       |
| Municipal Parking Permits                                  | 47,722       | 48,964       | 48,660       | 41,651       | 53,502       | 42,152       | 44,418       | 47,600       | 51,230       | 43,014       |
| Total Vehicle Entries - Garages                            | 2,711,193    | 2,815,672    | 2,363,600    | 2,254,119    | 2,162,618    | 2,530,878    | 2,582,466    | 2,887,722    | 3,310,093    | 3,121,623    |
| Citizen Support Center                                     | 260          | 435          | 218          | N/A          | N/A          | 133          | 110          | 170          |              |              |
| Parks & recreation                                         |              |              |              |              |              |              |              |              |              |              |
| Summer Camp                                                | 2,515        | 2,587        | 2,317        | 2,758        | 2,398        | 2,538        | 2,561        | 2,568        | 2,653        | 2,689        |
| After and Play School Participants                         | 2,400        | 882          | 2,810        | 2,680        | 3,217        | 3,501        | 3,276        | 3,056        | 3,139        | 3,091        |
| Athletics                                                  | 1,253        | 1,442        | 2,835        | 2,656        | 2,079        | 2,251        | 2,042        | 2,104        | 2,215        | 2,143        |
| Pool Attendance                                            | 119,800      | 161,176      | 145,337      | 141,524      | 160,456      | 157,227      | 138,005      | 128,852      | 133,373      | 118,553      |
| Golf course patrons <sup>A</sup>                           | 44,252       | 44,078       | 42,850       | 66,358       | 73,447       | 80,782       | 71,528       | 76,230       | 79,532       | 75,542       |
| Public Works-Engineering/Water/Sewer/Streets               |              |              |              |              |              |              |              |              |              |              |
| Right-of-Way permits issued                                | N/A          | 1,092        | 899          | 935          | 868          | 855          | 822          | 801          | 967          | 1,144        |
| Cleaning and inspection of sewer lines                     | 1,217,202    | 1,182,000    | 703,294      | 778,937      | N/A          | 964,703      | 824,212      | 937,000      | N/A          | N/A          |
| Storm sewers cleaned                                       | 233,000      | 88,000       | 59,000       | 78,279       | N/A          | 1,253        | 97,425       | N/A          | N/A          | N/A          |
| Deteriorated storm sewers replaced                         | 80           | 15           | 640          | N/A          | N/A          | 125          | 47           | 120          | N/A          | N/A          |
| New-metered service taps and installations                 | 196          | 113          | 400          | 207          | N/A          | 70           | 62           | N/A          | N/A          | N/A          |
| Roads and alleys repaved (linear feet)                     | 7,000        | 11,100       | 36,000       | N/A          | N/A          | 3,600        | 7,200        | 1,300        | N/A          | N/A          |
| Sidewalk replaced (square feet)                            | 38,000       | 63,000       | 44,000       | 46,889       | N/A          | 3,525        | 2,927        | 17,000       | N/A          | N/A          |
| Citizen Support Center                                     | 1,854        | 1,787        | 2,732        | 2,908        | 2,636        | 1,261        | 541          | 982          | 775          | 822          |
| Sanitation                                                 |              |              |              |              |              |              |              |              |              |              |
| Residential Waste (tons per year)                          | 15,708       | 15,500       | 14,882       | 13,354       | 12,980       | 12,172       | 10,233       | 8,920        | 8,972        | 8,278        |
| Litter Cans                                                | 2,095        | 2,335        | 2,335        | 2,735        | 2,735        | 2,735        | 2,735        | 2,765        | 2,787        | 2,376        |
| Mechanized Sweeping (miles per day)                        | 15           | 15           | 15           | 20           | 20           | 20           | 20           | 20           | 20           | 20           |
| Mobile Sweeping (miles per day)                            | 156          | 156          | 156          | 156          | 156          | 156          | 156          | 156          | 156          | 156          |
| Fleet Management                                           |              |              |              |              |              |              |              |              |              |              |
| Fuel consumed - diesel and unleaded (gallons) <sup>C</sup> | 777,827      | 820,913      | 866,571      | 890,529      | 903,675      | 900,211      | 858,767      | 698,280      | 849,400      | 847,359      |
| Preventive maintenance jobs                                | 2,699        | 2,932        | 2,911        | 3,160        | 3,053        | 3,181        | 3,174        | 3,519        | 3,153        | 3,334        |
| Police                                                     |              |              |              |              |              |              |              |              |              |              |
| Total number of arrests                                    | 12,887       | 14,954       | 13,804       | 13,338       | 10,801       | 9,588        | 9,890        | 10,577       | 8,280        | 6,644        |
| Traffic Violations                                         | 58,615       | 52,976       | 49,389       | 44,521       | 39,586       | 49,561       | 48,344       | 50,590       | 71,562       | 64,478       |
| Citizen Support Center                                     | 143          | 96           | 67           | 73           | 28           | 64           | 42           | 75           | 65           | 110          |
| Fire                                                       |              |              |              |              |              |              |              |              |              |              |
| Emergency responses                                        | 13,532       | 16,794       | 22,640       | 25,015       | 20,356       | 21,429       | 22,263       | 22,948       | 23,415       | 25,185       |
| Existing building inspections                              | N/A          | N/A          | 2,292        | 978          | 1,500        | 1,107        | 773          | 961          | 1,985        | 1,461        |
| Night club inspections                                     | N/A          | N/A          | 3,184        | 2,769        | 3,198        | 3,718        | 1,957        | 2,477        | 1,775        | 333          |
| Site inspections                                           | N/A          | N/A          | 4,932        | 4,953        | 3,672        | 5,187        | 7,369        | 9,047        | 9,736        | 10,868       |
| On duty inspections                                        | N/A          | N/A          | 1,984        | 1,856        | 1,793        | 1,478        | 1,87         | 1233         | 1,774        | 1,946        |
| Ocean rescue - victims rescued                             | 313          | 680          | 506          | 579          | 645          | 747          | 531          | 733          | 575          | 788          |
| Ocean rescue prevention                                    | 365,103      | 447,251      | 455,757      | 349,882      | 320,858      | 257,862      | 250,310      | 273,543      | 208,027      | 217,367      |
| Citizen Support Center                                     | 182          | 149          | 137          | 115          | 50           | 91           | 78           | 76           | 61           | 40           |

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

<sup>B</sup> In FY 2010 the City used a new method to track requests from residents.

<sup>C</sup> Fuel consumed for FY 2013 has been restated to reflect the correct amount for FY 2013

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

| Function/Program                                           | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                            | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         |
| <b>General government:</b>                                 |              |              |              |              |              |              |              |              |              |              |
| Mayor and commission                                       |              |              |              |              |              |              |              |              |              |              |
| Ordinances approved                                        | 36           | 43           | 46           | 39           | 44           | 43           | 35           | 26           | 73           | 69           |
| Resolutions approved                                       | 322          | 296          | 251          | 308          | 274          | 245          | 230          | 266          | 382          | 383          |
| City manager                                               |              |              |              |              |              |              |              |              |              |              |
| Responses to resident inquiries/complaints                 | 612          | 692          | 540          | 575          | 545          | 553          | 549          | N/A          | N/A          | N/A          |
| Better Place Requests Open and Closed                      | 23           | 21           | 15           | 4            | 10           | N/A          | 42           | 2            | 7            | 58           |
| Budget and performance improvement                         |              |              |              |              |              |              |              |              |              |              |
| Audits performed <sup>D</sup>                              | 254          | 266          | 242          | 272          | 263          | 233          | 235          | 198          | 187          | 155          |
| Grants awarded                                             | \$ 3,410,086 | \$ 2,065,480 | \$ 2,483,516 | \$ 6,934,165 | \$ 5,639,593 | \$ 3,221,421 | \$ 2,869,671 | \$ 3,574,486 | \$ 3,447,853 | \$ 3,146,417 |
| Finance                                                    |              |              |              |              |              |              |              |              |              |              |
| Utility customer accounts                                  | 10,500       | 10,059       | 10,043       | 10,044       | 10,057       | 10,061       | 10,062       | 10,070       | 10,075       | 10,085       |
| Licenses issued                                            | 7,330        | 8,000        | 7,541        | 8,650        | 7,748        | 7,718        | 6,592        | 6,496        | 6,943        | 7,555        |
| Lien statements                                            | 3,850        | 3,942        | 2,415        | 2,658        | 4,076        | 6,600        | 6,326        | 7,355        | 6,734        | 6,298        |
| Annual resort tax accounts                                 | 1,127        | 1,119        | 1,054        | 1,066        | 1,050        | 1,067        | 1,066        | 1,087        | 1,054        | 1,058        |
| Citizen Support Center                                     | 93           | 116          | 68           | 12           | 48           | 2            | 4            | 6            | 5            | 15           |
| Human resources                                            |              |              |              |              |              |              |              |              |              |              |
| Employees                                                  | 1,879        | 1,870        | 1,926        | 1,902        | 1,869        | 1,837        | 1,824        | 1,905        | 1,930        | 1,960        |
| Hires                                                      | 363          | 314          | 195          | 188          | 206          | 146          | 154          | 176          | 163          | 218          |
| Building                                                   |              |              |              |              |              |              |              |              |              |              |
| Building and trade permits processed/issued                | 18,348       | 13,943       | 11,904       | 11,361       | 11,039       | 12,523       | 13,272       | 13,881       | 14,071       | 14,076       |
| Certificates                                               | 622          | 736          | 337          | 383          | 411          | 342          | 417          | 529          | 536          | 558          |
| Tourism & cultural development                             |              |              |              |              |              |              |              |              |              |              |
| Film & print and special events permits                    | 1,280        | 1,563        | 1,232        | 966          | 1,023        | 1,215        | 1,225        | 1,190        | 1,141        | 1,249        |
| Bass Museum Visitors                                       | 19,211       | 25,210       | 30,071       | 26,414       | 29,642       | 26,477       | 36,708       | 47,162       | 64,323       | 53,093       |
| Theater Events (Byron/Colony)                              | 255          | 380          | 267          | 225          | 223          | 218          | 222          | 237          | 172          | 90           |
| <b>Operations:</b>                                         |              |              |              |              |              |              |              |              |              |              |
| Parking                                                    |              |              |              |              |              |              |              |              |              |              |
| Residential Parking Permits                                | 26,837       | 26,437       | 28,131       | 11,557       | 11,830       | 12,357       | 13,720       | 12,523       | 14,566       | 13,539       |
| Municipal Parking Permits                                  | 47,722       | 48,964       | 48,660       | 41,651       | 53,502       | 42,152       | 44,418       | 47,600       | 51,230       | 43,014       |
| Total Vehicle Entries - Garages                            | 2,711,193    | 2,815,672    | 2,363,600    | 2,254,119    | 2,162,618    | 2,530,878    | 2,582,466    | 2,887,722    | 3,310,093    | 3,121,623    |
| Citizen Support Center                                     | 260          | 435          | 218          | N/A          | N/A          | 133          | 110          | 170          |              |              |
| Parks & recreation                                         |              |              |              |              |              |              |              |              |              |              |
| Summer Camp                                                | 2,515        | 2,587        | 2,317        | 2,758        | 2,398        | 2,538        | 2,561        | 2,568        | 2,653        | 2,689        |
| After and Play School Participants                         | 2,400        | 882          | 2,810        | 2,680        | 3,217        | 3,501        | 3,276        | 3,056        | 3,139        | 3,091        |
| Athletics                                                  | 1,253        | 1,442        | 2,835        | 2,656        | 2,079        | 2,251        | 2,042        | 2,104        | 2,215        | 2,143        |
| Pool Attendance                                            | 119,800      | 161,176      | 145,337      | 141,524      | 160,456      | 157,227      | 138,005      | 128,852      | 133,373      | 118,553      |
| Golf course patrons <sup>A</sup>                           | 44,252       | 44,078       | 42,850       | 66,358       | 73,447       | 80,782       | 71,528       | 76,230       | 79,532       | 75,542       |
| Public Works-Engineering/Water/Sewer/Streets               |              |              |              |              |              |              |              |              |              |              |
| Right-of-Way permits issued                                | N/A          | 1,092        | 899          | 935          | 868          | 855          | 822          | 801          | 967          | 1,144        |
| Cleaning and inspection of sewer lines                     | 1,217,202    | 1,182,000    | 703,294      | 778,937      | N/A          | 964,703      | 824,212      | 937,000      | N/A          | N/A          |
| Storm sewers cleaned                                       | 233,000      | 88,000       | 59,000       | 78,279       | N/A          | 1,253        | 97,425       | N/A          | N/A          | N/A          |
| Deteriorated storm sewers replaced                         | 80           | 15           | 640          | N/A          | N/A          | 125          | 47           | 120          | N/A          | N/A          |
| New-metered service taps and installations                 | 196          | 113          | 400          | 207          | N/A          | 70           | 62           | N/A          | N/A          | N/A          |
| Roads and alleys repaved (linear feet)                     | 7,000        | 11,100       | 36,000       | N/A          | N/A          | 3,600        | 7,200        | 1,300        | N/A          | N/A          |
| Sidewalk replaced (square feet)                            | 38,000       | 63,000       | 44,000       | 46,889       | N/A          | 3,525        | 2,927        | 17,000       | N/A          | N/A          |
| Citizen Support Center                                     | 1,854        | 1,787        | 2,732        | 2,908        | 2,636        | 1,261        | 541          | 982          | 775          | 822          |
| Sanitation                                                 |              |              |              |              |              |              |              |              |              |              |
| Residential Waste (tons per year)                          | 15,708       | 15,500       | 14,882       | 13,354       | 12,980       | 12,172       | 10,233       | 8,920        | 8,972        | 8,278        |
| Litter Cans                                                | 2,095        | 2,335        | 2,335        | 2,735        | 2,735        | 2,735        | 2,735        | 2,765        | 2,787        | 2,376        |
| Mechanized Sweeping (miles per day)                        | 15           | 15           | 15           | 20           | 20           | 20           | 20           | 20           | 20           | 20           |
| Mobile Sweeping (miles per day)                            | 156          | 156          | 156          | 156          | 156          | 156          | 156          | 156          | 156          | 156          |
| Fleet Management                                           |              |              |              |              |              |              |              |              |              |              |
| Fuel consumed - diesel and unleaded (gallons) <sup>C</sup> | 777,827      | 820,913      | 866,571      | 890,529      | 903,675      | 900,211      | 858,767      | 698,280      | 849,400      | 847,359      |
| Preventive maintenance jobs                                | 2,699        | 2,932        | 2,911        | 3,160        | 3,053        | 3,181        | 3,174        | 3,519        | 3,153        | 3,334        |
| Police                                                     |              |              |              |              |              |              |              |              |              |              |
| Total number of arrests                                    | 12,887       | 14,954       | 13,804       | 13,338       | 10,801       | 9,588        | 9,890        | 10,577       | 8,280        | 6,644        |
| Traffic Violations                                         | 58,615       | 52,976       | 49,389       | 44,521       | 39,586       | 49,561       | 48,344       | 50,590       | 71,562       | 64,478       |
| Citizen Support Center                                     | 143          | 96           | 67           | 73           | 28           | 64           | 42           | 75           | 65           | 110          |
| Fire                                                       |              |              |              |              |              |              |              |              |              |              |
| Emergency responses                                        | 13,532       | 16,794       | 22,640       | 25,015       | 20,356       | 21,429       | 22,263       | 22,948       | 23,415       | 25,185       |
| Emergency responses                                        | N/A          | N/A          | 2,292        | 978          | 1,500        | 21,429       | 773          | 961          | 1,985        | 1,461        |
| Emergency responses                                        | N/A          | N/A          | 3,184        | 2,769        | 3,198        | 21,429       | 1,957        | 2,477        | 1,775        | 333          |
| Emergency responses                                        | N/A          | N/A          | 4,932        | 4,953        | 3,672        | 21,429       | 7,369        | 9,047        | 9,736        | 10,868       |
| Emergency responses                                        | N/A          | N/A          | 1,984        | 1,856        | 1,793        | 21,429       | 187          | 1233         | 1,774        | 1,946        |
| Emergency responses                                        | 313          | 680          | 506          | 579          | 645          | 747          | 531          | 733          | 575          | 788          |
| Emergency responses                                        | 365,103      | 447,251      | 455,757      | 349,882      | 320,858      | 257,862      | 250,310      | 273,543      | 208,027      | 217,367      |
| Emergency responses                                        | 182          | 149          | 137          | 115          | 50           | 91           | 78           | 76           | 61           | 40           |

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

<sup>B</sup> In FY 2010 the City used a new method to track requests from residents.

<sup>C</sup> Fuel consumed for FY 2013 has been restated to reflect the correct amount for FY 2013

<sup>D</sup> Audits performed for FY 2014 has been restated to reflect the correct amount for FY 2014

**CITY OF MIAMI BEACH, FLORIDA**  
**SINGLE AUDIT REPORT IN ACCORDANCE WITH**  
**OMB CIRCULAR A-133**  
For the Year Ended September 30, 2015

**PREPARED BY**  
**THE FINANCE DEPARTMENT**

CITY OF MIAMI BEACH, FLORIDA  
SINGLE AUDIT  
For the Year Ended September 30, 2015

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Commissioners  
City of Miami Beach, Florida

We have audited, 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, the 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2016. Our report includes a reference to other auditors who audited the financial statements of the City of Miami Beach Florida Employees' Retirement Plan, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. Our report also includes a reference to other auditors who audited the financial statements of the City Pension Fund for Firefighters and Police Officers, as described in our report on the City's financial statements. The financial statements of the City Pension Fund for Firefighters and Police Officers were not audited in accordance with *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe Horwath LLP

Miami, Florida  
April 29, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND  
CHAPTER 10.550 RULES OF THE AUDITOR GENERAL

The Honorable Mayor and City Commissioners  
City of Miami Beach, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited the City of Miami Beach, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state financial assistance project for the year ended September 30, 2015. The City's major federal programs and state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance project.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program and State Financial Assistance Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance project for the year ended September 30, 2015.

***Report on Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General***

We have audited the 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, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the 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. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Crowe Horwath LLPMiami, Florida  
April 29, 2016

CITY OF MIAMI BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended September 30, 2015

| Federal Grantor/Pass-Through Entity<br>Program Title                                                         | Federal<br>CFDA<br>Number | Grant/<br>Contract<br>Number           | Expenditures     |
|--------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------|------------------|
| <b>Federal Grants</b>                                                                                        |                           |                                        |                  |
| <b><u>U.S. Department of Housing and Urban Development</u></b>                                               |                           |                                        |                  |
| Direct Programs                                                                                              |                           |                                        |                  |
| Community Development Block Grant/Entitlement Grants                                                         | 14.218                    | B-13-MC-12-0014                        | \$ 1,158,575     |
| Community Development Block Grant/Entitlement Grants (NSP3)                                                  | 14.218                    | B-11-MN-12-0039                        | 711,670          |
|                                                                                                              |                           |                                        | <u>1,870,245</u> |
| Home Investment Partnership Program                                                                          | 14.239                    | M-13-MC-12-0012                        | 879,337          |
| Economic Development Initiative - Special Project, Neighborhood Initiative and<br>Miscellaneous Grants (EDI) | 14.251                    | B-08-SP-FL-0543                        | 119,743          |
| Pass-through Department of Community Affairs                                                                 |                           |                                        |                  |
| Community Development Block Grants - Neighborhood Stabilization Program                                      | 14.228                    | 10DB-4X-11-23-02-F16                   | 201,802          |
| Pass-through Dept. of Community Affairs - Pass Through - Miami Dade County<br>Supportive Housing Program     | 14.235                    | FL0177L4D001205 and<br>FL0177L4D001306 | 65,423           |
|                                                                                                              |                           |                                        | <u>65,423</u>    |
| <b>Total U.S. Department of Housing and Urban Development</b>                                                |                           |                                        | <u>3,136,550</u> |
| <b><u>U.S. Department of Justice</u></b>                                                                     |                           |                                        |                  |
| Direct Program                                                                                               |                           |                                        |                  |
| National Institute of Justice                                                                                |                           |                                        |                  |
| Federal Equitable Sharing Agreement                                                                          | 16.000                    | FL-0130700                             | 617,623          |
| Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2012)                                | 16.738                    | 2012-DJ-BX-0123                        | 19,606           |
| Edward Byrne Memorial Justice Assistance Grant Program - JAG (FY2013)                                        | 16.738                    | 2013-DJ-BX-0450                        | 4,724            |
| Pass-Through State of Florida/Miami Dade County                                                              |                           |                                        |                  |
| Edward Byrne Memorial Justice Assistance Grant Program Cluster - Criminal<br>Justice Records Improvement     | 16.738                    | N/A                                    | 11,427           |
|                                                                                                              |                           |                                        | <u>35,757</u>    |
| Pass-Through State of Florida/Office of the Attorney General                                                 |                           |                                        |                  |
| Crime Victim Assistance - VOCA                                                                               | 16.575                    | V14027                                 | 71,131           |
|                                                                                                              |                           |                                        | <u>71,131</u>    |
| <b>Total U.S. Department of Justice</b>                                                                      |                           |                                        | <u>724,511</u>   |
| <b><u>U.S. Department of Transportation</u></b>                                                              |                           |                                        |                  |
| Pass-Through State of Florida                                                                                |                           |                                        |                  |
| Florida Department of Transportation                                                                         |                           |                                        |                  |
| Highway Planning and Construction Middle Beach Recreational Corridor Phase 2                                 | 20.205                    | APT97                                  | 92,080           |
| Highway Planning and Construction-Venetian Causeway                                                          | 20.205                    | APG95                                  | 10,349           |
| Highway Planning and Construction-West Avenue Bridge                                                         | 20.205                    | APJ33                                  | 4,186            |
| Pass-Through Florida Department of Transportation                                                            |                           |                                        |                  |
| Highway Planning and Construction - Pedestrian and Bicycle Safety Environment                                | 20.205                    | TWO #945-001/BDV25                     | 91,457           |
|                                                                                                              |                           |                                        | <u>91,457</u>    |
| <b>Total U.S. Department of Transportation</b>                                                               |                           |                                        | <u>198,072</u>   |

(Continued on next page)

CITY OF MIAMI BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended September 30, 2015

| <b>Federal Grantor/Pass-Through Entity<br/>Program Title</b>                                                                                     | <b>Federal<br/>CFDA<br/>Number</b> | <b>Grant/<br/>Contract<br/>Number</b> | <b>Expenditures</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------|---------------------|
| <b><u>U.S. Department of Homeland Security</u></b>                                                                                               |                                    |                                       |                     |
| Pass-Through United Way of Miami-Dade<br>Emergency Food and Shelter National Board Program-EFS Phase 31                                          | 97.024                             | 159400-076                            | \$ 17,515           |
| Florida Division of Emergency Management<br>Pass-Through City of Miami<br>Homeland Security Grant Program - Urban Areas Security Initiative 2013 | 97.067                             | 14DS-C5-11-23-02-212                  | 96,903              |
| Homeland Security Grant Program - Urban Areas Security Initiative 2014                                                                           | 97.067                             | 15DS-P8-11-23-02-453                  | 18,500              |
|                                                                                                                                                  |                                    |                                       | <u>115,403</u>      |
| Pass-Through State of Florida<br>Pre-Disaster Mitigation Grant - Talmudic University                                                             | 97.047                             | 13DM-24-1 1-23-02-281                 | 583,407             |
| <b>Total U.S. Department of Homeland Security</b>                                                                                                |                                    |                                       | <u>716,325</u>      |
| <b><u>U.S. Department of Agriculture and Consumer Services</u></b>                                                                               |                                    |                                       |                     |
| Cooperative Forestry Assistance                                                                                                                  | 10.664                             | N/A                                   | 15,000              |
| <b>Total U.S. Department of Agriculture and Consumer Services</b>                                                                                |                                    |                                       | <u>15,000</u>       |
| <b>Total Expenditures of Federal Awards</b>                                                                                                      |                                    |                                       | <u>\$ 4,790,458</u> |
| <br>                                                                                                                                             |                                    |                                       |                     |
| <b>State Project/Pass-Through Entity<br/>Program Title</b>                                                                                       | <b>State<br/>CSFA<br/>Number</b>   | <b>Grant/<br/>Contract<br/>Number</b> | <b>Expenditures</b> |
| <b><u>State Grants</u></b>                                                                                                                       |                                    |                                       |                     |
| <b><u>State of Florida Department of Environmental Protection</u></b>                                                                            |                                    |                                       |                     |
| Statewide Surface Water Restoration and Wastewater Projects<br>(Clean Water State Revolving Loan Agreement)                                      | 37.077                             | SW131300                              | \$ 941,775          |
| <b>Total State of Florida Department of Environmental Protection</b>                                                                             |                                    |                                       | <u>941,775</u>      |
| <b><u>State of Florida Department of Health</u></b>                                                                                              |                                    |                                       |                     |
| Pass-Through Miami-Dade County<br>Emergency Prev/Prep/Response-EMS County Grants                                                                 | 64.005                             | C-0013                                | 20,349              |
| <b>Total State of Florida Department of Health</b>                                                                                               |                                    |                                       | <u>20,349</u>       |
| <b><u>State of Florida Housing Finance Corporation</u></b>                                                                                       |                                    |                                       |                     |
| State Housing Initiatives Partnership (SHIP) Program                                                                                             | 52.901                             | N/A                                   | 2,713               |
| <b>Total State of Florida Housing Finance Corporation</b>                                                                                        |                                    |                                       | <u>2,713</u>        |
| <b>Total Expenditures of State Awards</b>                                                                                                        |                                    |                                       | <u>\$ 964,837</u>   |

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF MIAMI BEACH, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
September 30, 2015

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**1. GENERAL**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the expenditure activity of all federal awards and state financial assistance project of the City of Miami Beach, Florida (the "City") for the year ended September 30, 2015. The City's reporting entity is defined in Note 1 of the City's basic financial statements. All federal awards and state financial assistance project received directly from federal and state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance and is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the requirements described in the *Department of Financial Services' State financial assistance projects Compliance Supplement*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

**2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Amounts are recognized following the cost principles contained in OMB Circular A-122, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**3. SUB-RECIPIENT AWARDS**

Of the federal awards presented in the Schedule, the City provided the following amounts to subrecipients:

| <u>Name of Program</u>                              | <u>CFDA<br/>Number</u> | <u>Amount<br/>Provided<br/>to Subrecipient</u> |
|-----------------------------------------------------|------------------------|------------------------------------------------|
| Federal                                             |                        |                                                |
| Community Development Block Grant                   | 14.218                 | \$ 390,621                                     |
| Community Development Block Grant – Home Program    | 14.239                 | 833,295                                        |
| Pre-Disaster Mitigation Grant – Talmudic University | 97.047                 | <u>583,407</u>                                 |
| Total Federal                                       |                        | <u>\$ 1,807,323</u>                            |

**4. NON-CASH AND FEDERAL INSURANCE**

There were no non-cash awards or Federal insurance maintained in the current year.



CITY MIAMI BEACH, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2015

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**Section II - Financial Statement Findings**

None

**Section III - Federal Awards Findings and Questioned Costs**

None

CITY MIAMI BEACH, FLORIDA  
SCHEDULE OF PRIOR YEAR FINDINGS  
September 30, 2015

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**Prior Year Findings and Questioned Costs**

**Internal Control Over Compliance – Federal Awards**

| <b>Finding #</b> | <b>Finding Title</b> | <b>Status</b> | <b>Explanation</b> |
|------------------|----------------------|---------------|--------------------|
| IC 2014-001      | Cash Management      | Corrected     |                    |

**Compliance Findings – Federal Awards**

| <b>Finding #</b> | <b>Finding Title</b>                                                | <b>Status</b> | <b>Explanation</b> |
|------------------|---------------------------------------------------------------------|---------------|--------------------|
| CF 2014-002      | Activities Allowed or Unallowed and Allowable Costs/Cost Principles | Corrected     |                    |

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Commissioners  
City of Miami Beach, Florida

We have audited, 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, the 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2016. Our report includes a reference to other auditors who audited the financial statements of the City of Miami Beach Florida Employees' Retirement Plan, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. Our report also includes a reference to other auditors who audited the financial statements of the City Pension Fund for Firefighters and Police Officers, as described in our report on the City's financial statements. The financial statements of the City Pension Fund for Firefighters and Police Officers were not audited in accordance with *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe Horwath LLP

Miami, Florida  
April 29, 2015

**CITY OF MIAMI BEACH, FLORIDA**

**REPORTS IN ACCORDANCE WITH**  
**CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***  
September 30, 2015

CITY OF MIAMI BEACH, FLORIDA  
REPORTS IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*  
September 30, 2014

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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTION 218.415, *FLORIDA STATUTES***

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

We have examined the City of Miami Beach, Florida (the "City") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

  
Crowe Horwath LLP

Fort Lauderdale, Florida  
April 29, 2016

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

## **Report on the Financial Statements**

We have audited the financial statements of the City of Miami Beach, Florida (the "City"), as of and for the year ended September 30, 2015, and have issued our report thereon dated April 29, 2016. Our report includes a reference to other auditors who audited the financial statements of (1) City of Miami Beach Florida Employees' Retirement Plan and (2) City Pension Fund for Firefighters and Police Officers, as described in our report on the City's financial statements. This report does not include our consideration of the other auditors' management letters that are reported on separately by those other auditors.

## **Auditor's Responsibility**

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

## **Other Reports**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on Compliance with Section 218.415, *Florida Statutes*. Disclosures in those reports, which are dated April 29, 2016, should be considered in conjunction with this management letter.

## **Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such information is disclosed in Note 1.A. to the financial statements.

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(Continued)

## Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

## Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

## Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Fort Lauderdale, Florida  
April 29, 2016



OFFICE OF THE CITY MANAGER

Tel: (305) 673-7010, Fax: (305) 673-7782

May 26, 2016

DAC

Attn: Diana O'Brien  
390 N. Orange Ave., Suite 1750  
Orlando, FL 32801

**Re: Annual Report for the City of Miami Beach, Florida, in accordance with Continuing Disclosure Requirements of SEC Rule 15c2-12**

In accordance with undertakings of the City of Miami Beach, Florida (the "City") regarding continuing disclosure made pursuant to SEC Rule 15c2-12(b) (5) (i), by the Resolutions adopted by the Mayor and City Commission, the governing body of the City, described below, enclosed is the annual financial information and operating data for the Fiscal Year ending on September 30, 2015, as described in the respective undertakings for the following bond issues of the City:

\$54,310,000 City of Miami Beach, Florida, Water and Sewer Revenue Bonds, Series 2000, (the "2000 Water and Sewer Bonds")

- Official Statement dated August 31, 2000
- Resolution No. 2000-24041, adopted on July 26, 2000, and Continuing Disclosure Commitment, dated as of August 15, 2000

\$2,200,000 City of Miami Beach, Florida, City of Gulf Breeze Fixed Rate Loan, Series 1985B (used to repay a portion of the outstanding principal from the Sunshine State Loan), (the "2001 Gulf Breeze Loan")

- Loan Agreement dated August 1, 2001
- Resolution No. 2001-24500, adopted on June 26, 2001, and Continuing Disclosure Commitment, dated as of August 1, 2001

\$22,445,000 City of Miami Beach, Florida, City of Gulf Breeze Fixed Rate Loan, Series 1985C (a portion used to repay the outstanding balance of the City of Gulf Breeze Loan, dated June 1, 1993 and the remaining balance used to repay a portion of the outstanding principal from the Sunshine State Loan), ("2001 Gulf Breeze Loan") (\$8,143,046 of the original loan amount relates to the construction of a Parking Garage and is included in the Parking Enterprise Fund)

- Loan Agreement dated August 1, 2001
- Resolution No. 2001-24500, adopted on June 26, 2001, and Continuing Disclosure Commitment, dated as of August 1, 2001

\$22,500,000 City of Miami Beach, Florida, City of Gulf Breeze Fixed Rate Loan, Series 1985E (used to repay a portion of the outstanding principal from the Sunshine State Loan and renovation and improvement of two City owned golf courses and their related facilities), ("2001 Gulf Breeze Loan")

- Loan Agreement dated August 1, 2001

- Resolution No. 2001-24500, adopted on June 26, 2001, and Continuing Disclosure Commitment, dated as of August 1, 2001

\$62,465,000 City of Miami Beach, Florida, General Obligation Bonds, Series 2003 (used to improve neighborhood infrastructure in the City, consisting of streetscape and traffic calming measures, shoreline stabilization, Fire Safety Projects and Beaches Projects)

- Official Statement dated July 22, 2003
- Resolution No. 2003-25240 adopted on June 11, 2003 and Continuing Disclosure Commitment, dated as of July 22, 2003.

\$53,030,000 City of Miami Beach, Florida, Taxable Special Obligation Refunding Bonds (Pension Funding Project), Series 2005

- Official Statement dated September 1, 2005
- Resolution No. 2005-25951 adopted on July 6, 2005 and Continuing Disclosure Commitment, dated as of September 1, 2005.

\$8,500,000 City of Miami Beach, Florida, Water and Sewer Revenue Refunding Bonds, Taxable Series 2006B-1, City of Gulf Breeze Loan, Series 1985B, (used to refund the City's outstanding Water & Sewer Revenue Bonds, Series 1995), ("2006 Gulf Breeze Loan, Series 1985B)

- Loan Agreement dated April 19, 2006
- Resolution No. 2006-26153 adopted on March 8, 2006 and Continuing Disclosure Commitment, dated as of April 19, 2006

\$18,300,000 City of Miami Beach, Florida, Water and Sewer Revenue Bonds, Taxable Series 2006B-2, City of Gulf Breeze Loan, Series 1985B, (used to pay the cost of certain improvements to its water and sewer utility), ("2006 Gulf Breeze Loan, Series 1985B)

- Loan Agreement dated April 19, 2006
- Resolution No. 2006-26153 adopted on March 8, 2006 and Continuing Disclosure Commitment, dated as of April 19, 2006

\$27,500,000 City of Miami Beach, Florida, Water and Sewer Revenue Refunding Bonds, Taxable Series 2006C, City of Gulf Breeze Loan, Series 1985C (used to refund the City's outstanding Water & Sewer Revenue Bonds, Series 1995), ("2006 Gulf Breeze Loan, Series 1985C)

- Loan Agreement dated April 19, 2006
- Resolution No. 2006-26153 adopted on March 8, 2006 and Continuing Disclosure Commitment, dated as of April 19, 2006

\$5,700,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2006E, City of Gulf Breeze Loan, Series 1985E (used to pay the cost of certain improvements to its water and sewer utility), ("2006 Gulf Breeze Loan, Series 1985E")

- Loan Agreement dated April 19, 2006
- Resolution No. 2006-26153 adopted on March 8, 2006 and Continuing Disclosure Commitment, dated as of April 19, 2006

\$13,590,000 City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1A, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Water & Sewer Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J)

- Loan Agreement dated February 1, 2010
- Resolution No. 2009-27243 adopted on October 14, 2009 and Continuing Disclosure Commitment, dated as of February 17, 2010



\$10,000,000 City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Water & Sewer Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J)

- Loan Agreement dated February 1, 2010
- Resolution No. 2009-27243 adopted on October 14, 2009 and Continuing Disclosure Commitment, dated as of February 17, 2010

\$30,000,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2009J-1C, City of Gulf Breeze Loan, Series 1985J (used for paying the cost of certain improvements to the water and sewer utility), ("2009 Gulf Breeze Loan, Series 1985J)

- Loan Agreement dated February 1, 2010
- Resolution No. 2009-27243 adopted on October 14, 2009 and Continuing Disclosure Commitment, dated as of February 17, 2010

\$16,185,000 City of Miami Beach, Florida Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Stormwater Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J)

- Loan Agreement dated February 1, 2010
- Resolution No. 2009-27242 adopted on October 14, 2009 and Continuing Disclosure Commitment, dated as of February 17, 2010

\$17,155,000 City of Miami Beach, Florida, Parking Revenue Refunding Bonds, Series 2010A, (the "Series 2010A Parking Bonds"), (used to refund the City's outstanding Parking Revenue Bonds, Series 1997),

- Official Statement dated October 29, 2010
- Resolution No. 2010-27491 adopted on September 20, 2010 and Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of November 16, 2010

\$27,405,000 City of Miami Beach, Florida, Parking Revenue Bonds, Series 2010B, (the "Series 2010B Parking Bonds"), (used to pay the costs of acquiring and constructing a new parking garage and other capital improvements to the Parking System)

- Official Statement dated October 29, 2010
- Resolution No. 2010-27491 adopted on September 20, 2010 and Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of November 16, 2010

\$52,130,000 City of Miami Beach, Florida, Stormwater Revenue Bonds, Series 2011A, (the "Series 2011A Stormwater Bonds"), (used to pay the costs of certain capital improvements to its stormwater utility)

- Official Statement dated November 17, 2011
- Resolution No. 2011-27782 adopted on October 19, 2011 and Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of December 7, 2011

\$26,575,000 City of Miami Beach, Florida, Stormwater Revenue Refunding Bonds, Series 2011B, (the "Series 2011B Stormwater Bonds"), (used to refund, defease and redeem the outstanding Stormwater Revenue Bonds, Series 2000)

- Official Statement dated November 17, 2011
- Resolution No. 2011-27782 adopted on October 19, 2011 and Disclosure

Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of December 7, 2011

\$34,840,000 City of Miami Beach, Florida, General Obligation Refunding Bonds, Series 2011 (used to refund the \$15,910,000 City of Gulf Breeze Loan, Series 1985B, the \$14,090,000 City of Gulf Breeze Loan, Series 1985E, and partially refund the City of Miami Beach, Florida, General Obligation Bonds, Series 2003)

- Official Statement dated November 16, 2011
- Resolution No. 2011-27783 adopted on October 19, 2011 and Continuing Disclosure Commitment, dated as of December 1, 2011

\$99,590,000 City of Miami Beach, Florida, Stormwater Revenue Bonds, Series 2015, (the "Series 2015 Stormwater Bonds"), (used to pay the costs of certain capital improvements to its stormwater utility)

- Official Statement dated July 24, 2015
- Resolution No. 2015-28988 adopted on April 15, 2015 and Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of August 5, 2015

Subsequent to fiscal year ended September 30, 2015, the City of Miami Beach issued the following bonds on December 15, 2015:

\$58,825,000 City of Miami Beach, Florida, Parking Revenue Bonds, Series 2015, (the "Series 2015 Parking Bonds"), (used to pay the costs of acquiring and constructing a new parking facility and improvements to a surface lot to service the City's Convention Center)

- Official Statement dated November 20, 2015
- Resolution No. 2015-29176 adopted on October 14, 2015 and Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of December 15, 2015

\$194,920,000 City of Miami Beach, Florida, Resort Tax Revenue Bonds, Series 2015, (the "Series 2015 Resort Tax Bonds"), (used to finance a portion of the costs of acquiring and constructing renovations to the Miami Beach Convention Center and related improvements)

- Official Statement dated November 18, 2015
- Resolution No. 2015-29175 adopted on October 14, 2015 and Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment), dated as of December 15, 2015

Such information and operating data are hereinafter collectively called the "Fiscal Year 2015 Annual Information."

The information is for the Fiscal Year of the City ended September 30, 2015, and constitutes the annual information, agreed to be provided under the provisions regarding continuing disclosure set forth in the Resolutions adopted at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for that period may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be material to the making of an investment decision. Further, no representation is made that such information is indicative of financial or operating results of the City since the end of that Fiscal Year or of future financial or operating results.

Any questions concerning this filing should be directed to Allison R. Williams, Chief Financial Officer, 1700 Convention Center Drive, Miami Beach, Florida 33139; Telephone (305) 673-7466.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Allison Williams", with a small dot at the end.

Allison R. Williams  
Chief Financial Officer  
City of Miami Beach

**CITY OF MIAMI BEACH, FLORIDA**  
**REPORT OF ANNUAL FINANCIAL INFORMATION**  
**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015**

The following provides, in accordance with provisions regarding continuing disclosure set forth in (1) Resolution No. 2000-24041, adopted on July 26, 2000 (the "2000 Water and Sewer Bond Resolution"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of August 15, 2000, (2) Resolution No. 2001-24500, adopted on June 26, 2001 (the "2001 Gulf Breeze Loan Resolution"), by the Mayor and City Commission, and the Continuing Disclosure Commitment, dated as of August 1, 2001, (3) Resolution No. 2003-25240, adopted on June 11, 2003 (the "2003 G. O. Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of July 22, 2003, (4) Resolution 2005-25951, adopted on July 6, 2005, (the "Series 2005 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of September 1, 2005, (5) Resolution No. 2006-26153, adopted on March 8, 2006 (the "2006 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of April 19, 2006, (6) Resolution No. 2009-27243, adopted on October 14, 2009 (the "2009 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of February 17, 2010, (7) Resolution No. 2009-27242, adopted on October 14, 2009 (the "2009 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of February 17, 2010, (8) Resolution 2010-27491, adopted on September 20, 2010 (the "Series 2010A Parking Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of November 16, 2010, (9) Resolution 2010-27491, adopted on September 20, 2010 (the "Series 2010B Parking Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of November 16, 2010, (10) Resolution 2011-27782, adopted on October 19, 2011 (the "Series 2011A Stormwater Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 7, 2011, (11) Resolution 2011-27782, adopted on October 19, 2011 (the "Series 2011B Stormwater Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 7, 2011, and (12) Resolution 2011-27783, adopted on October 19, 2011 (the "Series 2011 General Obligation Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 1, 2011, (13) Resolution 2015-28988, adopted on April 15, 2015 (the "Series 2015 Stormwater Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of August 5, 2015, (14) Resolution 2015-29176, adopted on October 14, 2015 (the "Series 2015 Parking Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 15, 2015, (15) Resolution 2015-29175, adopted on October 14, 2015 (the "Series 2015 Resort Tax Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 15, 2015, and SEC Rule 15c2-12(b)(5)(i), annual financial information and operating data for the City's Fiscal Year ended September 30, 2015 ("Fiscal Year 2015") of the type included in the final official statements for its primary offerings of:

\$54,310,000 City of Miami Beach, Florida, Water and Sewer Revenue Bonds, Series 2000, (the "2000 Water and Sewer Bonds");

\$2,200,000 City of Miami Beach, City of Gulf Breeze Fixed Rate Loan, Series 1985B (used to repay a portion of the outstanding principal from the Sunshine State Loan), (the "2001 Gulf Breeze Loan");

\$22,445,000 City of Miami Beach, City of Gulf Breeze Fixed Rate Loan, Series 1985C (a portion used to repay the outstanding balance of the City

of Gulf Breeze Loan, dated June 1, 1993 and the remaining balance used to repay a portion of the outstanding principal from the Sunshine State Loan), (\$8,143,046 of the original loan amount relates to the construction of a Parking Garage and is included in the Parking Enterprise Fund), (the "2001 Gulf Breeze Loan");

\$22,500,000 City of Miami Beach, City of Gulf Breeze Fixed Rate Loan, Series 1985E (used to repay a portion of the outstanding principal from the Sunshine State Loan and renovation and improvement of two City owned golf courses and their related facilities), (the "2001 Gulf Breeze Loan");

\$62,465,000 City of Miami Beach, General Obligation Bonds, Series 2003 (used to improve neighborhood infrastructure in the City, consisting of streetscape and traffic calming measures, shoreline stabilization, Fire Safety Projects and Beaches Projects, (the "2003 G.O. Bonds");

\$53,030,000 City of Miami Beach, Florida, Taxable Special Obligation Refunding Bonds (Pension Funding Project), Series 2005 (the "Series 2005 Bonds");

\$8,500,000 City of Miami Beach, Florida, Water and Sewer Revenue Refunding Bonds, Taxable Series 2006B-1, City of Gulf Breeze Loan, Series 1985B, (used to refund the City's outstanding Water & Sewer Revenue Bonds, Series 1995), ("2006 Gulf Breeze Loan, Series 1985B);

\$18,300,000 City of Miami Beach, Florida, Water and Sewer Revenue Bonds, Taxable Series 2006B-2, City of Gulf Breeze Loan, Series 1985B, (used to pay the cost of certain improvements to its water and sewer utility), ("2006 Gulf Breeze Loan, Series 1985B);

\$27,500,000 City of Miami Beach, Florida, Water and Sewer Revenue Refunding Bonds, Taxable Series 2006C, City of Gulf Breeze Loan, Series 1985C (used to refund the City's outstanding Water & Sewer Revenue Bonds, Series 1995), ("2006 Gulf Breeze Loan, Series 1985C);

\$5,700,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2006E, City of Gulf Breeze Loan, Series 1985E (used to pay the cost of certain improvements to its water and sewer utility), ("2006 Gulf Breeze Loan, Series 1985E");

\$13,590,000 City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1A, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Water & Sewer Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J);

\$10,000,000 City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Water & Sewer Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J);

\$30,000,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2009J-1C, City of Gulf Breeze Loan, Series 1985J (used for paying the cost of certain improvements to the water and sewer utility), ("2009 Gulf Breeze Loan, Series 1985J);

\$16,185,000 City of Miami Beach, Florida Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Stormwater Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J);

\$17,155,000 City of Miami Beach, Florida, Parking Revenue Refunding Bonds, Series 2010A (the "Series 2010A Parking Bonds"), (used to refund the City's outstanding Parking Revenue Bonds, Series 1997);

\$27,405,000 City of Miami Beach, Florida, Parking Revenue Bonds, Series 2010B (the "Series 2010B Parking Bonds"), (used to pay the costs of acquiring and constructing a new parking garage and other capital improvements to the Parking System);

\$52,130,000 City of Miami Beach, Florida, Stormwater Revenue Bonds, Series 2011A, (the "Series 2011A Stormwater Bonds"), (used to pay the costs of certain capital improvements to its stormwater utility);

\$26,575,000 City of Miami Beach, Florida, Stormwater Revenue Refunding Bonds, Series 2011B, (the "Series 2011B Stormwater Bonds"), (used to refund, defease and redeem the outstanding Stormwater Revenue Bonds, Series 2000);

\$34,840,000 City of Miami Beach, Florida, General Obligation Refunding Bonds, Series 2011 (used to refund the \$15,910,000 City of Gulf Breeze Loan, Series 1985B, the \$14,090,000 City of Gulf Breeze Loan, Series 1985E, and partially refund the City of Miami Beach, Florida, General Obligation Bonds, Series 2003); and,

\$99,590,000 City of Miami Beach, Florida, Stormwater Revenue Bonds, Series 2015, (the "Series 2015 Stormwater Bonds"), (used to pay the costs of certain capital improvements to its stormwater utility).

Subsequent to fiscal year ended September 30, 2015, the City of Miami Beach issued the following bonds on December 15, 2015:

\$58,825,000 City of Miami Beach, Florida, Parking Revenue Bonds, Series 2015, (the "Series 2015 Parking Bonds"), (used to pay the costs of acquiring and constructing a new parking facility and improvements to a surface lot to service the City's Convention Center); and,

\$194,920,000 City of Miami Beach, Florida, Resort Tax Revenue Bonds, Series 2015, (the "Series 2015 Resort Tax Bonds"), (used to finance a portion of the costs of acquiring and constructing renovations to the Miami Beach Convention Center and related improvements).

The above annual financial information and operating data are hereinafter collectively referred to as the "Fiscal Year 2015 Annual Information."

The Fiscal Year 2015 Annual Information constitutes only the annual financial information and operating data agreed to be provided pursuant to the provisions regarding continuing disclosure in the Resolutions adopted at the time of the primary offerings referenced above and the Continuing Disclosure Commitments, dated as of August 15, 2000, August 1, 2001, July 22, 2003, September 1, 2005, April 19, 2006, February 17, 2010,

November 16, 2010, December 7, 2011, December 1, 2011, August 5, 2015, and December 15, 2015. No representation is made as to the materiality or completeness of that information.

Other relevant information for Fiscal Year 2015 may exist, and matters may have occurred or become known during or since that period, which a reasonable investor would consider to be important when making an investment decision. Further, no representation is made that the Fiscal Year 2015 Annual Information is indicative of financial operating results of the City since the end of Fiscal Year 2015 or future financial or operating results.

**CITY OF MIAMI BEACH, FLORIDA**

CONTACT: Allison R. Williams, Chief Financial Officer  
City of Miami Beach  
1700 Convention Center Dr  
Miami Beach, Florida 33139  
Telephone: (305) 673-7466



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## INTRODUCTION

This Report of Annual Financial Information is being filed with the Electronic Municipal Market Access (EMMA), a service of the Municipal Securities Rulemaking Board (MSRB), pursuant to the provisions regarding continuing disclosure set forth in (1) Resolution No. 2000-24041, adopted on July 26, 2000 (the "2000 Water and Sewer Bond Resolution"), and the Continuing Disclosure Commitment dated as of August 15, 2000, (2) Resolution No. 2001-24500, adopted on June 26, 2001 (the "2001 Gulf Breeze Loan Resolution", by the Mayor and City Commission, and the Continuing Disclosure Commitment, dated as of August 1, 2001, (collectively, the "Disclosure Provisions"), (3) Resolution No. 2003-25240, adopted on June 11, 2003 (the "2003 G.O. Bonds") by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of July 22, 2003, (4) Resolution No. 2005-25951, adopted on July 6, 2005, (the "Series 2005 Bonds") by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of September 1, 2005, (5) Resolution No. 2006-26153, adopted on March 8, 2006 (the "2006 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of April 19, 2006, (6) Resolution No. 2009-27243, adopted on October 14, 2009 (the "2009 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of February 17, 2010, (7) Resolution No. 2009-27242, adopted on October 14, 2009 (the "2009 Bonds"), by the Mayor and City Commission, and the Continuing Disclosure Commitment dated as of February 17, 2010, (8) Resolution 2010-27491, adopted on September 20, 2010 (the "Series 2010A Parking Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of November 16, 2010, (9) Resolution 2010-27491, adopted on September 20, 2010 (the "Series 2010B Parking Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of November 16, 2010, (10) Resolution 2011-27782, adopted on October 19, 2011 (the "Series 2011A Stormwater Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 7, 2011, (11) Resolution 2011-27782, adopted on October 19, 2011 (the "Series 2011B Stormwater Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 7, 2011, and (12) Resolution 2011-27783, adopted on October 19, 2011 (the "Series 2011 General Obligation Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 1, 2011 (13) Resolution 2015-28988, adopted on April 15, 2015 (the "Series 2015 Stormwater Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of August 5, 2015, (14) Resolution 2015-29176, adopted on April 15, 2015 (the "Series 2015 Parking Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 15, 2015, (15) Resolution 2015-29175, adopted on October 14, 2015 (the "Series 2015 Resort Tax Bonds"), by the Mayor and City Commission, and the Disclosure Dissemination Agent Agreement (Continuing Disclosure Commitment) dated as of December 15, 2015, in connection with the issuance of:

\$54,310,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Series 2000 (the "2000 Water and Sewer Bonds");

\$2,200,000 City of Miami Beach, Florida, City of Gulf Breeze Fixed Rate Loan, Series 1985B (used to repay a portion of the outstanding principal from the Sunshine State Loan), (the "2001 Gulf Breeze Loan");

\$22,445,000 City of Miami Beach, Florida, City of Gulf Breeze Fixed Rate Loan, Series 1985C (a portion used to repay the outstanding balance of the City of Gulf Breeze Loan, dated June 1, 1993 and the remaining balance used to repay a portion of the outstanding principal from the Sunshine State Loan), (the "2001 Gulf Breeze Loan") (\$8,143,046 of the

original loan amount relates to the construction of a Parking Garage and is included in the Parking Enterprise Fund);

\$22,500,000 City of Miami Beach, Florida, City of Gulf Breeze Fixed Rate Loan, Series 1985E (used to repay a portion of the outstanding principal from the Sunshine State Loan and renovation and improvement of two City owned golf courses and their related facilities), (the "2001 Gulf Breeze Loan");

\$62,465,000 City of Miami Beach, Florida General Obligation Bonds, Series 2003 (used to improve neighborhood infrastructure in the City, consisting of streetscape and traffic calming measures, shoreline stabilization, Fire Safety Projects and Beaches Projects, (the "2003 G.O. Bonds");

\$53,030,000 City of Miami Beach, Florida, Taxable Special Obligation Refunding Bonds (Pension Funding Project), Series 2005 (the "Series 2005 Bonds");

\$8,500,000 City of Miami Beach, Florida, Water and Sewer Revenue Refunding Bonds, Taxable Series 2006B-1, City of Gulf Breeze Loan, Series 1985B, (used to refund the City's outstanding Water & Sewer Revenue Bonds, Series 1995), ("2006 Gulf Breeze Loan, Series 1985B);

\$18,300,000 City of Miami Beach, Florida, Water and Sewer Revenue Bonds, Taxable Series 2006B-2, City of Gulf Breeze Loan, Series 1985B, (used to pay the cost of certain improvements to its water and sewer utility), ("2006 Gulf Breeze Loan, Series 1985B);

\$27,500,000 City of Miami Beach, Florida, Water and Sewer Revenue Refunding Bonds, Taxable Series 2006C, City of Gulf Breeze Loan, Series 1985C (used to refund the City's outstanding Water & Sewer Revenue Bonds, Series 1995), ("2006 Gulf Breeze Loan, Series 1985C);

\$5,700,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2006E, City of Gulf Breeze Loan, Series 1985E (used to pay the cost of certain improvements to its water and sewer utility), ("2006 Gulf Breeze Loan, Series 1985E");

\$13,590,000 City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1A, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Water & Sewer Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J);

\$10,000,000 City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Water & Sewer Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J);

\$30,000,000 City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2009J-1C, City of Gulf Breeze Loan, Series 1985J (used for paying the cost of certain improvements to the water and sewer utility), ("2009 Gulf Breeze Loan, Series 1985J);

\$16,185,000 City of Miami Beach, Florida Stormwater Revenue Refunding Bonds, Taxable Series 2009J-2, City of Gulf Breeze Loan, Series 1985J (used to refund a portion of the City's outstanding Stormwater Revenue Bonds, Series 2000), ("2009 Gulf Breeze Loan, Series 1985J);

\$17,155,000 City of Miami Beach, Florida, Parking Revenue Refunding Bonds, Series 2010A (the "Series 2010A Parking Bonds"), (used to refund the City's outstanding Parking Revenue Bonds, Series 1997);

\$27,405,000 City of Miami Beach, Florida, Parking Revenue Bonds, Series 2010B (the "Series 2010B Parking Bonds"), (used to pay the costs of acquiring and constructing a new parking garage and other capital improvements to the Parking System);

\$52,130,000 City of Miami Beach, Florida, Stormwater Revenue Bonds, Series 2011A, (the "Series 2011A Stormwater Bonds"), (used to pay the costs of certain capital improvements to its stormwater utility);

\$26,575,000 City of Miami Beach, Florida, Stormwater Revenue Refunding Bonds, Series 2011B, (the "Series 2011B Stormwater Bonds"), (used to refund, defease and redeem the outstanding Stormwater Revenue Bonds, Series 2000);

\$34,840,000 City of Miami Beach, Florida, General Obligation Refunding Bonds, Series 2011 (used to refund the \$15,910,000 City of Gulf Breeze Loan, Series 1985B, the \$14,090,000 City of Gulf Breeze Loan, Series 1985E, and partially refund the City of Miami Beach, Florida, General Obligation Bonds, Series 2003); and,

\$99,590,000 City of Miami Beach, Florida, Stormwater Revenue Bonds, Series 2015, (the "Series 2015 Stormwater Bonds"), (used to pay the costs of certain capital improvements to its stormwater utility).

Subsequent to fiscal year ended September 30, 2015, the City of Miami Beach issued the following bonds on December 15, 2015:

\$58,825,000 City of Miami Beach, Florida, Parking Revenue Bonds, Series 2015, (the "Series 2015 Parking Bonds"), (used to pay the costs of acquiring and constructing a new parking facility and improvements to a surface lot to service the City's Convention Center); and,

\$194,920,000 City of Miami Beach, Florida, Resort Tax Revenue Bonds, Series 2015, (the "Series 2015 Resort Tax Bonds"), (used to finance a portion of the costs of acquiring and constructing renovations to the Miami Beach Convention Center and related improvements).

The Disclosure Provisions were executed and delivered for the benefit of the holders, owners and beneficial owners of each series of Bonds and in order to assist the underwriters of each series of Bonds in complying with the terms and provisions of Rule 15c2-12 adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. §240.115c2-12).

In connection with the issuance of each series of Bonds, the City delivered Official Statements dated August 31, 2000 (as to the 2000 Water and Sewer Bonds), July 22, 2003 (as to the 2003 G.O. Bonds), September 1, 2005 (as to the Series 2005 Bonds), April 19, 2006 (as to the Series 2006 Bonds), February 17, 2010 (as to the Series 2009 Bonds), October 29, 2010 (as to the Series 2010A & 2010B Parking Bonds), November 17, 2011 (as to the Series 2011A & 2011B Stormwater Bonds), November 16, 2011 (as to the Series 2011 General Obligation Bonds), August 5, 2015 (as to the

Series 2015 Stormwater Bonds), December 15, 2015 (as to the Series 2015 Parking Bonds), and December 15, 2015 (as to the Series 2015 Resort Tax Bonds).

Capitalized terms used herein shall have the meanings set forth in the respective official Statements.

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## GENERAL OBLIGATION BONDS

The following information applies to the \$62,465,000 City of Miami Beach, Florida, General Obligation Bonds, Series 2003, (Expand, renovate and improve fire stations and related facilities; improve recreation and maintenance facilities for parks and beaches; and improve neighborhood infrastructure) and the \$34,840,000 City of Miami Beach, Florida General Obligation Refunding Bonds, Series 2011.

### City of Miami Beach, Florida Property Tax Levies and Collections Fiscal Years 2006 through 2015

| Fiscal Year | Total Tax Levy (A) | Collected within the Fiscal year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    |
|-------------|--------------------|----------------------------------------------|--------------------|---------------------------------|---------------------------|--------------------|
|             |                    | Amount                                       | Percentage of Levy |                                 | Amount                    | Percentage of Levy |
| 2006        | 135,910,285        | 132,487,342                                  | 97.48              | 1,814,064                       | 134,301,406               | 98.82              |
| 2007        | 165,759,439        | 163,120,484                                  | 98.41              | 2,145,835                       | 165,266,319               | 99.70              |
| 2008        | 150,418,073        | 145,433,238                                  | 96.69              | 4,646,716                       | 150,079,954               | 99.78              |
| 2009        | 150,588,328        | 144,321,499                                  | 95.84              | 4,633,049                       | 148,954,548               | 98.92              |
| 2010        | 138,703,567        | 131,355,903                                  | 94.70              | 3,550,990                       | 134,906,893               | 97.26              |
| 2011        | 136,549,286        | 128,719,932                                  | 94.27              | 290,254                         | 129,010,186               | 94.48              |
| 2012        | 134,753,401        | 129,572,373                                  | 96.16              | 125,152                         | 129,697,525               | 96.25              |
| 2013        | 139,133,369        | 134,848,787                                  | 96.92              | 3,403,910                       | 138,252,697               | 99.37              |
| 2014        | 143,266,670        | 141,551,552                                  | 98.8               | (B)                             | 141,551,552               | 98.80              |
| 2015        | 155,102,311        | 155,004,712                                  | 99.94              | (B)                             | 155,004,712               | 99.94              |

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

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

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

(B) Data no available at this time

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The table below shows Ad valorem tax rates and Ad valorem tax levies for general government operations and debt service.

**City of Miami Beach, Florida**  
**Statement of Tax Levies and Tax Rates**  
**Fiscal Years 2006 through 2015**

| <b>Fiscal Year<br/>Ended<br/>September 30,</b> | <b>General Fund</b> |                | <b>Debt Service Fund</b> |                | <b>Total</b>    |                |
|------------------------------------------------|---------------------|----------------|--------------------------|----------------|-----------------|----------------|
|                                                | <b>Tax Levy</b>     | <b>Millage</b> | <b>Tax Levy</b>          | <b>Millage</b> | <b>Tax Levy</b> | <b>Millage</b> |
| 2006                                           | 125,943,867         | 7.481          | 9,966,418                | 0.592          | 135,910,285     | 8.073          |
| 2007                                           | 159,300,157         | 7.374          | 6,459,282                | 0.299          | 165,759,439     | 7.673          |
| 2008                                           | 144,246,290         | 5.656          | 6,171,783                | 0.242          | 150,418,073     | 5.898          |
| 2009                                           | 144,532,086         | 5.656          | 6,056,242                | 0.237          | 150,588,328     | 5.893          |
| 2010                                           | 132,675,017         | 5.656          | 6,028,550                | 0.257          | 138,703,567     | 5.913          |
| 2011                                           | 130,522,428         | 6.2155         | 6,026,858                | 0.2870         | 136,549,286     | 6.5025         |
| 2012                                           | 128,731,789         | 6.1655         | 6,021,612                | 0.2884         | 134,753,401     | 6.4539         |
| 2013                                           | 133,504,645         | 6.0909         | 5,628,724                | 0.2568         | 139,133,369     | 6.3477         |
| 2014                                           | 137,342,804         | 5.8634         | 5,923,866                | 0.2529         | 143,266,670     | 6.1163         |
| 2015                                           | 149,192,989         | 5.7942         | 5,909,322                | 0.2295         | 155,102,311     | 6.0237         |

Source: City of Miami Beach Comprehensive Annual Financial Report, 2015 and FY 2014/15 Adopted Workplan and Operating Budget.

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**City of Miami Beach**  
**Computation of Direct and Overlapping Debt**  
**September 30, 2015**

**DIRECT DEBT**

|                                                 |                   |                    |
|-------------------------------------------------|-------------------|--------------------|
| General obligation indebtedness                 |                   |                    |
| Public improvement bonds                        |                   | \$ 53,755,000      |
| Premium/(Discount)                              |                   | <u>1,663,971</u>   |
| Total General obligation indebtedness           |                   | 55,418,971         |
| Non-self-supporting indebtedness <sup>(1)</sup> |                   |                    |
| Gulf Breeze Government Loan Program             | 8,484,492         |                    |
| Pension Refunding Bonds                         | 23,160,000        |                    |
| Tax Increment Revenue Bonds                     |                   |                    |
| Premium/(Discount)                              | 54,990,000        |                    |
| Energy savings obligation                       | 377,342           |                    |
|                                                 | <u>11,801,348</u> |                    |
| Total non-self-supporting indebtedness          |                   | <u>98,813,182</u>  |
| Total direct indebtedness                       |                   | <u>154,232,153</u> |

**OVERLAPPING DEBT <sup>(2)</sup>**

Miami-Dade County

|                                                      |               |                      |
|------------------------------------------------------|---------------|----------------------|
| Total general obligation indebtedness                | 1,384,231,000 |                      |
| Percent applicable to City – 12.8732% <sup>(3)</sup> |               | 178,194,825          |
| Total school district obligation indebtedness        | 349,151       |                      |
| Percent applicable to City - 12.8732% <sup>(3)</sup> |               | 44,947               |
| Total net non-self-supporting indebtedness           | 2,305,285,800 |                      |
| Percent applicable to City - 12.8732% <sup>(3)</sup> |               | <u>296,764,052</u>   |
| Total overlapping debt                               |               | <u>475,003,824</u>   |
| TOTAL DIRECT AND OVERLAPPING DEBT                    |               | <u>\$629,235,977</u> |

<sup>(1)</sup> Excludes self-supporting debt obligations.

<sup>(2)</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>(3)</sup> Based upon 2015 assessed valuation figures for the City and Miami-Dade County.

## OTHER OBLIGATIONS PAYABLE FROM NON-AD VALOREM FUNDS

As of September 30, 2015, the City had outstanding the following long term debt issues which are secured by a covenant to budget and appropriate Non-Ad Valorem Funds.

| Issue Name                          | Total<br>Outstanding<br>Principal | Maximum<br>Annual<br>Debt Service | Final<br>Maturity  |
|-------------------------------------|-----------------------------------|-----------------------------------|--------------------|
| 1985B Gulf Breeze Fixed Rate        | \$ 210,000                        | \$ 214,988                        | December 1, 2015   |
| 1985C Gulf Breeze Fixed Rate        | 1,344,492                         | 1,376,424                         | December 1, 2015   |
| 1985E Gulf Breeze Fixed Rate        | 6,930,000                         | 1,927,013                         | December 1, 2020   |
| Pension Refunding Bonds Series 2005 | 23,160,000                        | 5,164,945                         | September 1, 2021  |
| Loan Agreement dated 2/20/2008      | 12,922,099                        | 3,868,619                         | September 30, 2025 |
| Loan Agreement dated 5/25/2010      | 11,801,348                        | 1,738,879                         | April 25, 2025     |
| Line of Credit <sup>(1)</sup>       | -                                 | -                                 | May 30, 2016       |

Source: City of Miami Beach Finance Department

(1) As of September 30, 2015, no draws have been made on this Line of Credit.

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## PARKING BONDS

Parking Enterprise Fund indebtedness at September 30, 2015, 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>\$ 765,500</u>   |
| \$17,155,000 | Series 2010A Parking Revenue Refunding Bonds due in annual installments through 2022: interest at 3.00% - 5.00% | <u>\$10,395,000</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> |

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 \$765,500 that relates to this debt.

|                                  |                |
|----------------------------------|----------------|
|                                  | <u>9/30/15</u> |
| <b>Number of Parking Garages</b> | <u>10</u>      |
| <b>Number of Parking Spaces</b>  |                |
| On-Street (Metered)              | 3,888          |
| Off-Street Lots                  | 4,536          |
| Garages and attended lots        | <u>6,965</u>   |
| Total                            | <u>15,389</u>  |

### Parking Rates

On-Street Meters: The rates at on-street meters are \$1.00 per hour in Middle and North Beach; and \$1.75 per hour south of 23<sup>rd</sup> Street. Similarly, time limits at the meters range from one hour to twelve hours, depending on rate and location. In general, the short-term meters are located to serve customers of nearby businesses and promote turnover of the parking spaces. The longer-term meters serve employees and visitors to some beach areas.

Parking Lots: The rates at metered parking lots are \$1.75 per hour south of 23<sup>rd</sup> Street. Generally, when surface parking lots are used for special events, a flat rate of \$20.00 per vehicle is charged upon entry. Parking lots have both transient revenues, and monthly permit parking revenues. Monthly parking revenues are at the rate of \$70.00 per month plus tax for all municipal parking lots.

Garages: The 7<sup>th</sup> Street, 12<sup>th</sup> Street, 13<sup>th</sup> Street Municipal Parking Garages charge for parking at the rate of \$1.00 per hour. A maximum rate of \$20.00 per 24-hour maximum is charged. Monthly parking revenues are at the rate of \$70.00 per month plus tax for all garages. Storage in municipal parking garages is prohibited. The 42<sup>nd</sup> Street Garage charges \$1.00 per hour up to twenty-four hours with a maximum of \$8.00 for the entire day. The 17<sup>th</sup> Street Garage, City Hall Garage and the Pennsylvania Avenue Garage charge \$1.00 per hour up to six hours, six hours to seven hours charge is \$8.00, seven to eight hours charge is \$10.00, eight to fifteen hours charge is \$15.00, and fifteen hours to twenty-four hours charge is \$20.00. The 16<sup>th</sup> Street Garage charges \$1.00 per hour up to two hours, two hours to three hours charge is \$6.00, three to six hours charge is \$10.00, and six to twenty-four hours charge is \$16.00. Monthly parking revenues are at the rate of \$107.00 per month tax included.

**City of Miami Beach, Florida**  
**Table of Historical Parking System Net Revenues,**  
**Debt Service, and Debt Service Coverage**  
**Fiscal Years Ending September 30, 2006 Through September 30, 2015**  
**(Thousands)**

|                                              | 2006      | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      |
|----------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenues                                     | \$ 26,059 | \$ 31,571 | \$ 31,417 | \$ 33,478 | \$ 35,449 | \$ 40,663 | \$ 42,818 | \$ 44,305 | \$ 43,456 | \$ 42,741 |
| Current Expenses                             | 15,442    | 17,741    | 19,612    | 19,908    | 20,579    | 21,017    | 21,861    | 23,669    | 27,387    | 27,066    |
| Net Revenues (Available<br>for Debt Service) | 10,617    | 13,830    | 11,805    | 13,570    | 14,870    | 19,646    | 20,957    | 20,636    | 16,069    | 15,675    |
| Debt Service                                 | 2,968     | 2,969     | 2,967     | 2,967     | 2,968     | 3,790     | 4,031     | 4,023     | 4,027     | 3,240     |
| Debt Service Coverage<br>Ratio               | 3.58      | 4.66      | 3.98      | 4.57      | 5.01      | 5.18      | 5.20      | 5.13      | 3.99      | 4.84      |

Source: City of Miami Beach Finance Department

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**City of Miami Beach, Florida**  
**Parking Debt Service Requirements**

| FY   | Series 2010A & B<br>Parking Revenue Bonds |                      | Gulf Breeze Loan  |                  | Series 2015<br>Parking Revenue Bonds |                      | Total                |                      |                       |
|------|-------------------------------------------|----------------------|-------------------|------------------|--------------------------------------|----------------------|----------------------|----------------------|-----------------------|
|      | Principal                                 | Interest             | Principal         | Interest         | Principal                            | Interest             | Principal            | Interest             | Total                 |
| 2016 | \$ 1,465,000                              | \$ 1,778,463         | \$ 765,500        | \$ 18,181        | \$ -                                 | \$ 2,085,582         | \$ 2,230,500         | \$ 3,882,226         | \$ 6,112,726          |
| 2017 | 1,525,000                                 | 1,719,862            | -                 | -                | 75,000                               | 2,932,850            | 1,600,000            | 4,652,712            | 6,252,712             |
| 2018 | 1,590,000                                 | 1,649,113            | -                 | -                | 80,000                               | 2,930,600            | 1,670,000            | 4,579,713            | 6,249,713             |
| 2019 | 1,660,000                                 | 1,585,512            | -                 | -                | 80,000                               | 2,927,400            | 1,740,000            | 4,512,912            | 6,252,912             |
| 2020 | 1,725,000                                 | 1,519,113            | -                 | -                | 80,000                               | 2,925,000            | 1,805,000            | 4,444,113            | 6,249,113             |
| 2021 | 1,810,000                                 | 1,432,862            | -                 | -                | 85,000                               | 2,921,800            | 1,895,000            | 4,354,662            | 6,249,662             |
| 2022 | 1,790,000                                 | 1,342,363            | -                 | -                | 200,000                              | 2,919,250            | 1,990,000            | 4,261,613            | 6,251,613             |
| 2023 | 960,000                                   | 1,270,762            | -                 | -                | 1,110,000                            | 2,911,250            | 2,070,000            | 4,182,012            | 6,252,012             |
| 2024 | 1,000,000                                 | 1,231,163            | -                 | -                | 1,165,000                            | 2,855,750            | 2,165,000            | 4,086,913            | 6,251,913             |
| 2025 | 1,045,000                                 | 1,188,662            | -                 | -                | 1,220,000                            | 2,797,500            | 2,265,000            | 3,986,162            | 6,251,162             |
| 2026 | 1,095,000                                 | 1,139,019            | -                 | -                | 1,280,000                            | 2,736,500            | 2,375,000            | 3,875,519            | 6,250,519             |
| 2027 | 1,145,000                                 | 1,088,375            | -                 | -                | 1,345,000                            | 2,672,500            | 2,490,000            | 3,760,875            | 6,250,875             |
| 2028 | 1,195,000                                 | 1,035,419            | -                 | -                | 1,415,000                            | 2,605,250            | 2,610,000            | 3,640,669            | 6,250,669             |
| 2029 | 1,250,000                                 | 980,150              | -                 | -                | 1,485,000                            | 2,534,500            | 2,735,000            | 3,514,650            | 6,249,650             |
| 2030 | 1,310,000                                 | 922,337              | -                 | -                | 1,560,000                            | 2,460,250            | 2,870,000            | 3,382,587            | 6,252,587             |
| 2031 | 1,370,000                                 | 861,750              | -                 | -                | 1,635,000                            | 2,382,250            | 3,005,000            | 3,244,000            | 6,249,000             |
| 2032 | 1,440,000                                 | 793,250              | -                 | -                | 1,715,000                            | 2,300,500            | 3,155,000            | 3,093,750            | 6,248,750             |
| 2033 | 1,510,000                                 | 721,250              | -                 | -                | 1,805,000                            | 2,214,750            | 3,315,000            | 2,936,000            | 6,251,000             |
| 2034 | 1,585,000                                 | 645,750              | -                 | -                | 1,895,000                            | 2,124,500            | 3,480,000            | 2,770,250            | 6,250,250             |
| 2035 | 1,665,000                                 | 566,500              | -                 | -                | 1,990,000                            | 2,029,750            | 3,655,000            | 2,596,250            | 6,251,250             |
| 2036 | 1,750,000                                 | 483,250              | -                 | -                | 2,090,000                            | 1,930,250            | 3,840,000            | 2,413,500            | 6,253,500             |
| 2037 | 1,835,000                                 | 395,750              | -                 | -                | 2,195,000                            | 1,825,750            | 4,030,000            | 2,221,500            | 6,251,500             |
| 2038 | 1,930,000                                 | 304,000              | -                 | -                | 2,300,000                            | 1,716,000            | 4,230,000            | 2,020,000            | 6,250,000             |
| 2039 | 2,025,000                                 | 207,500              | -                 | -                | 2,415,000                            | 1,601,000            | 4,440,000            | 1,808,500            | 6,248,500             |
| 2040 | 2,125,000                                 | 106,250              | -                 | -                | 2,540,000                            | 1,480,250            | 4,665,000            | 1,586,500            | 6,251,500             |
| 2041 | -                                         | -                    | -                 | -                | 4,900,000                            | 1,353,250            | 4,900,000            | 1,353,250            | 6,253,250             |
| 2042 | -                                         | -                    | -                 | -                | 5,140,000                            | 1,108,250            | 5,140,000            | 1,108,250            | 6,248,250             |
| 2043 | -                                         | -                    | -                 | -                | 5,400,000                            | 851,250              | 5,400,000            | 851,250              | 6,251,250             |
| 2044 | -                                         | -                    | -                 | -                | 5,670,000                            | 581,250              | 5,670,000            | 581,250              | 6,251,250             |
| 2045 | -                                         | -                    | -                 | -                | 5,955,000                            | 297,750              | 5,955,000            | 297,750              | 6,252,750             |
|      | <u>\$ 37,800,000</u>                      | <u>\$ 24,968,425</u> | <u>\$ 765,500</u> | <u>\$ 18,181</u> | <u>\$ 58,825,000</u>                 | <u>\$ 65,012,732</u> | <u>\$ 97,390,500</u> | <u>\$ 89,999,338</u> | <u>\$ 187,389,838</u> |

### **Incurrence of Additional Parking System Debt**

The City did not issue any additional Parking debt in Fiscal Year 2015. However, subsequent to year end, on December 15, 2015, the City issued \$58,825,000 in Parking Revenue Bonds, Series 2015 for the parking portion of the Convention Center renovation project.

### **Expansion of Parking System**

There was no expansion of the parking system during Fiscal Year 2015.

### **Reduction of Parking System**

There were no reductions in parking spaces during Fiscal Year 2015.

### **Change in Senior Management of the Parking System**

From fiscal years 2009 through April 2013, there were no changes in the Senior Management of the System. The Parking System's Director, Saul Frances, has been Director of the System since October 2000. In April 2013, the City of Miami Beach hired a new City Manager, Jimmy Morales, Esq. Mr. Morales is responsible for overseeing all of the City's departments including the Parking System. In January 2016, the City hired a new Chief Financial Officer, Allison Williams, who, among other responsibilities, is part of the management along with the City Manager and Parking Director who are responsible for the operation of the Parking System. Below are the biographies of Mr. Morales, Mr. Frances and Ms. Williams.

Mr. Morales was appointed City Manager for the City of Miami Beach in April 2013. Prior to his appointment, Mr. Morales was a Shareholder and Member of Board of Directors for Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. from 2000-2013. He served as City Attorney for the City of Doral, Florida from 2009-2013, and City Attorney for the City of Marathon, Florida from 2005 to 2009. He was a Member of the Board of County Commissioners, Miami-Dade County, Florida from 1996-2004. He has received the following awards and certifications: Greater Miami Chamber of Commerce Bill Colson Leadership Award for Outstanding Leadership and Superior Ability, 2000; SAVE Dade Champion of Equality, 2006; Miami Beach High School Hall of Fame, 2004; Top Lawyers in South Florida, *South Florida Legal Guide*, 2008-2009, 2011; Florida Super Lawyers, 2006-2010. Education: A.B., Magna Cum Laude, Harvard University; J.D., Magna Cum Laude, Harvard Law School.

The current Parking Director is Saul Frances. He has been the Parking Director for the City of Miami Beach since October 2000. Prior to Parking Director for the City of Miami Beach, Mr. Frances served as Assistant Parking Director for the City from December 1993 to October 2000 and Director of Planning and Development for the Miami Parking System from April 1987 to December 1993. Mr. Frances received his Bachelor of Science in Business Administration from Florida International University. He was awarded the certification of Certified Administrator of Public Parking from the International Parking Institute, and he is a Certified Parking Enforcement Specialist in the State of Florida.

Ms. Allison R. Williams was appointed Chief Financial Officer (CFO) for the City of Miami Beach in January 2016. Prior to becoming CFO, Ms. Williams was the City's Chief Accountant from

March 2004 through January 2016 where she managed and supervised the preparation of complex accounting records, prepared the City's Comprehensive Annual Financial Report (CAFR), and managed external audits. Ms. Williams also taught Governmental and Institutional Accounting at Florida International University from January 2005 until December 2015. Prior to joining the City of Miami Beach, she was a senior auditor with KPMG, LLP from June 1998 through March 2004. Ms. Williams is a member of the following Associations: American Institute of Certified Public Accountants (AICPA), Government Finance Officers Association (GFOA), and the Florida Government Finance Officers Association (FGFOA.) She has also received certifications as a Certified Public Accountant (CPA), Certified Government Finance Officer (CGFO), and Certified Global Management Accountant (CGMA). Ms. Williams graduated Magna Cum Laude from St. Thomas University with a Bachelor of Business Administration in Accounting in December 1999, and received a Master of Accounting degree one year later in December 2000 also from St. Thomas University.

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## THE WATER AND SEWER UTILITY

### Existing Arrangements with the County

The County and the City of Miami Beach executed a new 20-year water service agreement on July 29, 2008. The County charges a uniform rate to all its large volume users. For fiscal year ended September 30, 2015, the current rate was \$1.7816 per thousand gallons. In addition, the County and the City executed a new 20-year wastewater service agreement on December 17, 2014.

The wastewater charges levied by County on Miami Beach are different for the dry season and the wet season. For fiscal year ended September 30, 2015, the current dry season charge was \$2.24 per thousand gallons and the current wet season charge was \$2.88 per thousand gallons.

### Rates, Fees and Charges

On September 10, 2014, the City Commission amended Section A to Article IV of Chapter 110 (Utilities - Fees, Charges Rates and Billing Procedure, Division 2. Rates, Fees and Charges) of the Miami Beach City Code as follows (Ordinance #2014-3894):

110-166(a) – Minimum Service Charge, effective for billings on or after October 1:

| <u>Size of Meter</u> | <u>Gallons of Water per Month</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ¾"                   | 5,000                             | \$ 13.95    | \$ 16.15    | \$ 19.40    | \$ 21.80    | \$ 21.80    | \$ 21.80    | \$ 21.80    | \$ 21.80    | \$ 21.80    | \$ 22.15    |
| 1"                   | 7,000                             | 19.53       | 22.61       | 27.16       | 30.52       | 30.52       | 30.52       | 30.52       | 30.52       | 30.52       | 31.01       |
| 1½"                  | 11,000                            | 30.69       | 35.53       | 42.68       | 47.96       | 47.96       | 47.96       | 47.96       | 47.96       | 47.96       | 48.73       |
| 2"                   | 17,000                            | 47.43       | 54.91       | 65.96       | 74.12       | 74.12       | 74.12       | 74.12       | 74.12       | 74.12       | 75.31       |
| 3"                   | 40,000                            | 111.60      | 129.20      | 155.20      | 174.40      | 174.40      | 174.40      | 174.40      | 174.40      | 174.40      | 177.20      |
| 4"                   | 80,000                            | 223.20      | 258.40      | 310.40      | 348.80      | 348.80      | 348.80      | 348.80      | 348.80      | 348.80      | 354.40      |
| 6"                   | 120,000                           | 334.80      | 387.60      | 465.60      | 523.30      | 523.30      | 523.30      | 523.30      | 523.30      | 523.30      | 531.60      |
| 8"                   | 200,000                           | 558.00      | 646.00      | 776.00      | 872.00      | 872.00      | 872.00      | 872.00      | 872.00      | 872.00      | 886.00      |

110-166(b) – Water in excess of subsection 110-166(a) for billings on or after October 1:

|                   | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Per 1,000 gallons | \$2.79      | \$3.23      | \$3.88      | \$4.36      | \$4.36      | \$4.36      | \$4.36      | \$4.36      | \$4.36      | \$4.43      |

110-168(a) – Sanitary sewer service charge for billings on or after October 1:

|                   | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Per 1,000 gallons | \$4.25      | \$4.93      | \$5.62      | \$6.04      | \$6.04      | \$6.04      | \$6.04      | \$6.04      | \$6.34      | \$7.55      |

**Anticipated Cost Increases**

Since Miami Beach is a large volume user of the County's water and sewer system, cost increases incurred with respect to the County's system, which are passed through to the County's customers, have a direct impact on the rates charged by Miami Beach to its retail customers,. Miami Beach anticipates that there will be rate increases imposed by the County over the next several years, as a result of a variety of factors including recent and anticipated debt issuance of the County to fund improvements to its water and sewer system, a portion of the costs of which are expected to be included in the rates charge to Miami Beach.

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**City of Miami Beach, Florida**  
**Table of Historical Water and Sewer Utility Net Revenues,**  
**Debt Service, and Debt Service Coverage**  
**Fiscal Years Ending September 2006 through September 30, 2015 (Thousands)**

|                              | 2006             | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             | 2015             |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues:                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Water                        | \$ 23,597        | \$ 23,031        | \$ 25,552        | \$ 30,689        | \$ 33,314        | \$ 33,844        | \$ 33,623        | \$ 32,819        | \$ 33,714        | \$ 34,246        |
| Wastewater                   | 26,717           | 28,150           | 28,814           | 33,254           | 36,088           | 35,243           | 35,000           | 35,565           | 36,535           | 41,873           |
| Total Revenues               | <u>\$ 50,314</u> | <u>\$ 51,181</u> | <u>\$ 54,366</u> | <u>\$ 63,943</u> | <u>\$ 69,402</u> | <u>\$ 69,087</u> | <u>\$ 68,623</u> | <u>\$ 68,384</u> | <u>\$ 70,249</u> | <u>\$ 76,119</u> |
| Current Expenses:            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Water                        | \$ 16,602        | \$ 16,568        | \$ 17,681        | \$ 18,712        | \$ 21,999        | \$ 23,770        | \$ 22,917        | \$ 23,874        | \$ 23,636        | \$ 24,087        |
| Wastewater                   | 18,797           | 20,249           | 19,938           | 20,271           | 23,832           | 24,740           | 23,853           | 25,864           | 25,606           | 29,440           |
| Total Current Exp.           | <u>\$ 35,399</u> | <u>\$ 36,817</u> | <u>\$ 37,619</u> | <u>\$ 38,983</u> | <u>\$ 45,831</u> | <u>\$ 48,510</u> | <u>\$ 46,770</u> | <u>\$ 49,738</u> | <u>\$ 49,242</u> | <u>\$ 53,527</u> |
| Net Revenues:                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| (Available for Debt Service) | <u>\$ 14,915</u> | <u>\$ 14,364</u> | <u>\$ 16,747</u> | <u>\$ 24,960</u> | <u>\$ 23,571</u> | <u>\$ 20,577</u> | <u>\$ 21,853</u> | <u>\$ 18,646</u> | <u>\$ 21,007</u> | <u>\$ 22,592</u> |
| Total Debt Service           | <u>\$ 4,148</u>  | <u>\$ 8,752</u>  | <u>\$ 8,812</u>  | <u>\$ 8,927</u>  | <u>\$ 8,191</u>  | <u>\$ 9,892</u>  | <u>\$ 9,901</u>  | <u>\$ 9,918</u>  | <u>\$ 8,661</u>  | <u>\$ 10,235</u> |
| Debt Service Coverage        | <u>3.60</u>      | <u>1.64</u>      | <u>1.90</u>      | <u>2.80</u>      | <u>2.88</u>      | <u>2.08</u>      | <u>2.21</u>      | <u>1.88</u>      | <u>2.43</u>      | <u>2.21</u>      |

Source: City of Miami Beach Finance Department

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## THE STORMWATER UTILITY

### Rates, Fees and Charges

On September 10, 2014, the City Commission amended Article III of Chapter 110 (Stormwater Utility) of the Miami Beach City Code as follows (Ordinance #2014-3894):

110-109(c) – Stormwater utility service charge effective for billings on or after October 1:

|                                       | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Per equivalent residential unit (ERU) | \$ 5.80     | \$ 5.80     | \$ 7.42     | \$ 9.06     | \$ 9.06     | \$ 9.06     | \$ 9.06     | \$ 9.06     | \$ 9.06     | \$ 16.67    |

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**City of Miami Beach, Florida**  
**Table of Historical Stormwater Utility Net Revenues,**  
**Debt Service, and Debt Service Coverage**  
**Fiscal Years Ending September 2006 through September 30, 2015**  
**(Thousands)**

|                                 | 2006     | 2007      | 2008     | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | Budgeted<br>2016 |
|---------------------------------|----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| Revenues:                       |          |           |          |           |           |           |           |           |           |           |                  |
| Stormwater                      | \$ 9,583 | \$ 10,248 | \$ 8,493 | \$ 10,002 | \$ 11,432 | \$ 11,845 | \$ 11,754 | \$ 11,779 | \$ 11,808 | \$ 21,322 | \$ 20,985        |
| Total Revenues                  | \$ 9,583 | \$ 10,248 | \$ 8,493 | \$ 10,002 | \$ 11,432 | \$ 11,845 | \$ 11,754 | \$ 11,779 | \$ 11,808 | \$ 21,322 | \$ 20,985        |
| Current Expenses:               |          |           |          |           |           |           |           |           |           |           |                  |
| Stormwater                      | \$ 1,967 | \$ 2,458  | \$ 3,190 | \$ 2,875  | \$ 2,717  | \$ 3,347  | \$ 3,771  | \$ 3,012  | \$ 3,287  | \$ 4,805  | \$ 3,759         |
| Total Current Exp.              | \$ 1,967 | \$ 2,458  | \$ 3,190 | \$ 2,875  | \$ 2,717  | \$ 3,347  | \$ 3,771  | \$ 3,012  | \$ 3,287  | \$ 4,805  | \$ 3,759         |
| Net Revenues:                   |          |           |          |           |           |           |           |           |           |           |                  |
| (Available for Debt<br>Service) | \$ 7,616 | \$ 7,790  | \$ 5,303 | \$ 7,127  | \$ 8,715  | \$ 8,498  | \$ 7,983  | \$ 8,767  | \$ 8,521  | \$ 16,517 | \$ 17,226        |
| Total Debt Service              | \$ 3,571 | \$ 3,571  | \$ 3,569 | \$ 3,570  | \$ 2,862  | \$ 2,043  | \$ 4,837  | \$ 5,848  | \$ 5,849  | \$ 6,828  | \$ 11,237        |
| Debt Service Coverage           | 2.13     | 2.18      | 1.49     | 2.00      | 3.05      | 4.16      | 1.65      | 1.50      | 1.46      | 2.42      | 1.53             |

Source: City of Miami Beach Finance & Budget Departments

## **Comparative Rates**

Based on monthly stormwater utility fees for Florida local governments, as compiled in 2014 (2015 not available yet) by the Florida Stormwater Association, the current and projected fees for services of the Stormwater Utility are higher than the fees charged for such services by other cities and counties in Florida. The average ERU rate for Florida cities and counties in the 2014 Florida Stormwater Association Report is \$5.68. Not including the City's current ERU rate of \$16.67, the Florida Stormwater Association Report provides a range in monthly rates per ERU from \$0.75 to \$13.77.

The table on the next page lists the Florida local governments included in the 2014 Florida Stormwater Association Report and the stormwater utility fees charged by each governmental entity.

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| Stormwater Utility                     | Monthly Rate per ERU | Stormwater Utility       | Monthly Rate per ERU | Stormwater Utility        | Monthly Rate per ERU | Stormwater Utility      | Monthly Rate per ERU |
|----------------------------------------|----------------------|--------------------------|----------------------|---------------------------|----------------------|-------------------------|----------------------|
| <b>CITIES</b>                          |                      |                          |                      |                           |                      |                         |                      |
| City of Altamonte Spgs                 | 6.75                 | City of Fort Meade       | 4.25                 | City of Miami Springs     | 3.67                 | City of St. Pete Beach  | 47.09 yr             |
| City of Atlantic Beach                 | 8.39                 | City of Fort Myers       | 4.80                 | City of Mount Dora        | 6.50                 | City of St. Petersburg  | 6.84                 |
| City of Auburndale                     | 0.75                 | City of Fort Pierce      | 4.50                 | City of Oldsmar           | 4.00                 | City of Stuart          | 3.95                 |
| City of Bradenton Beach                | 8.33                 | City of Fort Walton Bch  | 3.00                 | City of Mulberry          | 4.00                 | City of Sunrise         | 6.82                 |
| City of Cape Canaveral                 | 5.00                 | City of Gainesville      | 8.56                 | City of Naples            | 12.80                | City of Tallahassee     | 7.95                 |
| City of Cape Coral                     | 6.25                 | City of Gulfport         | 3.21                 | City of Neptune Beach     | 3.00                 | City of Tamarac         | 9.19                 |
| City of Casselberry                    | 7.00                 | City of Haines City      | 54.24/yr.            | City of Niceville         | 4.51                 | City of Tampa           | 3.00                 |
| City of Clearwater                     | 13.77                | City of Hallandale Beach | 3.35                 | City of North Lauderdale  | 3.00                 | City of Tarpon Springs  | 5.65                 |
| City of Clermont                       | 3.00                 | City of Holly Hill       | 6.00                 | City of North Miami Beach | 4.50                 | City of Tavares         | 4.50                 |
| City of Cocoa                          | 5.75                 | City of Jacksonville     | 5.00                 | City of Oakland Park      | 6.00                 | City of Titusville      | 6.62                 |
| City of Cocoa Beach                    | 6.00                 | City of Jacksonville Bch | 4.78                 | City of Orlando           | 9.99                 | City of Wilton Manors   | 4.37                 |
| City of Coconut Creek                  | 3.46                 | City of Key West         | 7.90                 | City of Ormond Beach      | 8.00                 | City of Winter Haven    | 3.16                 |
| City of Coral Gables                   | 8.20                 | City of Kissimmee        | 8.08                 | City of Oviedo            | 4.00                 | City of Winter Park     | 11.56                |
| City of Daytona Beach                  | 8.67                 | City of Lake Alfred      | 2.00                 | City of Palm Coast        | 11.65                | City of Winter Springs  | 5.50                 |
| City of DeBary                         | 7.00                 | City of Lake Worth       | 6.30                 | City of Pensacola         | 5.07                 | Town of Jupiter         | 4.37                 |
| City of Delray Beach                   | 5.33                 | City of Lakeland         | 6.00                 | City of Pompano Beach     | 3.21                 | Town of Melbourne Beach | 3.00                 |
| City of Doral                          | 4.00                 | City of Leesburg         | 5.50                 | City of Riviera Beach     | 4.50                 | Town of Pembroke Park   | 9.00                 |
| City of Eagle Lake                     | 4.00                 | City of Maitland         | 8.60                 | City of Rockledge         | 3.75                 | Village of Indian Creek | 4.38                 |
| City of Edgewater                      | 8.00                 | City of Melbourne        | 3.00                 | City of Safety Harbor     | 7.25                 | Village of Pinecrest    | 4.00                 |
| City of Fort Lauderdale                | 3.50                 | City of Miami Gardens    | 4.00                 | City of St. Augustine     | 7.00                 | Volusia County          | 6.00                 |
| <b>City of Miami Beach (2015-2016)</b> | <b>\$16.67</b>       |                          |                      |                           |                      |                         |                      |
| <b>COUNTIES</b>                        |                      |                          |                      |                           |                      |                         |                      |
| Brevard County                         | 3.00                 | Lake County              | .4984 mills          | Miami-Dade County         | 4.00                 | Polk County             | .1 mil               |
| Charlotte County                       | 10.71                | Leon County              | 7.08                 | Pasco County              | 3.92                 |                         |                      |
| Hillsborough County                    | 1.00                 | Marion County            | 1.25                 | Pinellas County           | 9.67                 |                         |                      |

The following is additional Annual Financial Information as required by the Series 2015 Resort Tax Bonds that were issued on December 15, 2015, subsequent to fiscal year ended September 30, 2015. The Annual Financial Information for the Series 2015 Parking Bonds is incorporated within the Parking Annual Financial Information commencing on page 12.

## RESORT TAX BONDS

Set forth below is a summary of Resort Tax Revenues by source for Fiscal Year 2011 through 2015 and projected for Fiscal Year 2016.

| Source of Resort<br>Tax Revenue           | Resort Tax Revenue By Source   |                            |                            |                            |                            | Fiscal Year                            |
|-------------------------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------------------|
|                                           | Fiscal Year Ended September 30 |                            |                            |                            |                            | Ending                                 |
|                                           | <u>2011 <sup>(1)</sup></u>     | <u>2012 <sup>(1)</sup></u> | <u>2013 <sup>(1)</sup></u> | <u>2014 <sup>(1)</sup></u> | <u>2015 <sup>(1)</sup></u> | Sept. 30<br><u>2016 <sup>(2)</sup></u> |
| 3% on Transient Rentals                   | \$ 26,952,453                  | \$ 29,616,708              | \$ 33,367,131              | \$ 35,315,559              | \$ 38,281,053              | \$ 38,400,000                          |
| 1% Additional Tax<br>on Transient Rentals | -                              | -                          | -                          | -                          | -                          | 9,600,000                              |
| 2% on Food and<br>Beverages               | 21,821,438                     | 24,303,459                 | 25,250,861                 | 26,444,959                 | 29,718,863                 | 30,631,000                             |
| Total                                     | \$ 48,773,891                  | \$ 53,920,167              | \$ 58,617,992              | \$ 61,760,518              | \$ 67,999,916              | \$ 78,631,000                          |

Source: City of Miami Beach Finance & Budget Departments

(1) Based on actual, audited amounts for the period indicated.

(2) Represents the budgeted amounts per the City's Adopted Budget for Fiscal Year 2016, plus the amount budgeted to be collected from the Additional Tax of one percent (1%) for Convention Center improvements, prorated for the ten (10) month period such Additional Tax will be collected for Fiscal Year 2016.

The information in the following table sets forth the historical and projected collection of Resort Tax Revenues, Maximum Annual Debt Service for the Series 2015 Bonds and coverage provided, or projected to be provided, by the Resort Tax Revenues.

**Resort Tax Revenues, Debt Service  
and Debt Service Coverage**

| <u>Fiscal<br/>Year</u> | <u>Resort Tax<br/>Revenues</u> | <u>Maximum Annual<br/>Debt Service on<br/>Series 2015 Bonds <sup>(1)</sup></u> | <u>Coverage on<br/>Maximum Annual<br/>Debt Service on<br/>Series 2015 Bonds <sup>(1)</sup></u> |
|------------------------|--------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 2011                   | \$ 48,773,891                  | \$ 12,454,750                                                                  | 3.92x                                                                                          |
| 2012                   | 53,920,167                     | 12,454,750                                                                     | 4.33                                                                                           |
| 2013                   | 58,617,992                     | 12,454,750                                                                     | 4.71                                                                                           |
| 2014                   | 61,760,518                     | 12,454,750                                                                     | 4.96                                                                                           |
| 2015                   | 67,999,916                     | 12,454,750                                                                     | 5.46                                                                                           |
| 2016 <sup>(2)</sup>    | 78,631,000                     | 12,454,750                                                                     | 6.31                                                                                           |
| 2017 <sup>(3)</sup>    | 80,551,000                     | 12,454,750                                                                     | 6.47                                                                                           |
| 2018 <sup>(3)</sup>    | 80,551,000                     | 12,454,750                                                                     | 6.47                                                                                           |
| 2019 <sup>(3)</sup>    | 80,551,000                     | 12,454,750                                                                     | 6.47                                                                                           |
| 2020 <sup>(3)</sup>    | 80,551,000                     | 12,454,750                                                                     | 6.47                                                                                           |

Source: City of Miami Beach Finance & Budget Departments

- (1) Represents the Maximum Annual Debt Service on the Series 2015 Bonds. The Maximum Annual Debt Service on the Series 2015 Bonds is included in the historical years solely for purposes of showing the amount of coverage that would have been available if the Series 2015 Bonds had been issued prior to Fiscal Year 2011. The Maximum Annual Debt Service on the Series 2015 Bonds occurs in Fiscal Years 2031, 2037 and 2038.
- (2) Represents the budgeted amounts per the City's Adopted Budget for Fiscal Year 2016, plus the amount budgeted to be collected from the Additional Tax of one percent (1%) for Convention Center improvements, prorated for the ten (10) month period such Additional Tax will be collected for Fiscal Year 2016.
- (3) Amounts presented assume no growth in Resort Tax Revenues from the amount budgeted for in Fiscal Year 2016; however, the amount budgeted to be collected for the Additional Tax of the one percent (1%) for the Convention Center improvements is budgeted for 12 months instead of the 10 months budgeted for in Fiscal Year 2016.



# MIAMIBEACH

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

**OFFICE OF THE CITY MANAGER**

Tel: (305) 673-7010, Fax: (305) 673-7782

May 24, 2016

DAC

Attn: Diana O'Brien

390 N. Orange Ave., Suite 1750

Orlando, FL 32801

**Re: Annual Report for the Miami Beach Redevelopment Agency, and the City of Miami Beach, Florida, in accordance with Continuing Disclosure Requirements of SEC Rule 15c2-12**

In accordance with undertakings of the City of Miami Beach (the "City") and the Miami Beach Redevelopment Agency (the "Agency") regarding continuing disclosure made pursuant to SEC Rule 15c2-12(b)(5)(i), by the Resolutions adopted by the Mayor and City Commission of the City and by the Chairman and Members of the Agency, described below, enclosed is the annual financial information and operating data for the Fiscal Year ending on September 30, 2015, as described in the respective undertakings for the following bond issues of the Agency:

\$29,105,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Bonds, Taxable Series 1998A (City Center/Historic Convention Village):

- Official Statement Dated July 22, 1998
- City Resolution No. 98-22820 adopted on July 1, 1998, and Agency Resolution No. 297-98, adopted on July 1, 1998, and the Continuing Disclosure Agreement, dated as of July 1, 1998.

\$51,440,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Taxable Series 2005A (City Center/Historic Convention Village) and \$29,330,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Series 2005B (City Center/Historic Convention Village):

- Official Statement Dated August 25, 2005
- City Resolution No. 2005-25970 adopted on July 27, 2005, and Agency Resolution No. 511-2005 adopted on July 27, 2005, and the Continuing Disclosure Agreement dated September 22, 2005.

Subsequent to fiscal year ended September 30, 2015, the Miami Beach Redevelopment Agency issued the following bonds on December 15, 2015:

\$286,245,000 Miami Beach Redevelopment Agency, Tax Increment Revenue and Refunding Bonds, Series 2015A (City Center/Historic Convention Village), and \$35,850,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Taxable Series 2015B (City Center/Historic Convention Village):



- Official Statement Dated November 19, 2015
- City Resolution No. 2015-29174 adopted on October 14, 2015, and Agency Resolution No. 619-2015 adopted on October 14, 2015, and the Continuing Disclosure Agreement dated December 15, 2015.

Such information and operating data are hereinafter collectively called the "Fiscal Year 2015 Annual Information."

The information is for the Fiscal Year of the Agency ended September 30, 2015, and constitutes the annual information, agreed to be provided under the provisions regarding continuing disclosure set forth in the Resolutions adopted at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for that period may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be material to the making of an investment decision. Further, no representation is made that such information is indicative of financial or operating results of the Agency or the City since the end of that Fiscal Year or of future financial or operating results.

Any questions concerning this filing should be directed to Allison R. Williams, 1700 Convention Center Drive, Miami Beach, Florida 33139; Telephone (305) 673-7466.

Very truly yours,



Allison R. Williams  
Chief Financial Officer of the  
City of Miami Beach, and the  
Miami Beach Redevelopment Agency



**MIAMI BEACH REDEVELOPMENT AGENCY  
AND  
CITY OF MIAMI BEACH, FLORIDA  
REPORT OF ANNUAL FINANCIAL INFORMATION  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015**

The following provides, in accordance with provisions regarding continuing disclosure set forth in (1) Resolution No. 98-22820, adopted by the Mayor and City Commission of the City of Miami Beach (the "City"), on July 1, 1998, and Resolution No. 297-98, adopted by the Chairman and Members of the Miami Beach Redevelopment Agency (the "Agency") on July 1, 1998 (the "1998 Bond Resolution"), the Continuing Disclosure Agreement, dated as of July 1, 1998, by and among the City, the Agency and First Union National Bank (or its successor), as trustee (the "1998 Continuing Disclosure Agreement"), (2) Resolution No. 2005-25970, adopted by the Mayor and City Commission of the City of Miami Beach (the "City"), on July 27, 2005, and Resolution No. 511-2005, adopted by the Chairman and Members of the Miami Beach Redevelopment Agency (the "Agency") on July 27, 2005 (the "2005 Bond Resolution"), the Continuing Disclosure Agreement, dated as of September 22, 2005, by and among the City, the Agency and Wachovia National Bank, National Association (or its successor), as trustee (the "2005 Continuing Disclosure Agreement"), (3) Resolution No. 2015-29174, adopted by the Mayor and City Commission of the City of Miami Beach (the "City"), on October 14, 2015, and Resolution No. 619-2015, adopted by the Chairman and Members of the Miami Beach Redevelopment Agency (the "Agency") on October 14, 2015 (the "2015 Bond Resolution"), the Continuing Disclosure Agreement, dated as of December 15, 2015, by and among the Agency and Digital Assurance Certification, LLC (the "2015 Continuing Disclosure Agreement"), and SEC Rule 15c2-12(b)(5)(i), annual financial information and operating data for the Agency's and the City's fiscal year ended September 30, 2015 ("Fiscal Year 2015") of the type included in the final official statement for its primary offerings of:

\$29,105,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Bonds, Taxable Series 1998A (City Center/Historic Convention Village);

\$51,440,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Taxable Series 2005A (City Center/Historic Convention Village); and,

\$29,330,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Series 2005B (City Center/Historic Convention Village).

Subsequent to fiscal year ended September 30, 2015, the Miami Beach Redevelopment Agency issued the following bonds on December 15, 2015:

\$286,245,000 Miami Beach Redevelopment Agency, Tax Increment Revenue and Refunding Bonds, Series 2015A (City Center/Historic Convention Village); and,

\$35,850,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Taxable Series 2015B (City Center/Historic Convention Village).

The above annual financial information and operating data are hereinafter collectively referred to as the "Fiscal Year 2015 Annual Information."

The Fiscal Year 2015 Annual Information constitutes only the annual financial information and operating data agreed to be provided pursuant to the provisions regarding continuing disclosure in the Bond Resolutions adopted at the time of the primary offerings referenced above and the Continuing Disclosure Commitments, dated as of July 1, 1998, September 22, 2005 and December 15, 2015. No representation is made as to the materiality or completeness of that information.

Other relevant information for Fiscal Year 2015 may exist, and matters may have occurred or become known during or since that period, which a reasonable investor would consider to be important when making an investment decision. Further, no representation is made that the Fiscal Year 2015 Annual Information is indicative of financial operating results of the Agency or the City since the end of Fiscal Year 2015 or future financial or operating results.

**MIAMI BEACH REDEVELOPMENT AGENCY**

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## INTRODUCTION

This Report of Annual Financial Information is being filed with the Electronic Municipal Market Access (EMMA), a service of the Municipal Securities Rulemaking Board (MSRB), pursuant to the provisions regarding continuing disclosure set forth in (1) Resolution No. 98-22820, adopted by the Mayor and City Commission of the City of Miami Beach (the "City"), on July 1, 1998, and Resolution No. 297-98, adopted by the Chairman and Members of the Miami Beach Redevelopment Agency (the "Agency") on July 1, 1998 (the "1998 Bond Resolution"), and the Continuing Disclosure Agreement, dated as of July 1, 1998, (2) Resolution No. 2005-25970, adopted by the Mayor and City Commission of the City of Miami Beach (the "City"), on July 27, 2005, and Resolution No. 511-2005, adopted by the Chairman and Members of the Miami Beach Redevelopment Agency (the "Agency") on July 27, 2005 (the "2005 Bond Resolution"), the Continuing Disclosure Agreement, dated as of September 22, 2005, and (3) Resolution No. 2015-29174, adopted by the Mayor and City Commission of the City of Miami Beach (the "City"), on October 14, 2015, and Resolution No. 619-2015, adopted by the Chairman and Members of the Miami Beach Redevelopment Agency (the "Agency") on October 14, 2015 (the "2015 Bond Resolution" and, collectively with the 1998 and 2005 Bond Resolutions, hereinafter referred to as the "Resolutions"), the Continuing Disclosure Agreement, dated as of December 15, 2015, (collectively, the "Disclosure Provisions") in connection with the issuance of:

\$29,105,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Bonds, Taxable Series 1998A (City Center/Historic Convention Village);

\$51,440,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Taxable Series 2005A (City Center/Historic Convention Village); and,

\$29,330,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Series 2005B (City Center/Historic Convention Village) (collectively, hereinafter referred to as the "Series 2005 Bonds").

Subsequent to fiscal year ended September 30, 2015, the Miami Beach Redevelopment Agency issued the following bonds on December 15, 2015:

\$286,245,000 Miami Beach Redevelopment Agency, Tax Increment Revenue and Refunding Bonds, Series 2015A (City Center/Historic Convention Village); and,

\$35,850,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Taxable Series 2015B (City Center/Historic Convention Village) (collectively, hereinafter referred to as the "Series 2015 Bonds").

The Disclosure Provisions were executed and delivered for the benefit of the holders, owners and beneficial owners of each series of bonds and in order to assist the underwriters of each series of Bonds in complying with the terms and provisions of Rule 15c2-12 adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. §240.115c2-12).

In connection with the issuance of each series of Bonds, the Agency delivered Official Statements dated July 22, 1998 (as to the 1998 Bonds), August 25, 2005 (as to the 2005 Bonds), and November 19, 2015 (as to the 2015 Bonds).

Capitalized terms used herein, and not otherwise defined, shall have the meanings set forth in the Official Statement.

## TAX INCREMENT REVENUE BONDS

### Debt Service Coverage

The following table sets forth the actual annual debt service for the Series 1998 Bonds, the Series 2005 Bonds, and the 2015 Bonds and debt service coverage provided from the Net Trust Fund Revenues and Supplemental Revenues.

|                                                 | <u>Fiscal Year Ending September 30</u> |               |               |               |
|-------------------------------------------------|----------------------------------------|---------------|---------------|---------------|
|                                                 | 2012                                   | 2013          | 2014          | 2015          |
| Trust Fund Revenues                             | \$ 30,986,319                          | \$ 32,072,486 | \$ 37,456,562 | \$ 36,251,898 |
| Annual Operating and Administration Costs       | 500,000                                | 500,000       | 500,000       | -             |
| Net Trust Fund Revenues                         | 30,486,319                             | 31,572,486    | 36,956,562    | 36,251,898    |
| Resort Tax Revenues                             | 53,920,167                             | 58,617,992    | -             | -             |
| Supplemental Revenues <sup>(7)</sup>            | 53,920,167                             | 58,617,992    | -             | -             |
| Total Available for Debt Service <sup>(1)</sup> | 84,406,486                             | 90,190,478    | 36,956,562    | 36,251,898    |
| Series 1998 Bonds Debt Service <sup>(6)</sup>   | 668,000                                | 668,000       | 668,000       | 668,000       |
| Series 2005 Bonds Debt Service                  | 7,724,916                              | 7,729,766     | 7,735,739     | 7,746,103     |
| Series 2015 Bonds Debt Service <sup>(5)</sup>   | -                                      | -             | -             | -             |
| Total Debt Service                              | 8,392,916                              | 8,397,766     | 8,403,739     | 8,414,103     |
| Coverage Ratio                                  | 10.06                                  | 10.74         | 4.40          | 4.31          |

Source: City of Miami Beach Finance Department

<sup>(1)</sup> Net Trust Fund Revenues plus Supplemental Revenues.

<sup>(2)</sup> Not used.

<sup>(3)</sup> Not used.

<sup>(4)</sup> Not used.

<sup>(5)</sup> The 2015 Bonds were issued on Dec. 15, 2015. No debt service payments in FY 2015.

<sup>(6)</sup> The Series 1998B Bonds matured on December 1, 2008.

<sup>(7)</sup> The lien upon and pledge of the Supplemental Revenues to secure payment of the Bonds was released and extinguished on September 30, 2014.

## Historical Taxable Real Property and Tax Increment Revenues

The following table sets forth historical collections of Tax Increment Revenues in the City Center Historic Convention Village Redevelopment Area for Fiscal Years 1993 through 2015:

### Miami Beach Redevelopment Agency Historical Taxable Real Property and Tax Increment Revenues City Center Historic Convention Village

| Tax Year<br>(FY Ended<br>Sept. 30) | (Preliminary)<br>Total Taxable<br>Real Property | Increment of<br>Taxable Real<br>Property | Annual<br>Change in<br>Taxable<br>Values | County<br>Millage | City<br>Millage | County<br>Payments<br>at 95% | City<br>Payments<br>at 95% | Total Tax<br>Increment |
|------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------------------|-------------------|-----------------|------------------------------|----------------------------|------------------------|
| Base/<br>1992 (FY93)               | \$ 292,572,271                                  |                                          |                                          |                   |                 |                              |                            |                        |
| 1993 (FY94)                        | \$ 373,316,447                                  | \$ 80,744,176                            | 27.6%                                    | 7.289             | 8.238           | \$ 559,117                   | \$ 631,912                 | \$ 1,191,029           |
| 1994 (FY95)                        | 470,779,626                                     | 178,207,355                              | 26.1%                                    | 7.289             | 7.143           | 1,234,006                    | 1,209,288                  | 2,443,294              |
| 1995 (FY96)                        | 491,677,581                                     | 199,105,310                              | 4.4%                                     | 6.826             | 7.499           | 1,291,517                    | 1,418,436                  | 2,709,953              |
| 1996 (FY97)                        | 497,342,509                                     | 204,770,238                              | 1.2%                                     | 6.469             | 7.499           | 1,258,426                    | 1,458,793                  | 2,717,219              |
| 1997 (FY98)                        | 531,364,583                                     | 238,792,312                              | 6.8%                                     | 6.023             | 7.499           | 1,366,334                    | 1,701,168                  | 3,067,502              |
| 1998 (FY99)                        | 609,832,451                                     | 317,260,180                              | 14.8%                                    | 6.023             | 7.499           | 1,815,315                    | 2,260,117                  | 4,075,432              |
| 1999 (FY00)                        | 894,145,474                                     | 601,573,203                              | 46.6%                                    | 5.809             | 7.499           | 3,319,812                    | 4,285,638                  | 7,605,450              |
| 2000 (FY01)                        | 1,021,968,290                                   | 729,396,019                              | 14.3%                                    | 5.751             | 7.399           | 3,985,019                    | 5,126,961                  | 9,111,980              |
| 2001 (FY02)                        | 1,218,222,763                                   | 925,650,492                              | 19.2%                                    | 5.713             | 7.299           | 5,023,829                    | 6,418,507                  | 11,442,336             |
| 2002 (FY03)                        | 1,359,799,118                                   | 1,067,226,847                            | 11.6%                                    | 5.889             | 7.299           | 5,970,654                    | 7,400,204                  | 13,370,858             |
| 2003 (FY04)                        | 1,498,627,666                                   | 1,206,055,395                            | 10.2%                                    | 5.969             | 7.299           | 6,838,997                    | 8,362,848                  | 15,201,845             |
| 2004 (FY05)                        | 1,633,198,959                                   | 1,340,626,688                            | 9.0%                                     | 5.935             | 7.425           | 7,558,788                    | 9,456,446                  | 17,015,234             |
| 2005 (FY06)                        | 2,270,499,203                                   | 1,977,926,932                            | 39.0%                                    | 5.835             | 7.481           | 10,964,143                   | 14,057,028                 | 25,021,171             |
| 2006 (FY07)                        | 3,003,565,939                                   | 2,710,993,668                            | 32.3%                                    | 5.615             | 7.374           | 14,452,835                   | 18,991,324                 | 33,444,159             |
| 2007 (FY08)                        | 3,585,310,480                                   | 3,292,738,209                            | 19.4%                                    | 4.5796            | 5.656           | 14,325,453                   | 17,690,977                 | 32,016,430             |
| 2008 (FY09)                        | 3,707,103,133                                   | 3,414,530,862                            | 3.4%                                     | 4.8379            | 5.656           | 15,693,201                   | 18,345,335                 | 34,038,536             |
| 2009 (FY10)                        | 3,446,724,524                                   | 3,154,152,253                            | -7.0%                                    | 4.8379            | 5.656           | 14,496,500                   | 16,946,393                 | 31,442,893             |
| 2010 (FY11)                        | 3,404,963,718                                   | 3,112,391,447                            | -1.2%                                    | 5.4275            | 6.216           | 16,047,879                   | 18,377,816                 | 34,425,695             |
| 2011 (FY12)                        | 3,423,353,944                                   | 3,130,781,673                            | 0.5%                                     | 4.8050            | 6.1655          | 14,291,236                   | 18,337,693                 | 32,628,929             |
| 2012 (FY13)                        | 3,608,718,451                                   | 3,316,146,180                            | 5.4%                                     | 4.7035            | 6.0909          | 14,817,619                   | 19,188,399                 | 34,006,018             |
| 2013 (FY14)                        | 3,871,409,731                                   | 3,578,837,460                            | 7.3%                                     | 4.7035            | 5.8634          | 15,991,409                   | 19,934,948                 | 35,926,357             |
| 2014 (FY15)                        | 4,186,683,074                                   | 3,894,110,803                            | 8.1%                                     | 4.6669            | 5.7942          | 17,264,754                   | 21,435,094                 | 38,699,848             |
| 2015 (FY16)                        | 4,821,643,185                                   | 4,529,070,914                            | 15.2%                                    | 4.6669            | 5.7092          | 20,079,885                   | 24,564,503                 | 44,644,388             |

Source: City of Miami Beach Finance Department

### **Release of Pledge of Supplemental Revenues**

On September 30, 2014, in accordance with Section 7 of Resolution No. 94-21008 adopted by the Mayor and City Commission of the City of Miami Beach, Florida on January 5, 1994, and Section 304.D. of Resolution No. 150-94 adopted by the Board of Commissioners of the Miami Beach Redevelopment Agency (the "Agency") on January 5, 1994, (collectively, the "Resolutions"), the lien upon and pledge of the Supplemental Revenues (as defined in the Resolutions) to secure payment of the Bonds, including the captioned bonds, has been released and extinguished.

### **Additional Debt Payable from Pledged Funds**

No debt payable from Pledged Funds was issued during Fiscal Year 2015. However, subsequent to year end, on December 15, 2015, the Agency issued \$286,245,000 of Tax Increment Revenue and Revenue Refunding Bonds, Series 2015A, and \$35,850,000 Tax Increment Revenue Refunding Bonds, Taxable Series 2015B which will be paid from the Pledged Funds.

### **Additional Debt Payable from Resort Tax Revenues or Supplemental Revenues**

No bonds payable from Resort Tax Revenues or Supplemental Revenues were issued in Fiscal Year 2015. The pledge on the Resort Tax Revenue or Supplemental Revenues was released and extinguished on September 30, 2014. However, subsequent to year end, on December 15, 2015, the City issued \$194,920,000 Resort Tax Revenue Bonds, Series 2015 which will be paid by an addition tax of one percent (1%) on the rent of every occupancy of a room or rooms in any hotel, motel house or apartment house in the City. The City Commission enacted Ordinance No. 2015-3975 on October 28, 2015 to collect an additional tax of one percent (1%) on such rentals.

### **Changes in the Resort Tax with Respect to Percentage Rate Imposed or Exemptions Therefrom**

There were no changes in Resort Tax in Fiscal Year 2015 with respect to the percentage rate imposed or the exemptions therefrom. However, subsequent to year end, on December 15, 2015, the City issued \$194,920,000 Resort Tax Revenue Bonds, Series 2015 which will be paid by an addition tax of one percent (1%) on the rent of every occupancy of a room or rooms in any hotel, motel house or apartment house in the City. The City Commission enacted Ordinance No. 2015-3975 on October 28, 2015 to collect an additional tax of one percent (1%) on such rentals.

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City of Miami Beach - Resort Tax Collections

| Month     | Fiscal Year 2005/ 06 |             |              |          | Fiscal Year 2006/ 07 |             |              |          |
|-----------|----------------------|-------------|--------------|----------|----------------------|-------------|--------------|----------|
|           | 2%                   | 1%          | TOTAL        | % Change | 2%                   | 1%          | TOTAL        | % Change |
| October   | \$1,296,943          | \$259,418   | \$1,556,361  | 29.7%    | \$1,585,179          | \$279,661   | \$1,864,840  | 19.8%    |
| November  | \$1,866,466          | \$346,298   | \$2,212,764  | -10.2%   | \$1,819,808          | \$337,161   | \$2,156,969  | -2.5%    |
| December  | \$2,581,985          | \$451,377   | \$3,033,362  | 41.3%    | \$2,262,944          | \$466,589   | \$2,729,533  | -10.0%   |
| January   | \$2,025,695          | \$451,992   | \$2,477,687  | -25.4%   | \$2,873,829          | \$614,395   | \$3,488,224  | 40.8%    |
| February  | \$3,446,229          | \$712,275   | \$4,158,504  | 33.3%    | \$2,696,949          | \$619,977   | \$3,316,926  | -20.2%   |
| March     | \$2,403,120          | \$640,340   | \$3,043,460  | 3.2%     | \$3,425,538          | \$877,829   | \$4,303,367  | 41.4%    |
| April     | \$3,711,948          | \$847,346   | \$4,559,294  | 11.9%    | \$3,856,462          | \$899,734   | \$4,756,196  | 4.3%     |
| May       | \$2,704,679          | \$599,465   | \$3,304,144  | 2.0%     | \$2,992,937          | \$679,952   | \$3,672,889  | 11.2%    |
| June      | \$2,430,195          | \$520,978   | \$2,951,173  | 4.6%     | \$2,359,376          | \$506,281   | \$2,865,657  | -2.9%    |
| July      | \$1,782,159          | \$331,629   | \$2,113,788  | 4.9%     | \$1,876,003          | \$345,944   | \$2,221,947  | 5.1%     |
| August    | \$1,986,192          | \$391,505   | \$2,377,697  | -6.0%    | \$2,102,142          | \$394,904   | \$2,497,046  | 5.0%     |
| September | \$1,794,572          | \$360,288   | \$2,154,860  | -80.0%   | \$2,033,437          | \$406,448   | \$2,439,885  | 13.2%    |
| Total     | \$28,030,183         | \$5,912,911 | \$33,943,094 | 6.4%     | \$29,884,604         | \$6,428,875 | \$36,313,479 | 7.0%     |

| Month     | Fiscal Year 2007/ 08 |             |              |          |
|-----------|----------------------|-------------|--------------|----------|
|           | 2%                   | 1%          | TOTAL        | % Change |
| October   | \$1,829,844          | \$330,052   | \$2,159,896  | 15.8%    |
| November  | \$2,100,723          | \$431,941   | \$2,532,664  | 17.4%    |
| December  | \$2,296,419          | \$454,398   | \$2,750,817  | 0.8%     |
| January   | \$3,072,259          | \$708,906   | \$3,781,165  | 8.4%     |
| February  | \$3,080,283          | \$675,769   | \$3,756,052  | 13.2%    |
| March     | \$3,079,853          | \$772,143   | \$3,851,996  | -10.5%   |
| April     | \$3,791,216          | \$870,738   | \$4,661,954  | -2.0%    |
| May       | \$2,869,106          | \$630,117   | \$3,499,223  | -4.7%    |
| June      | \$2,729,506          | \$607,357   | \$3,336,863  | 16.4%    |
| July      | \$2,031,099          | \$425,685   | \$2,456,784  | 10.6%    |
| August    | \$2,219,104          | \$472,125   | \$2,691,229  | 7.8%     |
| September | \$2,181,947          | \$543,478   | \$2,725,425  | 11.7%    |
| Total     | \$31,281,359         | \$6,922,709 | \$38,204,068 | 5.2%     |



**City of Miami Beach - Resort Tax Collections (Continued)**

| Month     | Fiscal Year 2008/ 09 |             |              |          | Fiscal Year 2009/10 |             |              |          |
|-----------|----------------------|-------------|--------------|----------|---------------------|-------------|--------------|----------|
|           | 2%                   | 1%          | TOTAL        | % Change | 2%                  | 1%          | TOTAL        | % Change |
| October   | \$1,656,504          | \$335,195   | \$1,991,699  | -7.8%    | \$1,765,446         | \$328,525   | \$2,093,971  | 10.0%    |
| November  | \$2,063,757          | \$443,620   | \$2,507,377  | -1.0%    | \$2,170,213         | \$415,278   | \$2,585,491  | 3.1%     |
| December  | \$2,219,742          | \$497,544   | \$2,717,286  | -1.2%    | \$2,317,036         | \$461,510   | \$2,778,546  | 2.3%     |
| January   | \$2,870,626          | \$687,949   | \$3,558,575  | -5.9%    | \$3,357,290         | \$759,806   | \$4,117,096  | 15.7%    |
| February  | \$3,148,530          | \$686,022   | \$3,834,552  | 2.1%     | \$3,250,359         | \$713,871   | \$3,964,230  | 3.4%     |
| March     | \$2,939,928          | \$680,769   | \$3,620,697  | -6.0%    | \$3,775,971         | \$944,317   | \$4,720,288  | 30.4%    |
| April     | \$3,711,667          | \$763,621   | \$4,475,288  | -4.0%    | \$4,070,923         | \$913,934   | \$4,984,857  | 11.4%    |
| May       | \$2,859,207          | \$648,497   | \$3,507,704  | 0.2%     | \$3,357,502         | \$755,673   | \$4,113,175  | 17.3%    |
| June      | \$2,734,368          | \$529,969   | \$3,264,337  | -2.2%    | \$2,903,423         | \$603,611   | \$3,507,034  | 7.4%     |
| July      | \$2,022,516          | \$388,657   | \$2,411,173  | -1.9%    | \$2,388,952         | \$471,129   | \$2,860,081  | 18.6%    |
| August    | \$2,315,047          | \$468,862   | \$2,783,909  | 3.4%     | \$2,566,142         | \$533,247   | \$3,099,389  | 11.3%    |
| September | \$2,252,399          | \$431,324   | \$2,683,723  | -1.5%    | \$2,315,409         | \$571,430   | \$2,886,839  | 7.6%     |
| Total     | \$30,794,291         | \$6,562,029 | \$37,356,320 | -2.2%    | \$34,238,666        | \$7,472,331 | \$41,710,997 | 11.7%    |

| Month     | Fiscal Year 2010/11 |             |              |          | Fiscal Year 2011/12 |             |              |          |
|-----------|---------------------|-------------|--------------|----------|---------------------|-------------|--------------|----------|
|           | 2%                  | 1%          | TOTAL        | % Change | 2%                  | 1%          | TOTAL        | % Change |
| October   | \$2,054,670         | \$452,348   | \$2,507,018  | 19.7%    | \$2,549,797         | \$518,492   | \$3,068,289  | 22.4%    |
| November  | \$2,638,481         | \$513,505   | \$3,151,986  | 21.9%    | \$3,177,928         | \$692,053   | \$3,869,981  | 22.8%    |
| December  | \$2,805,795         | \$574,685   | \$3,380,480  | 21.7%    | \$3,883,614         | \$743,320   | \$4,626,934  | 36.9%    |
| January   | \$3,567,774         | \$816,088   | \$4,383,862  | 6.5%     | \$4,073,108         | \$920,856   | \$4,993,964  | 13.9%    |
| February  | \$3,432,156         | \$791,466   | \$4,223,622  | 6.5%     | \$4,176,089         | \$961,957   | \$5,138,046  | 21.7%    |
| March     | \$3,928,800         | \$899,098   | \$4,827,898  | 2.3%     | \$4,328,808         | \$1,050,205 | \$5,379,013  | 11.4%    |
| April     | \$4,627,466         | \$1,225,064 | \$5,852,530  | 17.4%    | \$5,217,135         | \$1,206,673 | \$6,423,808  | 9.8%     |
| May       | \$4,112,876         | \$1,004,483 | \$5,117,359  | 24.4%    | \$4,262,948         | \$1,065,982 | \$5,328,930  | 4.1%     |
| June      | \$3,430,841         | \$744,410   | \$4,175,251  | 19.1%    | \$3,524,675         | \$764,045   | \$4,288,720  | 2.7%     |
| July      | \$2,869,923         | \$574,463   | \$3,444,386  | 20.4%    | \$3,146,098         | \$626,848   | \$3,772,946  | 9.5%     |
| August    | \$3,180,371         | \$684,038   | \$3,864,409  | 24.7%    | \$3,249,797         | \$696,925   | \$3,946,722  | 2.1%     |
| September | \$2,866,740         | \$704,502   | \$3,571,242  | 23.7%    | \$2,856,346         | \$632,700   | \$3,489,046  | -2.3%    |
| Total     | \$39,515,893        | \$8,984,150 | \$48,500,043 | 16.3%    | \$44,446,343        | \$9,880,056 | \$54,326,399 | 12.0%    |

City of Miami Beach - Resort Tax Collections (Continued)

| Month     | Fiscal Year 2012/13 |              |              |          | Fiscal Year 2013/14 |              |              |          |
|-----------|---------------------|--------------|--------------|----------|---------------------|--------------|--------------|----------|
|           | 2%                  | 1%           | TOTAL        | % Change | 2%                  | 1%           | TOTAL        | % Change |
| October   | \$2,679,387         | \$510,674    | \$3,190,061  | 4.0%     | \$2,616,517         | \$539,538    | \$3,156,055  | -1.1%    |
| November  | \$3,337,959         | \$728,884    | \$4,066,843  | 5.1%     | \$3,359,942         | \$729,712    | \$4,089,654  | 0.6%     |
| December  | \$3,156,352         | \$718,097    | \$3,874,449  | -16.3%   | \$3,559,359         | \$794,085    | \$4,353,444  | 12.4%    |
| January   | \$4,689,304         | \$1,162,118  | \$5,851,422  | 17.2%    | \$4,960,680         | \$1,207,754  | \$6,168,434  | 5.4%     |
| February  | \$4,602,257         | \$1,154,788  | \$5,757,045  | 12.0%    | \$4,855,831         | \$1,221,242  | \$6,077,073  | 5.6%     |
| March     | \$4,577,102         | \$1,175,961  | \$5,753,063  | 7.0%     | \$4,894,858         | \$1,230,527  | \$6,125,385  | 6.5%     |
| April     | \$6,177,094         | \$1,536,525  | \$7,713,619  | 20.1%    | \$5,792,950         | \$1,458,886  | \$7,251,836  | -6.0%    |
| May       | \$4,446,827         | \$1,074,847  | \$5,521,674  | 3.6%     | \$4,969,113         | \$1,238,578  | \$6,207,691  | 12.4%    |
| June      | \$3,644,952         | \$803,413    | \$4,448,365  | 3.7%     | \$4,098,848         | \$934,442    | \$5,033,290  | 13.1%    |
| July      | \$3,329,498         | \$685,451    | \$4,014,949  | 6.4%     | \$3,324,909         | \$719,939    | \$4,044,848  | 0.7%     |
| August    | \$3,473,640         | \$781,412    | \$4,255,052  | 7.8%     | \$3,592,203         | \$803,447    | \$4,395,650  | 3.3%     |
| September | \$3,421,072         | \$761,341    | \$4,182,413  | 19.9%    | \$3,709,511         | \$835,052    | \$4,544,563  | 8.7%     |
| Total     | \$47,535,444        | \$11,093,511 | \$58,628,955 | 7.9%     | \$49,734,721        | \$11,713,202 | \$61,447,923 | 4.8%     |

| Month     | Fiscal Year 2014/15 |              |              |          |
|-----------|---------------------|--------------|--------------|----------|
|           | 2%                  | 1%           | TOTAL        | % Change |
| October   | \$2,892,680         | \$598,189    | \$3,490,869  | 10.6%    |
| November  | \$3,514,726         | \$778,000    | \$4,292,726  | 5.0%     |
| December  | \$3,821,366         | \$842,260    | \$4,663,626  | 7.1%     |
| January   | \$5,452,774         | \$1,349,203  | \$6,801,977  | 10.3%    |
| February  | \$5,632,743         | \$1,371,562  | \$7,004,305  | 15.3%    |
| March     | \$5,464,263         | \$1,416,590  | \$6,880,853  | 12.3%    |
| April     | \$6,071,590         | \$1,449,612  | \$7,521,202  | 3.7%     |
| May       | \$5,388,649         | \$1,358,786  | \$6,747,435  | 8.7%     |
| June      | \$4,647,787         | \$1,044,672  | \$5,692,459  | 13.1%    |
| July      | \$3,618,185         | \$745,018    | \$4,363,203  | 7.9%     |
| August    | \$4,145,929         | \$950,964    | \$5,096,893  | 16.0%    |
| September | \$3,971,336         | \$855,495    | \$4,826,831  | 6.2%     |
| Total     | \$54,622,028        | \$12,760,351 | \$67,382,379 | 9.7%     |

The following is additional Annual Financial Information as required by the 2015 Bonds that were issued on December 15, 2015, subsequent to fiscal year ended September 30, 2015.

Set forth below is a table that shows the assessed value of the taxable real property in the Redevelopment Area that provided the basis for the amount of Trust Fund Revenues collected from the City and the County for the past ten (10) years.

### Real Property Assessed Values

| Tax Roll<br>Year<br>As of<br>January 1 | Fiscal<br>Year<br>Ended<br>September 30 | A                                        | Percentage<br>Increase or<br>Decrease<br>Over<br>Prior Year | B                                               | = A - B                             |                                                             | Dollar<br>Increase or<br>Decrease<br>Over<br>Prior Year |
|----------------------------------------|-----------------------------------------|------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|
|                                        |                                         | Gross<br>Taxable<br>Value <sup>(1)</sup> |                                                             | Base<br>Year<br>Taxable<br>Value <sup>(2)</sup> | Incremental<br>Value <sup>(3)</sup> | Percentage<br>Increase or<br>Decrease<br>Over<br>Prior Year |                                                         |
| 2005                                   | 2006                                    | \$ 2,204,018,874                         | 35.07%                                                      | \$ 292,572,271                                  | \$ 1,911,446,603                    | 42.74%                                                      | \$ 572,289,113                                          |
| 2006                                   | 2007                                    | 2,844,830,573                            | 29.07                                                       | 292,572,271                                     | 2,552,258,302                       | 33.52                                                       | 640,811,699                                             |
| 2007                                   | 2008                                    | 3,365,892,373                            | 18.32                                                       | 292,572,271                                     | 3,073,320,102                       | 20.42                                                       | 521,061,800                                             |
| 2008                                   | 2009                                    | 3,432,433,257                            | 1.98                                                        | 292,572,271                                     | 3,139,860,986                       | 2.17                                                        | 66,540,884                                              |
| 2009                                   | 2010                                    | 3,149,258,145                            | -8.25                                                       | 292,572,271                                     | 2,856,685,874                       | -9.02                                                       | (283,175,112)                                           |
| 2010                                   | 2011                                    | 3,088,176,384                            | -1.94                                                       | 292,572,271                                     | 2,795,604,113                       | -2.14                                                       | (61,081,761)                                            |
| 2011                                   | 2012                                    | 3,407,221,550                            | 10.33                                                       | 292,572,271                                     | 3,114,649,279                       | 11.41                                                       | 319,045,166                                             |
| 2012                                   | 2013                                    | 3,610,880,289                            | 5.98                                                        | 292,572,271                                     | 3,318,308,018                       | 6.54                                                        | 203,658,739                                             |
| 2013                                   | 2014                                    | 3,871,409,731                            | 7.22                                                        | 292,572,271                                     | 3,578,837,460                       | 7.85                                                        | 260,529,442                                             |
| 2014                                   | 2015                                    | 4,186,683,074                            | 8.14                                                        | 292,572,271                                     | 3,894,110,803                       | 8.81                                                        | 315,273,343                                             |

Source: City of Miami Beach Finance Department

- (1) Represents gross taxable value of real property in the Redevelopment Area, as reflected in the final assessment rolls for the Fiscal Years ended September 30, 2006 through 2013 and as reflected in the preliminary assessment rolls for the Fiscal Years ended September 30, 2014 and 2015.
- (2) Represents taxable value of real property in the Redevelopment Area for the tax roll year as of January 1, 1992, Fiscal Year ended September 30, 1993.
- (3) Incremental Value equals the Gross Taxable Value minus the Base Year Taxable Value.

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Set forth below is a table that shows the rate of growth of taxable values and tax increment levied in the Redevelopment Area in accordance with the Act for the past five (5) Fiscal Years

| Tax Increment Revenues and Growth <sup>(1)</sup>   |                         |                         |                         |                         |                         |
|----------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| For the Fiscal Year Ended September 30,            |                         |                         |                         |                         |                         |
|                                                    | 2011                    | 2012                    | 2013                    | 2014                    | 2015                    |
| Increase (Decrease) in Existing Value              | -5.34%                  | 23.08%                  | 4.91%                   | 8.13%                   | 8.67%                   |
| Existing Value                                     | \$ 2,750,746,794        | \$ 3,385,553,066        | \$ 3,551,915,704        | \$ 3,840,656,769        | \$ 4,173,787,012        |
| Final Gross Taxable Value                          | \$ 3,088,176,384        | \$ 3,407,221,550        | \$ 3,610,880,289        | \$ 3,871,409,731        | \$ 4,186,683,074        |
| Base Year Taxable Value                            | (292,572,271)           | (292,572,271)           | (292,572,271)           | (292,572,271)           | (292,572,271)           |
| <b>Increment Taxable Value</b>                     | <b>\$ 2,795,604,113</b> | <b>\$ 3,114,649,279</b> | <b>\$ 3,318,308,018</b> | <b>\$ 3,578,837,460</b> | <b>\$ 3,894,110,803</b> |
| <b>City of Miami Beach <sup>(2)</sup></b>          |                         |                         |                         |                         |                         |
| Millage Rate (City)                                | 6.2155                  | 6.1655                  | 6.0909                  | 5.8634                  | 5.7942                  |
| Gross Increment Revenue <sup>(3)</sup>             | \$ 17,376,077           | \$ 19,203,370           | \$ 20,211,482           | \$ 20,984,156           | \$ 22,563,257           |
| Statutory Reduction (5.0%)                         | (868,804)               | (960,169)               | (1,010,574)             | (1,049,208)             | (1,128,163)             |
| <b>City Tax Increment Revenue <sup>(3)</sup></b>   | <b>16,507,273</b>       | <b>18,243,201</b>       | <b>19,200,908</b>       | <b>19,934,948</b>       | <b>21,435,094</b>       |
| <b>Miami-Dade County <sup>(2)</sup></b>            |                         |                         |                         |                         |                         |
| Millage Rate (County)                              | 5.4275                  | 4.805                   | 4.7035                  | 4.0735                  | 4.6669                  |
| Gross Increment Revenue <sup>(3)</sup>             | 15,173,141              | 14,965,890              | 15,607,662              | 16,833,062              | 18,173,426              |
| Statutory Reduction (5.0%)                         | (758,657)               | (748,295)               | (780,383)               | (841,653)               | (908,671)               |
| <b>County Tax Increment Revenue <sup>(3)</sup></b> | <b>14,414,484</b>       | <b>14,217,595</b>       | <b>14,827,279</b>       | <b>15,991,409</b>       | <b>17,264,755</b>       |
| <b>Total Tax Increment Revenue <sup>(3)</sup></b>  | <b>\$ 30,921,757</b>    | <b>\$ 32,460,796</b>    | <b>\$ 34,028,187</b>    | <b>\$ 35,926,357</b>    | <b>\$ 38,699,849</b>    |

Source: City of Miami Beach Finance Department

- (1) Based on the final assessment rolls for real property in the Redevelopment Area for the Fiscal Years ended September 30, 2011 through 2013 and the preliminary assessment rolls for such property for the Fiscal Years ended September 30, 2014 and 2015.
- (2) See "SECURITY AND SOURCES OF PAYMENT - Pledged Funds" in the 2015 Bonds Official Statement for a description of the requirements imposed on each taxing authority for the determination of tax increment revenues.
- (3) Represents amount of tax increment revenue owed, based on annual taxable values in the Redevelopment Area and the tax increment payment required pursuant to the provisions of the Act. Amounts reflected do not include annual adjustments made by the City, the County or the Miami-Dade County Property Appraiser's Office, or in response to petitions filed with the Miami-Dade County Value Adjustment Board, to account for changes in appraised property values, refunds due to taxpayers, additional taxes payments required to be made or collections of delinquent taxes.

Set forth below is a table that shows the Trust Fund Revenues, debt service on the Outstanding Prior Bonds and the debt service coverage provided by the Trust Fund Revenues generated for the past ten (10) Fiscal Years.

**Historical Trust Fund Revenues,  
Debt Service on Bonds and Debt Service Coverage**

| <u>Fiscal Year<br/>Ended<br/>September 30</u> | <u>Trust Fund<br/>Revenue <sup>(1)</sup></u> | <u>Debt Service<br/>on Outstanding<br/>Prior Bonds <sup>(2)</sup></u> | <u>Debt Service Coverage<br/>on Outstanding<br/>Prior Bonds <sup>(2)</sup></u> |
|-----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 2006                                          | \$ 24,128,976                                | \$ 5,686,226                                                          | 4.24x                                                                          |
| 2007                                          | 33,433,796                                   | 8,359,013                                                             | 4.00                                                                           |
| 2008                                          | 31,175,441                                   | 8,375,554                                                             | 3.72                                                                           |
| 2009                                          | 32,079,813                                   | 8,374,697                                                             | 3.83                                                                           |
| 2010                                          | 29,309,415                                   | 8,393,267                                                             | 3.49                                                                           |
| 2011                                          | 31,687,585                                   | 8,393,254                                                             | 3.78                                                                           |
| 2012                                          | 29,505,315                                   | 8,393,816                                                             | 3.52                                                                           |
| 2013                                          | 30,502,081                                   | 8,397,766                                                             | 3.63                                                                           |
| 2014                                          | 35,758,225                                   | 8,403,739                                                             | 4.26                                                                           |
| 2015                                          | 36,251,898                                   | 8,414,103                                                             | 4.31                                                                           |

Source: City of Miami Beach Finance Department

- (1) Reflects the amount of Trust Fund Revenues collected solely from the City and the County, which will be the only tax increment revenues available as part of the Pledged Funds securing the Series 2015 Bonds. See "SECURITY AND SOURCES OF PAYMENTS - Pledged Funds" and "TRUST FUND REVENUES - Historical Trust Fund Revenues" in the Series 2015 Bonds Official Statement.
- (2) All the Outstanding Prior Bonds have been defeased upon issuance of the Series 2015 Bonds on December 15, 2015. See "PURPOSE OF THE ISSUE - Plan of Refunding" in the Series 2015 Bonds Official Statement.

The following table sets forth the Debt Service Requirement for each Fiscal Year for the Series 2015 Bonds and any new additional debt payable from the Pledged Funds.

| Fiscal Year<br>Ending<br>September 30 | Series 2015A Bonds |                   |                   | Series 2015B Bonds |                 |                  | Total<br>Outstanding<br>Bonds |
|---------------------------------------|--------------------|-------------------|-------------------|--------------------|-----------------|------------------|-------------------------------|
|                                       | Principal          | Interest          | Total             | Principal          | Interest        | Total            |                               |
| 2016                                  | \$ -               | \$ 8,894,700.84   | \$ 8,894,700.84   | \$ -               | \$ 680,132.66   | \$ 680,132.66    | \$ 9,574,833.50               |
| 2017                                  | 1,815,000.00       | 14,132,250.00     | 15,947,250.00     | 4,680,000.00       | 1,038,328.76    | 5,718,328.76     | 21,665,578.76                 |
| 2018                                  | 1,885,000.00       | 14,058,250.00     | 15,943,250.00     | 4,785,000.00       | 935,672.88      | 5,720,672.88     | 21,663,922.88                 |
| 2019                                  | 1,960,000.00       | 13,981,350.00     | 15,941,350.00     | 4,920,000.00       | 809,303.80      | 5,729,303.80     | 21,670,653.80                 |
| 2020                                  | 2,050,000.00       | 13,901,150.00     | 15,951,150.00     | 5,070,000.00       | 661,278.10      | 5,731,278.10     | 21,682,428.10                 |
| 2021                                  | 2,135,000.00       | 13,817,450.00     | 15,952,450.00     | 5,260,000.00       | 493,534.50      | 5,753,534.50     | 21,705,984.50                 |
| 2022                                  | 2,215,000.00       | 13,730,450.00     | 15,945,450.00     | 5,460,000.00       | 307,164.50      | 5,767,164.50     | 21,712,614.50                 |
| 2023                                  | 2,310,000.00       | 13,639,950.00     | 15,949,950.00     | 5,675,000.00       | 104,647.00      | 5,779,647.00     | 21,729,597.00                 |
| 2024                                  | 7,505,000.00       | 13,406,125.00     | 20,911,125.00     | -                  | -               | -                | 20,911,125.00                 |
| 2025                                  | 7,885,000.00       | 13,021,375.00     | 20,906,375.00     | -                  | -               | -                | 20,906,375.00                 |
| 2026                                  | 8,290,000.00       | 12,617,000.00     | 20,907,000.00     | -                  | -               | -                | 20,907,000.00                 |
| 2027                                  | 8,715,000.00       | 12,191,875.00     | 20,906,875.00     | -                  | -               | -                | 20,906,875.00                 |
| 2028                                  | 9,165,000.00       | 11,744,875.00     | 20,909,875.00     | -                  | -               | -                | 20,909,875.00                 |
| 2029                                  | 9,635,000.00       | 11,274,875.00     | 20,909,875.00     | -                  | -               | -                | 20,909,875.00                 |
| 2030                                  | 10,130,000.00      | 10,780,750.00     | 20,910,750.00     | -                  | -               | -                | 20,910,750.00                 |
| 2031                                  | 10,650,000.00      | 10,261,250.00     | 20,911,250.00     | -                  | -               | -                | 20,911,250.00                 |
| 2032                                  | 11,195,000.00      | 9,715,125.00      | 20,910,125.00     | -                  | -               | -                | 20,910,125.00                 |
| 2033                                  | 11,770,000.00      | 9,141,000.00      | 20,911,000.00     | -                  | -               | -                | 20,911,000.00                 |
| 2034                                  | 12,370,000.00      | 8,537,500.00      | 20,907,500.00     | -                  | -               | -                | 20,907,500.00                 |
| 2035                                  | 13,005,000.00      | 7,903,125.00      | 20,908,125.00     | -                  | -               | -                | 20,908,125.00                 |
| 2036                                  | 13,675,000.00      | 7,236,125.00      | 20,911,125.00     | -                  | -               | -                | 20,911,125.00                 |
| 2037                                  | 14,375,000.00      | 6,534,875.00      | 20,909,875.00     | -                  | -               | -                | 20,909,875.00                 |
| 2038                                  | 15,110,000.00      | 5,797,750.00      | 20,907,750.00     | -                  | -               | -                | 20,907,750.00                 |
| 2039                                  | 15,885,000.00      | 5,022,875.00      | 20,907,875.00     | -                  | -               | -                | 20,907,875.00                 |
| 2040                                  | 16,700,000.00      | 4,208,250.00      | 20,908,250.00     | -                  | -               | -                | 20,908,250.00                 |
| 2041                                  | 17,555,000.00      | 3,351,875.00      | 20,906,875.00     | -                  | -               | -                | 20,906,875.00                 |
| 2042                                  | 18,455,000.00      | 2,451,625.00      | 20,906,625.00     | -                  | -               | -                | 20,906,625.00                 |
| 2043                                  | 19,405,000.00      | 1,505,125.00      | 20,910,125.00     | -                  | -               | -                | 20,910,125.00                 |
| 2044                                  | 20,400,000.00      | 510,000.00        | 20,910,000.00     | -                  | -               | -                | 20,910,000.00                 |
| Total                                 | \$ 286,245,000.00  | \$ 273,368,925.84 | \$ 559,613,925.84 | \$ 35,850,000.00   | \$ 5,030,062.20 | \$ 40,880,062.20 | \$ 600,493,988.04             |

There were no additional debt payable from the Pledged Funds incurred after the issuance of the Series 2015 Bonds on December 31, 2015 that are included in the Total Outstanding Column in the above Debt Service Schedule.