

**City of Miami Beach, Florida**

**AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2016**

**CONTENTS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

SINGLE AUDIT REPORT IN ACCORDANCE WITH UNIFORM GUIDANCE

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

REPORTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Independent Accountant's Report on compliance with Section 218.415, Florida Statutes

Management Letter

CONTINUING DISCLOSURES

City of Miami Beach (CMB)

City of Miami Beach Redevelopment Agency (RDA)



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2016

CITY OF MIAMI BEACH, FLORIDA



City of Miami Beach, Florida

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2016**

**Jimmy L. Morales**  
City Manager

**John Woodruff**  
Chief Financial Officer

Report prepared by: Finance Department

Cover picture  
Miami Beach, Florida  
<http://web.miamibeachfl.gov/>



**City of Miami Beach, Florida  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2016**

**TABLE OF CONTENTS**

<b><u>Introductory Section (unaudited)</u></b>	<b>Page</b>
Letter of Transmittal .....	1
GFOA Certificate of Achievement .....	6
Organizational Chart.....	7
List of Elected Officials and Administration .....	8
 <b><u>Financial Section</u></b> 	
<b>Independent Auditor's Report .....</b>	<b>9</b>
<b>Management's Discussion and Analysis (unaudited) .....</b>	<b>12</b>
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	26
Statement of Activities .....	27
<b>Fund Financial Statements:</b>	
<b>Governmental</b>	
Balance Sheet – Governmental Funds.....	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31
<b>Proprietary</b>	
Statement of Net Position – Proprietary Funds .....	32
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	33
Statement of Cash Flows - Proprietary Funds .....	34
<b>Fiduciary</b>	
Statement of Fiduciary Net Position - Fiduciary Funds .....	36
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	37
<b>Notes to Financial Statements .....</b>	<b>38</b>

**TABLE OF CONTENTS**  
**(Continued)**

**Required Supplementary Information (RSI) (unaudited)**

	<b>Page</b>
<b>Schedule of Contributions By Employer and Other Contributing Entities– Retirement Systems .....</b>	<b>98</b>
<b>Schedule of Changes in the City’s Net Pension Liability and Related Ratios – Retirement Systems.....</b>	<b>100</b>
<b>Schedules of Funding Progress and Contributions – Other Post-Employment Benefits.....</b>	<b>102</b>
<b>Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:</b>	
General Fund .....	103
Special Revenue Funds.....	104
Notes to Required Supplementary Information .....	105

**Supplementary Information**

**Combining and Individual Nonmajor Fund Statements and Schedules:**

Nature and Purpose of Nonmajor Governmental Funds.....	107
--	-----

**Governmental Funds:**

Combined Balance Sheet – Nonmajor Governmental Funds .....	108
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	109

**Special Revenue Funds:**

Combining Balance Sheet – Nonmajor Special Revenue Funds.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	111

**Debt Service Funds:**

Combining Balance Sheet – Nonmajor Debt Service Funds .....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds .....	113
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Nonmajor Debt Service Funds.....	114

**Enterprise Funds:**

Combining Statement of Net Position – Nonmajor Enterprise Funds .....	115
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds.....	116
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	117



## TABLE OF CONTENTS (Continued)

	Page
<b>Internal Service Funds:</b>	
Combining Statement of Net Position – Internal Service Funds .....	119
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	120
Combining Statement of Cash Flows – Internal Service Funds .....	121
<b>Pension and OPEB Trust Funds:</b>	
Combining Statement of Plan Net Position .....	123
Combining Statement of Changes in Plan Net Position .....	124
<b>Agency Funds:</b>	
Statement of Changes in Assets and Liabilities – Agency Fund .....	125
<b>Component Units:</b>	
Combining Statement of Net Position – Discretely Presented Component Units .....	126
Combining Statement of Activities – Discretely Presented Component Units .....	127
<b><u>Statistical Section (unaudited)</u></b>	
Nature and Purpose of Statistical Section .....	128
<b>Financial Trends:</b>	
Net Position by Component .....	129
Changes in Net Position .....	130
Fund Balances, Governmental Funds .....	132
Changes in Fund Balances, Governmental Funds .....	133
<b>Revenue Capacity:</b>	
Assessed Value and Actual Value of Taxable Property.....	134
Direct and Overlapping Property Tax Rates.....	135
Principal Property Tax Payers.....	136
Property Tax Levies and Collections .....	137
<b>Debt Capacity:</b>	
Ratios of Outstanding Debt by Type .....	138
Ratios of General Bonded Debt Outstanding .....	139
Legal Debt Margin Information .....	140
Revenue Bond Coverage.....	141
Computation of Direct and Overlapping Bonded Debt.....	142
<b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics.....	143
Principal Employers – Miami-Dade County .....	144
<b>Operating Information:</b>	
Full-time Equivalent City Government Employees by Function/Program .....	145
Operating Indicators by Function/Program.....	146
Capital Asset Statistics by Function/Program.....	147

# MIAMI BEACH

This page intentionally left blank



# **INTRODUCTORY SECTION**



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

April 28, 2017

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, 2016.

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, 2016 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 the Uniform Guidance 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.

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

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

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 2016, hotel room occupancy was 72.2%, down from 74.5% in 2015, reflecting continued absorption of an inventory of hotel rooms that has increased significantly from 14,138 in 2008 to 20,144 for 2016. 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.

The City's unemployment rate of 4.1% is below comparable geographies, such as 5.0% for Miami-Dade County, 4.9% for Florida, and the national rate of 4.9%. 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 third 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 2016, the world's most prestigious art fair, Art Basel, based in Switzerland, celebrated the fourteenth anniversary of its Miami Beach exhibition, with attendance and sales increasing year over year. In addition, the City hosted the second annual Maison & Objet Americas, a world-renowned interior design trade show that attracted thousands of international visitors. The trade show will return in 2017 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 Marshall's, Kenneth Cole, Urban Outfitters, Diesel, Nicole Miller, Forever 21, H&M, The Gap, and a newly expanded flagship Apple Store. As of September 30, 2016, 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.

## **Convention Center Renovation**

The Miami Beach Convention Center (the "Center"), originally built in 1957, is undergoing a \$515 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. The project commenced in December, 2015 and is scheduled to be substantially complete by August, 2018.

## **Resiliency**

The City of Miami Beach continues to be a leader in resilience. The City was selected by the Rockefeller Foundation to join 100 Resilient Cities in 2016. The City was selected as a unique partnership with Miami-Dade County and the City of Miami, known collectively as Greater Miami and the Beaches. Though this award, 100 Resilient Cities provides expert consultant support to develop a Resilience Strategy. The City will also have access to \$200 million value of resilience solutions through 100 Resilient Cities partner services. Resilience is defined as the capacity of individuals, communities, institutions, businesses and systems within a city to survive, adapt and grown, no matter what kinds chronic stresses and acute shocks they experience. The City has already

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



made a commitment to invest in public infrastructure to keep our streets and sidewalks dry. This includes raising roads, installing stormwater pumps, raising sea walls, and creating higher elevation standards for new construction and substantial improvement. Our natural resources, including the coral reef tract and the beach and sand dune system protect the eastern side of our island from wave energy and storm surge events. The Resilience Strategy, expected to be released in 2017, will define our top resilience issues and actions.

## 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, 2016 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 2016, the City absorbed \$52.1 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 2016, this represents \$80.0 million in combined “give-backs” and reductions over 9 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 5.9123 mills. The total adopted operating millage is 5.7092 mills, including a general operating millage rate of 5.6009 mills and a general fund capital renewal and replacement rate of 0.1083 mills. The adopted voted debt service millage rate is decreased from 0.2295 to 0.2031, a decrease of 0.0264 mills. The adopted combined millage rate reflects the fifth consecutive year the millage rate has been reduced.

**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 2016 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 fiscal year 2016, the City issued \$194.9 million in Resort Tax 2015 Revenue Bonds to which Moody’s assigned a Aa3 rating. \$58.83 million in Parking revenue Bonds to which Moody’s assigned an A2 rating and \$322.1 million in RDA Tax Increment Revenue Bonds to which Moody’s assigned a A1 rating. Of the \$322.1 million in bond proceeds for the Redevelopment Agency, \$286.2 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 Bond proceeds are to be utilized for the Convention Center renovations.

Subsequent to September 30, 2016, the City refunded the taxable special obligation bonds, series 2005, with a bank loan of \$19.679 million. The refinancing provides the City a net present value savings of \$1.5 million over five years.

Further information regarding outstanding debt, debt capacity, and debt ratios, is located in the Statistical Section.

## **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, 2015. This was the twenty-ninth (29) 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.

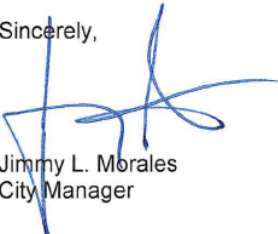
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2015. 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



John Woodruff  
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Miami Beach  
Florida**

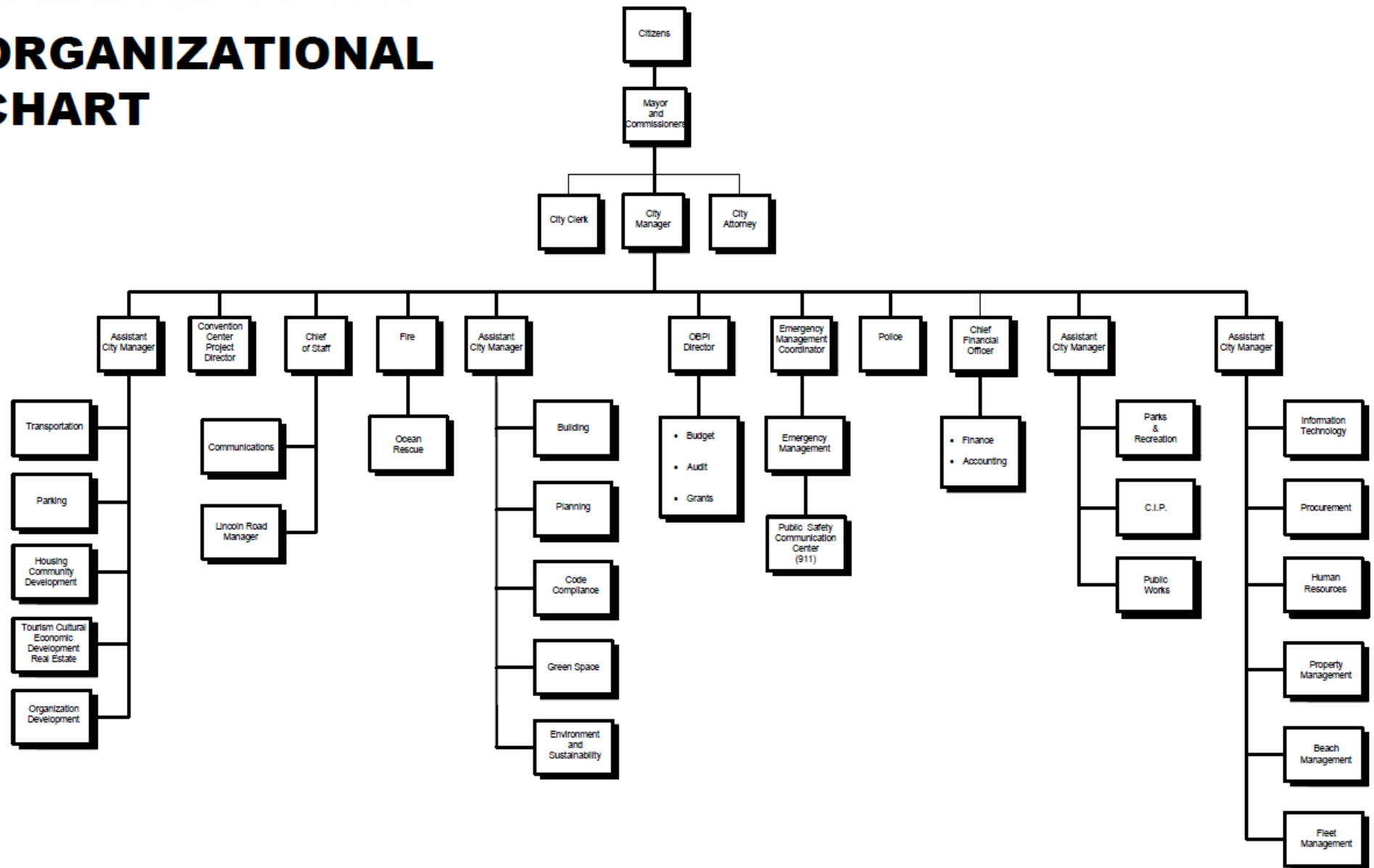
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO

# MIAMI BEACH

## 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  
Michael Grieco, Commissioner  
Joy Malakoff, Commissioner  
Kristen Rosen Gonzalez, Commissioner  
Micky Steinberg, Commissioner

---

**Administration**

Jimmy L Morales, City Manager

John Woodruff, Chief Financial Officer

Cintya Ramos, Director - Office of Budget and  
Performance Improvement

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 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 27 percent; and 47 percent, 50 percent, and 33 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 were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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, 2016, 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 February 2015, the Governmental Accounting Standards Board issued Statement No. 72, "Fair Value Measurement and Application". As disclosed in Note 1.D.17, Statement No. 72 is effective for the City's fiscal year ending September 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Our opinions are 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 25; 98 through 99; 100 through 101; 102; and 103 through 104, 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2017 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.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is written in a cursive, flowing style.

Crowe Horwath LLP

Miami, Florida  
April 28, 2017

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

---

Our discussion and analysis of the City of Miami Beach's (the "City") financial performance provides an overview of the City's financial activities for the year ended September 30, 2016. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

### **Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2016 by \$1.2 billion (net position). Of this amount, \$1.0 billion was net investment in capital assets. Additionally, \$351.4 million was restricted by laws, agreements, or debt covenants. The City has a negative unrestricted net position of \$205.0 million.
- During fiscal year 2016, the City's net position increased by \$96.0 million. Of this increase, \$30.3 million was in governmental activities and the remaining increase of \$65.7 million in business-type activities. For the governmental activities, revenues from charges for services increased by \$5.2 million or 5.5%, operating grants and contributions decreased by \$10.1 million or 37.0%, capital grants and contributions decreased \$11.9 million or 86.2% and general revenues increased by \$35.8 million or 13.4%, while expenses increased by \$62.2 million or 18.4%. For the business-type activities, charges for services increased \$3.6 million or 2.0%, while expenses increased by \$6.7 million or 4.4% over the prior year.
- Overall the City's assets and deferred outflows increased from \$2.2 billion to \$3.0 billion. Major changes occurring in this area were; \$443.6 million increase in restricted cash and investments, \$285.5 million in additions to construction in progress and \$87.3 million increase in deferred outflows of resources mainly due to a decrease in the discount rate used to measure the City's GASB 68 pension liabilities in the current fiscal year.
- The City's overall liabilities and deferred inflows increased from \$1.1 billion to \$1.8 billion. Major changes occurring in this area were; \$554.3 million in bonds payable due to the issuance of the 2015 Resort Tax Bonds, 2015 A & B Tax Increment Bonds, and 2015 Parking Bonds. Also, there was an increase of \$49.3 and \$68.6 million of the City's MBERP and MBF&P pension liabilities.

### **Overview of the Financial Statements**

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

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business.

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

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

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(Unaudited)**

---

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 26-27 of this report.

#### **Fund Financial Statements**

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

#### **Governmental Funds.**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus 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 28-31 of this report.

#### **Proprietary Funds.**

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



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

---

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 within the supplemental information section of 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 within supplemental information section of this report.

The basic proprietary fund financial statements can be found on pages 32-35 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 36-37 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 38-97 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 98-106 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.

The remainder of this page was  
intentionally left blank

# 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	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 465,034	\$ 900,445	\$ 363,177	\$ 369,096	\$ 828,211	\$ 1,269,541
Capital assets	635,502	767,660	636,618	761,253	1,272,120	1,528,913
Deferred outflows	63,946	142,644	8,025	16,602	71,971	159,246
Total assets and deferred outflows	<u>1,164,482</u>	<u>1,810,749</u>	<u>1,007,820</u>	<u>1,146,951</u>	<u>2,172,302</u>	<u>2,957,700</u>
Long-term liabilities						
outstanding	625,798	1,194,507	387,302	433,664	1,013,100	1,628,171
Other liabilities	29,938	98,012	22,259	51,857	52,197	149,869
Deferred inflows	20,801		3,219	675	920	675
Total liabilities and deferred inflows	<u>676,537</u>	<u>1,292,519</u>	<u>412,780</u>	<u>486,196</u>	<u>1,066,217</u>	<u>1,778,715</u>
Net position:						
Net investment in capital assets	491,486	558,538	410,866	474,092	902,352	1,032,630
Restricted	172,033	191,638	48,206	159,759	220,239	351,397
Unrestricted	(175,574)	(231,946)	135,968	26,904	(39,606)	(205,042)
Total net position	<u>\$ 487,945</u>	<u>\$ 518,230</u>	<u>\$ 595,040</u>	<u>\$ 660,755</u>	<u>\$ 1,082,985</u>	<u>\$ 1,178,985</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 \$1.2 billion at September 30, 2016, an increase of \$96 million or 8.9% from the prior year.

The largest portion of the City's net position, \$1.0 billion or 87.6%, 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, \$351.4 million or 29.8% represents resources that are subject to external restrictions on how they may be used. This includes but is not limited to grant proceeds, Redevelopment Agency tax increments, Resort Tax proceeds, impact fees, Interlocal agreements, and debt service requirements. The remaining balance of unrestricted net position, which is a negative \$205.0 million, consists of negative \$231.9 million from governmental activities and \$26.9 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 a positive net position. The same situation held true for the prior fiscal year. The City's net position increased by \$96.0 million, or 8.9%, during the current fiscal year. Governmental activities accounted for an increase of \$30.3 million while Business-type activities accounted for the remaining \$65.7 million of the increase.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

## CITY OF MIAMI BEACH Changes in Net Position - Governmental Activities for the fiscal year ended September 30, 2016 (in thousands)

	2015	2016	% of Total Rev/Exp/Other
Revenues:			
Program revenues:			
Charges for services	\$ 94,529	99,729	23.6%
Operating grants and contributions	27,376	17,240	4.1
Capital grants and contributions	13,831	1,914	0.5
General revenues:			
Taxes:			
Property taxes, levied for general purposes	126,349	140,684	33.3
Property taxes, levied for debt services	6,750	6,821	1.6
Resort tax	68,000	82,633	19.6
Tax increments	38,094	44,975	10.7
Utility	12,193	12,309	2.9
Local business tax	4,630	4,963	1.2
Communication Service Tax	4,520	4,099	1.0
Miscellaneous	1,437	2,163	0.5
Unrestricted investment earnings	5,265	4,415	1.0
Total revenues	402,974	421,945	100.0
Expenses:			
General government	47,398	52,619	13.1%
Public safety	192,976	220,110	55.0
Physical environment	4,199	5,548	1.4
Transportation	17,449	18,121	4.5
Economic environment	5,612	6,535	1.6
Human services	2,783	3,333	0.8
Culture and recreation	59,369	63,386	15.8
Interest on long-term debt	8,242	30,627	7.7
Total expenses	338,028	400,279	100.0
Changes in net position before transfers and gain on sale of capital assets	64,946	21,666	
Gain on Sale of Capital Assets	388	410	4.8%
Unrealized loss on investments			
Extraordinary item		(1,858)	-21.6
Transfers	9,764		
Total of Other Revenues	10,152	10,067	116.8
Net Revenue/(Expense)	75,098	30,285	
Net position - beginning, as restated	412,847	487,945	
Net position - ending	\$ 487,945	518,230	

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

---

### **Governmental activities.**

Governmental activities increased by \$30.3 million. Key elements of the fluctuation are as follows: Governmental activities revenues consisted of program revenues which amounted to \$118.9 million and general revenues which amounted to \$303.1 million, for a total of \$421.9 million. Property tax revenue for general purposes which represents 33.3% of total revenues was \$140.7 million. This is an increase of \$14.3 million or 11.3% 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 \$27.1 billion in 2015 to \$30.7 billion in 2016, an increase of \$3.6 billion. The City's operating millage rate decreased from 5.7942 in fiscal year 2015 to 5.7092 in 2016, a decrease of .0850 mills, or 1.5%.

Charges for services which represent 23.6% of total revenues were \$99.7 million. This amount is an increase of \$5.2 million or 5.5% 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 10.7% of the revenues was \$45.0 million. This amount is a increase of \$6.9 million or 18.1% from the prior year. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the "County") multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations. Fluctuations in tax increment revenue 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 2016.

Resort tax which represents 19.6% of revenues was \$82.6 million which is an increase of \$14.6 million or 21.5% 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.

Intergovernmental revenues totaled \$19.2 million during fiscal year 2016. Intergovernmental revenue decreased by \$22.1 million from the prior year or 53.5%. The decrease is mainly due to the decrease in impact fee collections during the current year as impact fee revenue decreased \$10.4 million in the prior year to \$2.2 million in 2016. Also, miscellaneous and other revenue decreased from \$4.1 million to \$1.9 million. These revenues are derived from federal and state grantors for various City initiatives, such as community development or state housing initiatives, impact fees, special assessments, other tax sources, and capital project grants.

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 \$400.3 million. Significant portions of these expenses were in the public safety, general government and culture and recreation functions.

General government function expense was \$52.6 million and represents 13.1% 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. Total expenditures in the general government function increased by \$5.2 million or 11.0% from the prior year.

Public safety function expense was \$220.1 million and represents 55.0% 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. Total expenses in this function increased by \$27.1 million or 14.1% from the prior year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Culture and recreation function expense was \$63.4 million and represents 15.8% of total expenses. The City's culture and recreation function includes expenses for grant funded culture and recreation activities, the City's parks and recreation department, Office of Tourism and Cultural Development, Bryon and Colony theater operations, golf course operations, and a variety of arts, cultural and entertainment programs. Expenses in this function had a net increase of \$4.0 million or 6.8% from the prior year.

The table below summarized the changes in net position for the City's business type activities.

<b>Changes in Net Position Business-type Activities for the fiscal year ended September 30, 2016</b> (in thousands)			
	2015	2016	% of Total Rev or Exp
Revenues:			
Program revenues:			
Charges for services	\$ 177,605	\$ 181,229	77.7%
Operating grants and contributions	12,001	7,741	3.3
Capital Grants and Contributions		38,982	16.7
General revenues:			0.0
Tax increments		3,671	1.6
Unrestricted investment earnings	1,076	1,662	0.7
Total revenues	<u>190,682</u>	<u>233,285</u>	<u>100.0</u>
Expenses:			
Storm water	10,419	9,508	6.0%
Water	29,255	30,317	19.2
Sewer	35,734	38,583	24.4
Parking	38,123	43,015	27.2
Convention Center	16,191	14,496	9.2
Sanitation	16,924	17,228	10.9
Redevelopment Agency's Parking	4,131	4,263	2.7
Redevelopment Agency's Leasing	462	503	0.3
Total expenses	<u>151,239</u>	<u>157,913</u>	<u>100.0</u>
Increase in net position before transfers and gain on sale of capital assets and investments	39,443	75,372	
Gain on sale of capital assets	170	411	
Unrealized loss on investments			
Transfers	(9,764)	(10,067)	
Increase in net position	<u>29,849</u>	<u>65,716</u>	
Net position - beginning, as restated.	565,190	595,039	
Net position - ending	<u>\$ 595,039</u>	<u>\$ 660,755</u>	

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

---

### **Business-type activities.**

Business-type activities increased the City's net position by \$65.7 million, thereby accounting for 68.5% of the total increase of the City's net position.

Key elements of the net decrease are as follows:

- The Storm Water fund had a change in net position of \$11.6 million. Operating revenues increased by \$232,541 or 1.1 % and operating expenses decreased by \$265,913 or 3.5% from the prior year. Net non-operating expenses were \$1.8 million, and consisted of \$2.2 million in interest and fiscal charges, \$37,388 in gains on disposal of capital assets, \$84,835 in unrealized gains on investments and \$342,414 in interest income. The Storm Water rates remained at \$16.67 per Equivalent Residential Unit (ERU). The user charge is to be used to fund capital projects to combat the effects of sea-level rise.
- The Water and Sewer fund had a change in net position of \$12.3 million. Operating revenues increased by \$4.8 million or 6.3% and operating expenses increased by \$3.9 million or 6.3% from the prior year. Net non-operating expenses were \$2.9 million and consisted of \$3.3 million in interest and fiscal charges, \$115,636 in gain on disposal of capital assets, \$1,230 in unrealized gain on investments and \$291,163 in interest income. Water rates increased during fiscal year 2016 to \$4.61 per 1,000 gallon, an increase from \$4.43 in 2015. Sewer rates increased to \$8.23 per 1,000 gallons, an increase from \$7.55 in 2015. Included in the water and sewer rate increase is an amount to cover debt service for future water and sewer bonds.
- The Parking System fund had a change in net position of \$3.4 million. Operating revenues increased by \$8.8 million or 20.7% and operating expenses increased by \$4.4 million or 11.8% from the prior year. Net non-operating revenues were \$ 2.7 million and consisted of \$1.4 million in interest and fiscal charges, \$114,215 in gain on disposal of capital asset, \$14,984 in unrealized gain on investments and \$688,062 in interest income. Also included in this amount is \$3.2 million in intergovernmental revenues for the City's share in parking ticket revenue from Miami-Dade County. Intergovernmental revenue increased by \$472,667 or 17.1% from the prior year. During fiscal year 2016, the Parking System hourly rates for metered parking in the South Beach Parking Zone increased to \$4.00 from \$1.75. The South Beach Parking Zone is enforced between the hours of 9 am to 3 am. Metered parking hourly rates in the middle and north areas increased to \$2.00 from \$1.00. These zones are enforced between the hours of 8 am to 6 pm. The increase in rates is to fund the City's free trolley system and to encourage use of city garages and surface lots.
- The Convention Center fund had a change in net position of \$34.2 million. Operating revenues decreased by \$11.2 million or 65.4% and operating expenses decreased by \$1.6 million or 9.8% from the prior year. Net non-operating revenues were \$43.6 million consisting of \$64,926 in gain on disposal of capital asset and \$77,592 in interest income. Also included in this amount is \$43.5 million in intergovernmental revenue. Of the \$43.5 million, \$39.0 million relates to a County bond to fund the convention center renovation and \$4.5 million is for the City's share of Convention Development Taxes (CDT) received from Miami-Dade County. Intergovernmental revenues increased by \$34.2 million or 371.0% from the prior year. The Convention Center's largest operating expenses were depreciation expense on capital assets, contractual services, and personal services costs. As of September 30, 2016, the Convention Center was closed and under renovation. The Convention Center is planned to reopen during fiscal year 2019.
- Other Enterprise funds, which include the Sanitation, Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds, had an increase in net position of \$4.2 million. The Parking funds accounts for the Anchor garage and Penn garage. The Leasing funds accounts for the Anchor Shoppe and Penn Shoppe. In the combined funds, operating revenues increased by \$4.7 million or 22.9% and operating expenses increased by \$618,345 or 2.9% from the prior year. Net non-operating revenues were \$234,233 and consisted of \$5,659 in interest and fiscal charges, \$78,514 in gain on disposal of capital assets and \$161,378 in interest income.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

### Financial Analysis of the Governmental Funds

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

<b>Governmental Funds</b> (in thousands) <b>Miami Beach</b>						
	<b>General</b>	<b>Resort Tax</b>	<b>Redevelopment Agency</b>	<b>Capital Projects</b>	<b>Other Govern- mental Funds</b>	<b>Total Govern- mental Funds</b>
Fund balances						
Sep. 30, 2015	\$ 59,291	\$ 23,820	\$ 28,207	\$ 156,575	\$ 106,796	\$ 374,689
Revenues	253,049	82,983	44,391	4,812	28,658	413,893
Expenditures	(280,934)	(29,451)	(14,374)	(141,570)	(72,508)	(538,837)
Other financing sources (uses)	32,337	(50,155)	(18,986)	504,487	62,939	530,622
Extraordinary expense	(1,858)					(1,858)
Fund balances						
Sept. 30, 2016	<u>\$ 61,885</u>	<u>\$ 27,197</u>	<u>\$ 39,238</u>	<u>\$ 524,304</u>	<u>\$ 125,885</u>	<u>\$ 778,509</u>

### Governmental funds.

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

The general fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the general fund was \$61.9 million. This consisted of \$10.4 million restricted, \$50.6 million for emergencies, and \$851,000 in purchase commitments, and \$1,268 non-spendable.

The general fund's net increase in fund balance for the fiscal year was \$2.6 million. Overall revenues had a net increase of \$13.2 million or 5.5% over the prior year. Ad-valorem tax, which is 55.6% of the general fund revenue collected (excluding transfers), increased by \$12.5 million or 9.8%. There were also increases in permitting revenue of \$1.0 million or 4.4% over the prior year. Expenditures in the general fund increased by \$18.4 million or 7.0%, primarily in the public safety function, which account for 66.8% 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 \$27.2 million. Resort tax collected during the year was \$83.0 million, an increase of \$14.6 million or 21.4% from the prior fiscal year. The increase in Resort Taxes includes \$13.7 million collected for debt service on the 2015 Resort Tax Bonds issued to renovate the Convention Center. Net other financing uses, which was \$50.2 million increased by \$1.7 million or 3.6% and expenditures increased by \$13.8 million or 87.6%. The resort tax fund balance increased by \$3.4 million or 14.2% from the prior fiscal year and represents 92.3% 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



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

---

increments collected during the year was \$44.2 million, which is an increase of \$6.1 million or 16.0%, and net other financing uses increased by \$10.41 million or 121.4% and expenditures decreased by \$2.7 million or 15.7%. The fund balance of the Miami Beach Redevelopment Agency Special Revenue Fund increased by \$11.0 million or 39.1% from the prior fiscal year and represents 273.0% 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 \$1.4 million. Intergovernmental revenues decreased \$295,485 or 17.5% from the prior fiscal year. Net other financing sources during the year totaled \$504.5 million. Net other financing sources increased by \$501.2 million or 15,259.7% from the prior fiscal year. The increase in net other financing sources is due to transfers-in relating to the issuance of the 2015 Tax Increment Revenue Refunding Bonds and 2015 Resort Tax Bonds. Please refer to Note 10 for more information. The capital projects fund balance increased by \$367.7 million or 234.9% from the prior fiscal year and represents 370.4% 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 and current debt service. Ad Valorem tax collected for debt service was \$6.8 million which was approximately the same as the prior year. Intergovernmental revenue, which was \$5.5 million, decreased by \$754,206 or 12.1%. Net other financing sources, which totaled \$62.9 million, increased by \$29.9 million or 90.7%. The increase in net other finances sources is primarily due to the issuance of the 2015 Tax Increment Revenue Refunding Bonds. Expenditures in the fund increased by \$21.7 million or 42.8%. The increase in expenditures is due to increased capital expenditures and increased debt service requirements. The fund balance increased by \$19.1 million or 17.9% from the prior year and represents 173.6% 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 increase in net position for all enterprise funds was \$65.7 million. In addition to the factors noted in the discussion of the City's business-type activities, the liability relating to the provisions of GASB 68 increased \$10.6 million or 28.7% among all enterprise funds. This is due to a slight decrease in the discount rate used to value the pension liabilities. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

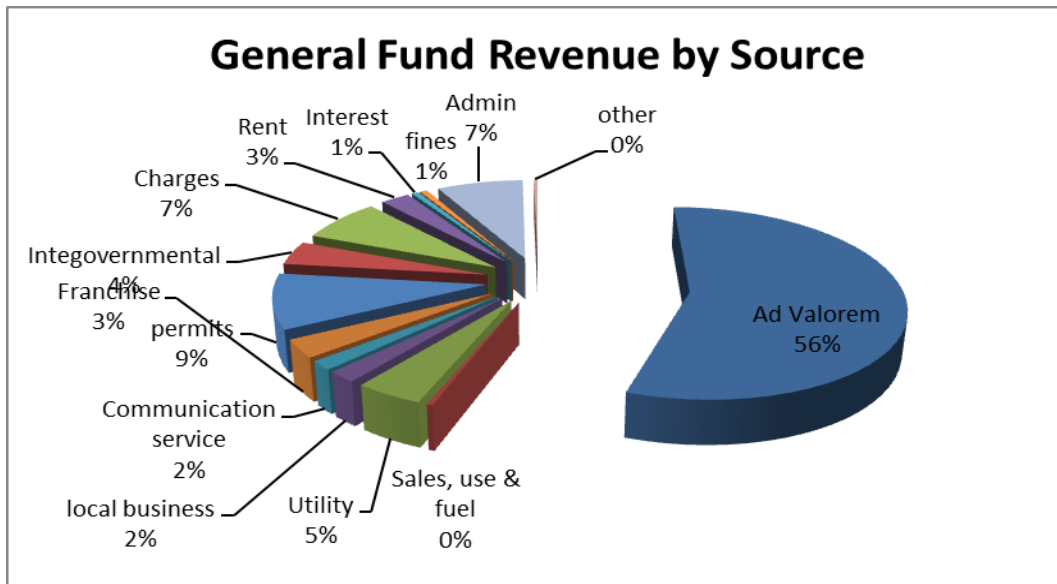
### **General Fund Budgetary Highlights**

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. During the year, there was a \$5.7 million negative variance between final budget revenues and actual revenues. This variance resulted from the City appropriating \$3.6 million of revenue as a carry forward from unused dollars from prior years, to help balance the fiscal year 2016 budget, and a \$2.6M variance relating to actual property tax collections versus budgeted. While this carryover of \$3.6 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 an \$8.3M positive variance between the final budget expenditures and actual expenditures resulting in expenditures being under budget.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

## General Fund Revenues for the fiscal year ended September 30, 2016 (in thousands)

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Revenue over Total Revenue
<b>Taxes:</b>				
Property	143,309	\$ 143,309	\$ 140,672	47.2%
Sales, use, fuel	1,046	1,046	1,057	0.4
Utility	11,339	11,339	11,627	3.9
Local business	4,723	4,723	4,963	1.7
Communication Service	4,317	4,317	4,099	1.4
Total tax revenues	164,734	164,734	162,418	54.5
<b>Other than taxes:</b>				
Franchise	8,284	8,284	8,068	2.7
Permits	22,682	22,682	24,131	8.1
Intergovernmental	10,767	10,767	10,375	3.5
Charges for services	17,308	17,308	18,532	6.2
Rents and leases	6,031	6,031	6,476	2.2
Interest income	3,074	3,074	1,587	0.5
Fines and forfeits	2,131	2,131	1,633	0.5
Administrative fees	18,878	18,878	19,017	6.4
Other	556	556	813	0.3
Other financing sources	45,559	45,759	45,023	15.1
Fund balance		3,599		
Total other than taxes	135,270	139,069	135,655	45.5
<b>Total revenues</b>	<b>\$ 300,004</b>	<b>\$ 303,803</b>	<b>\$ 298,073</b>	<b>100.0</b>



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

**General Fund Expenditures**  
**for the fiscal year ended September 30, 2016**  
(in thousands)

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Expense over Total Expense
General government	\$ 48,301	\$ 48,560	\$ 45,404	15.4%
Public Safety	185,190	189,562	187,555	63.5
Physical Education	2,460	3,043	2,829	1.0
Transportation	4,400	4,200	3,878	1.3
Economic environment	1,523	1,523	1,358	0.5
Human Resources	1,990	1,996	1,852	0.6
Culture and recreation	39,256	37,824	36,004	12.2
Capital outlay	2,476	2,577	565	0.2
Debt service	1,318	1,489	1,489	0.5
Other financing uses	10,833	13,029	12,686	4.3
Fund Balance	2,258			0.0
Extraordinary Expense			1,858	0.6
Total expenditure	<u>\$ 300,004</u>	<u>\$ 303,803</u>	<u>\$ 295,479</u>	100.0

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities at September 30, 2016 amounts to \$1.5 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):

<b>Capital Assets</b> (in thousands)						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
Land	\$ 58,758	\$ 58,758	\$ 25,835	\$ 25,835	\$ 84,593	\$ 84,593
Intangible assets	4,182	4,182	4,318	4,318	8,500	8,500
Construction						
work-in-progress	122,940	272,893	180,494	316,016	303,434	588,909
Building & Structure	77,959	75,473	183,962	179,233	261,921	254,706
Permanent						
improvements	259,014	248,678	10,698	10,698	269,712	259,376
Furniture, Fixtures						
& Equipment	24,990	25,780	51,619	49,683	76,609	75,463
Infrastructure	87,659	81,896	179,693	175,470	267,352	257,366
Total	<u>\$ 635,502</u>	<u>\$ 767,660</u>	<u>\$ 636,619</u>	<u>\$ 761,253</u>	<u>\$ 1,272,121</u>	<u>\$ 1,528,913</u>

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

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 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.
- Completed construction of Biscayne Point Neighborhood - Area-wide street improvement may include: street resurfacing; swale restoration; repair of sidewalks; street lighting upgrades to correct deficiencies and provide pedestrian lighting; enhanced landscaping within the street ROW; traffic calming measures and entryway features. Streetscape integrated with waterline replacements, storm water systems including new pump stations.
- Completed construction of Flamingo Park Soccer Field - The installation of the turf for the Soccer field reduced the wear and tear of the field as hundreds of users gather daily for recreational use of this area of the park.
- Completed construction of North Beach Domino Park – installation of a domino park at Bandshell Park, This project includes for the engineering and design and installation of the fixtures and amenities
- Completed construction of Bayshore B – Lower North Bay Road improvements include the installation of valley gutters and a storm water system with two storm water pump stations, injection wells, street resurfacing, water main replacement and decorative stamped asphalt flush traffic tables.
- Completed construction of the Property Management Facility – The program requirements for the new facility at a 24,000 square foot City owned property that includes administrative offices, workshops, storage, locker rooms, lay-down area for small construction activities, loading area and parking for oversized vehicles.
- South Pointe Park Landscaping installation of topsoil, remediation of sod, shrubs, trees and palms, irrigation and drainage systems at various locations through the park, as well as modifications to the Washington Ave. entrance
- Continued construction included the following:
  - Audible Pedestrian Countdown Signals Ph. II
  - Allison Park
  - Bayshore D – Sunset Islands III & IV Neighborhood Improvements
  - Convention Center Renovation
  - Dade Boulevard Seawall Repair
  - Flamingo Park Restrooms Facility
  - Lifeguard Stands Replacement ( 9 lifeguard towers)
  - Middle Beach Corridor Ph.II- Section1
  - Muss Park Pavilion
  - Normandy Isle Neighborhood – Phase II
  - Palm & Hibiscus Neighborhood Improvements
  - South Pointe Park – Water Feature Remediation
  - Venetian Islands Neighborhood Improvements
  - West Avenue Bridge
  - West Avenue Neighborhood Improvements
  - 54in Diameter Redundant Sewer Force Main

# MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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

## Long-term Debt

<b>Outstanding Debt</b>						
<b>General Obligation, Special Obligation, Revenue Bonds and Loans</b>						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	2015	2016	2015	2016	2015	2016
General obligation	\$ 53,755	\$ 50,120	\$	\$	\$ 53,755	\$ 50,120
Special obligation	86,634	537,710			86,634	537,710
Revenue bonds			335,496	385,600	335,496	385,600
Loans	12,091	8,551	830	502	12,921	9,053
Other debt	11,801	11,002			11,801	11,002
<b>Total</b>	<b>\$ 164,281</b>	<b>\$ 607,383</b>	<b>\$ 336,326</b>	<b>\$ 386,102</b>	<b>\$ 500,607</b>	<b>\$ 993,485</b>

At the end of the current fiscal year the City had total bonded debt, loans and other long-term debt of \$993.5 million. Governmental activities had a net debt increase of \$433.1 million or 269.7% while business-type activities debt increased by \$49.8 million or 14.8%. The increases governmental in activities are due to the issuance of the 2015 Resort Tax Revenue Bonds (\$194.9 million), 2015A Tax Increment Revenue Refunding Bonds (\$286.2 million), and 2015B Tax Increment Revenue Refunding Bonds (\$35.9 million). The increase in the business-type activities is due to the issuance of the 2015 Parking Revenue Bonds (\$58.8 million). 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.

The remainder of this page was  
intentionally left blank

**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Total	Units
ASSETS				
Cash and investments	\$ 432,883,100	\$ 156,767,630	\$ 589,650,730	\$ 3,805,390
Cash with fiscal agent	250,000		250,000	
Receivables (net)	13,913,427	19,109,556	33,022,983	333,507
Due from other governments	736,534	4,732,507	5,469,041	
Internal balances	854,690	(854,690)		
Prepaid expenses	1,197,537	99,443	1,296,980	
Inventories	408,891	2,084,603	2,493,494	
Restricted cash and investments	450,201,108	187,156,720	637,357,828	
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	272,892,124	316,016,006	588,908,130	
Capital assets net of accumulated depreciation:				
Buildings and structures	75,473,095	179,232,696	254,705,791	
Permanent improvements	248,677,569	10,698,371	259,375,940	
Machinery and equipment	25,780,127	49,682,411	75,462,538	148,843
Infrastructure	81,896,001	175,470,391	257,366,392	
Total assets	1,668,104,820	1,130,349,132	2,798,453,952	4,287,740
DEFERRED OUTFLOWS OF RESOURCES				
GASB 68 - Employees Retirement Plan	52,730,402	15,172,646	67,903,048	122,100
GASB 68 - Police & Fire Retirement Plan	88,897,639		88,897,639	
Unamortized refunding costs	1,016,164	1,429,043	2,445,207	
Total deferred outflows of resources	142,644,205	16,601,689	159,245,894	122,100
LIABILITIES				
Accounts payable	38,265,648	18,806,492	57,072,140	
Retainage payable	10,514,793	9,872,214	20,387,007	
Accrued expenses	5,514,967	3,011,157	8,526,124	542,605
Accrued interest payable	3,674,980		3,674,980	
Unearned revenue	3,023,078	288,409	3,311,487	
Deposits	36,203		36,203	
Due to other governments	11,371	16,793	28,164	
Noncurrent liabilities:				
Due within one year	36,970,935	20,496,515	57,467,450	
Due in more than one year	734,934,847	385,367,027	1,120,301,874	20,185
Net Pension Liability- MBERP	168,742,269	47,662,644	216,404,913	674,736
Net Pension Liability-MBF&P	290,830,147		290,830,147	
Total liabilities	1,292,519,238	485,521,251	1,778,040,489	1,237,526
DEFERRED INFLOWS OF RESOURCES				
Unavailable other revenues		675,000	675,000	
Total deferred inflows of resources		675,000	675,000	
NET POSITION				
Net investment in capital assets	558,538,326	474,091,817	1,032,630,143	148,843
Restricted for:				
Debt Service	22,695,710	157,195,760	179,891,470	
Economic development	40,597,949		40,597,949	
Capital Improvement	43,697,000		43,697,000	
Convention center		2,563,452	2,563,452	
Transportation	48,684,832		48,684,832	
Building operations	10,436,543		10,436,543	
Public safety	1,125,414		1,125,414	
Human services	128,494		128,494	
Quality of life improvement	23,875,440		23,875,440	
Culture & recreation	396,360		396,360	
Unrestricted	(231,946,281)	26,903,541	(205,042,740)	3,023,471
Total net position	\$ 518,229,787	\$ 660,754,570	\$ 1,178,984,357	\$ 3,172,314

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, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 52,618,959	\$ 80,758,157	\$ 7,895,907	\$	\$ 36,035,105	\$	\$ 36,035,105	\$
Public safety	220,109,566	10,190,087	746,638	474,787	(208,698,054)		(208,698,054)	
Physical environment	5,548,076		15,000	414,545	(5,118,531)		(5,118,531)	
Transportation	18,120,846	35,917	3,215,271	230,955	(14,638,703)		(14,638,703)	
Economic environment	6,535,179		3,716,731	34,407	(2,784,041)		(2,784,041)	
Human services	3,332,947		1,166,119		(2,166,828)		(2,166,828)	
Culture and recreation	63,385,681	8,744,939	484,389	759,228	(53,397,125)		(53,397,125)	
Interest on long-term debt	30,627,226				(30,627,226)		(30,627,226)	
Total governmental activities	400,278,480	99,729,100	17,240,055	1,913,922	(281,395,403)		(281,395,403)	
Business-type activities:								
Storm Water	9,508,836	21,490,894				11,982,058	11,982,058	
Water	30,317,357	35,403,282				5,085,925	5,085,925	
Sewer	38,583,070	45,389,228				6,806,158	6,806,158	
Parking	43,015,148	51,499,302	3,241,012			11,725,166	11,725,166	
Convention Center	14,495,430	5,937,041	4,500,000	38,982,120		34,923,731	34,923,731	
Sanitation	17,227,784	16,118,000				(1,109,784)	(1,109,784)	
Redevelopment Agency's								
Parking	4,263,260	4,492,675				229,415	229,415	
Redevelopment Agency's								
Leasing	502,658	898,742				396,084	396,084	
Total business-type activities	157,913,543	181,229,164	7,741,012	38,982,120		70,038,753	70,038,753	
Total primary government	\$ 558,192,023	\$ 280,958,264	\$ 24,981,067	\$ 40,896,042	(281,395,403)	70,038,753	(211,356,650)	
<b>Component units:</b>								
Visitor and Convention	\$ 2,468,488	\$	\$ 30,500	\$				(2,437,988)
Health Facilities	175							(175)
Total component units	\$ 2,468,663	\$	\$ 30,500	\$				(2,438,163)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					140,684,081		140,684,081	
Property taxes, levied for debt service					6,820,709		6,820,709	
Resort taxes					82,633,144		82,633,144	2,732,076
Tax increment					44,974,888	3,671,000	48,645,888	
Utility taxes					12,308,962		12,308,962	
Local business tax					4,963,225		4,963,225	
Communication service tax					4,098,786		4,098,786	
Miscellaneous					2,162,942		2,162,942	
Gain on sale of capital assets					409,907	410,679	820,586	
Unrestricted investment earnings					4,415,405	1,661,658	6,077,063	3,931
Extraordinary expense					(1,858,400)		(1,858,400)	
Transfers					10,067,140	(10,067,140)		
Total general revenues, extraordinary expense, and transfers					311,680,789	(4,323,803)	307,356,986	2,736,007
Change in net position					30,285,386	65,714,950	96,000,336	297,844
Net position - beginning					487,944,401	595,039,620	1,082,984,021	2,874,470
Net position - ending					\$ 518,229,787	\$ 660,754,570	\$ 1,178,984,357	\$ 3,172,314

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

**CITY OF MIAMI BEACH, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2016**

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 65,409,690	\$ 24,569,224	\$ 41,222,398	\$ 555,360,928	\$ 131,833,450	\$ 818,395,690
Receivables (net of allowance for uncollectibles)	4,544,489	5,644,468	26,099	59,050	635,384	10,909,490
Accrued interest	865,574			465,665		1,331,239
Due from other funds	2,428,520		3,602,678	15,220	116,534	6,162,952
Loan receivable	1,532,002					1,532,002
Due from other governments				12,953	723,581	736,534
Prepays	1,268					1,268
Total assets	<u>\$ 74,781,543</u>	<u>\$ 30,213,692</u>	<u>\$ 44,851,175</u>	<u>\$ 555,913,816</u>	<u>\$ 133,308,949</u>	<u>\$ 839,069,175</u>
<b>LIABILITIES</b>						
Cash overdraft	\$	\$	\$	\$	\$ 294,733	\$ 294,733
Accounts payable	6,088,110	2,111,259	420,013	19,016,244	4,414,534	32,050,160
Retainage payable			395	10,249,938	264,460	10,514,793
Accrued expenditures	3,105,580	905,896	66,422	72,122	659,848	4,809,868
Unearned revenues	2,978,066				45,012	3,023,078
Deposits					36,203	36,203
Due to other governments					11,371	11,371
Due to other funds	724,811		4,926,319	671,148	166,066	6,488,344
Loan payable					1,532,002	1,532,002
Environmental remediation			200,000	1,600,000		1,800,000
Total liabilities	<u>12,896,567</u>	<u>3,017,155</u>	<u>5,613,149</u>	<u>31,609,452</u>	<u>7,424,229</u>	<u>60,560,552</u>
<b>FUND BALANCES</b>						
Nonspendable	1,268					1,268
Restricted	10,436,543	27,196,537	39,238,026	498,912,883	105,790,521	681,574,510
Committed	48,307,433			26,339,404	21,576,337	96,223,174
Assigned	3,139,732					3,139,732
Unassigned				(947,923)	(1,482,138)	(2,430,061)
Total fund balances	<u>61,884,976</u>	<u>27,196,537</u>	<u>39,238,026</u>	<u>524,304,364</u>	<u>125,884,720</u>	<u>778,508,623</u>
Total liabilities and fund balances	<u>\$ 74,781,543</u>	<u>\$ 30,213,692</u>	<u>\$ 44,851,175</u>	<u>\$ 555,913,816</u>	<u>\$ 133,308,949</u>	<u>\$ 839,069,175</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, 2016**

**Total fund balances - governmental funds** **\$ 778,508,623**

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		272,876,124	
Building and structure		130,730,002	
Permanent improvements		374,045,892	
Machinery and equipment		24,082,566	
Infrastructure		206,382,425	
Accumulated depreciation		<u>(321,527,405)</u>	
<b>Total capital assets</b>			<b>748,921,701</b>

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	(587,830,000)		
Loans payable	(11,269,752)		
Net premium on bonds	(52,393,727)		
Compensated absences	(18,646,094)		
Accrued interest payable	(3,674,980)		
OPEB	(59,386,932)		
Net pension liability - MBERP	(151,941,774)		
Net pension liability - MBF&P	<u>(290,830,147)</u>		
<b>Total long term liabilities</b>			<b>(1,175,973,406)</b>

Deferred inflows have met the earned criteria for recognition in the Statement of Activities. 965,498

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	1,016,164		
Deferred outflows of resources relating to ERP pension	47,349,899		
Deferred outflows of resources relating to P&F pension	<u>88,897,639</u>		
			<b>137,263,702</b>

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. 28,543,669

**Net position of governmental activities** **\$ 518,229,787**

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, 2016**

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 140,671,819	\$	\$	\$	\$ 6,824,184	\$ 147,496,003
Sales, use and fuel	1,056,650				3,639,471	4,696,121
Utility	11,626,980				681,982	12,308,962
Resort		82,633,144				82,633,144
Local business	4,963,225					4,963,225
Tax increment			44,175,847	799,041		44,974,888
Communication service	4,098,786					4,098,786
Other					2,274,554	2,274,554
Franchise fees	8,067,568					8,067,568
Permits	24,131,436				35,480	24,166,916
Intergovernmental	10,374,544			1,390,181	5,467,475	17,232,200
Charges for services	18,532,215				5,364,637	23,896,852
Rents and leases	6,475,974		27,561		432,084	6,935,619
Interest	1,587,473	112,787	187,045	2,106,004	193,465	4,186,774
Fines and forfeitures	1,632,425				923,667	2,556,092
Administrative fees	19,017,177					19,017,177
Special assessment		228,125		10,169		238,294
Impact fees					2,208,524	2,208,524
Other	813,166	8,848	540	506,550	612,361	1,941,465
Total revenues	<u>253,049,438</u>	<u>82,982,904</u>	<u>44,390,993</u>	<u>4,811,945</u>	<u>28,657,884</u>	<u>413,893,164</u>
<b>EXPENDITURES</b>						
Current:						
General government	45,403,780	1,198,276	5,973,755		1,458,646	54,034,457
Public safety	187,555,059		4,307,779		10,551,141	202,413,979
Physical environment	2,829,482				2,006,178	4,835,660
Transportation	3,878,182			332,074	5,896,214	10,106,470
Economic environment	1,358,484		2,777,234		2,101,485	6,237,203
Human services	1,852,344				1,353,987	3,206,331
Culture and recreation	36,003,676	16,348,922	896,872	280,095	2,155,600	55,685,165
Capital Outlay	564,670	9,885	418,073	140,957,381	10,950,109	152,900,118
Debt service:						
Principal retirement	915,000	3,830,000			16,273,490	21,018,490
Interest and fiscal charges	573,941	8,063,589			19,761,403	28,398,933
Total expenditures	<u>280,934,618</u>	<u>29,450,672</u>	<u>14,373,713</u>	<u>141,569,550</u>	<u>72,508,253</u>	<u>538,836,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,885,180)</u>	<u>53,532,232</u>	<u>30,017,280</u>	<u>(136,757,605)</u>	<u>(43,850,369)</u>	<u>(124,943,642)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt		194,920,000			323,904,800	518,824,800
Premium on refunding bonds issued		23,073,801			29,558,832	52,632,633
Payment to escrow agent					(50,954,074)	(50,954,074)
Sale of capital assets	14,347		3,873			18,220
Transfers in	45,009,000		9,527,668	520,332,192	61,065,079	635,933,939
Transfers out	(12,686,000)	(268,149,441)	(28,517,937)	(15,845,237)	(300,635,846)	(625,834,461)
Total other financing sources (uses)	<u>32,337,347</u>	<u>(50,155,640)</u>	<u>(18,986,396)</u>	<u>504,486,955</u>	<u>62,938,791</u>	<u>530,621,057</u>
<b>EXTRAORDINARY ITEM</b>						
Extraordinary expense	<u>(1,858,400)</u>					<u>(1,858,400)</u>
Net change in fund balances	2,593,767	3,376,592	11,030,884	367,729,350	19,088,422	403,819,015
Fund balances - beginning of year	<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>
Fund balances - end of year	<u>\$ 61,884,976</u>	<u>\$ 27,196,537</u>	<u>\$ 39,238,026</u>	<u>\$ 524,304,364</u>	<u>\$ 125,884,720</u>	<u>\$ 778,508,623</u>

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

**CITY OF MIAMI BEACH, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2016**

---

**Net change in fund balance - total governmental funds** **\$ 403,819,015**

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	\$	152,900,118	
Contributions proprietary funds, net		(373,781)	
Deletions		(2,783)	
Depreciation expense		<u>(21,381,435)</u>	
Excess of capital outlay over depreciation expense			131,142,119

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 bond issuance	(517,015,000)		
Bonds principal retirement	69,574,492		
Loans principal retirement	844,596		
Net bond premium	(50,352,414)		
Net deferred refunding costs	(146,915)		
OPEB	<u>(6,323,000)</u>		
Total long term-debt retirement and related transactions			(503,418,241)

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	(1,245,398)		
Increase in accrued interest expense	<u>(2,239,844)</u>		
Total additional expense			(3,485,242)

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:

Employees Retirement Plan (ERP)	(417,413)		
Police & Fire Retirement Plan (P&F)	<u>(7,030,514)</u>		
			(7,447,927)

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes.			8,787
---	--	--	-------

Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds.			9,666,875
---	--	--	-----------

<b>Change in net position of governmental activities</b>			<b><u>\$ 30,285,386</u></b>
--	--	--	-----------------------------

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

**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2016**

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 15,073,108	\$ 30,974,531	\$ 57,543,462	\$ 16,149,116	\$ 37,027,413	\$ 156,767,630	\$ 64,688,518
Cash with fiscal agent							250,000
Restricted cash and investments:							
Revenue bonds covenant	5,998,980	11,488,683	5,373,155			22,860,818	
Accounts receivable (net of allowance for uncollectibles)	2,346,518	9,198,047	5,551,330	741,422	1,172,289	19,009,606	707,200
Accrued interest receivable	71,905	79	27,966			99,950	
Due from other governments				4,732,507		4,732,507	
Due from other funds	500	1,000	122,553		3,121,174	3,245,227	1,180,158
Prepaid expenses			44,242	55,201		99,443	1,196,269
Inventories		2,084,603				2,084,603	408,891
Total current assets	23,491,011	53,746,943	68,662,708	21,678,246	41,320,876	208,899,784	68,431,036
Noncurrent assets:							
Restricted cash and investments:							
Customer deposits and advance sales		6,566,835	272,393	1,345,722	291,649	8,476,599	
Interlocal agreement				2,567,397		2,567,397	
Revenue bonds covenant	66,042,581	31,581,403	55,627,922			153,251,906	
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	101,828,216	181,098,041	32,058,337	322,933,146	2,624,671
Parking lots			9,314,771			9,314,771	
Mains and lines	69,801,181	154,176,166				223,977,347	
Meters and hydrants		13,119,064	19,458,528			32,577,592	
Machinery and equipment	2,155,272	52,785,876	6,089,810	18,707,091	3,677,464	83,415,513	65,189,625
Construction in progress	141,556,815	94,714,570	24,777,470	54,473,982	493,169	316,016,006	16,000
Less accumulated depreciation	(10,600,537)	(76,583,441)	(50,007,548)	(108,285,586)	(11,657,388)	(257,134,500)	(49,700,984)
Total capital assets (net of accumulated depreciation)	202,912,731	247,653,385	134,623,804	148,082,899	27,980,544	761,253,363	18,737,832
Total noncurrent assets	268,955,312	285,801,623	190,524,119	151,996,018	28,272,193	925,549,265	18,737,832
Total assets	292,446,323	339,548,566	259,186,827	173,674,264	69,593,069	1,134,449,049	87,168,868
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pensions - MBERP	1,580,294	3,498,211	5,065,199	137,732	4,891,210	15,172,646	5,380,503
Deferred refunding	643,987	277,960	507,096			1,429,043	
Total deferred outflows of resources	2,224,281	3,776,171	5,572,295	137,732	4,891,210	16,601,689	5,380,503
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	8,268,959	4,787,340	3,752,535	1,052,529	945,129	18,806,492	4,415,488
Retainage payable	3,637,047	1,665,428	1,373,321	3,196,418		9,872,214	
Accrued expenses	868,828	1,417,695	400,508	49,660	274,466	3,011,157	410,366
Due to other funds		17	1,034,452	2,289,884	775,564	4,099,917	76
Due to other governments			1,958		14,835	16,793	
Bonds payable	3,250,000	6,415,000	1,600,000			11,265,000	
Loans payable	38,152	53,024	40,695		94,545	226,416	2,889,202
Deposits		6,566,835	59,311	783,084		7,409,230	
Accrued compensated absences	103,330	396,859	616,826	9,862	468,992	1,595,869	594,036
Unearned revenues			213,082		75,327	288,409	
Pending insurance claims							9,250,000
Total current liabilities	16,166,316	21,302,198	9,092,688	7,381,437	2,648,858	56,591,497	17,559,168
Noncurrent liabilities:							
Pending insurance claims							3,362,000
Insurance claims incurred but not reported							20,119,508
Deposits					216,322	216,322	
Accrued compensated absences	115,413	138,115	298,785	21,448	231,350	805,111	769,938
Net pension liability - MBERP	4,289,300	10,733,041	17,157,101	349,908	15,133,294	47,662,644	16,800,495
Environmental remediation liability				150,000	135,660	285,660	
Loans payable	38,650	80,636	57,875		98,705	275,866	5,394,593
Revenue bonds payable (net of unamortized discounts)	184,369,446	99,394,946	100,019,676			383,784,068	
Total noncurrent liabilities	188,812,809	110,346,738	117,533,437	521,356	15,815,331	433,029,671	46,446,534
Total liabilities	204,979,125	131,648,936	126,626,125	7,902,793	18,464,189	489,621,168	64,005,702
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Other deferred revenue				675,000		675,000	
Total deferred inflows of resources				675,000		675,000	
<b>NET POSITION</b>							
Net investment in capital assets	70,238,621	143,700,670	87,478,751	144,886,481	27,787,294	474,091,817	10,454,037
Restricted:							
Interlocal agreement				2,563,452		2,563,452	
Debt covenant	63,790,846	36,366,347	57,038,567			157,195,760	
Unrestricted	(44,337,988)	31,608,784	(6,384,321)	17,784,270	28,232,796	26,903,541	18,089,632
Total net position	\$ 89,691,479	\$ 211,675,801	\$ 138,132,997	\$ 165,234,203	\$ 56,020,090	\$ 660,754,570	\$ 28,543,669

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, 2016**

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for services	\$ 21,490,894	\$ 80,509,455	\$ 48,785,416	\$ 5,911,366	\$ 14,387,831	\$ 171,084,962	\$ 77,291,491
Permits, rentals, and other		283,055	2,713,886	25,675	10,792,586	13,815,202	2,162,941
Total operating revenues	21,490,894	80,792,510	51,499,302	5,937,041	25,180,417	184,900,164	79,454,432
Operating expenses:							
Personal services	2,435,996	7,910,863	13,258,079	4,826,159	9,755,009	38,186,106	11,913,364
Operating supplies	22,703	84,415	311,351	28,351	29,762	476,582	3,903,801
Contractual services	1,196,667	44,028,228	10,405,965	1,719,515	6,719,685	64,070,060	12,139,299
Utilities	222,053	943,443	2,458,045	1,084,501	218,803	4,926,845	2,379,670
Insurance			163,865	54,470		218,335	10,519,312
Internal charges	425,571	2,866,089	3,095,600	1,559,107	1,639,699	9,586,066	1,397,107
Depreciation	2,119,265	4,711,020	5,973,576	4,800,112	1,162,205	18,766,178	4,762,214
Administrative fees	612,996	3,740,004	1,922,002	291,996	1,639,008	8,206,006	1,100,004
Claims and judgements							21,917,514
Other operating	249,633	1,291,839	4,032,226	113,219	806,703	6,493,620	574,598
Total operating expenses	7,284,884	65,575,901	41,620,709	14,477,430	21,970,874	150,929,798	70,606,883
Operating income (loss)	14,206,010	15,216,609	9,878,593	(8,540,389)	3,209,543	33,970,366	8,847,549
Nonoperating revenues (expenses):							
Intergovernmental			3,241,012	43,482,120		46,723,132	
Interest and fiscal charges	(2,219,485)	(3,294,730)	(1,361,533)		(5,659)	(6,881,407)	(244,773)
Gain (loss) on disposal of capital assets	37,388	115,636	114,215	64,926	78,514	410,679	391,687
Unrealized gains (losses) on investments	84,835	1,230	14,984			101,049	
Interest income	342,414	291,163	688,062	77,592	161,378	1,560,609	228,631
Total nonoperating revenues (expenses)	(1,754,848)	(2,886,701)	2,696,740	43,624,638	234,233	41,914,062	375,545
Income before contributions and transfers	12,451,162	12,329,908	12,575,333	35,084,249	3,443,776	75,884,428	9,223,094
Capital contributions							373,781
Transfers in			64,811,756		1,354,000	66,165,756	395,000
Transfers out	(811,000)	(27,000)	(74,027,234)	(875,000)	(595,000)	(76,335,234)	(325,000)
Change in net position	11,640,162	12,302,908	3,359,855	34,209,249	4,202,776	65,714,950	9,666,875
Net position - beginning	78,051,317	199,372,893	134,773,142	131,024,954	51,817,314	595,039,620	18,876,794
Net position - ending	\$ 89,691,479	\$ 211,675,801	\$ 138,132,997	\$ 165,234,203	\$ 56,020,090	\$ 660,754,570	\$ 28,543,669

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, 2016

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash flows from operating activities:							
Receipts received from customers	\$ 21,221,605	\$ 80,163,123	\$ 49,728,252	\$ 4,871,651	\$ 12,388,333	\$ 168,372,964	\$ 77,113,896
Payments to suppliers	(330,270)	(47,692,275)	(17,025,862)	(2,502,821)	(7,635,335)	(75,186,563)	(28,329,165)
Payments to employees	(2,388,973)	(7,852,597)	(13,073,740)	(4,837,763)	(9,614,005)	(37,767,078)	(11,771,134)
Payments on behalf of employees	(385,001)	(179,050)	531,930	(33,726)	(711,549)	(777,396)	418,321
Payments for claims and judgements							(23,625,424)
Payments for interfund services used	(1,038,567)	(6,606,093)	(5,017,602)	(1,851,103)	(3,177,988)	(17,691,353)	(2,010,672)
Receipts for other operating revenues		283,055	2,713,886	25,675	10,792,586	13,815,202	2,084,903
Net cash provided by (used in) operating activities	17,078,794	18,116,163	17,856,864	(4,328,087)	2,042,042	50,765,776	13,880,725
Cash flows for non-capital financing activities:							
Contributions from other governments			3,241,012	43,482,119		46,723,131	
Transfers in			64,811,756		1,354,000	66,165,756	395,000
Transfers out	(811,000)	(27,000)	(74,027,234)	(875,000)	(595,000)	(76,335,234)	(325,000)
Net cash provided by (used in) non-capital financing activities	(811,000)	(27,000)	(5,974,466)	42,607,119	759,000	36,553,653	70,000
Cash flows from capital and related financing activities:							
Principal paid on loan	(36,630)	(96,397)	(94,405)		(100,463)	(327,895)	(3,495,127)
Proceeds from issuance of bonds			58,825,000			58,825,000	
Proceeds from bond premium			6,833,750			6,833,750	
Interest and fiscal charges	(2,338,978)	(3,300,012)	(1,577,315)		(5,679)	(7,221,984)	(247,461)
Principal paid on bond	(2,720,000)	(3,770,000)	(2,230,500)			(8,720,500)	
Purchase of capital assets	(47,703,636)	(20,866,303)	(23,099,860)	(42,513,810)	(968,996)	(135,152,605)	(5,511,496)
Proceeds from sale of capital assets	37,388	115,636	114,215	64,926	81,882	414,047	499,161
Net cash provided by (used in) capital and related financing activities	(52,761,856)	(27,917,076)	38,770,885	(42,448,884)	(993,256)	(85,350,187)	(8,754,923)
Cash flows from investing activities:							
Unrealized gain (loss) on investment	84,835	1,230	14,984			101,049	
Interest on investments	290,559	293,123	660,219	77,592	161,378	1,482,871	228,630
Net cash provided by investing activities	375,394	294,353	675,203	77,592	161,378	1,583,920	228,630
Net increase (decrease) in cash and equivalents	(36,118,668)	(9,533,560)	51,328,486	(4,092,260)	1,969,164	3,553,162	5,424,432
Cash and investments - beginning of year	123,233,337	90,145,012	67,488,446	24,154,495	35,349,898	340,371,188	59,514,086
Cash and investments - end of year	\$ 87,114,669	\$ 80,611,452	\$ 118,816,932	\$ 20,062,235	\$ 37,319,062	\$ 343,924,350	\$ 64,938,518
Classified as:							
Current assets	\$ 15,073,108	\$ 30,974,531	\$ 57,543,462	\$ 16,149,116	\$ 37,027,413	\$ 156,767,630	\$ 64,938,518
Restricted assets	72,041,561	49,636,921	61,273,470	3,913,119	291,649	187,156,720	
Total cash and investments	\$ 87,114,669	\$ 80,611,452	\$ 118,816,932	\$ 20,062,235	\$ 37,319,062	\$ 343,924,350	\$ 64,938,518
Non-cash transactions affecting financial position:							
Change in construction and related liabilities	\$ 4,002,686	\$ 282,688	\$ 2,850,254	\$ 1,116,045	\$	\$ 8,251,673	\$
Capital contributions							370,623
Change in deferred refunding costs	159,262	38,785	85,706			283,753	
Change in bond discount/premium	(205,861)	11,268	(284,476)			(479,069)	
Unrealized gain (loss) on investment	84,835	1,230	14,984			101,049	
Total non-cash transactions affecting financial position	\$ 4,040,922	\$ 333,971	\$ 2,666,468	\$ 1,116,045	\$	\$ 8,157,406	\$ 370,623

(continued)

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

**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, 2016**

(continued)

	<b>Storm Water Utility Fund</b>	<b>Water and Sewer Fund</b>	<b>Parking System Fund</b>	<b>Convention Center Complex Fund</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities- Internal Service Funds</b>
Operating income (loss)	\$ 14,206,010	\$ 15,216,609	\$ 9,878,593	\$ (8,540,389)	\$ 3,209,543	\$ 33,970,366	\$ 8,847,549
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:							
Depreciation	2,119,265	4,711,020	5,973,576	4,800,112	1,162,205	18,766,178	4,762,214
Provision for uncollectible accounts	116,974	343,481	(138,819)		(3,714)	317,922	1,620
Pension expense	(385,001)	(179,050)	531,930	(33,726)	(711,549)	(777,396)	418,322
Changes in assets/liabilities and deferred inflows:							
(Increase) decrease in inventories		(688,549)				(688,549)	3,833
(Increase) decrease in accounts receivable	(403,213)	(723,137)	299,604	(176,459)	(98,284)	(1,101,489)	(94,448)
(Increase) decrease in due from other funds	27,950	22,586	(40,831)		(2,449,763)	(2,440,058)	268,526
(Increase) decrease in prepaid expense			(1,020)	98,891	27,917	125,788	686,880
Increase (decrease) in accounts payable	1,370,704	(345,250)	586,508	766,209	247,042	2,625,213	774,039
Increase (decrease) in accrued expenses	2,254	(277,792)	(167,185)	(367,858)	29,025	(781,556)	(68,912)
Increase (decrease) in deposits		39,721	28,309	(863,256)	50,307	(744,919)	
Increase (decrease) in due to other governments			(24,985)		(7,318)	(32,303)	
Increase (decrease) in due to other funds	(11,000)	(28,983)	993,740		543,758	1,497,515	(107,447)
Increase (decrease) in unearned revenues			(199,167)		17,512	(181,655)	
Increase (decrease) in environmental remediation liability					(64,340)	(64,340)	
Increase in pending insurance claims							(1,652,000)
(Decrease) in insurance claims incurred but not reported							(55,910)
Increase (decrease) in accrued compensated absences	34,851	25,507	136,611	(11,611)	89,701	275,059	96,459
Total adjustments	2,872,784	2,899,554	7,978,271	4,212,302	(1,167,501)	16,795,410	5,033,176
Net cash provided by (used in) operating activities	\$ 17,078,794	\$ 18,116,163	\$ 17,856,864	\$ (4,328,087)	\$ 2,042,042	\$ 50,765,776	\$ 13,880,725

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, 2016**

	<u>Trust Funds</u>	<u>Agency Fund</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,503,580	\$ 17,992,154
Receivables:		
Accounts, net		119,784
Accrued interest	2,801,113	
Contributions	185,622	
Other	2,082,420	
Prepaid expenses	3,069,292	
Investments:		
Short-term investments	5,906,367	
U.S. Government securities	175,728,545	
Corporate bonds and notes	182,559,073	
Bond Funds	54,083,545	
Foreign Bonds and private placements	47,321,418	
Common stocks and index funds	654,885,328	
Foreign Stocks	117,948,851	
Real estate funds	104,214,948	
Mutual funds	60,118,056	
Total investments	<u>1,402,766,131</u>	
 Total assets	 <u>1,413,408,158</u>	 <u>\$ 18,111,938</u>
<b>Liabilities</b>		
Accounts payable	1,306,298	\$ 351,617
Accrued expenses	548,379	
Deposits		17,760,321
 Total liabilities	 <u>1,854,677</u>	 <u>\$ 18,111,938</u>
<b>Net Position</b>		
Held in trust for pension and OPEB benefits	<u>\$ 1,411,553,481</u>	

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



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

**For the Fiscal Year Ended September 30, 2016**

	<u>Trust Funds</u>
Additions:	
Contributions -	
Employer	\$ 62,819,903
Employee	13,325,930
State of Florida	2,274,555
Total contributions	<u>78,420,388</u>
Investment Income (loss) -	
Net increase/(decrease) in fair value of investments	110,624,672
Interest and dividends income	24,115,248
	<u>134,739,920</u>
Investment management expenses	<u>(4,579,973)</u>
Net investment income	<u>130,159,947</u>
Total additions	<u>208,580,335</u>
Deductions:	
Benefit paid	98,782,476
Contributions refunded	948,535
Administrative expenses	1,821,450
Total deductions	<u>101,552,461</u>
Net increase	107,027,874
Net position - amount held in trust for pension and OPEB benefits - beginning of year	1,304,525,607
Net position - amount held in trust for pension and OPEB benefits - end of year	<u>\$ 1,411,553,481</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, 2016**

**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 2016.

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 2016.

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 2016.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(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, 2016**  
**(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, 2016**  
**(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, 2016**  
**(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, 2016**  
**(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 cash held at investment institutions. 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 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, 2016:

- 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, 2016, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30, 2016, 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, 2016.
- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2016 and state revenue sharing received within 45 days of year end.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**3. *Inventories and prepaids***

Material and supplies in inventory are reported as current assets of the proprietary funds and on the government –wide financial statements at cost. Governmental funds inventory is stated at cost 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, 2016 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 acquisition 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, 2016**  
**(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 Category	Capitalizing Threshold	Estimated Useful Life (in years)
Land	Capitalize all	Not depreciable
Intangible assets	Capitalize all	Not depreciable
Construction in progress	\$ 100,000	Not depreciable
Building and structure	100,000	50 years
Permanent improvements	100,000	Limited to useful life of bldg. not to exceed 35 years
Furniture & equipment	5,000	7 years
Motor vehicles	5,000	5 years
Motor vehicles greater than \$50,000	50,000	10 years
Maintenance and heavy moving equipment	5,000	15 years
Infrastructure	100,000	30-50 years

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

**6. *Compensated absences***

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

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

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

**8. *Unearned revenue***

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

**9. *Deferred outflows/inflows of resources***

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

- a. A deferred charge on refunding is reported in the government-wide and proprietary fund statements 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 the MBERP and MBF&P pension plans are recognized when the City makes contributions subsequent to the measurement date and when there are differences between expected and actual experience. Differences between expected and actual experience and changes in assumptions are deferred and amortized over the average of the expected remaining service lives of employees who are provided with benefits through the pension plans. Employer contributions made subsequent to the measurement date are deferred and recognized as a reduction of the net pension liability in the subsequent reporting year. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred outflows of resources related to pensions are only reported on the proprietary funds and the government-wide financial statements.

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 items that qualify for reporting in this category.

- a. Unavailable property taxes are reported only in the governmental funds balance sheet. The government-wide statement of net position 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 the MBERP and MBF&P pension plans are reported when changes in the net pension liability are not included in the pension expense of the actuarially calculated net pension liability, such as differences between projected and actual investment earnings. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred inflows of resources related to pensions are only reported on the proprietary funds and the government-wide financial statements.

**10. *Net position/ fund balance***

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

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

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

the 6% level.

On July 22, 2014, the City's Resort Tax Reserve Fund Policy was amended to state the goal is reserve three months of total fund revenue of the 2% resort tax fund. The minimum acceptable reserve is to be two months of operating expenses or two months of total revenues. The policy was established to ensure the continuity of operations of both the Resort Tax Fund and the General Fund.

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, 2016.
- 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, 2016, the Government-wide statement of net position reports \$351,396,954 in restricted net position. Of this amount, \$247,280,426 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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

results could differ from management's estimates.

**13. Risk management**

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

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 benefit 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 employee 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 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. Municipal Employees (ASFCME), the Communication Workers of America (CWA), and the plan elected.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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*

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of 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. This Statement requires a government to use valuation techniques which are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. This Statement also establishes a hierarchy of inputs to valuation techniques used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The adoption of this Statement is reflected in Note 3.

In June 2015, the GASB issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this statement are effective for the City's financial year ending September 30, 2016. There was no impact to the City.

In June 2015, the GASB issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for the City's financial year ending September 30, 2016, and should be applied retroactively. Earlier application is permitted. There was no impact to the City.

In December 2015, the GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants". The objective of this Statement is to address for certain external investment pools and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. Those provisions were based on the Investment Company Act of 1940, Rule 2A7. Rule 2A7 contains the Securities and Exchange Commission's regulations that apply to money market funds and were significantly amended in 2014. The provisions of this Statement are effective for financial statements for the City's financial year ending September 30, 2016, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing which are effective for financial statements for the City's financial year ending September 30, 2016. There was no impact to the City.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**NOTE 2 - Stewardship, Compliance, and Accountability**

Net Position

At September 30, 2016, there were no material deficits in net position.

**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.

As of September 30, 2016, the City had the following investments in its portfolio:

City's Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
U.S. government agency	\$ 178,263,988	\$ 50,745,764	\$ 127,518,224
U.S. treasuries	402,537,542	291,782,519	110,755,023
Commercial paper			
Corporate bonds	28,852,994	7,022,050	21,830,944
Israeli bonds	8,000,000	8,000,000	
Money Market Trust	343,826	343,826	
FLCLASS pool	294,625,327	294,625,327	
Total	\$ 912,623,677	\$ 652,519,486	\$ 260,104,191

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 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, 2016.

Credit Risk This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. State law limits investments in commercial paper and corporate bonds rated in one of the top two ratings issued by the Nationally Recognized Statistical Rating Organization (NRSROs). It is the City's policy to limit its exposure in these investment types to the top rating issued by NRSROs. U.S. government agencies are only implicitly guaranteed by the U.S. Government. U.S. Government Treasuries explicitly guaranteed by the U. S. Government are not considered to have credit risk exposure.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

As of September 30, 2016 the City's investments were rated by Moody's Investors Service and Standard & Poor's as follows:

Investment Type	Issuer	Standard & Poor's	Moody's	Reported Value
US Government Agencies:				
	FHLB	AA+	Aaa	\$ 46,846,514
	FNMA	AA+	Aaa	54,133,750
	FHLMC	AA+	Aaa	44,281,324
	FFCB	AA+	Aaa	33,002,400
				<u>178,263,988</u>
US Government Treasuries:				
	U. S. Government	AA+	Aaa	<u>402,537,542</u>
				<u>402,537,542</u>
Corporate Bonds:				
	Wells Fargo	AA-	Aa2	3,510,815
	Apple Inc.	AA+	Aa1	2,006,300
	Microsoft Corporation	AAA	Aaa	1,745,153
	Chevron Corporation	AA-	Aa2	5,053,350
	Toyota Motor Credit	AA-	Aa3	5,074,490
	Berkshire Hathaway	AA	Aa2	8,525,215
	Exxon Mobil	AA+	Aaa	2,937,671
				<u>28,852,994</u>
Israeli Bonds:				
	State of Israel	A+	A1	<u>8,000,000</u>
				<u>8,000,000</u>
Money Market Trust:				
	U. S. Government	AA+	Aaa	210,174
	Other	N/A	N/A	133,652
				<u>343,826</u>
FLCLASS	Local Government Inv. Pool	AAAm	N/A	\$ 294,625,327

**Fair Value Measurement:** In February 2015, GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB No. 72 defines fair value as the price that would be received to sell an asset.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

The City has the following recurring fair value measurements as of September 30, 2016:

	2016	Fair Value Measurements Using	
		Level 1	Level 2
Investments by fair value level			
Debt securities			
U.S. treasury securities	\$402,537,542		\$402,537,542
U.S. agency securities	178,263,988		178,263,988
Corporate bonds	28,852,994		28,852,994
State of Israel bonds	8,000,000		8,000,000
Total debt securities	<u>617,654,524</u>		<u>617,654,524</u>
Total investments by fair value level	<u>617,654,524</u>	<u>\$</u>	<u>\$617,654,524</u>
Investments measured at net asset value			
FLCLASS	<u>294,625,327</u>		
Total investments	<u>\$912,279,851</u>		

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under F.S. 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAAM rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is 54 days as of September 30, 2016.

The City's cash and investments held at September 30, 2016 (including restricted cash and cash with paying agent) are shown below:

Schedule of cash and investments by fund:		
General	\$	65,409,690
Resort Tax		24,569,224
Redevelopment Agency		41,222,398
Capital Projects		555,360,928
Storm Water		87,114,669
Water & Sewer		80,611,452
Parking		118,816,932
Convention Center Complex		20,062,235
Internal Service		64,938,518
Agency		17,992,154
Nonmajor Governmental		131,833,450
Nonmajor Enterprise		<u>37,319,062</u>
Total cash and investments	<u>\$</u>	<u>1,245,250,712</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



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the City. The security 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.

The remainder of this page was  
intentionally left blank

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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, 2016.

**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	\$ 64,658,443	\$	\$	\$ 40,345,473	\$ 24,312,970
Corporate bonds and notes	175,131,361		57,000,625	113,780,176	4,350,560
Foreign bonds	12,205,125		9,874,980	2,330,145	
Private placement	34,938,953	1,713,066	4,133,567	21,160,598	7,931,722
Total	\$ <u>286,933,882</u>	\$ <u>1,713,066</u>	\$ <u>71,009,172</u>	\$ <u>177,616,392</u>	\$ <u>36,595,252</u>

**Employees' Retirement Plan:**

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
U.S. government securities	\$ 108,187,159	\$	\$	\$ 108,187,159	\$
Bond funds	54,083,545		54,083,545		
Total	\$ <u>162,270,704</u>	\$	\$ <u>54,083,545</u>	\$ <u>108,187,159</u>	\$

The remainder of this page was  
intentionally left blank

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	More 6-10	More than 10
U.S. government securities	\$ 1,850,789	\$	\$ 249,795	\$ 1,176,380	\$ 424,614
Corporate bonds and notes	5,043,974		1,766,235	3,116,442	161,297
Total	<u>\$ 6,894,763</u>	<u>\$</u>	<u>\$ 2,016,030</u>	<u>\$ 4,292,822</u>	<u>\$ 585,911</u>

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

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
U.S. government securities	\$ 1,032,154	\$	\$ 149,847	\$ 614,834	\$ 267,473
Corporate bonds and notes	2,383,738		587,777	1,795,961	
Foreign bonds/Private placement	177,340			177,340	
Short-term obligations	46,321	46,321			
Total	<u>\$ 3,639,553</u>	<u>\$ 46,321</u>	<u>\$ 737,624</u>	<u>\$ 2,588,135</u>	<u>\$ 267,473</u>

**Credit Risk and Concentration of Credit Risk** The System's investment policy utilizes portfolio diversification in order to control credit risk. The Systems have no limit imposed on fixed income securities issued directly by the U.S. Government or any agency or instrumentality thereof. The City pension fund for firefighters and police officers limits corporate debt securities (bonds, notes, debentures at the time of purchase) to only the highest three categories of quality by any of the following listed services: Moody's, Standards and 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 follow state law, which limits 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 total investments at September 30, 2016.

**Foreign Currency Risk** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of 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, 2016 as follows:

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

		Holdings Valued in U.S. Dollars Private Placement City Pension Fund for Police and Fire
		<hr/>
Australian Dollar	\$	4,613,866
Brazilian Real		959,102
British Pound Sterling		3,647,572
Canadian Dollar		535,665
Euro		5,034,682
Hungarian Forint		848,559
Malaysian Ringgit		1,596,263
Mexican Peso		1,585,600
New Zealand Dollar		1,685,296
Norwegian Krone		1,713,066
Polish Zloty		1,617,463
Singapore Dollar		1,473,796
South African Rand		918,349
Other		1,232,314
Total	\$	<hr/> <hr/> 27,461,593

The remainder of this page was  
intentionally left blank

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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, 2016.

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

	Fair Value	Percentage of Portfolio
U.S. Government Securities	\$ 64,658,443	22.53 %
Quality rating of credit risk debt securities		
AAA	6,089,089	2.12
AA+	4,016,586	1.40
AA	14,075,987	4.91
AA-	17,790,413	6.20
A+	15,638,644	5.45
A	57,254,180	19.95
A-	51,535,826	17.96
BBB+	29,087,024	10.14
BBB	4,230,357	1.47
BBB-	1,541,558	0.54
BB+	567,492	0.20
BB	1,143,643	0.40
BB-	352,619	0.12
B+	285,098	0.10
B	399,697	0.14
B-	162,647	0.06
Total credit risk debt securities	<u>204,170,860</u>	<u>71.16</u>
* Not Rated	<u>18,104,579</u>	<u>6.31 %</u>
Total fixed income securities	<u>\$ 286,933,882</u>	<u>100.00 %</u>

**Miami Beach Employees' Retirement Plan:**

	Fair Value	Percentage of Portfolio
Quality rating of credit risk debt securities		
AA+	\$ 108,187,159	66.67 %
AA	54,083,545	33.33
Total credit risk debt securities	<u>\$ 162,270,704</u>	<u>100.00 %</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 1,850,789	26.85	%
Quality rating of credit risk debt securities			
Aa1	162,497	2.36	
Aa2	258,816	3.75	
Aa3	426,989	6.19	
Baa1	855,734	12.41	
A1	360,456	5.23	
A2	919,321	13.33	
A3	2,060,161	29.88	
Total credit risk debt securities	<u>5,043,974</u>	<u>73.15</u>	
Total fixed income securities	\$ <u>6,894,763</u>	<u>100.00</u>	%

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

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 1,032,154	30.22	%
Quality rating of credit risk debt securities			
A+	412,991	12.09	
A	536,068	15.69	
A-	1,009,411	29.55	
BBB+	319,884	9.36	
BBB	105,384	3.09	
Total credit risk debt securities	<u>2,383,738</u>	<u>69.78</u>	
Total fixed income securities	\$ <u>3,415,892</u>	<u>100.00</u>	%

As of September 30, 2016 the System had the following cash and investments in its portfolio:

	Fair Value
Short term investments	\$ 5,906,367
U.S. government securities	175,728,545
Corporate bonds and notes	182,559,073
Bond funds	54,083,545
Foreign bonds	47,321,418
Common stocks and index funds	654,885,328
Foreign stocks	117,948,851
Real estate funds	104,214,948
Mutual funds	60,118,056
Cash	2,503,580
Total cash and investments	\$ <u>1,405,269,711</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Fair Value Measurement: In February 2015, GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB No. 72 defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

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 fair value.

The City Pension Fund for Firefighters and Police Officers has the following recurring fair value measurements as of September 30, 2016:

	2016	<u>Fair Value Measurements Using</u>	
		<u>Level 1</u>	<u>Level 2</u>
Investments by fair value level			
Short-term investment funds	\$ 5,860,046	\$ 5,860,046	\$
Equity securities			
Common stocks	<u>342,649,084</u>	<u>342,649,084</u>	<u>                    </u>
Total equity securities	342,649,084	342,649,084	
Debt securities			
Government and agency obligations	64,658,443		64,658,443
Municipal/provincial obligations	5,893,600		5,893,600
Corporate bonds	<u>181,442,886</u>	<u>                    </u>	<u>181,442,886</u>
Total debt securities	<u>251,994,929</u>	<u>                    </u>	<u>251,994,929</u>
Total investments by fair value level	600,504,059	\$ <u>348,509,130</u>	\$ <u>251,994,929</u>
Investments measured at the net asset value			
Commingled domestic equity funds	76,730,314		
Real estate fund	42,306,906		
Private placement	34,938,953		
Commingled international equity funds	29,484,393		
Mutual funds	<u>19,626,380</u>		
Total investments measured at net asset value	<u>203,086,946</u>		
Total investments	\$ <u>803,591,005</u>		

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Short-term investment funds: These consist primarily of money market funds, commercial paper and similar instruments with maturities of less than one year. Short term investments are reported at fair value or at cost or amortized cost, which approximates fair value. For those investments which are reported at fair value, the investments are valued using similar methodologies as described within the debt securities section below.

Equity securities: These include common stock, domestic and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2016 and 2015. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

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

Real estate: Real estate funds are valued using their respective net asset value ("NAV") as of September 30, 2016 and 2015. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

The Plans valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2016, are as follows:

<b>2016</b>					
<b>Investments Measured at the NAV</b>					
			<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Commingled					
Domestic equity fund (1)	\$ 76,730,314	\$ -		Monthly	10 Days
Real estate fund (2)	42,306,906			Quarterly	45 Days
Private placement	34,938,953			Weekly	1 Day
Commingled					
International equity fund (4)	29,484,393			Daily	Same Day
Mutual funds (5)	19,626,380			Daily	Same Day
Total investments measured at the NAV	<u>\$ 203,086,946</u>	<u>\$ -</u>			

(1) Commingled domestic equity fund consists of one comingled investment vehicle which invests primarily in publicly traded equity securities. The fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(2) The real estate fund invests primarily in United States commercial real estate. The fair value of the investment in the fund is valued at the net asset value of outstanding units held at the end of the period based upon the fair value of the underlying investments.



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

(3) The private placement fund invests primarily in international bonds. The fair value of this investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(4) Commingled international equity fund consists of one commingled investment vehicle which invests primarily in publicly traded global equity securities. The fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

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

The Miami Beach Employees' Retirement Plan has the following recurring fair value measurements as of September 30, 2016:

Investments by fair value level	2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Equity securities				
Domestic equities				
S&P Index	\$ 101,767,556	\$	101,767,556	\$
Large cap fund PLUS	63,221,904		63,221,904	
Mid-cap index fund	37,733,334		37,733,334	
Small-cap index fund	21,390,770		21,390,770	
International equities				
International equity growth	59,308,460		59,308,460	
Emerging markets core	28,865,829	28,865,829		
Mutual fund equities (DROP)	13,860,376	13,860,376		
Total equity securities	<u>326,148,229</u>	<u>42,726,205</u>	<u>283,422,024</u>	<u>-</u>
Fixed income				
Core bond index fund	54,083,545		54,083,545	
Bond fund	108,187,159		108,187,159	
Total fixed income	<u>162,270,704</u>		<u>162,270,704</u>	
Real estate strategic property fund	61,908,043			61,908,043
Total investments by fair value level	<u>\$ 550,326,976</u>	<u>\$ 42,726,205</u>	<u>\$ 445,692,728</u>	<u>\$ 61,908,043</u>

The Firemen's Relief and Pension Fund has the following recurring fair value measurements as of September 30, 2016:

Investments by fair value level	2016	Fair Value Measurements Using	
		Level 1	Level 2
Equity securities			
Common stocks	\$ 7,688,620	\$ 7,688,620	\$
Total equity securities	<u>7,688,620</u>	<u>7,688,620</u>	
Debt securities			
U.S. treasury securities	949,839	949,839	
U.S. agency securities	900,950		900,950
Corporate bonds	5,043,974		5,043,974
Total debt securities	<u>6,894,763</u>	<u>949,839</u>	<u>5,944,924</u>
Total investments by fair value level	<u>14,583,383</u>	<u>\$ 8,638,459</u>	<u>\$ 5,944,924</u>
Money market funds	592,861		
Total investments	<u>\$ 15,176,244</u>		

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

The Policemen's Relief and Pension Fund has the following recurring fair value measurements as of September 30, 2016:

Investment Category	2016	Fair Value Measurements Using	
		Level 1	Level 2
Corporate bonds	\$ 2,383,738	\$ 2,383,738	\$
U.S. government and agencies bonds	1,032,154	1,032,154	
Money market account	46,321		46,321
Equities	3,703,743	3,703,743	
Foreign assets	467,509	467,509	
Total	\$ 7,633,465	\$ 7,587,144	\$ 46,321

**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.

**City's OPEB Trust Investments:**

At September 30, 2016, the City's OPEB Trust Fund investments were comprised of \$313,908 in money market accounts and \$26,631,300 in mutual funds.

**Fair Value Measurement:** In February 2015, GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB No. 72 defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

The OPEB Trust had the following fair value measurements at September 30, 2016:

	<b>9/30/2016</b>
Investments measured at the net asset value	
Mutual funds	\$ 26,631,300
Total investments measured at the net asset value	26,631,300
Total investments	\$ 26,631,300

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

The OPEB Trusts' valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2016, are as follows:

<b>2016</b>					
<b>Investments Measured at the NAV</b>					
	<b>9/30/2016</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Noticed Period</b>	
Mutual Fund	\$ 26,631,300	\$ -	Daily	Same Day	

The mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and transact at that price. They are determined to be actively traded.

**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 City's investment policy, the investments are registered in the City's name. All City 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 \$3,805,390 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.

For the Miami Beach Health Facilities Authority and the Miami Beach Visitor and Convention Authority, 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, 2016**  
**(Continued)**

**NOTE 4 - Receivables**

Receivables at September 30, 2016 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 Tax	Redevelopment Agency	Capital Projects	Nonmajor Funds	Total							
Receivables:														
Accounts	\$	8,151,836	\$	4,708,576	\$	26,256	\$	2,576,100	\$	15,462,768				
Special Assessments				935,892		59,050				994,942				
Gross receivables		8,151,836		5,644,468		26,256		59,050		2,576,100	16,457,710			
Less: allowance for uncollectible accounts		(3,607,347)				(157)				(1,940,716)	(5,548,220)			
Net total receivables	\$	<u>4,544,489</u>	\$	<u>5,644,468</u>	\$	<u>26,099</u>	\$	<u>59,050</u>	\$	<u>635,384</u>	\$	<u>10,909,490</u>		
Proprietary Funds														
	Storm Water		Water and Sewer	Parking	Convention Center Complex	Nonmajor Funds	Internal Service	Total						
Receivables:														
Accounts	\$	3,395,503	\$	12,037,096	\$	5,730,112	\$	741,422	\$	2,840,396	\$	776,031	\$	25,520,560
Gross receivables		3,395,503		12,037,096		5,730,112		741,422		2,840,396		776,031		25,520,560
Less: allowance for uncollectible accounts		(1,048,985)		(2,839,049)		(178,782)				(1,668,107)		(68,831)		(5,803,754)
Net total receivables	\$	<u>2,346,518</u>	\$	<u>9,198,047</u>	\$	<u>5,551,330</u>	\$	<u>741,422</u>	\$	<u>1,172,289</u>	\$	<u>707,200</u>	\$	<u>19,716,806</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, 2016**  
**(Continued)**

**NOTE 6 - Capital Assets**

Capital asset activities for the year ended September 30, 2016 were as follows:

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

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 58,758,676	\$	\$	\$ 58,758,676
Intangible assets	4,181,941			4,181,941
Construction work-in-progress	122,939,582	150,399,196	446,654	272,892,124
Total capital assets, not being depreciated	185,880,199	150,399,196	446,654	335,832,741
Capital assets, being depreciated:				
Building	133,337,477	68,461	51,265	133,354,673
Permanent improvements	373,818,113	227,779		374,045,892
Furniture & fixtures	7,181,698	638,355	19,446	7,800,607
Equipment	78,200,966	7,144,476	3,873,858	81,471,584
Infrastructure	206,002,425	380,000		206,382,425
Total capital assets, being depreciated	798,540,679	8,459,071	3,944,569	803,055,181
Less: accumulated depreciation for:				
Building	55,378,239	2,554,474	51,135	57,881,578
Permanent improvements	114,804,282	10,564,041		125,368,323
Furniture & fixtures	3,799,626	806,304	16,793	4,589,137
Equipment	56,593,870	6,075,442	3,766,385	58,902,927
Infrastructure	118,343,036	6,143,388		124,486,424
Total accumulated depreciation	348,919,053	26,143,649	3,834,313	371,228,389
Total capital assets, being depreciated, net	449,621,626	(17,684,578)	110,256	431,826,792
Governmental activities capital assets, net	\$ 635,501,825	\$ 132,714,618	\$ 556,910	\$ 767,659,533

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,835,429	\$	\$	\$ 25,835,429
Intangible assets	4,318,059			4,318,059
Construction work-in-progress	180,494,511	137,166,822	1,645,327	316,016,006
Total capital assets, not being depreciated	<u>210,647,999</u>	<u>137,166,822</u>	<u>1,645,327</u>	<u>346,169,494</u>
Capital assets, being depreciated:				
Main & lines	223,523,169	457,987	3,809	223,977,347
Building & structure	307,817,680	3,417,265	12,360	311,222,585
Meters & hydrants	32,376,565	203,538	2,511	32,577,592
Furniture, equipment & vehicles	81,313,107	4,133,664	2,031,258	83,415,513
Improvements other than building including parking lots	21,025,332			21,025,332
Total capital assets, being depreciated	<u>666,055,853</u>	<u>8,212,454</u>	<u>2,049,938</u>	<u>672,218,369</u>
Less: accumulated depreciation for:				
Main & lines	43,830,383	4,676,573		48,506,956
Building & structure	123,856,211	8,133,678		131,989,889
Meters & hydrants	16,260,484	2,400,449		18,660,933
Furniture, equipment & vehicles	45,811,182	3,555,478	1,716,899	47,649,761
Improvements other than building	10,326,961			10,326,961
Total accumulated depreciation	<u>240,085,221</u>	<u>18,766,178</u>	<u>1,716,899</u>	<u>257,134,500</u>
Total capital assets, being depreciated, net	<u>425,970,632</u>	<u>(10,553,724)</u>	<u>333,039</u>	<u>415,083,869</u>
Business-type activities, combined capital assets, net	<u>\$ 636,618,631</u>	<u>\$ 126,613,098</u>	<u>\$ 1,978,366</u>	<u>\$ 761,253,363</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

Governmental activities:	
General government	\$ 6,659,147
Public safety	2,909,688
Physical environment	376,843
Transportation	8,154,252
Economic environment	291,335
Human services	3,353
Culture and recreation	7,749,031
Total depreciation expense – governmental activities	<u>\$ 26,143,649</u>
Business-type activities:	
Storm Water	\$ 2,119,265
Water & Sewer	4,711,020
Parking Systems	5,973,576
Convention Center Complex	4,800,112
Nonmajor enterprise	1,162,205
Total depreciation expense – business-type activities	<u>\$ 18,766,178</u>

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$4,762,214 of depreciation expenses for internal services.

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

At September 30, 2016 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	\$ 350,666,435
Storm Water Utility	53,271,213
Water & Sewer	12,049,239
Sanitation	173,457
Parking Systems	44,251,755
Non-major Enterprise	868,582
	<u>\$ 461,280,681</u>

The City funds had the following encumbrance commitments at September 30, 2016.

General	\$ 851,000
Redevelopment Agency	41,758
Capital Project	350,666,435
Other Governmental	16,765,161
	<u>\$ 368,324,354</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(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 Charges</u>	<u>Amount Capitalized</u>
Storm Water Utility	\$ 8,448,081	\$ 6,224,431
Water and Sewer	5,060,883	1,960,551
Parking Systems	3,868,438	3,148,152

**NOTE 8 - Interfund Receivables, Payables and Transfers**

Interfund balances at September 30, 2016 consist of the following:

Due From	Due to									
	General	Redeve- lopment Agency	Capital Projects	Other Govern- mental	Storm Water	Water & Sewer	Parking	Other Enterprise	Internal Service	Total
General	\$	\$ 38,784	\$ 15,203	\$ 40,868	\$	\$	\$	\$ 629,956	\$	\$ 724,811
Redevelopment Agency	1,431,823			74,667	500	1,000		2,416,320	1,002,009	4,926,319
Capital Projects	383,033	285,924						1	2,190	671,148
Other Governmental	162,911			999					2,156	166,066
Water & Sewer			17							17
Parking		979,149						55,303		1,034,452
Convention Center		2,289,884								2,289,884
Other Enterprise	450,689	8,925					122,553	19,594	173,803	775,564
Internal Service	64	12								76
	<u>\$ 2,428,520</u>	<u>\$ 3,602,678</u>	<u>\$ 15,220</u>	<u>\$ 116,534</u>	<u>\$ 500</u>	<u>\$ 1,000</u>	<u>\$ 122,553</u>	<u>\$ 3,121,174</u>	<u>\$ 1,180,158</u>	<u>\$ 10,588,337</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, 2016 consisted of the following:

	Transfer From											
Transfer To	General	Resort Tax	Redevelopment Agency	Capital Projects	Other Governmental	Storm Water	Water Sewer	Parking	Convention Center	Other Enterprise	Internal Service	Total
General	\$	\$ 36,609,000	\$	\$	\$	\$	\$	\$ 8,400,000	\$	\$	\$	\$ 45,009,000
Redevelopment Agency				9,527,668								9,527,668
Capital Projects	4,400,000	216,632,192			299,300,000							520,332,192
Other Governmental	7,891,000	14,908,249	28,517,937	6,317,569	1,335,846	13,000	27,000	815,478	875,000	39,000	325,000	61,065,079
Parking								64,811,756				64,811,756
Other Enterprise						798,000				556,000		1,354,000
Internal Service	395,000											395,000
	\$ 12,686,000	\$ 268,149,441	\$ 28,517,937	\$ 15,845,237	\$ 300,635,846	\$ 811,000	\$ 27,000	\$ 74,027,234	\$ 875,000	\$ 595,000	\$ 325,000	\$ 702,494,695

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



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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, \$2.7 million for capital renewal and replacement, \$2.4 million to the pay as you go capital fund and \$2.0 million for capital projects. The resort tax fund transfer to the general fund \$36.6 million for citywide tourism. The resort tax fund also transferred \$1.2 million for debt services, \$6.1 million for transportation, \$1.4 million for cultural arts council programs, \$216.6 million to fund the new Convention Center and \$6.2 million to other funds to fund various south beach, middle and north beach approved projects. Redevelopment Agency Fund transferred \$28.4 million to other governmental funds for debt service payments, and \$6.3 million for cultural arts council programs. \$296.0 million related to the 2015 Redevelopment Agency Fund bond issuance and refunding transferred for the renovation of the new Convention Center. \$8.4 million was transferred from the parking systems fund to the general fund for operating activities and \$64.8 million related to 2015 Parking Revenue Bonds series 2015 transferred for the renovation of the new Convention Center.

**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, 2016, are as follows:

September 30	Business-type Operating Leases	Governmental Operating Leases
2017	\$ 2,035,876	\$ 2,854,955
2018	1,987,115	2,811,873
2019	1,881,432	2,460,689
2020	1,909,588	2,338,848
2021	1,782,794	1,980,463
2022 and thereafter	22,374,679	14,419,555
	<u>\$ 31,971,484</u>	<u>\$ 26,866,383</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, 2016:

Parking facilities	\$ 7,947,504
Recreational facilities	15,831,132
Retail space	51,068,557
Marina	5,654,752
	<u>80,501,945</u>
Less: Accumulated depreciation	<u>(45,849,455)</u>
Net book value of leased assets	<u>\$ 34,652,490</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(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 \$50,120,000. 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, 2016 consist of the following:

<u>Issue Name</u>	<u>Interest Rate</u>	<u>Year Issued</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Outstanding 9/30/2016</u>
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	22,040,000
Total General Obligation Bonds				<u>\$ 97,305,000</u>	<u>\$ 50,120,000</u>

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

<u>Fiscal Year Ending September 30</u>	<u>General Obligation Bonds Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,990,000	1,537,919	3,527,919
2022-2026	11,520,000	6,238,056	17,758,056
2027-2031	14,255,000	3,461,675	17,716,675
2032-2033	6,630,000	450,675	7,080,675
	50,120,000	19,568,201	69,688,201
Plus: Unamortized Bond Premium	1,305,287		1,305,287
	<u>\$ 51,425,287</u>	<u>\$ 19,568,201</u>	<u>\$ 70,993,488</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.

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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, 2016, the City did not have any defeased General Obligation debt.

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

At September 30, 2016 the outstanding principal of special obligation bond issues and repayment sources are as follows:

Issue Name		Repayment Source	Total Original Issue	Total Outstanding Principal
1985E	Gulf Breeze Fixed Rate	Non ad-valorem	\$ 22,500,000	\$ 5,310,000
2005	Pension Refunding Bonds	Non ad-valorem	53,030,000	19,215,000
2015	Resort Tax Revenue Bonds	Resort tax revenue	194,920,000	191,090,000
2015A	Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	286,245,000	286,245,000
2015B	Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	35,850,000	35,850,000
Total Special Obligation Bonds			<u>\$ 592,545,000</u>	<u>\$ 537,710,000</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.

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 December 15, 2015 the City issued \$194,920,000 in Series 2015 Resort Tax Revenue Bonds for the purpose of providing funds to finance a portion of the costs of acquiring and constructing renovations to the Convention Center and related improvements and pay the costs of issuing the Series 2015 bonds. The Series 2015 bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1.

On December 15, 2015 the City issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue Refunding Bonds to provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Series 2005B; finance certain costs of acquiring and constructing renovations to the convention center and certain other improvements; and pay costs of issuance of the Series 2015A bonds. The Series 2015A bonds were issued with interest rates of 4.00% to 5.00% payable semiannually on February 1 and August 1.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

On December 15, 2015 the City issued \$35,850,000 in taxable Series 2015B Tax Increment Revenue Refunding Bonds to provide for the advance refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 1998A; provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 2005A; and pay costs of issuance of the Series 2015B bonds. The Series 2015B bonds were issued with interest rates of 1.93% to 3.69% payable semiannually on February 1 and August 1.

At September 30, 2016 debt service requirements to maturity for special obligation bonds are as follows:

Fiscal Year Ending September 30	Debt Service Requirements Special Obligation Bonds		
	Principal	Interest	Total
2017	\$ 14,785,000	\$ 25,698,323	\$ 40,483,323
2018	15,345,000	25,128,050	40,473,050
2019	15,960,000	24,479,741	40,439,741
2020	16,590,000	23,785,788	40,375,788
2021	13,795,000	23,048,478	36,843,478
2022-2026	61,320,000	107,109,362	168,429,362
2027-2031	75,865,000	90,949,475	166,814,475
2032-2036	97,070,000	69,735,625	166,805,625
2037-2041	124,375,000	42,432,375	166,807,375
2042-2045	102,605,000	9,931,300	112,536,300
	<u>537,710,000</u>	<u>442,298,517</u>	<u>980,008,517</u>
Plus: Net unamortized Bond Premium	50,795,032		50,795,032
	<u>\$ 588,505,032</u>	<u>\$ 442,298,517</u>	<u>\$ 1,030,803,549</u>

For the fiscal year ended September 30, 2016, debt service on the tax increment bonds was \$16,669,815 and the tax increment revenues totaled \$44,175,847 and net customer revenues were \$30,220,207. Remaining outstanding principal and interest is \$590,919,154.

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

Parking Fund

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.

On December 15, 2015, the City issued \$58,825,000 in Parking Revenue Bonds, Series 2015. The Series 2015 Bonds are being issued for the purpose of providing funds to finance a portion of the costs of constructing a new parking facility and improvements to a surface parking lot to service the City's convention center, which is being renovated, and pay the costs of issuing the Series 2015 Bonds. The Series 2015

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1, and will mature through September 1, 2045.

Parking Revenue Fund indebtedness at September 30, 2016, is comprised of the following issued indebtedness:

\$ 17,155,000	Series 2010A Parking Revenue Refunding Bonds due in annual installments through 2022: interest at 3.00% - 5.00% <u>\$ 8,930,000</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>
\$ 58,825,000	Series 2015 Parking Revenue Bonds due in annual installments through 2045: interest at 3.00% - 5.00% <u>\$ 58,825,000</u>

At September 30, 2016, the Fund did not have any defeased debt.

The aggregate maturities of Long-Term Debt at September 30, 2016, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2017	\$ 1,600,000	\$ 4,652,713	\$ 6,252,713
2018	1,670,000	4,579,713	6,249,713
2019	1,740,000	4,512,913	6,252,913
2020	1,805,000	4,444,113	6,249,113
2021	1,895,000	4,354,663	6,249,663
2022-2026	10,865,000	20,392,221	31,257,221
2027-2031	13,710,000	17,542,782	31,252,782
2032-2036	17,445,000	13,809,750	31,254,750
2037-2041	22,265,000	8,989,750	31,254,750
2042-2045	22,165,000	2,838,500	25,003,500
	95,160,000	86,117,118	181,277,118
Plus: Net Unamortized Bond Premium	6,459,676		6,459,676
	\$ 101,619,676	\$ 86,117,118	\$ 187,736,794

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 \$181,277,118. Principal and interest paid for the current year and total customer net revenues were \$6,112,806 and \$13,097,588 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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

and Sewer Revenue Refunding Bonds, Taxable Series 2006B-1, \$18,300,000 in Water and Sewer Revenue Bonds, Taxable Series 2006B-2, \$27,500,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series, 2006C, and \$5,700,000 in Water and Sewer Revenue Bonds, Taxable Series 2006E. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The Refunding bonds were issued to refund the Water and Sewer Revenue Bonds, Series 1995, and the other two bonds were issued to construct various improvements and extensions to the Water and Sewer utility.

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

Indebtedness of the Water and Sewer Fund at September 30, 2016 is as follows:

\$ 54,310,000	2000 Revenue Bonds due in annual installments through 2030: Interest at 5.00% - 5.75%	<u>\$ 30,830,000</u>
\$ 18,300,000	2006B-2 Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985B due in annual installments through 2019: Interest at 4.40% - 4.50%	<u>\$ 15,815,000</u>
\$ 5,700,000	2006E Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985E due in annual installments through 2020: Interest at 5.00%	<u>\$ 5,700,000</u>
\$ 13,590,000	2009J-1A Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2020: Interest at 4.10% - 4.50%	<u>\$ 13,590,000</u>
\$ 10,000,000	2009J-1B Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2023: Interest at 4.82% - 5.00%	<u>\$ 10,000,000</u>
\$ 30,000,000	2009J-1C Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2039: Interest at 5.00%	<u>\$ 30,000,000</u>

At September 30, 2016, none of the bonds outstanding are considered defeased.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

The aggregate maturities of Long-term debt as of September 30, 2016 are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
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	7,660,000	3,722,769	11,382,769
2022-2026	21,825,000	15,805,144	37,630,144
2027-2031	19,005,000	9,956,975	28,961,975
2032-2036	15,030,000	5,694,500	20,724,500
2037-2040	14,970,000	1,542,500	16,512,500
	<u>105,935,000</u>	<u>54,492,807</u>	<u>160,427,807</u>
Less:			
Unamortized Discount	<u>(125,054)</u>		<u>(125,054)</u>
	<u>\$ 105,809,946</u>	<u>\$ 54,492,807</u>	<u>\$ 160,302,753</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 \$160,427,807. Principal and interest paid for the current year and total customer net revenues were \$8,881,732 and \$19,591,550 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.

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, 2016 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>\$ 8,810,000</u>
--------------	--	---------------------

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

\$52,130,000	2011A Storm Water Revenue Bonds Due in annual installments through 2041: Interest at 4.00% - 4.25%	<u>\$50,120,000</u>
\$26,575,000	2011B Storm Water Revenue Refunding Bonds Due in annual installments through 2030: Interest at 2.00% - 5.25%	<u>\$25,985,000</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, 2016 are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
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	3,850,000	7,513,052	11,363,052
2022-2026	21,960,000	34,852,815	56,812,815
2027-2031	27,600,000	29,221,220	56,821,220
2032-2036	33,860,000	22,958,420	56,818,420
2037-2041	42,150,000	14,671,738	56,821,738
2042-2045	41,245,000	4,205,200	45,450,200
	184,505,000	145,036,734	329,541,734
Plus Unamortized Premium	3,114,446		3,114,446
	<u>\$ 187,619,446</u>	<u>\$ 145,036,734</u>	<u>\$ 332,656,180</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 \$329,541,734. Principal and interest paid for the current year and total customer net revenues were \$11,236,865 and \$16,287,123 respectively.

#### 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, 2016, the City was indebted for \$9,053,480.

The aggregate maturities of loans at September 30, 2016 are as follows:

Fiscal Year Ending September 30	Loans		
	Principal	Interest	Total
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	377,777	10,801	388,578
2022-2025	339,783	9,714	349,497
	<u>\$ 9,053,479</u>	<u>\$ 398,737</u>	<u>\$ 9,452,216</u>

The above debt has been recorded in the following funds:

Internal Service	\$ 8,283,795
Stormwater	76,802
Water & Sewer	133,660
Parking	98,570
Other Enterprise	193,250
General Fund	267,402
	<u>\$ 9,053,479</u>



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**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, 2016, the outstanding balance on this loan was \$11,002,350. The interest rate on this loan is a fixed 4.18%. Principal and interest payment are made monthly. The first payment was made on May 25, 2012 and the last payment will be made on April 25, 2025.

The aggregate maturities of other long-term obligations at September 30, 2016 are as follows:

Fiscal Year Ending September 30	Long-term Obligation	Interest	Total
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	1,296,242	264,757	1,560,999
2022-2025	5,620,378	450,543	6,070,921
	<u>\$ 11,002,350</u>	<u>\$ 2,242,454</u>	<u>\$ 13,244,804</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. The line of credit was renewed on July 29, 2016. 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%. For the period ending July 28, 2016, there will be an annual fee of 0.20% on the unused portion of the line of credit payable on a quarterly basis. For the periods commencing on July 29, 2016, the annual fee on the unused portion of the line of credit increased to 0.25%. 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, 2016, 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, 2016, \$1.8 million of loan disbursements were received by the City.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**F. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2016 is as follows:

**Governmental activities:**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Bonds payable:</b>					
General obligation	\$ 53,755,000	\$	\$ 3,635,000	\$ 50,120,000	\$ 3,740,000
Special obligation	86,634,492	517,015,000	65,939,492	537,710,000	14,785,000
Plus: Net unamortized bond Premium	2,045,272	52,632,633	2,281,417	52,396,488	3,135,284
Less: Net unamortized bond Discount	(3,959)		(1,198)	(2,761)	(1,000)
Total bonds payable	<u>142,430,805</u>	<u>569,647,633</u>	<u>71,854,711</u>	<u>640,223,727</u>	<u>21,659,284</u>
Claims and judgments	34,439,418	23,625,424	25,333,334	32,731,508	6,500,000
Compensated absences	18,668,211	11,102,815	9,760,958	20,010,068	5,811,576
Energy savings obligation	11,801,348		798,998	11,002,350	881,348
OPEB Liability	53,063,932	6,323,000		59,386,932	
Loans payable	12,091,922		3,540,725	8,551,197	2,118,727
Net pension liability - MBERP	130,095,666	38,646,603		168,742,269	
Net pension liability - MBF&P	<u>222,207,447</u>	<u>68,622,700</u>		<u>290,830,147</u>	
Governmental activity					
Long-term liabilities	<u>\$ 624,798,749</u>	<u>\$ 717,968,175</u>	<u>\$ 111,288,726</u>	<u>\$ 1,231,478,198</u>	<u>\$ 36,970,935</u>

**Business-type activities:**

Revenue bonds payable	\$ 335,495,500	\$ 58,825,000	\$ 8,720,500	\$ 385,600,000	\$ 10,640,747
Plus: Unamortized bond Premium	3,674,605	6,833,750	515,588	9,992,767	660,770
Less: Unamortized bond Discount	<u>(580,216)</u>		<u>(36,517)</u>	<u>(543,699)</u>	<u>(36,517)</u>
Total bonds payable	<u>338,589,889</u>	<u>65,658,750</u>	<u>9,199,571</u>	<u>395,049,068</u>	<u>11,265,000</u>
Loans payable	830,177		327,895	502,282	226,416
Environmental remediation liability	350,000	32,170	96,510	285,660	
Compensated absences	2,125,921	2,030,027	1,754,968	2,400,980	1,595,869
Deposits	8,370,469	1,473,723	2,218,640	7,625,552	7,409,230
Net pension liability - MBERP	<u>37,035,908</u>	<u>10,626,736</u>		<u>47,662,644</u>	
Business-type activity					
Long-term liabilities	<u>\$ 387,302,364</u>	<u>\$ 79,821,406</u>	<u>\$ 13,597,584</u>	<u>\$ 453,526,186</u>	<u>\$ 20,496,515</u>

The City's internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At September 30, 2016, \$1,363,974 in compensated absences and \$8,283,795 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 and general fund respectively.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**NOTE 11 - Governmental Fund – Fund Balance**

Below is a table of fund balance categories and classifications at September 30, 2016 for the City's governmental funds:

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental
Fund balances:					
<b>Non-spendable:</b>					
Prepays	\$ 1,268	\$	\$	\$	\$
<b>Restricted:</b>					
General government				26,124,044	793,196
Building operations reserves	10,436,543				
Public safety				538,861	2,593,470
Human services					306,939
Physical environment					19,144
Economic environment			39,238,026	2,735,229	1,471,897
Quality of life improvement		1,305,374			23,875,440
Transportation				1,018,221	54,344,269
Culture and recreation		25,891,163		395,382,261	995,830
Sewer improvement				81,683	
Street improvement				13,804,678	
Infrastructure				20,939	
Communications				78,488	
Capital improvements				15,289,843	
Neighborhood improvement				10,151,991	
South Pointe improvement				33,686,645	
Debt service					21,390,336
<b>Committed:</b>					
General government				2,372,526	
Public safety				77,045	
Culture and recreation				306,496	13,142,119
Transportation				3,040,197	
Physical environment				28,358	
Emergencies	47,456,433				
Encumbrances	851,000				
Reserved for pay as you go projects				8,066,084	
Capital Reserve				11,913,217	
Other capital projects				535,481	
Capital renewal and replacement					8,434,218
<b>Assigned:</b>					
Reserve set aside for future budgets	3,139,732				
<b>Unassigned:</b>					
Reimbursable grants funds				(858,104)	(1,331,817)
Public safety					1,309,579
Reimbursable boardup/ Relocation charges					42,176
Non-reimbursable grant funds				(89,819)	(1,502,076)
<b>Total Fund Balance</b>	<u>\$ 61,884,976</u>	<u>\$ 27,196,537</u>	<u>\$ 39,238,026</u>	<u>\$ 524,304,364</u>	<u>\$ 125,884,720</u>

The City is pending reimbursement from various grantors for the reimbursable grant funds balance of \$3,117,781. The non-reimbursable grant fund consists of \$664,032 from the State of Florida HRS grant, homeless job grant, and other grants. Expenditures incurred against these grants were not reimbursed by the grantor and as such, will be funded by the City's other funding sources over time based on available resources.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**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 and financial interests.

Insurance coverage is procured for losses to City buildings above various deductible amounts. The City maintains excess coverage with an independent insurance carrier solely for Workers Compensation. The City does not maintain excess coverage with independent insurance carriers for general, automobile, police professional and public official liability programs. 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 2016 the City paid \$2.2 million in property insurance premiums (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 2015 and 2016 respectively:

	2015	2016
Unpaid claims, beginning of year	\$ 29,681,242	\$ 33,429,000
Incurred claims (includes incurred but not yet reported)	10,134,316	4,720,251
Less: claim payments	6,386,558	6,702,251
Unpaid claims, end of year	<u>\$ 33,429,000</u>	<u>\$ 31,447,000</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.

The following are the changes in the funds' claims liability amount during fiscal years 2015 and 2016 respectively:

	2015	2016
Unpaid claims, beginning of year	\$ 1,135,660	\$ 1,010,418
Incurred claims (includes incurred but not yet reported)	17,127,245	17,197,263
Less: claim payments	17,252,487	16,923,173
Unpaid claims, end of year	<u>\$ 1,010,418</u>	<u>\$ 1,284,508</u>

**NOTE 13 - Pollution Remediation**

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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, 2016, the City has recorded pollution remediation liabilities of \$135,660 in the Sanitation fund and \$150,000 in the Convention Center fund for a total of \$285,660 in the business-type activities for the Miami Beach Golf Course and Miami Beach Convention Center respectively; and \$1,800,000 in the capital project fund and governmental activities for the Maurice Gibb Park, Former Par 3 Golf Course 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**

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.

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**

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, 2016, \$1,670,000 is still considered defeased.

On December 15, 2015 the City issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue Refunding Bonds to provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Series 2005B of \$15,365,000. The net proceeds of the refunding issue were placed in an irrevocable escrow deposit trust fund which, when invested in government obligations, will provide moneys sufficient to pay the principal of and interest on the refunded bonds. Principal in the amount of \$15,365,000 was redeemed on January 19, 2016. The aggregate difference in debt service between the refunding debt and the refunded debt is \$1,636,553, and the economic gain on the transaction was \$1,567,591.

On December 15, 2015 the City issued \$35,850,000 in taxable Series 2015B Tax Increment Revenue Refunding Bonds in part to provide for the advance refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 1998A of \$8,520,000 and provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 2005A of \$25,470,000. The net proceeds of the refunding issue were placed in an irrevocable escrow deposit trust fund which, when invested in government obligations, will provide moneys sufficient to pay the principal of and interest on the refunded bonds. At September 30, 2016, \$8,520,000 of the Series 1998A and \$0 of the Series 2005A refunded bonds remained outstanding. The aggregate difference in debt service between the refunding debt and the refunded debt is \$955,872, and the economic gain on the transaction was \$1,054,929.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(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, 2015, the date of the latest actuarial valuation:

Inactive plan members and beneficiaries currently receiving benefits	1,046
Inactive plan members entitled but not yet receiving benefits	207
Active plan members	<u>1,082</u>
Total members	<u><u>2,335</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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

The First Tier is for members who entered the Plan prior to the Second Tier Dates. The Second Tier is for members who entered the Plan on or after the Second Tier Dates but before the Third Tier Dates. The Third Tier is for members who 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.

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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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, 2016, there were 150 members in the DROP and the value of DROP investment was \$13,860,376, which is included in the Plan's net position. The DROP also allows for member loans. \$265,541 in loans were outstanding as of September 30, 2016.

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.

For the fiscal year ended September 30, 2016, the City was required to make contributions of \$27,783,852 or 38.66% 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, 2016, the employees contributed \$7,341,533 and buybacks were \$948,535.



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

For the year ended September 30, 2016, the City recognized pension expense of \$27,842,190. At September 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 2,514,744
Changes in assumptions	8,401,034
City contributions subsequent to measurement date	27,783,852
Net difference between projected and actual earnings on pension plan investments	29,203,418
	<u>\$ 67,903,048</u>

City contributions of \$27,783,852 subsequent to the measurement date that 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, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ended September 30:

2017	\$ 10,406,126
2018	10,406,126
2019	9,328,381
2020	9,978,563
Total	<u>\$ 40,119,196</u>

The following methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2014. The actuarial valuation was rolled forward to the September 30, 2015 measurement date.

Actuarial Cost Method	Entry Age Normal
Inflation	3.0%
Salary Increases	4.5% to 7.0% depending on service, including inflation
Investment Rate of Return	7.85%
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.

Net Pension Liability of the City

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

Total pension liability	\$ 723,989,446
Plan fiduciary net position	<u>(507,584,533)</u>
Net pension liability	<u>\$ 216,404,913</u>

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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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:

Target Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities	43%	3.90%
Fixed income	31%	2.04%
International equities	16%	4.70%
Real estate	10%	3.20%
Total	100%	

Discount

A single discount rate of 7.85% was used to measure the total pension liability. This is a decrease of 0.15% from the discount rate of 8.00% used in the prior measurement. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.85%. 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 (7.85%) was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2015:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at September 30, 2014	\$ 683,519,359	\$ 516,387,785	\$ 167,131,574
Changes for the year:			
Service cost	11,795,411		11,795,411
Interest	54,152,569		54,152,569
Changes of assumptions	11,026,357		11,026,357
Contributions – employer		26,456,580	(26,456,580)
Contributions – employee		7,310,183	(7,310,183)
Net investment income		(5,048,406)	5,048,406
Benefit payments	(35,874,016)	(35,874,016)	
Refunds	(941,310)	(941,310)	
Administrative expense		(706,283)	706,283
Change in receivable from excess benefit plan	311,076		311,076
Net changes	40,470,087	(8,803,252)	49,273,339
Balances at September 30, 2015	\$ 723,989,446	\$ 507,584,533	\$ 216,404,913

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

The following presents the Plan's net pension liability calculated using a single discount rate of 7.85 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:

1% Decrease 6.85%	Current Single Discount Rate Assumption 7.85%	1% Increase 8.85%
\$ 297,949,152	\$ 216,404,913	\$ 148,003,197

**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 recognizes as revenues in the period in which the contributions are due. City contributions are recognizes as revenues when due pursuant to actuarial valuations. Share plan contributions are recognizes 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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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 receives 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, 2014 the plan membership consisted of the following:

Active Members	508
Deferred Vested Members	20
Retired Members:	
a. Service	556 *
b. Disabled	56
c. Beneficiaries	112
	<hr/>
	724
Total	<hr/> 1,252 <hr/>

\* Including members in the DROP

Deferred Retirement Option Plan (DROP)

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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

At September 30, 2016, \$19,626,380 the total amount of the Deferred Retirement Option Plan payable represents the balance of the self-directed participants as all of the participants are now in the self-directed DROP.

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, 2016, was \$34,850,092 and 120,549 respectively. Covered payroll excluding DROP members was \$56,759,632. The contribution required from the City and the State of Florida for the fiscal year ended September 30, 2015, was actuarially determined by the October 1, 2014 valuation to be \$33,149,388.

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

For the year ended September 30, 2016, the City recognized pension expense of \$42,001,155. At September 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 13,714,482
Changes in assumptions	4,393,879
City contributions subsequent to measurement date	34,850,092
Net difference between projected and actual earnings on pension plan investments	35,939,186
	<u>\$ 88,897,639</u>

City contributions of \$34,850,092 subsequent to the reporting date that 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, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year ended September 30:

2017	\$ 14,162,678
2018	14,162,678
2019	12,911,624
2020	12,810,567
Total	<u>\$ 54,047,547</u>

The following methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2014. The actuarial valuation was rolled forward to the September 30, 2015 measurement date.

Actuarial Cost Method	Entry Age Normal
Inflation	3.0%
Salary Increases	0.70 – 10.71%
Cost-of-Living Increases	1.5%, 2.0%, or 2.5%

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Investment Rate of Return	7.95%, compounded annually, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
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 projection 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 7.95% was used to measure the September 30, 2015 total pension liability. This is a decrease of 0.05% from the discount rate of 8.00% used in the prior measurement. This discount rate was based on the expected rate of return on Fund investments of 7.95%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments to current Fund members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability of the City

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

Total pension liability	\$ 1,041,447,645
Plan fiduciary net position	(750,617,498)
Net pension liability	<u>\$ 290,830,147</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 Asset Class</u>	<u>Assumed Asset Allocation</u>
Domestic equities	50%
Fixed income	35%
International equities	5%
Real estate equity	5%
Cash/short-term investments	5%
Total	<u>100%</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Asset Class	Long-Term Expected Real Rate of Return
Cash equivalents	0.00%
Inter-term government bond	2.85
Corporate bonds	2.85
Large value stocks	7.88
Large growth stocks	7.88
Small value stocks	8.50
Small growth stocks	8.50
Mid cap stocks	8.25
Real estate	6.00
International stocks	8.00
Emerging equities	8.00
Convertible bond	1.80
Mortgage bonds	2.85
REITs	6.00
International bonds	6.20

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at September 30, 2014	\$ 991,506,019	\$ 769,298,572	\$ 222,207,447
Changes for the year:			
Service cost	16,098,560		16,098,560
Interest	78,415,039		78,415,039
Difference between expected and actual experience	12,428,547		12,428,547
Changes of assumptions	5,686,196		5,686,196
Contributions – employer		33,149,388	(33,149,388)
Contributions – employee		5,944,414	(5,944,414)
Net investment income		5,689,333	(5,689,333)
Benefit payments, including refunds	(62,686,716)	(62,686,716)	
Administrative expense		(777,493)	777,493
Net changes	49,941,626	(18,681,074)	68,622,700
Balances at September 30, 2015	\$1,041,447,645	\$ 750,617,498	\$ 290,830,147

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

The following presents the Plan's net pension liability calculated using a single discount rate of 7.95 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:

1% Decrease 6.95%	Current Single Discount Rate Assumption 7.95%	1% Increase 8.95%
\$ 420,682,847	\$ 290,830,147	\$ 183,867,275



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

**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. Contributions to Social Security for fiscal year 2016 and 2015 would have been \$9,640,754 and \$8,279,495, 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, 2016 was \$1,533,042 for firefighters and \$741,513 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 administered by a Board of Trustees, which has the general responsibility for the proper operation and management of the Plan. The Plan complies with the provisions of section 401(A) of the Internal Revenue Code of 1986 and may be amended by the City Commission of the City. The City has no fiduciary responsibility for the Plan, consequently, amounts accrued for benefits are not recorded in the fiduciary fund.

Employees in the Plan hired prior to February 21, 1994 are required to contribute 10% of their salary while those hired subsequent to February 21, 1994 are required to contribute 8% of their salary. The City matches the employee's contribution 100%. The Plan of each employee is the immediate property of the employee. Employees have Nationwide Retirement Solutions or IMCA-RC as their plan administrator. In addition, the employee is responsible for the investment of their funds amongst choices of investment vehicles offered by their selected plan administrator.

Plan information as of and for the fiscal year ended September 30, 2016 is as follows:

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Members in the Plan		30
City's contribution	\$ 142,476	
Percentage of covered payroll		8.14%
Employees' contribution	141,839	
Percentage of covered payroll		8.14%

**Financial Statements**

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

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

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

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

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

**NOTE 17 - Postemployment Benefits Other than Pension Benefits (OPEB)**

**Plan Description**

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

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

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

The determination of the net OPEB obligation at September 30, 2016 is based on a valuation date of October 1, 2014 projected to October 1, 2015. At October 1, 2014, plan participation consisted of:

OPEB plan participants	1,997
Retirees	894
Total	<u>2,891</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

Funding Policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2016, the City paid \$10,250,000 in OPEB benefits on a pay-as-go basis and \$185,959 to the Trust. The City's net OPEB obligation at September 30, 2016 was \$59,386,932. 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	\$ 15,579,959
Interest on net OPEB obligation	4,245,000
Adjustment to annual required contribution	<u>(3,066,000)</u>
Annual OPEB cost (expense)	16,758,959
Contributions made	<u>10,435,959</u>
Net OPEB obligation	6,323,000
Net OPEB obligation - beginning of year	<u>53,063,932</u>
Net OPEB obligation - end of year	<u>\$ 59,386,932</u>

Trend Information

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

Year Ended September 30,	Annual OPEB Cost	Contribution	Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 17,351,000	\$ 8,882,000	51%	\$ 47,202,000
2015	15,307,000	9,463,000	62	53,063,932
2016	16,758,958	10,435,958	62	59,386,932

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

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.

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Participants Covered Payroll	UAAL as % of Participants Covered Payroll
10/1/2015	\$ 24,853,000	\$ 213,212,000	\$ 188,359,000	11.7%	\$ 117,436,761	160.4%

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.

Valuation date	October 1, 2014 projected to October 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of projected payroll
Amortization period, open	30 years
Asset valuation method	Fair market value
Discount rate (long-term expected rate of return)	8.0%
Salary increase assumption	3.5%
Inflation rate assumption	3.0%
Health care cost trend	Pre-65 Medical/Rx benefits – Select 7.5%, Ultimate 4.5% Post medicare benefits – Select 6.5%, Ultimate 4.5% Administrative fees – Select & Ultimate 4.5% Reduced 0.5% each year until reaching the ultimate trend

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
**(Continued)**

OPEB Trust Fund financial statements for the fiscal year ended September 30, 2016 are as follows:

State of Fiduciary Net Position September 30, 2016		Statement of Change in Fiduciary Net Position Year Ended September 30, 2016	
Cash and investments	\$ 26,945,208	Additions	
Receivable	185,622	Employer contribution	\$ 185,959
Total assets	<u>27,130,830</u>	Change in fair value	1,255,572
		Interest and dividend income	<u>982,395</u>
Liabilities		Total Additions	2,423,926
Total Liabilities			
		Deductions	
Net Position	<u>\$ 27,130,830</u>	Administrative expense	<u>145,690</u>
		Total Deductions	145,690
		Net increase	2,278,236
		Net position - held in Trust -	
		Beginning of year	<u>24,852,594</u>
		End of year	<u>\$ 27,130,830</u>

**NOTE 18 – Extraordinary Item**

Between July and December 2016, the City was the victim of fraudulent banking withdrawals totaling \$3,686,712. As of April 3, 2017, the City has recovered \$1,828,314 and has a remaining unrecovered balance of \$1,858,398. The unrecovered balance of \$1,858,398 is recorded as an expense in the City's general fund on pg. 31 and in the governmental activities of the on pg. 28 as an extraordinary item. The City continues to work with local law enforcement, The Federal Bureau of Investigation (FBI), banking institutions and insurance companies to recover the remaining funds. Subsequent to fiscal year end, the City has strengthened several preventative and detective controls to mitigate the opportunities for future banking fraud.

**NOTE 19 – Subsequent Events**

On December 22, 2016, the City obtained a loan in the amount of \$19,679,000 to refund the outstanding taxable special obligation refunding bonds, Series 2005. Interest of 1.69% is payable semiannually on March 1 and September 1, commencing on March 1, 2017.

# **REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES**  
**MIAMI BEACH EMPLOYEES' RETIREMENT SYSTEM (MBERP)**  
**(Unaudited)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 27,783,852	\$ 26,317,983	\$ 25,602,030	\$ 21,222,051	\$ 17,583,191	\$ 14,474,678	\$ 17,137,394	\$ 12,863,823	\$ 13,911,545	\$ 12,234,519
Actual contribution	27,783,852	26,456,580	25,602,030	21,222,051	17,583,191	14,474,678	17,137,394	12,863,823	13,911,545	12,234,519
Contribution deficiency (excess)	\$ -	\$ (138,597)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 71,863,150	\$ 82,359,302	\$ 76,362,960	\$ 65,054,000	\$ 66,347,000	\$ 68,844,000	\$ 70,098,000	\$ 68,010,000	\$ 59,632,000	\$ 57,391,000
Actual contribution as a % of covered payroll	38.66%	32.12%	33.53%	32.62%	26.50%	21.03%	24.45%	18.91%	23.33%	21.32%

**Notes to Schedule of Contributions**

Valuation Date                      October 1, 2014  
Notes                                      Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates**

Actuarial Cost Method              Entry Age Normal  
Amortization Method                Level Dollar, Closed  
Remaining Amortization Period    30 years  
Asset Valuation Method            5-year smoothed market  
Inflation                                3.0%  
Salary Increases                    4.5% to 7.0% depending on service, including inflation  
Investment Rate of Return        7.85%  
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 2000 to the year 2010 using Scale AA

**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES**  
**RETIREMENT SYSTEM FOR FIREFIGHTERS AND POLICE OFFICERS (MBF&P)**  
**(Unaudited)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 34,970,641	\$ 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
Actual contribution	34,970,641	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll (excluding DROP)	\$ 56,759,632	\$ 56,545,113	\$ 50,740,542	\$ 47,164,030	\$ 53,273,735	\$ 49,041,435	\$ 49,144,179	\$ 50,393,490	\$ 49,192,010	\$ 46,668,370
Actual contribution as a % of covered payroll	61.61%	58.62%	70.87%	83.73%	68.13%	66.91%	47.62%	40.01%	35.81%	32.64%

**Notes to Schedule of Contributions**

Valuation Date                      Actuarially determined contributions are calculated as of October 1st - two years prior to the fiscal year in which contributions are reported.  
Notes                                      MBF&P actual contributions include certain Chapter 175/185 non-employer contribution amounts. These amounts are from the State of Florida.

**Methods and Assumptions Used to Determine Contribution Rates**

Actuarial Cost Method                      Entry Age Normal  
Amortization Method                      Level Percentage, Closed  
Remaining Amortization Period                      30 years  
Asset Valuation Method                      5-year smoothed market  
Inflation                                      3.0%  
Payroll Growth                              2.3%  
Salary Increases                              0.70% - 10.71%  
Investment Rate of Return                      7.95%  
Retirement Age                              Experience-based table of rates that are specific to the type of eligibility condition  
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.  
Cost-of-Living Increases                      1.5%, 2.0% or 2.5%



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

	2016	2015
<b>Total pension liability</b>		
Service cost	\$ 11,795,411	\$ 12,306,795
Interest	54,152,569	51,809,378
Benefit changes	-	(1,183,267)
Differences between expected and actual experience	-	4,909,738
Changes of assumptions	11,026,357	-
Benefit payments	(35,874,016)	(37,501,400)
Refunds	(941,310)	(1,143,866)
Other	311,076	311,077
Net change in total pension liability	40,470,087	29,508,455
Total pension liability - beginning	683,519,359	654,010,904
Total pension liability - ending	<u>\$ 723,989,446</u>	<u>\$ 683,519,359</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 26,456,580	\$ 25,602,030
Contributions - member	7,310,183	7,373,407
Net investment income	(5,048,406)	51,773,646
Benefit payments	(35,874,016)	(37,501,400)
Refunds	(941,310)	(1,143,866)
Administrative expenses	(706,283)	(668,851)
Other	-	-
Net change in plan fiduciary net position	(8,803,252)	45,434,966
Plan fiduciary net position - beginning	516,387,785	470,952,819
Plan fiduciary net position - ending	<u>\$ 507,584,533</u>	<u>\$ 516,387,785</u>
City's net pension liability	\$ 216,404,913	\$ 167,131,574
Plan fiduciary net position as a percentage of the total pension liability	70.11%	75.55%
Covered employee payroll	\$ 82,359,302	\$ 76,362,960
Net pension liability as a percentage of covered employee payroll	262.76%	218.86%

**Notes to Schedule:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

Since the previous valuation, the investment rate of return used to determine the net pension liability decreased from 8.00% to 7.85%.

**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**RETIREMENT SYSTEM FOR FIREFIGHTERS AND POLICE OFFICERS (MBF&P)**  
**(Unaudited)**

	2016	2015
<b>Total pension liability</b>		
Service cost	\$ 16,098,560	\$ 14,763,595
Interest	78,415,039	75,108,912
Benefit changes	-	-
Differences between expected and actual experience	12,428,547	7,685,043
Changes of assumptions	5,686,196	-
Benefit payments, including refunds of member contributions	(62,686,716)	(53,605,094)
Net change in total pension liability	49,941,626	43,952,456
Total pension liability - beginning	991,506,019	947,553,563
Total pension liability - ending	<u>\$ 1,041,447,645</u>	<u>\$ 991,506,019</u>
<b>Plan fiduciary net position</b>		
Contributions - City and State	\$ 33,149,388	\$ 35,960,326
Contributions - member	5,944,414	5,258,974
Net investment income	5,689,333	72,259,674
Benefit payments, including refunds of member contributions	(62,686,716)	(53,605,094)
Administrative expenses	(777,493)	(905,130)
Other	-	-
Net change in plan fiduciary net position	(18,681,074)	58,968,750
Plan fiduciary net position - beginning	769,298,572	710,329,822
Plan fiduciary net position - ending	<u>\$ 750,617,498</u>	<u>\$ 769,298,572</u>
City's net pension liability	\$ 290,830,147	\$ 222,207,447
Plan fiduciary net position as a percentage of the total pension liability	72.07%	77.59%
Covered employee payroll	\$ 56,545,113	\$ 57,545,593
Net pension liability as a percentage of covered employee payroll	514.33%	386.14%

**Notes to Schedule:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

Since the previous valuation, the investment rate of return used to determine the net pension liability decreased from 8.00% to 7.95% and payroll growth assumption was limited to 10-year average.

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

**Schedule of Funding Progress**

Actuarial Valuation Date *	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) - Projected Unit Credit ( b )	Unfunded AAL (UAAL) ( b - a )	Funded Ratio ( a / b )	Covered Payroll ( c )	UAAL As % of Covered Payroll ( b - a ) / c
10/1/13	\$ 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%
10/1/15	24,853	213,212	188,359	11.7	117,437	160.4%

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

**Schedule of OPEB Contributions by Year**

Year	ARC	Contributions	Percent Contributed	Net OPEB Obligation
2010	\$ 16,285	\$ 7,931	48.7%	\$ 17,370
2011	18,075	10,669	59.0%	22,875
2012	18,556	11,104	59.8%	30,835
2013	15,527	8,314	53.5%	38,733
2014	16,490	8,882	53.9%	47,202
2015	14,259	9,463	66.4%	53,064
2016	15,580	10,436	67.0%	59,387

**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, 2016**  
**(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 143,309,000	\$ 143,309,000	\$ 140,671,819	\$ (2,637,181)
Sales, use and fuel taxes	1,046,000	1,046,000	1,056,650	10,650
Utility	11,339,000	11,339,000	11,626,980	287,980
Local business	4,723,000	4,723,000	4,963,225	240,225
Communication service	4,317,000	4,317,000	4,098,786	(218,214)
Franchise fees	8,284,000	8,284,000	8,067,568	(216,432)
Permits	22,682,000	22,682,000	24,131,436	1,449,436
Intergovernmental	10,767,000	10,767,000	10,374,544	(392,456)
Charges for services	17,308,000	17,308,000	18,532,215	1,224,215
Rents and leases	6,031,000	6,031,000	6,475,974	444,974
Interest income	3,074,000	3,074,000	1,587,473	(1,486,527)
Fines and forfeits	2,131,000	2,131,000	1,632,425	(498,575)
Administrative fees	18,878,000	18,878,000	19,017,177	139,177
Other	556,000	556,000	813,166	257,166
Total revenues	254,445,000	254,445,000	253,049,438	(1,395,562)
<b>Expenditures</b>				
General government:				
Mayor and Commission	2,005,000	2,195,000	1,949,161	245,839
City Manager	3,629,000	3,797,693	3,600,401	197,292
City Clerk	1,439,000	1,439,441	1,416,420	23,021
Budget and Performance Management	3,026,000	3,026,749	2,650,269	376,480
Finance	5,289,000	5,397,184	4,920,684	476,500
Human Resources	2,678,000	2,714,000	2,206,570	507,430
Procurement	2,105,000	2,041,965	1,933,250	108,715
City Attorney	5,251,000	5,269,000	5,109,388	159,612
Planning	4,129,500	4,073,979	3,928,545	145,434
Media Relations	1,701,000	1,704,000	1,666,572	37,428
Public Works	4,130,000	4,098,800	4,004,702	94,098
Capital Improvement	4,931,000	4,931,000	4,559,379	371,621
Unclassified	7,987,000	7,871,125	7,458,439	412,686
Total general government	48,300,500	48,559,936	45,403,780	3,156,156
Public safety:				
Building Services	13,743,000	13,737,500	12,579,049	1,158,451
Code Compliance	5,834,000	5,908,145	5,601,981	306,164
Fire	60,814,000	63,553,302	63,421,213	132,089
Police	95,973,000	96,908,481	96,908,436	45
Emergency Management	8,826,000	9,454,200	9,044,380	409,820
Total public safety	185,190,000	189,561,628	187,555,059	2,006,569
Physical Environment	2,460,000	3,043,000	2,829,482	213,518
Transportation	4,400,000	4,200,000	3,878,182	321,818
Economic Environment	1,523,000	1,523,000	1,358,484	164,516
Human Services	1,990,000	1,996,224	1,852,344	143,880
Culture and recreation	39,256,000	37,823,912	36,003,676	1,820,236
Capital Outlay	2,475,500	2,577,300	564,670	2,012,630
Debt service:				
Principal retirement	915,000	915,000	915,000	
Interest and fiscal charges	403,000	574,000	573,941	59
Total expenditures	286,913,000	290,774,000	280,934,618	9,839,382
Excess (deficiency) of revenues over (under) expenditures	(32,468,000)	(36,329,000)	(27,885,180)	8,443,820
<b>Other financing sources (uses)</b>				
Transfers in	45,559,000	45,759,000	45,009,000	(750,000)
Transfers out	(10,833,000)	(13,029,000)	(12,686,000)	343,000
Sale of capital assets			14,347	14,347
Total other financing sources (uses)	34,726,000	32,730,000	32,337,347	(392,653)
<b>EXTRAORDINARY ITEM</b>				
Extraordinary expense			1,858,400	(1,858,400)
Net change in fund balances	2,258,000	(3,599,000)	2,593,767	6,192,767
Fund balances - beginning of year	59,291,209	59,291,209	59,291,209	
Fund balances - end of year	\$ 61,549,209	\$ 55,692,209	\$ 61,884,976	\$ 6,192,767

**CITY OF MIAMI BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BUDGETED MAJOR SPECIAL REVENUE FUNDS**

**For the Fiscal Year Ended September 30, 2016**  
**(Unaudited)**

	Resort Tax Revenue Fund				Miami Beach Redevelopment Agency			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Resort taxes	\$ 78,324,000	\$ 78,324,000	\$ 82,633,144	\$ 4,309,144				
Tax increment					44,180,000	44,180,000	44,175,847	(4,153)
Rents and leases							27,561	27,561
Interest income	80,000	80,000	112,787	32,787	60,000	60,000	187,045	127,045
Special assessment	220,000	220,000	228,125	8,125				
Other	7,000	7,000	8,848	1,848			540	540
Total revenues	78,631,000	78,631,000	82,982,904	4,351,904	44,240,000	44,240,000	44,390,993	150,993
<b>Expenditures</b>								
General government	1,340,000	1,198,500	1,198,276	224	5,980,500	5,980,500	5,973,755	6,745
Public safety					4,558,000	4,543,000	4,307,779	235,221
Economic environment					2,783,000	2,783,000	2,777,234	5,766
Culture and recreation	16,062,000	16,354,656	16,348,922	5,734	1,295,500	1,295,500	896,872	398,628
Capital Outlay	1,000	10,844	9,885	959		433,073	418,073	15,000
Debt Service:								
Principal retirement	0	3,830,000	3,830,000	-				
Interest and fiscal charges	9,600,000	8,064,000	8,063,589	411				
Total expenditures	27,003,000	29,458,000	29,450,672	7,328	14,617,000	15,035,073	14,373,713	661,360
Excess (deficiency) of revenues over (under) expenditures	51,628,000	49,173,000	53,532,232	4,359,232	29,623,000	29,204,927	30,017,280	812,353
<b>Other financing sources (uses)</b>								
Issuance of debt			194,920,000	194,920,000				
Premium on refunding bonds issued			23,073,801	23,073,801				
Transfers in							9,527,668	9,527,668
Transfers out	(51,628,000)	(50,476,000)	(268,149,441)	(217,673,441)	(29,623,000)	(29,623,000)	(28,517,937)	1,105,063
Sale of capital assets							3,873	3,873
Total other financing sources (uses)	(51,628,000)	(50,476,000)	(50,155,640)	320,360	(29,623,000)	(29,623,000)	(18,986,396)	10,636,604
Net change in fund balances	-	(1,303,000)	3,376,592	4,679,592	-	(418,073)	11,030,884	11,448,957
Fund balances - beginning of year	23,819,945	23,819,945	23,819,945		28,207,142	28,207,142	28,207,142	
Fund balances - end of year	\$ 23,819,945	\$ 22,516,945	\$ 27,196,537	\$ 4,679,592	\$ 28,207,142	\$ 27,789,069	\$ 39,238,026	\$ 11,448,957

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2016**  
**(Unaudited)**

**1. Budgetary Policy**

**A. Budgetary Data**

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

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

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

There were twelve (12) supplemental budgetary appropriations for the funds mentioned above; six (6) operating and six (6) capital during fiscal year ended September 30, 2016.

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 operating appropriations lapse at year end.

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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2016**  
**(Unaudited)**

**2. Miami Beach Employees' Retirement System (MBERP) Actuary Assumptions**

<b>Assumptions</b>		<b>2016</b>
Valuation Date:	October 1, 2015	
Measurement Date:	September 30, 2015	
Actuarial Cost	Entry Age Normal	
Method		
Inflation	3.00%	
Salary Increases	4.5% to 7.0% depending on service, including inflation	
Investment Rate of Return	7.85%	
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.	

**3. Retirement System for Firefighters and Police Officers (MBF&P) Actuary Assumptions**

<b>Assumptions</b>		<b>2016</b>
Valuation Date:	October 1, 2015	
Measurement Date:	September 30, 2015	
Actuarial Cost	Entry Age Normal	
Method		
Inflation	3.00%	
Salary Increases	2.87% - 9.87%	
Cost of living increases	1.5%, 2.0%, or 2.5%	
Investment Rate of Return	7.95%, compounded annually, net of investment expenses	
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition	
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 projection Scale AA. For disabled participants, RP-2000 Disabled Mortality Tables, separate rates for males and females, without projection for future mortality improvement.	

# **SUPPLEMENTARY INFORMATION**



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds:

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

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

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

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

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

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

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

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

### Debt Service Funds:

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

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

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

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

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

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

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

**CITY OF MIAMI BEACH, FLORIDA  
COMBINED BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2016**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 110,496,288	\$ 21,337,162	\$ 131,833,450
Receivables, net	586,272	49,112	635,384
Due from other funds	41,867	74,667	116,534
Due from other governments	723,581		723,581
	<u>111,848,008</u>	<u>21,460,941</u>	<u>133,308,949</u>
Total assets	<u>\$ 111,848,008</u>	<u>\$ 21,460,941</u>	<u>\$ 133,308,949</u>
<b>LIABILITIES</b>			
Cash overdraft	\$ 224,128	\$ 70,605	\$ 294,733
Accounts payable	4,414,534		4,414,534
Retainage payable	264,460		264,460
Accrued expenditures	659,848		659,848
Unearned revenues	45,012		45,012
Deposits	36,203		36,203
Due to other governments	11,371		11,371
Due to other funds	166,066		166,066
Loan payable	1,532,002		1,532,002
	<u>7,353,624</u>	<u>70,605</u>	<u>7,424,229</u>
Total liabilities	<u>7,353,624</u>	<u>70,605</u>	<u>7,424,229</u>
<b>FUND BALANCES</b>			
Restricted	84,400,185	21,390,336	105,790,521
Committed	21,576,337		21,576,337
Unassigned	(1,482,138)		(1,482,138)
	<u>104,494,384</u>	<u>21,390,336</u>	<u>125,884,720</u>
Total fund balances	<u>104,494,384</u>	<u>21,390,336</u>	<u>125,884,720</u>
Total liabilities and fund balances	<u>\$ 111,848,008</u>	<u>\$ 21,460,941</u>	<u>\$ 133,308,949</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, 2016**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Property taxes	\$	\$ 6,824,184	\$ 6,824,184
Sales, use and fuel taxes	3,639,471		3,639,471
Utility taxes	681,982		681,982
Other taxes	2,274,554		2,274,554
Federal grants	3,551,764		3,551,764
State grants	357,567		357,567
Grants from other local units	1,558,144		1,558,144
Charges for services	5,364,637		5,364,637
Fines and forfeitures	923,667		923,667
Impact Fees	2,208,524		2,208,524
Interest income	192,593	872	193,465
Permits	35,480		35,480
Rent and leases	432,084		432,084
Miscellaneous	612,361		612,361
Total revenues	<u>21,832,828</u>	<u>6,825,056</u>	<u>28,657,884</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,458,646		1,458,646
Public safety	10,551,141		10,551,141
Physical environment	2,006,178		2,006,178
Transportation	5,896,214		5,896,214
Economic environment	2,101,485		2,101,485
Human services	1,353,987		1,353,987
Culture and recreation	2,155,600		2,155,600
Capital Outlay	10,950,109		10,950,109
Debt Service:			
Principal		16,273,490	16,273,490
Interest		19,761,403	19,761,403
Total expenditures	<u>36,473,360</u>	<u>36,034,893</u>	<u>72,508,253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,640,532)</u>	<u>(29,209,837)</u>	<u>(43,850,369)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	1,809,800	322,095,000	323,904,800
Premium on refunding bonds issued		29,558,832	29,558,832
Payment to escrow agent		(50,954,074)	(50,954,074)
Transfers in	23,692,046	37,373,033	61,065,079
Transfers out	(3,312,000)	(297,323,846)	(300,635,846)
Total other financing sources (uses)	<u>22,189,846</u>	<u>40,748,945</u>	<u>62,938,791</u>
Net change in fund balances	7,549,314	11,539,108	19,088,422
Fund balances - beginning of year	<u>96,945,070</u>	<u>9,851,228</u>	<u>106,796,298</u>
Fund balances - end of year	<u>\$ 104,494,384</u>	<u>\$ 21,390,336</u>	<u>\$ 125,884,720</u>

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

**September 30, 2016**

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Other Special Revenue Fund	Total
<b>ASSETS</b>								
Cash and investments	\$	\$ 539,607	\$ 18,590,491	\$ 18,441,336	\$ 1,182,919	\$	\$ 71,741,935	\$ 110,496,288
Receivables, net			26,610	7,533	18,353		533,776	586,272
Due from other funds	40,930					937		41,867
Due from other governments	191,859					306,579	225,143	723,581
Total assets	<u>\$ 232,789</u>	<u>\$ 539,607</u>	<u>\$ 18,617,101</u>	<u>\$ 18,448,869</u>	<u>\$ 1,201,272</u>	<u>\$ 307,516</u>	<u>\$ 72,500,854</u>	<u>\$ 111,848,008</u>
<b>LIABILITIES</b>								
Cash overdraft	\$ 57,633	\$	\$	\$	\$	\$ 166,495	\$	\$ 224,128
Accounts payable	44,879		1,350,138	62,095	179,373	3,614	2,774,435	4,414,534
Retainage payable	49,709					135,894	78,857	264,460
Accrued expenditures	2,970					1,050	655,828	659,848
Unearned revenue							45,012	45,012
Due to other funds	89,334					75,733	999	166,066
Loan payable							1,532,002	1,532,002
Due to other governments							11,371	11,371
Deposits							36,203	36,203
Total liabilities	<u>244,525</u>	<u></u>	<u>1,350,138</u>	<u>62,095</u>	<u>179,373</u>	<u>382,786</u>	<u>5,134,707</u>	<u>7,353,624</u>
<b>FUND BALANCES</b>								
Restricted	40,272	539,607	17,266,963	18,386,774	1,021,899	60,486	47,084,184	84,400,185
Committed							21,576,337	21,576,337
Unassigned	(52,008)					(135,756)	(1,294,374)	(1,482,138)
Total fund balances	<u>(11,736)</u>	<u>539,607</u>	<u>17,266,963</u>	<u>18,386,774</u>	<u>1,021,899</u>	<u>(75,270)</u>	<u>67,366,147</u>	<u>104,494,384</u>
Total liabilities and fund balances	<u>\$ 232,789</u>	<u>\$ 539,607</u>	<u>\$ 18,617,101</u>	<u>\$ 18,448,869</u>	<u>\$ 1,201,272</u>	<u>\$ 307,516</u>	<u>\$ 72,500,854</u>	<u>\$ 111,848,008</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, 2016

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Other Special Revenue Fund	Total
<b>Revenues:</b>								
Sales, Use and Fuel Taxes	\$	\$	\$	\$	\$	\$	3,639,471	\$ 3,639,471
Utility taxes							681,982	681,982
Other taxes							2,274,554	2,274,554
Federal grants	1,238,680				160,620	1,401,180	751,284	3,551,764
State grants		242,884			41,334		73,349	357,567
Grants from other local units					27,439		1,530,705	1,558,144
Charges for services							5,364,637	5,364,637
Fines and forfeitures							923,667	923,667
Impact Fees			494,754	1,713,770				2,208,524
Interest income	87	2,559	99,898		5,988	54	84,007	192,593
Permits							35,480	35,480
Rent and leases							432,084	432,084
Miscellaneous		145,033	5,689			38,370	423,269	612,361
Total revenues	<u>1,238,767</u>	<u>390,476</u>	<u>600,341</u>	<u>1,713,770</u>	<u>235,381</u>	<u>1,439,604</u>	<u>16,214,489</u>	<u>21,832,828</u>
<b>Expenditures:</b>								
Current:								
General government							1,458,646	1,458,646
Public safety					520,828		10,030,313	10,551,141
Physical environment							2,006,178	2,006,178
Transportation							5,896,214	5,896,214
Economic environment	646,716	249,887				649,717	555,165	2,101,485
Human services							1,353,987	1,353,987
Culture and recreation							2,155,600	2,155,600
Capital Outlay	602,353		3,795,684	243,717	180,147	763,698	5,364,510	10,950,109
Total expenditures	<u>1,249,069</u>	<u>249,887</u>	<u>3,795,684</u>	<u>243,717</u>	<u>700,975</u>	<u>1,413,415</u>	<u>28,820,613</u>	<u>36,473,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,302)</u>	<u>140,589</u>	<u>(3,195,343)</u>	<u>1,470,053</u>	<u>(465,594)</u>	<u>26,189</u>	<u>(12,606,124)</u>	<u>(14,640,532)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of debt							1,809,800	1,809,800
Transfers in							23,692,046	23,692,046
Transfers out							(3,312,000)	(3,312,000)
Total other financing sources (uses)							<u>22,189,846</u>	<u>22,189,846</u>
Net change in fund balances	(10,302)	140,589	(3,195,343)	1,470,053	(465,594)	26,189	9,583,722	7,549,314
Fund balances - beginning 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>
Fund balances - end of year	<u>\$ (11,736)</u>	<u>\$ 539,607</u>	<u>\$ 17,266,963</u>	<u>\$ 18,386,774</u>	<u>\$ 1,021,899</u>	<u>\$ (75,270)</u>	<u>\$ 67,366,147</u>	<u>\$ 104,494,384</u>

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

**September 30, 2016**

	General Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Other Debt Service Funds	Total
<b>ASSETS</b>							
Cash and investments	\$ 2,535,255	\$	\$ 2,483,113	\$ 16,153,697	\$ 126,547	\$ 38,550	\$ 21,337,162
Receivables, net	49,112						49,112
Due from other funds		74,667					74,667
Total assets	<u>\$ 2,584,367</u>	<u>\$ 74,667</u>	<u>\$ 2,483,113</u>	<u>\$ 16,153,697</u>	<u>\$ 126,547</u>	<u>\$ 38,550</u>	<u>\$ 21,460,941</u>
<b>LIABILITIES</b>							
Cash overdraft	\$	\$ 70,605	\$	\$	\$	\$	\$ 70,605
Total liabilities		70,605					70,605
<b>FUND BALANCES</b>							
Restricted	2,584,367	4,062	2,483,113	16,153,697	126,547	38,550	21,390,336
Total fund balances	<u>2,584,367</u>	<u>4,062</u>	<u>2,483,113</u>	<u>16,153,697</u>	<u>126,547</u>	<u>38,550</u>	<u>21,390,336</u>
Total liabilities and fund balances	<u>\$ 2,584,367</u>	<u>\$ 74,667</u>	<u>\$ 2,483,113</u>	<u>\$ 16,153,697</u>	<u>\$ 126,547</u>	<u>\$ 38,550</u>	<u>\$ 21,460,941</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, 2016**

	General Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Other Debt Service Funds	Total
<b>Revenues</b>							
Property taxes	\$ 6,824,184	\$	\$	\$	\$	\$	\$ 6,824,184
Interest income	639	3		230			872
Total revenues	<u>6,824,823</u>	<u>3</u>		<u>230</u>			<u>6,825,056</u>
<b>Expenditures</b>							
Debt Service:							
Principal	3,635,000	3,945,000	2,259,492	5,635,000		798,998	16,273,490
Interest	2,280,421	1,212,197	65,938	15,724,506		478,341	19,761,403
Total expenditures	<u>5,915,421</u>	<u>5,157,197</u>	<u>2,325,430</u>	<u>21,359,506</u>		<u>1,277,339</u>	<u>36,034,893</u>
Excess of expenditures over revenues	<u>909,402</u>	<u>(5,157,194)</u>	<u>(2,325,430)</u>	<u>(21,359,276)</u>		<u>(1,277,339)</u>	<u>(29,209,837)</u>
Other financing sources (uses):							
Issuance of debt				322,095,000			322,095,000
Premium on refunding bonds issued				29,558,832			29,558,832
Payment to escrow agent				(50,954,074)			(50,954,074)
Transfers in		5,159,250	2,539,846	28,389,937		1,284,000	37,373,033
Transfers out				(297,323,846)			(297,323,846)
Total other financing sources (uses)		<u>5,159,250</u>	<u>2,539,846</u>	<u>31,765,849</u>		<u>1,284,000</u>	<u>40,748,945</u>
Net change in fund balances	909,402	2,056	214,416	10,406,573		6,661	11,539,108
Fund balances - beginning of year	<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>
Fund balances - end of year	<u>\$ 2,584,367</u>	<u>\$ 4,062</u>	<u>\$ 2,483,113</u>	<u>\$ 16,153,697</u>	<u>\$ 126,547</u>	<u>\$ 38,550</u>	<u>\$ 21,390,336</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
BUDGETED NONMAJOR DEBT SERVICE FUNDS**

**For the Fiscal Years Ended September 30, 2016**

	General Obligation Debt Service Fund				Miami Beach Redevelopment Agency Special Obligation Debt Service Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues</b>								
Property taxes	\$ 9,525,000	\$ 5,925,000	\$ 6,824,184	\$ 899,184	\$	\$	\$	\$
Interest income			639	639			230	230
Total revenues	9,525,000	5,925,000	6,824,823	899,823			230	230
<b>Expenditures</b>								
Debt Service:								
Principal	3,635,000	3,635,000	3,635,000		1,290,000	1,290,000	5,635,000	(4,345,000)
Interest	2,290,000	2,290,000	2,280,421	9,579	10,582,000	10,582,000	15,724,506	(5,142,506)
Total expenditures	5,925,000	5,925,000	5,915,421	9,579	11,872,000	11,872,000	21,359,506	(9,487,506)
Excess (deficiency) of revenues over (under) expenditures	3,600,000		909,402	909,402	(11,872,000)	(11,872,000)	(21,359,276)	(9,487,276)
<b>Other financing sources (uses)</b>								
Issuance of debt							322,095,000	322,095,000
Premium on refunding bonds issued							29,558,832	29,558,832
Payment to escrow agent							(50,954,074)	(50,954,074)
Transfers in					11,872,000	11,872,000	28,389,937	16,517,937
Transfers out							(297,323,846)	(297,323,846)
Total other financing sources (uses)					11,872,000	11,872,000	31,765,849	19,893,849
Net change in fund balances	3,600,000		909,402	909,402			10,406,573	10,406,573
Fund balances - beginning of year	1,674,965	1,674,965	1,674,965		5,747,124	5,747,124	5,747,124	
Fund balances - end of year	\$ 5,274,965	\$ 1,674,965	\$ 2,584,367	\$ 909,402	\$ 5,747,124	\$ 5,747,124	\$ 16,153,697	\$ 10,406,573



# MIAMI BEACH

This page intentionally left blank

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**September 30, 2016**

	<b>Sanitation Fund</b>	<b>Miami Beach Redevelopment Agency's Parking Fund</b>	<b>Miami Beach Redevelopment Agency's Leasing Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 11,520,218	\$ 16,046,141	\$ 9,461,054	\$ 37,027,413
Accounts receivable (net of allowance for uncollectibles)	936,224	6,306	229,759	1,172,289
Due from other funds	2,435,914	677,209	8,051	3,121,174
Total current assets	<u>14,892,356</u>	<u>16,729,656</u>	<u>9,698,864</u>	<u>41,320,876</u>
Noncurrent assets:				
Cash and investments				
Customer deposits and advance sales		82,687	208,962	291,649
Capital assets:				
Land	405,680	2,793,052	210,230	3,408,962
Buildings and structures	1,287,522	28,426,115	2,344,700	32,058,337
Machinery and equipment	3,329,528	338,532	9,404	3,677,464
Construction in progress	307,840	185,329		493,169
Less accumulated depreciation	<u>(1,897,895)</u>	<u>(8,990,567)</u>	<u>(768,926)</u>	<u>(11,657,388)</u>
Total capital assets (net of accumulated depreciation)	<u>3,432,675</u>	<u>22,752,461</u>	<u>1,795,408</u>	<u>27,980,544</u>
Total noncurrent assets	<u>3,432,675</u>	<u>22,835,148</u>	<u>2,004,370</u>	<u>28,272,193</u>
Total assets	<u>18,325,031</u>	<u>39,564,804</u>	<u>11,703,234</u>	<u>69,593,069</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions - MBERP	4,891,210			4,891,210
Total deferred outflows of resources	<u>4,891,210</u>			<u>4,891,210</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	531,921	401,739	11,469	945,129
Accrued expenses	152,473	121,993		274,466
Due to other funds	8,925	536,121	230,518	775,564
Due to other governments		8,384	6,451	14,835
Loans payable	94,545			94,545
Accrued compensated absences	468,992			468,992
Unearned revenues		75,327		75,327
Total current liabilities	<u>1,256,856</u>	<u>1,143,564</u>	<u>248,438</u>	<u>2,648,858</u>
Noncurrent liabilities:				
Deposits		7,360	208,962	216,322
Accrued compensated absences	231,350			231,350
Environmental remediation liability	135,660			135,660
Net pension liability - MBERP	15,133,294			15,133,294
Loans payable	98,705			98,705
Total noncurrent liabilities	<u>15,599,009</u>	<u>7,360</u>	<u>208,962</u>	<u>15,815,331</u>
Total liabilities	<u>16,855,865</u>	<u>1,150,924</u>	<u>457,400</u>	<u>18,464,189</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,239,425	22,752,461	1,795,408	27,787,294
Unrestricted	3,120,951	15,661,419	9,450,426	28,232,796
Total net position	<u>\$ 6,360,376</u>	<u>\$ 38,413,880</u>	<u>\$ 11,245,834</u>	<u>\$ 56,020,090</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, 2016**

	<b>Sanitation Fund</b>	<b>Miami Beach Redevelopment Agency's Parking Fund</b>	<b>Miami Beach Redevelopment Agency's Leasing Fund</b>	<b>Totals</b>
Operating revenues:				
Charges for services	\$ 10,355,089	\$ 4,032,742	\$	\$ 14,387,831
Permits, rentals, and other	9,433,911	459,933	898,742	10,792,586
Total operating revenues	19,789,000	4,492,675	898,742	25,180,417
Operating expenses:				
Personal services	9,755,009			9,755,009
Operating supplies	29,762			29,762
Contractual services	3,810,090	2,586,916	322,679	6,719,685
Utilities	45,160	149,635	24,008	218,803
Internal charges	1,379,235	235,464	25,000	1,639,699
Depreciation	368,034	721,711	72,460	1,162,205
Administrative fees	1,196,004	425,004	18,000	1,639,008
Other operating	624,352	142,098	40,253	806,703
Total operating expenses	17,207,646	4,260,828	502,400	21,970,874
Operating income (loss)	2,581,354	231,847	396,342	3,209,543
Nonoperating revenues (expenses):				
Interest and fiscal charges	(5,659)			(5,659)
Gain (Loss) on disposal of capital assets	78,514			78,514
Interest income	75,151	53,057	33,170	161,378
Total nonoperating expenses	148,006	53,057	33,170	234,233
Income before contributions and transfers	2,729,360	284,904	429,512	3,443,776
Transfers in	798,000	107,000	449,000	1,354,000
Transfers out	(39,000)	(107,000)	(449,000)	(595,000)
Change in net position	3,488,360	284,904	429,512	4,202,776
Net position - beginning of year	2,872,016	38,128,976	10,816,322	51,817,314
Net position - ending of year	\$ 6,360,376	\$ 38,413,880	\$ 11,245,834	\$ 56,020,090

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended September 30, 2016**

	<b>Sanitation Fund</b>	<b>Miami Beach Redevelopment Agency's Parking Fund</b>	<b>Miami Beach Redevelopment Agency's Leasing Fund</b>	<b>Totals</b>
Cash flows from operating activities:				
Receipts received from customers	\$ 8,236,860	\$ 4,186,992	\$ (35,519)	\$ 12,388,333
Payments to suppliers	(4,538,528)	(2,745,913)	(350,894)	(7,635,335)
Payments to employees	(9,614,005)			(9,614,005)
Payments on behalf of employees	(711,549)			(711,549)
Payments for interfund services used	(2,575,239)	(747,583)	144,834	(3,177,988)
Receipts for other operating revenue	9,433,911	459,933	898,742	10,792,586
Net cash provided by (used in) operating activities	<u>231,450</u>	<u>1,153,429</u>	<u>657,163</u>	<u>2,042,042</u>
Cash flows for non-capital financing activities:				
Transfers in	798,000	107,000	449,000	1,354,000
Transfers out	(39,000)	(107,000)	(449,000)	(595,000)
Net cash provided by non-capital financing activities	<u>759,000</u>			<u>759,000</u>
Cash flows from capital and related financial activities:				
Principal paid on loan	(100,463)			(100,463)
Interest and fiscal charges	(5,679)			(5,679)
Purchase of capital assets	(843,959)	(116,529)	(8,508)	(968,996)
Proceeds from sale of capital assets	81,882			81,882
Net cash used in capital and related financial activities	<u>(868,219)</u>	<u>(116,529)</u>	<u>(8,508)</u>	<u>(993,256)</u>
Cash flows from investing activities:				
Interest on investments	75,151	53,057	33,170	161,378
Net cash provided by investing activities	<u>75,151</u>	<u>53,057</u>	<u>33,170</u>	<u>161,378</u>
Net increase in cash and investments	197,382	1,089,957	681,825	1,969,164
Cash and investments - beginning of year	<u>11,322,836</u>	<u>15,038,871</u>	<u>8,988,191</u>	<u>35,349,898</u>
Cash and investments - end of year	<u>\$ 11,520,218</u>	<u>\$ 16,128,828</u>	<u>\$ 9,670,016</u>	<u>\$ 37,319,062</u>
Classified as:				
Current assets	\$ 11,520,218	\$ 16,046,141	\$ 9,461,054	\$ 37,027,413
Restricted assets		82,687	208,962	291,649
Total cash and investments	<u>\$ 11,520,218</u>	<u>\$ 16,128,828</u>	<u>\$ 9,670,016</u>	<u>\$ 37,319,062</u>

(continued)

**CITY OF MIAMI BEACH, FLORIDA**  
**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY**  
**OPERATING ACTIVITIES**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended September 30, 2016**

(continued)

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating income (loss)	\$ 2,581,354	\$ 231,847	\$ 396,342	\$ 3,209,543
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:				
Depreciation	368,034	721,711	72,460	1,162,205
Provision for uncollectible accounts	(58,791)	4,694	50,383	(3,714)
Pension expense	(711,549)			(711,549)
Changes in assets/liabilities and deferred inflows:				
(Increase) decrease in accounts receivable	(94,119)	131,134	(135,299)	(98,284)
(Increase) decrease in due from other funds	(1,965,319)	(484,444)		(2,449,763)
(Increase) decrease in prepaid expense			27,917	27,917
Increase (decrease) in accounts payable	220,852	16,764	9,426	247,042
Increase (decrease) in accrued expenses	(92,968)	121,993		29,025
Increase (decrease) in deposits		910	49,397	50,307
Increase (decrease) in due to other governments		(6,021)	(1,297)	(7,318)
Increase (decrease) in due to other funds	(41,405)	397,329	187,834	543,758
Increase (decrease) in unearned revenues		17,512		17,512
Increase (decrease) in environmental remediation liability	(64,340)			(64,340)
Increase (decrease) in accrued compensated absences	89,701			89,701
Total adjustments	(2,349,904)	921,582	260,821	(1,167,501)
Net cash provided by (used in) operating activities	\$ 231,450	\$ 1,153,429	\$ 657,163	\$ 2,042,042

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2016**

	<b>Fleet Management Fund</b>	<b>Property Management Fund</b>	<b>Central Services Fund</b>	<b>Risk Insurance Fund</b>	<b>Health Insurance Fund</b>	<b>Communications Fund</b>	<b>Total</b>
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 2,562,287	\$ 3,953,798	\$ 1,617,175	\$ 32,400,308	\$ 11,733,765	\$ 12,421,185	\$ 64,688,518
Cash with fiscal agent				250,000			250,000
Accounts receivable, net	20,471	3,714	2,563		676,397	4,055	707,200
Due from other funds	102,421	821,702	3,050	184,375		68,610	1,180,158
Prepaid expenses	3,503	5,674	967	1,176,087	4,001	6,037	1,196,269
Inventories	278,468	105,326	25,097				408,891
Total current assets	2,967,150	4,890,214	1,648,852	34,010,770	12,414,163	12,499,887	68,431,036
Noncurrent assets:							
Capital assets:							
Land	608,520						608,520
Buildings and structures	2,605,395	19,276					2,624,671
Machinery and equipment	35,511,383	3,436,531	108,576	220,689		25,912,446	65,189,625
Construction in progress						16,000	16,000
Less accumulated depreciation	(23,029,256)	(2,868,051)	(93,031)	(196,116)		(23,514,530)	(49,700,984)
Total capital assets (net of accumulated depreciation)	15,696,042	587,756	15,545	24,573		2,413,916	18,737,832
Total noncurrent assets	15,696,042	587,756	15,545	24,573		2,413,916	18,737,832
Total assets	18,663,192	5,477,970	1,664,397	34,035,343	12,414,163	14,913,803	87,168,868
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pensions - MBERP	906,065	1,726,618	170,817	333,234	28,414	2,215,355	5,380,503
Total deferred outflows of resources	906,065	1,726,618	170,817	333,234	28,414	2,215,355	5,380,503
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	1,092,616	693,746		426,677	1,404,729	797,720	4,415,488
Accrued expenses	34,467	78,036	6,553	184,885	4,915	101,510	410,366
Due to other funds					64	12	76
Accrued compensated absences	134,635	134,900	26,583	24,131	5,152	268,635	594,036
Loans payable	2,764,604	70,729				53,869	2,889,202
Pending insurance claims				9,250,000			9,250,000
Total current liabilities	4,026,322	977,411	33,136	9,885,693	1,414,860	1,221,746	17,559,168
Noncurrent liabilities:							
Accrued compensated absences	102,969	44,762	23,239	67,311	50,099	481,558	769,938
Net pension liability - MBERP	2,935,985	4,156,826	593,431	1,120,915	237,838	7,755,500	16,800,495
Loans payable	5,259,754	94,356				40,483	5,394,593
Pending insurance claims				3,362,000			3,362,000
Insurance claims incurred but not reported				18,835,000	1,284,508		20,119,508
Total noncurrent liabilities	8,298,708	4,295,944	616,670	23,385,226	1,572,445	8,277,541	46,446,534
Total liabilities	12,325,030	5,273,355	649,806	33,270,919	2,987,305	9,499,287	64,005,702
<b>NET POSITION</b>							
Net investment in capital assets	7,671,684	422,671	15,545	24,573		2,319,564	10,454,037
Unrestricted	(427,457)	1,508,562	1,169,863	1,073,085	9,455,272	5,310,307	18,089,632
Total net position	\$ 7,244,227	\$ 1,931,233	\$ 1,185,408	\$ 1,097,658	\$ 9,455,272	\$ 7,629,871	\$ 28,543,669

**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, 2016**

	<b>Fleet Management Fund</b>	<b>Property Management Fund</b>	<b>Central Services Fund</b>	<b>Risk Insurance Fund</b>	<b>Health Insurance Fund</b>	<b>Communications Fund</b>	<b>Total</b>
Operating revenues:							
Charges for services	\$ 10,174,096	\$ 7,952,312	\$ 1,192,999	\$ 14,442,820	\$ 28,818,303	\$ 14,710,961	\$ 77,291,491
Permits, rentals, and other	92,738	438		1,465,152	604,613		2,162,941
Total operating revenues	10,266,834	7,952,750	1,192,999	15,907,972	29,422,916	14,710,961	79,454,432
Operating expenses:							
Personal services	2,132,109	2,832,416	460,466	717,224	295,723	5,475,426	11,913,364
Operating supplies	2,182,692	129,211	744	8,493		1,582,661	3,903,801
Contractual services	1,527,279	3,463,198	381,015	1,898,738	1,130,942	3,738,127	12,139,299
Utilities	58,754	553,699	2,032	1,744		1,763,441	2,379,670
Internal charges	358,484	521,584	68,992	47,604		400,443	1,397,107
Administrative fees				1,100,004			1,100,004
Depreciation	3,848,116	168,708	4,145	2,234		739,011	4,762,214
Insurance				2,134,658	8,384,654		10,519,312
Claims and judgements				4,720,251	17,197,263		21,917,514
Other operating	32,032	40,029	48,538	104,441	288,309	61,249	574,598
Total operating expenses	10,139,466	7,708,845	965,932	10,735,391	27,296,891	13,760,358	70,606,883
Operating income (loss)	127,368	243,905	227,067	5,172,581	2,126,025	950,603	8,847,549
Nonoperating revenues (expenses):							
Interest and fiscal charges	(231,719)	(5,243)			(2,411)	(5,400)	(244,773)
Gain (loss) on sale of capital assets	346,294	36,534		5,380		3,479	391,687
Interest income	17,673	18,235	6,490	137,137		49,096	228,631
Total nonoperating revenues (expenses)	132,248	49,526	6,490	142,517	(2,411)	47,175	375,545
Income (loss) before contributions and transfers	259,616	293,431	233,557	5,315,098	2,123,614	997,778	9,223,094
Capital contributions	370,623					3,158	373,781
Transfers in						395,000	395,000
Transfers out	(14,000)	(288,000)	(2,000)	(3,000)		(18,000)	(325,000)
Change in net position	616,239	5,431	231,557	5,312,098	2,123,614	1,377,936	9,666,875
Net position-beginning	6,627,988	1,925,802	953,851	(4,214,440)	7,331,658	6,251,935	18,876,794
Net position-ending	\$ 7,244,227	\$ 1,931,233	\$ 1,185,408	\$ 1,097,658	\$ 9,455,272	\$ 7,629,871	\$ 28,543,669

**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, 2016

	<b>Fleet Management Fund</b>	<b>Property Management Fund</b>	<b>Central Services Fund</b>	<b>Risk Insurance Fund</b>	<b>Health Insurance Fund</b>	<b>Communications Fund</b>	<b>Totals</b>
Cash flows from operating activities:							
Receipts from users	\$ 10,174,096	\$ 7,952,138	\$ 1,191,844	\$ 14,587,926	\$ 28,563,539	\$ 14,644,353	\$ 77,113,896
Payments to suppliers	(3,522,212)	(3,997,440)	(458,633)	(3,807,888)	(9,768,719)	(6,774,273)	(28,329,165)
Payments to employees	(2,114,204)	(2,805,922)	(454,763)	(700,745)	(238,786)	(5,456,714)	(11,771,134)
Payments on behalf of employees	65,309	(116,512)	32,728	938	65,857	370,001	418,321
Payments for claims and judgements				(6,702,251)	(16,923,173)		(23,625,424)
Payments for interfund services used	(358,484)	(1,103,992)	(74,804)	(1,147,608)	1,074,659	(400,443)	(2,010,672)
Receipts from other operating revenues	15,740	(602)		1,465,152	604,613		2,084,903
Net cash provided by (used in) operating activities	4,260,245	(72,330)	236,372	3,695,524	3,377,990	2,382,924	13,880,725
Cash flows for non-capital financing activities:							
Transfers in						395,000	395,000
Transfers out	(14,000)	(288,000)	(2,000)	(3,000)		(18,000)	(325,000)
Net cash provided by (used in) non-capital financing activities	(14,000)	(288,000)	(2,000)	(3,000)		377,000	70,000
Cash flows from capital and related financial activities:							
Principal paid on loan	(3,128,014)	(87,024)				(280,089)	(3,495,127)
Interest and fiscal charges	(232,761)	(5,243)			(2,411)	(7,046)	(247,461)
Purchase of capital assets	(4,154,315)	(268,195)		(26,807)		(1,062,179)	(5,511,496)
Proceeds from sale of capital assets	453,768	36,534		5,380		3,479	499,161
Net cash used in capital and related financial activities	(7,061,322)	(323,928)		(21,427)	(2,411)	(1,345,835)	(8,754,923)
Cash flows from investing activities:							
Interest on investments	17,672	18,235	6,490	137,137		49,096	228,630
Net cash provided by investing activities	17,672	18,235	6,490	137,137		49,096	228,630
Net increase (decrease) in cash and investments	(2,797,405)	(666,023)	240,862	3,808,234	3,375,579	1,463,185	5,424,432
Cash and investments - beginning of year	5,359,692	4,619,821	1,376,313	28,842,074	8,358,186	10,958,000	59,514,086
Cash and investments - end of year	\$ 2,562,287	\$ 3,953,798	\$ 1,617,175	\$ 32,650,308	\$ 11,733,765	\$ 12,421,185	\$ 64,938,518
Classified as:							
Cash and investments-current	\$ 2,562,287	\$ 3,953,798	\$ 1,617,175	\$ 32,650,308	\$ 11,733,765	\$ 12,421,185	\$ 64,938,518
Non-cash transactions affecting financial position:							
Capital contributions of capital assets	\$ 370,623	\$	\$	\$	\$	\$	\$ 370,623
Total Non-cash transactions affecting financial position	\$ 370,623	\$	\$	\$	\$	\$	\$ 370,623

(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, 2016**

(continued)

	<b>Fleet Management Fund</b>	<b>Property Maintenance Fund</b>	<b>Central Services Fund</b>	<b>Risk Insurance Fund</b>	<b>Health Insurance Fund</b>	<b>Communications Fund</b>	<b>Totals</b>
Operating income (loss)	\$ 127,368	\$ 243,905	\$ 227,067	\$ 5,172,581	\$ 2,126,025	\$ 950,603	\$ 8,847,549
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	3,848,116	168,708	4,145	2,234		739,011	4,762,214
Provision for uncollectible accounts		(174)	1,170		(3,993)	4,617	1,620
Pension expense	65,309	(116,512)	32,729	938	65,857	370,001	418,322
Changes in assets and liabilities:							
(Increase) decrease in inventories	3,833						3,833
(Increase) decrease in accounts receivable	13,330	(1,040)	(2,326)	145,106	(250,771)	1,253	(94,448)
(Increase) decrease in due from other funds	(90,328)	(582,408)	(2,812)	(142,554)	1,145,118	(58,490)	268,526
Increase in prepaid expense				380,137	306,741	2	686,880
Increase (decrease) in accounts payable	341,005	179,520	(26,304)	190,821	(271,555)	360,552	774,039
Increase (decrease) in accrued compensated absences	10,254	16,638	3,750	11,596	52,569	1,652	96,459
Increase (decrease) in due to other funds	(8,000)	(11,000)	(3,000)	(1,000)	(70,459)	(13,988)	(107,447)
Increase (decrease) in pending insurance claims				(1,652,000)			(1,652,000)
(Decrease) in insurance claims incurred but not reported				(330,000)	274,090		(55,910)
Increase (decrease) in accrued expenses	(50,642)	30,033	1,953	(82,335)	4,368	27,711	(68,912)
Total adjustments	4,132,877	(316,235)	9,305	(1,477,057)	1,251,965	1,432,321	5,033,176
Net cash provided by (used in) operating activities	\$ 4,260,245	\$ (72,330)	\$ 236,372	\$ 3,695,524	\$ 3,377,990	\$ 2,382,924	\$ 13,880,725

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

**September 30, 2016**

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ 1,416,967	\$ 20,951	\$ 616,713	\$ 135,041	\$ 313,908	\$ 2,503,580
Accrued interest receivable	27	2,718,007	62,091	20,988		2,801,113
Contribution receivable					185,622	185,622
Other receivables	265,541	1,754,543	62,336			2,082,420
Prepays	3,064,902			4,390		3,069,292
Investments:						
Short-term investments		5,860,046		46,321		5,906,367
U.S. Government securities	108,187,159	64,658,443	1,850,789	1,032,154		175,728,545
Corporate bonds and other municipal obligations		175,131,361	5,043,974	2,383,738		182,559,073
Bond Funds	54,083,545					54,083,545
Foreign Bonds and private placements		47,144,078		177,340		47,321,418
Common stocks and index funds	224,113,565	419,379,398	7,688,620	3,703,745		654,885,328
Foreign Stocks	88,174,289	29,484,393		290,169		117,948,851
Real estate funds	61,908,042	42,306,906				104,214,948
Mutual funds	13,860,376	19,626,380			26,631,300	60,118,056
Total investments	550,326,976	803,591,005	14,583,383	7,633,467	26,631,300	1,402,766,131
Total assets	555,074,413	808,084,506	15,324,523	7,793,886	27,130,830	1,413,408,158
<b>Liabilities</b>						
Accounts payable		1,267,694	38,604			1,306,298
Accrued expenses	140,699	392,680		15,000		548,379
Total liabilities	140,699	1,660,374	38,604	15,000		1,854,677
<b>Net Position</b>						
Held in trust for pension and OPEB benefits	\$ 554,933,714	\$ 806,424,132	\$ 15,285,919	\$ 7,778,886	\$ 27,130,830	\$ 1,411,553,481

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

**For the Fiscal Year Ended September 30, 2016**

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Additions:						
Contributions -						
Employer	\$ 27,783,852	\$ 34,850,092	\$	\$	\$ 185,959	\$ 62,819,903
Employee	7,341,533	5,984,397				13,325,930
State of Florida		120,549	1,483,162	670,844		2,274,555
Total contributions	35,125,385	40,955,038	1,483,162	670,844	185,959	78,420,388
Investment income -						
Net increase in fair value of investments	51,520,871	56,626,732	807,051	414,446	1,255,572	110,624,672
Interest and dividends income	5,489,593	17,156,573	321,757	164,930	982,395	24,115,248
Investment management expenses	57,010,464	73,783,305	1,128,808	579,376	2,237,967	134,739,920
	(1,259,781)	(3,244,005)	(51,757)	(24,430)		(4,579,973)
Net investment income/(loss)	55,750,683	70,539,300	1,077,051	554,946	2,237,967	130,159,947
Total additions/(reduction)	90,876,068	111,494,338	2,560,213	1,225,790	2,423,926	208,580,335
Deductions:						
Benefit paid	41,900,843	54,861,660	1,379,568	640,405		98,782,476
Contributions refunded	948,535					948,535
Administrative expenses	677,509	826,044	75,261	96,946	145,690	1,821,450
Total deductions	43,526,887	55,687,704	1,454,829	737,351	145,690	101,552,461
Net increase/(decrease)	47,349,181	55,806,634	1,105,384	488,439	2,278,236	107,027,874
Net position - amount held in trust for pension and OPEB benefits - beginning of year	507,584,533	750,617,498	14,180,535	7,290,447	24,852,594	1,304,525,607
Net position - amount held in trust for pension and OPEB benefits - end of year	\$ 554,933,714	\$ 806,424,132	\$ 15,285,919	\$ 7,778,886	\$ 27,130,830	\$ 1,411,553,481

# MIAMI BEACH

This page intentionally left blank

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

**For the Fiscal Year Ended September 30, 2016**

	September 30, 2015	Additions	Deductions	September 30, 2016
<u>Assets</u>				
Cash and investments	\$ 12,373,948	\$ 40,561,037	\$ 34,942,831	\$ 17,992,154
Accounts receivable	165,309	289,269	334,794	119,784
Total Assets	<u>\$ 12,539,257</u>	<u>\$ 40,850,306</u>	<u>\$ 35,277,625</u>	<u>\$ 18,111,938</u>
<u>Liabilities</u>				
Accounts payable	\$ 278,974	\$ 32,480,684	\$ 32,408,041	\$ 351,617
Deposits	12,260,283	47,450,146	41,950,108	17,760,321
Total Liabilities	<u>\$ 12,539,257</u>	<u>\$ 79,930,830</u>	<u>\$ 74,358,149</u>	<u>\$ 18,111,938</u>

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

**September 30, 2016**

	Miami Beach Visitor and Convention Authority	Miami Beach Health Facilities Authority	Total
<b>Assets</b>			
Cash and investments	\$ 3,735,615	\$ 69,775	\$ 3,805,390
Accounts receivable	328,712	4,795	333,507
Capital assets, net of accumulated depreciation	148,843		148,843
Total assets	4,213,170	74,570	4,287,740
<b>Deferred Outflows of Resources</b>			
Deferred outflows- net pension resources	122,100		122,100
Total deferred outflows of resources	122,100		122,100
<b>Liabilities</b>			
Accrued expenses	542,605		542,605
Total current liabilities	542,605		542,605
Non-current liabilities			
Net pension liability	674,736		674,736
Compensated absences	20,185		20,185
Total non-current liabilities	694,921		694,921
Total liabilities	1,237,526		1,237,526
<b>Net Position</b>			
Net investment in capital assets	148,843		148,843
Unrestricted	2,948,901	74,570	3,023,471
Total net position	\$ 3,097,744	\$ 74,570	\$ 3,172,314

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

**For the Fiscal Year Ended September 30, 2016**

		<b>Program Revenues</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>		
		<b>Operating Grants and Contributions</b>	<b>Visitor and Convention Authority</b>	<b>Health Facilities Authority</b>	
	<b>Expenses</b>				<b>Totals</b>
<b>Miami Beach Visitor and Convention Authority</b>					
Cultural - grant program	\$ 1,614,023	\$	\$ (1,614,023)	\$	\$ (1,614,023)
General administrative	854,465	30,500	(823,965)		(823,965)
Total Miami Beach Visitor and Convention Authority	<u>2,468,488</u>	<u>30,500</u>	<u>(2,437,988)</u>		<u>(2,437,988)</u>
<b>Miami Beach Health Facilities Authority</b>					
General administrative	175			(175)	(175)
Total component units	<u>\$ 2,468,663</u>	<u>\$ 30,500</u>			<u>(2,438,163)</u>
General revenues:					
Resort tax allocation			2,732,076		2,732,076
Financing fees					0
Interest			3,904	27	3,931
Total general revenues			<u>2,735,980</u>	<u>27</u>	<u>2,736,007</u>
Change in net position			297,992	(148)	297,844
Net position - beginning			<u>2,799,752</u>	<u>74,718</u>	<u>2,874,470</u>
Net position - ending			<u>\$ 3,097,744</u>	<u>\$ 74,570</u>	<u>\$ 3,172,314</u>

# MIAMI BEACH

This page intentionally left blank



# **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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 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	\$ 558,538,326
Restricted	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	191,637,742
Unrestricted	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)	(231,946,281)
Total net position for governmental activities	<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>	<u>518,229,787</u>
Business-type activities										
Net investment in capital assets	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	474,091,817
Restricted	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	159,759,212
Unrestricted	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	26,903,541
Total net position for business-type activities	<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>	<u>660,754,570</u>
Primary government										
Net investment in capital assets	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	1,032,630,143
Restricted	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	351,396,954
Unrestricted	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)	(205,042,740)
Total net position for primary government	<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>	<u>\$ 1,178,984,357</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 52,618,959
Public safety	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	220,109,566
Physical environment	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	5,548,076
Transportation	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	18,120,846
Economic environment	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	6,535,179
Human services	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	3,332,947
Culture and recreation	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	63,385,681
Interest on long-term debt	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	30,627,226
Total governmental activities expenses	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	400,278,480
Business-type activities:										
Stormwater	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	9,508,836
Water	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	30,317,357
Sewer	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	38,583,070
Parking	22,826,900	24,612,370	25,141,478	26,903,927	28,674,475	28,773,051	33,137,377	37,071,518	38,123,221	43,015,148
Convention Center	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	14,495,430
Other	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	21,993,702
Total business-type activities expenses	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	157,913,543
Total primary government expenses	\$ 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	\$ 558,192,023
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 80,758,157
Public safety	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	10,190,087
Culture and recreation	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	8,744,939
Other	55,028	34,470	20,305	16,040	14,470	17,745	29,211	42,993	1,723,853	35,917
Operating grants and contributions	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	17,240,055
Capital grants and contributions	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	1,913,922
Total governmental activities program revenue	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	118,883,077
Business-type activities:										
Charges for services:										
Stormwater	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	21,490,894
Water	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	35,403,282
Sewer	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	45,389,228
Parking	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	51,499,302
Convention Center	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	5,937,041
Other	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	21,509,417
Operating grants and contributions	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	7,741,012
Capital grants and contributions	-	-	-	-	-	-	-	-	-	38,982,120
Total business-type activities program revenue	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	227,952,296
Total primary government program revenue	\$ 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	\$ 346,835,373

Continued,

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (281,395,403)
Business-type activities	<u>8,651,696</u>	<u>7,893,187</u>	<u>23,671,596</u>	<u>21,272,702</u>	<u>21,239,955</u>	<u>25,566,105</u>	<u>19,203,338</u>	<u>18,813,657</u>	<u>38,367,948</u>	<u>70,038,753</u>
Total primary government net expense	<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>	<u>\$ (211,356,650)</u>
<b>General Revenues and Other Changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 147,504,790
Resort taxes	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	82,633,144
Tax increment	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	44,974,888
Utility taxes	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	12,308,962
Communication service			7,196,266	6,328,924	5,859,093	5,443,905	4,583,368	4,678,905	4,519,938	4,963,225
Local business tax	3,662,796	3,341,802	3,684,320	4,298,739	4,242,891	4,404,357	4,411,851	4,493,950	4,629,996	4,098,786
Miscellaneous	118,640	1,304,665	894,995	6,653,210	618,470	883,457	982,771	1,154,512	1,437,032	2,162,942
Unrealized loss on investments							(5,241,121)			
Unrestricted investment earnings	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	4,415,405
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	409,907
Extraordinary Expense										(1,858,400)
Transfers	<u>(3,310,095)</u>	<u>(252,411)</u>	<u>(3,420,189)</u>	<u>(14,625,515)</u>	<u>(13,750,433)</u>	<u>8,328,465</u>	<u>4,409,667</u>	<u>4,663,756</u>	<u>9,763,889</u>	<u>10,067,140</u>
Total governmental activities	<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>	<u>311,680,789</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		3,671,000
Unrealized gain on investments							(178,004)	(12,388)	297,864	-
Unrestricted investment earnings	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	1,661,658
Gain (Loss) on disposal of capital assets	(12,949)			(7,465)	75,365	114,222	73,427	107,809	170,013	410,679
Transfers	<u>3,310,095</u>	<u>252,411</u>	<u>3,420,189</u>	<u>14,625,515</u>	<u>13,750,433</u>	<u>(8,328,465)</u>	<u>(4,409,667)</u>	<u>(4,663,756)</u>	<u>(9,763,889)</u>	<u>(10,067,140)</u>
Total business-type activities	<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>	<u>(4,323,803)</u>
Total primary government	<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>	<u>\$ 307,356,986</u>
<b>Change in net position</b>										
Governmental activities	\$ 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	\$ 30,285,386
Business-type activities	<u>21,878,850</u>	<u>16,374,818</u>	<u>32,438,832</u>	<u>40,593,475</u>	<u>39,851,007</u>	<u>21,789,182</u>	<u>19,693,574</u>	<u>19,030,728</u>	<u>29,849,879</u>	<u>65,714,950</u>
Total primary government	<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>	<u>\$ 96,000,336</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,736,059	\$ 1,845,391	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	42,406,855	44,645,724								
Nonspendable			164,846		78,020	10,558	332		19,765	1,268
Restricted			6,200,000	4,653,291	4,653,291	5,188,291	7,289,291	4,752,809	8,328,543	10,436,543
Committed			39,821,254		272,922	3,915,257	3,048,458	29,505,725	48,151,901	48,307,433
Assigned			4,499,003	44,452,200	47,865,087	47,506,132	43,800,099	16,244,357	2,791,000	3,139,732
Unassigned			4,385,813	6,053,327	2,906,247	4,232,166				
Total general fund	<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>\$ 59,291,209</u>	<u>\$ 61,884,976</u>
All Other Governmental Funds										
Reserved	\$ 59,563,178	\$ 55,922,849	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	76,668,102	61,423,282								
Capital projects fund	143,690,512	170,639,551								
Nonspendable			4,490	4,489	4,490	4,490	4,490			
Restricted			219,624,064	226,066,215	219,902,708	231,046,613	250,022,626	266,604,162	278,623,633	671,137,967
Committed			50,557,449	45,904,634	42,625,948	39,723,193	39,141,545	43,288,503	38,450,565	47,915,741
Assigned			49,918	69,221	53,020	42,116	165,534	752,927		
Unassigned				(3,540,285)	(2,445,745)	(4,596,490)	(4,537,581)	(2,360,199)	(1,675,799)	(2,430,061)
Total all other governmental funds	<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>\$ 315,398,399</u>	<u>\$ 716,623,647</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 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	\$ 303,445,683
Franchise fees	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	8,067,568
Permits	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	24,166,916
Intergovernmental	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	17,232,200
Charges for services	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	23,896,852
Rents & leases	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	6,935,619
Interest	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	4,186,774
Fines and forfeitures	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	2,556,092
Administrative fees	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	19,017,177
Special assessment	838,519	918,633	767,239	741,796	748,128	697,000	737,063	647,145	282,647	238,294
Impact fees	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	2,208,524
Other revenues	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	1,941,465
Total revenues	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	413,893,164
<b>Expenditures</b>										
General government	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	54,034,457
Public safety	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	202,413,979
Physical environment	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	4,835,660
Transportation	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	10,106,470
Economic environment	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	6,237,203
Human services	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	3,206,331
Culture and recreation	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	55,685,165
Capital Outlay	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	152,900,118
Debt service										
Principal	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	21,018,490
Interest	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	28,398,933
Total expenditures	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	538,836,806
Excess of revenue over (under) expenditures	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	(124,943,642)
<b>Other Financing Sources (Uses)</b>										
Refunding Bonds Issued						34,840,000				518,824,800
Premium on refunding bonds issued						3,117,141				52,632,633
Payment to escrow agent						(37,957,141)				(50,954,074)
Transfer to escrow agent	(3,060,000)									
Proceeds from loan				13,279,659					313,000	
Sale of assets	24,592	12,127	5,421	4,478	14,592	34,321	30,478	20,850	13,392	18,220
Transfers in	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	635,933,939
Transfers out	(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)	(625,834,461)
Total other financing sources (uses)	(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	530,621,057
<b>EXTRAORDINARY ITEM</b>										
Extraordinary expense										(1,858,400)
Net change in fund balances	\$ 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	\$ 403,819,015
Debt service as a percentage of noncapital expenditures	9.53%	9.33%	9.16%	9.32%	7.87%	8.09%	9.74%	7.75%	7.37%	12.80%

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

Fiscal Year Ended September 30,	Real Property					Exemptions				Total Taxable Assessed Value	Total Direct Tax Rate <sup>D</sup>
	Residential Property	Commercial Property	Industrial Property	Other Property	Value of Taxable Property	Real property- Amendment 10 Excluded Value <sup>C</sup>	Less: Tax-Exempt Property	Other Adjustments to Just Value			
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	
2016	31,699,064	9,389,064	43,114	3,516,886	44,648,127	5,649,696	2,504,591	5,795,949	30,697,891	5.9123	

**Source:** 2015 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 5.6009 mills for operating, 0.1083 mills for capital renewal and replacement and 0.2031 mills for debt service.



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

Fiscal Year Ended September 30,	City of Miami Beach Direct Rates			Overlapping Rates <sup>A</sup>			Total
	Operating Millage	Debt Service Millage	Total Direct Millage	School District Millage	County Millage	State Millage	
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
2016	5.7092	0.2031	5.9123	7.6120	5.9009	0.3871	19.8123

**Source:** Miami-Dade County, Florida; Department of Property Appraisal  
2015 Millage Table and The City of Miami Beach 2015/2016  
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 Beach property owners.

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

2016			2007		
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	\$ 379,816,339	1.24 %	MB Redev. Inc./Lowes Hotel	\$ 233,789,306	1.03 %
MB Redevelopment INC/Lowes Hotel	229,500,000	0.75	MCZ/ Centrum Flamingo II	218,662,600	0.96
2201 Collins Fee LLC	203,649,877	0.66	Micheal S. Angell Tr/Fontainebleau	121,634,513	0.53
Florida Power & Light Company	167,408,756	0.55	DiLido Beach Hotel Corp.	89,000,000	0.39
Seville Acquisition LLC	139,240,000	0.45	Sandy Lane Residential LLC	77,837,325	0.34
PPF MBL Portfolio LLC	136,200,000	0.44	MCZ/Centrum Flamingo I	69,900,000	0.31
Di Lido Beach Hotel Corp	123,100,000	0.40	Royal Palm Hotel LLC	66,378,633	0.29
Eden Roc LLP	114,466,000	0.37	City Natl Bank of Florida	61,000,000	0.27
VCP Lincoln Road LLC	107,781,850	0.35	Philips S Beach LTD/Shore Club	60,530,168	0.27
MCZ/ Centrum Flamingo II LLC	103,336,200	0.34	South Gate Apartments	50,000,000	0.22
	<u>\$ 1,704,499,022</u>	<u>5.55 %</u>		<u>\$ 1,048,732,545</u>	<u>4.61 %</u>

**Source:** 2015 and 2006 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach.

Total taxable assessed value 30,697,890,865 A

22,739,947,828 B

**CITY OF MIAMI BEACH, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS,  
FISCAL YEARS 2007 THRU 2016**

Fiscal Year Ended September 30,	Taxes levied for the fiscal year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 165,759,439	\$ 163,120,484 (A)	98.41 %	\$ 2,205,547	\$ 165,326,031	99.74 %
2008	150,418,073	145,433,238	96.69	4,730,848	150,164,086	99.83
2009	150,588,328	144,321,499	95.84	4,693,908	149,015,407	98.96
2010	138,703,567	131,355,903	94.70	3,997,402	135,353,305	97.58
2011	136,549,286	128,719,932	94.27	1,661,789	130,381,721	95.48
2012	134,753,401	129,572,373	96.16	3,270,601	132,842,974	98.58
2013	139,133,369	130,317,166	93.66	2,209,728	132,526,894	95.25
2014	143,266,670	139,729,175	97.53	2,560,078	142,289,253	99.32
2015	155,102,311	151,761,695	97.85	1,944,319	153,706,014	99.10
2016	172,420,383	168,150,832	97.52		168,150,832	97.52

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

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

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

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

Governmental Activities    A									
Fiscal Year	General Obligation Bonds	Resort Tax Revenue Bonds	Gulf Breeze Government Loan Program	Sunshine State Loan Program    D	Pension Obligation Bonds	Redevelopment Agency Tax Increment Revenue Bonds	Loans Payable	Other Obligations	Total Governmental Activities
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    C	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		8,484		23,160	55,367	11,779	11,801	166,010
2016	51,425	191,000	5,310		19,215	322,095    H	8,284	11,002	608,331
Business-type activities					Total				
Fiscal Year	Storm Water Revenue Bonds    E	Water and Sewer Revenue Bonds	Parking Revenue Bonds/Loan    G	Loan Payable	Total Business Activities	Total Primary Government	Percentage of Personal Income	Per Capita    B	
2007	\$ 46,130	\$ 110,610	\$ 27,769	\$ 345	\$ 186,861	\$ 451,687	14.48 %	4.8801	
2008	45,075	107,154	26,241	1,035	181,513	438,355	12.90	4.6558	
2009	43,970	103,439	24,639	1,133	175,190	414,763	12.23	4.3891	
2010	42,645	129,437    F	22,960	1,220	198,272	435,424	12.84	4.6687	
2011	42,700	125,557	45,966	1,670	217,904	442,716	13.62	5.0206	
2012	94,646	121,507	44,040	2,025	264,230	476,368	13.55	5.2649	
2013	93,108	117,272	42,059	1,793	256,245	454,909	11.85	4.9862	
2014	92,487	114,492	40,686	1,271	250,950	435,538	11.99	4.7848	
2015	190,545	109,569	38,476	1,143	339,733	505,743	13.24	5.5133	
2016	187,619	105,810	101,620	770	395,819	1,004,150	23.32	10.9666	

**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.

<sup>A</sup> Net of Premium and discount

<sup>B</sup> See Demographic and Economic Statistics page for population information

<sup>C</sup> New equipment lease began in fiscal year 2010

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

<sup>E</sup> New debt issued in fiscal year 2012 and 2015

<sup>F</sup> New debt issued in fiscal year 2010

<sup>G</sup> New debt issued in fiscal year 2011 and 2016

<sup>H</sup> New debt issued in fiscal year 2016

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

Fiscal Year	Net Bonded Debt						Percentage of Actual Taxable Value of Property		Debt Per Capita <sup>B</sup>
	General Obligation Bonds	Gulf Breeze Fixed Rate Bonds <sup>D</sup>	Pension Refunding Bonds	Sunshine State VRDS <sup>A</sup>	Total	Fund Balance Reduction			
2007	\$ 77,596	\$ 29,003	\$ 48,175	\$ 3,822	\$ 158,596	\$ (8,610)	\$ 149,986	0.70 %	\$ 1.7212
2008	75,105	26,713	45,590	3,334	150,742	(7,791)	142,951	0.56	1.6084
2009	72,702	24,163	42,885	2,930	142,680	(7,954)	134,726	0.53	1.5172
2010	70,196	21,587	40,055		131,838	(8,119)	123,719	0.53	1.4202
2011	67,579	18,601	37,095		123,275	(8,617)	114,658	0.56	1.4044
2012	62,491	15,499	33,995		111,985	(10,083)	101,902	0.51	1.2429
2013	59,692	12,583	30,550		102,825	(9,852)	92,973	0.45	1.1318
2014	56,519	9,455	26,935		92,909	(9,973)	82,936	0.38	1.0207
2015 <sup>C</sup>	55,419	8,484	23,160		87,063	(9,851)	77,212	0.32	0.9491
2016 <sup>C</sup>	51,425	5,310	19,215		75,950	(21,390)	54,560	0.25	0.8295

**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 131 for population information.

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

<sup>D</sup> These bonds are repaid from general non ad-valorem funds. See Note 10 for more details.

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 3,338,693,748	\$ 3,920,416,339	\$ 3,882,603,724	\$ 3,465,358,138	\$ 3,315,711,442
Total net debt applicable to limit	<u>77,595,559</u>	<u>75,105,405</u>	<u>72,702,497</u>	<u>70,195,935</u>	<u>67,579,117</u>
Legal Debt margin	<u>\$ 3,261,098,189</u>	<u>\$ 3,845,310,934</u>	<u>\$ 3,809,901,227</u>	<u>\$ 3,395,162,203</u>	<u>\$ 3,248,132,325</u>
Total net debt applicable to the limit as a percentage of debt limit	2.32%	1.92%	1.87%	2.03%	2.04%
	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 3,296,743,489	\$ 3,460,848,297	\$ 3,698,486,533	\$ 4,065,580,713	\$ 4,604,683,630
Total net debt applicable to limit	<u>62,490,554</u>	<u>60,722,308</u>	<u>56,518,915</u>	<u>52,080,035</u>	<u>48,840,920</u>
Legal Debt margin	<u>\$ 3,234,252,935</u>	<u>\$ 3,400,125,989</u>	<u>\$ 3,641,967,618</u>	<u>\$ 4,013,500,678</u>	<u>\$ 4,555,842,710</u>
Total net debt applicable to the limit as a percentage of debt limit	1.90%	1.75%	1.53%	1.28%	1.06%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 30,697,890,865
Debt limit (15% of assessed value)	4,604,683,630
Debt applicable to limit:	
General obligation bonds	51,425,287
Less: Amount set aside for repayment of general obligation debt	<u>2,584,367</u>
Total net debt applicable to limit	<u>48,840,920</u>
Legal debt margin	<u>\$ 4,555,842,710</u>

Note: Assessed value is the certified taxable value as of January 1, 2015.

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

Fiscal Year	Revenue	Less:	Net available Revenue	Debt Service		Coverage
		Operating Expenses		Principal	Interest	
Parking Revenue Bonds						
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
<sup>A</sup> 2016	52,263,779	31,863,161	20,400,618	2,230,508	3,882,226	3.34

A - New Bonds were issued in the noted fiscal year; See the debt footnote 10 for more information

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. The 5th & Alton and 7th Street Garages are not included as part of the Parking Systems Funds.

<b>Water &amp; Sewer Revenue Bonds</b>						
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
2016	80,863,818	57,123,647	23,740,171	3,770,000	5,111,733	2.67

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>						
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
2016	21,833,308	4,467,788	17,365,520	2,720,000	8,516,865	1.55

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</b>						
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
2016	42,216,634		42,216,634	5,635,000	11,034,815	2.53

Note: During fiscal year 2016, the 2015 series A & B bonds were issued and defeased all prior year bonds. Per the new bond documents, "Redevelopment Revenues" includes all operating revenues derived from RDA operations excluding tax increments relating to the Children's trust and excluding rents and leases. In 2016, this amounted to \$2.2 million for these sources. Per the bond documents, debt service coverage is "Trust Fund Revenues" as defined above divided by the annual debt service requirements. Therefore, operating expenses are \$0.

<b>Resort Tax</b>						
2016	82,754,779		82,754,779	3,830,000	6,708,978	7.85

Note: This is the first year of the bond. Per the bond documents, "Resort Tax Revenues" are all revenues except for special assessment revenues. Per the bond documents, debt service coverage is "Resort Tax Revenues" as defined above divided by the annual debt service requirements. Therefore, operating expenses are \$0.

**CITY OF MIAMI BEACH, FLORIDA**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**SEPTEMBER 30, 2016**

---

**DIRECT DEBT**

General obligation indebtedness		
Public improvement bonds	\$	50,120,000
Premium/(Discount)		<u>1,305,287</u>
Total General obligation indebtedness		51,425,287

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

Gulf breeze government loan program	5,310,000	
Pension obligation bonds	19,215,000	
Tax increment revenue bonds	322,095,000	
Resort Tax bonds	191,090,000	
Energy savings obligation	<u>11,002,350</u>	
Total non-self-supporting indebtedness		<u>548,712,350</u>
Total direct indebtedness		600,137,637

**OVERLAPPING DEBT <sup>B</sup>**

Miami-Dade County		
Total general obligation indebtedness	1,597,781,000	
Percent applicable to City <sup>C</sup>	13.3220%	212,857,175
Total school district obligation indebtedness	496,274	
Percent applicable to City <sup>C</sup>	13.3220%	66,114
Total net non-self-supporting indebtedness	2,334,300,779	
Percent applicable to City <sup>C</sup>	13.3220%	<u>310,976,704</u>
Total overlapping debt		<u>523,899,993</u>
TOTAL DIRECT AND OVERLAPPING DEBT	\$	<u><u>1,124,037,630</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 2016 assessed valuation figures for the City and Dade County.



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

Miami-Dade County							
Year	Miami Beach Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Auto Tags	Bank Deposits (Thousands)	School Age Population	Unemployment Rate
2006	92,145	\$ 80,112	\$ 33,712	2,183,782	\$ 73,205	428,229	3.3
2007	93,721	85,978	36,081	2,187,394	74,987	431,184	3.1
2008	94,040	88,955	35,887	2,160,963	77,178	429,531	5.8
2009	92,833	90,916	36,357	2,074,138	A	427,034	10.7
2010	87,779	92,227	36,846	1,999,364	80,352	395,791	12.4
2011	90,097	96,657	37,834	2,007,052	82,935	396,973	11.3
2012	90,848	100,688	38,860	1,691,167	B	400,893	9.3
2013	91,026	104,373	39,880		A	398,203	8.4
2014	91,732	111,529	41,883		A	405,803	6.8
2015	91,564		47,026		A	402,337	5.1

**Source:** Florida Statistical Abstract  
US Census American Community Survey

<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.

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

Ten Largest Public Employers					
<u>Employer</u>	<u>2016</u>			<u>2007</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
Miami-Dade County Public Schools	33,477	1	2.64 %	50,000	1
Miami-Dade County	25,502	2	2.01	32,000	2
Federal Government	19,200	3	1.51	20,400	3
Florida State Government	17,100	4	1.35	17,000	4
Jackson Health System	9,797	5	0.77	10,500	5
City of Miami	3,997	6	0.32	4,034	7
Florida International University	3,534	7	0.28	3,132	8
Homestead AFB	3,250	8	0.26		
Miami VA Medical Center	2,500	9	0.20	2,300	9
Miami Dade College	2,390	10	0.19	6,500	6
City of Miami Beach				1,979	10

Ten Largest Private Employers					
<u>Employer</u>	<u>2016</u>			<u>2007</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
University of Miami	12,818	1	1.01 %	9,874	3
Baptist Health South Florida	11,353	2	0.90	10,826	2
American Airlines	11,031	3	0.87	9,000	4
Carnival Cruise Lines	3,500	4 (t)	0.28	3500	9
Miami Children's Hospital	3,500	4 (t)	0.28		
Moun Sinai Medical Center	3,321	6	0.26		
Florida Power and Light	3,011	7	0.24		
Royal Caribbean	2,989	8	0.24		
Wells Fargo	2,050	9	0.16		
Bank of America Merrill Lynch	2,000	10	0.16		
Publix Super Markets				11,000	1
Precision Response Corporation				6,000	5
Bellsouth				5,500	6
Winn-Dixie Stores				4,833	7
Florida Power & Light Co.				3,900	8
Burdines-Macy's				3,368	10

**Source:** Employer and employees information provided by the Beacon Council. Miami Dade's Official Economic Development Partnership. Percentage of total County employment was calculated based on total County employment of 1,268,402 as provided by the Bureau of Economic Business Research (BEBR)

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

Function/Program	Full-time Equivalent Employees as of September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government:										
Mayor and commission	20	19	19	19	18	18	18	18	20	19
City manager	13	11	11	10	10	10	10	13	15	16
Office of communications	9	8	6	5	5	5	5	4	9	9
Budget and performance improvement	21	19	19	18	18	18	18	18	20	20
Organization Development and Performance Initiatives									2	2
Finance	46	39	37	37	37	37	37	37	50	50
Information technology	46	43	40	38	36	36	37	36	38	39
Human resources	18	16	17	15	14	14	14	15	23	27
Labor relations <sup>C</sup>	3	3								
Risk Management <sup>F</sup>	6	6	6	6	7	7	7	6		
City clerk	17	16	16	14	14	14	13	14	14	15
Procurement	10	10	9	9	9	8	8	8	12	16
City attorney	22	22	20	19	19	19	19	19	21	22
Economic Development and Cultural Arts:										
Real Estate, Housing and Comm. Development <sup>E</sup>				13	13	13	13	11	11	19
Economic development	7	6	5							
Building <sup>A</sup>	79	79	79	72	66	73	73	73	86	85
Planning	29	29	26	26	25	25	25	25	26	26
Tourism & cultural development	13	12	11	11	11	11	11	13	17	18
Bass museum	8	8	8	8	8	8	8	8	8	2
Operations:										
Neighborhood services <sup>D</sup>	67	60	56							
Community Services				4	4	4	4	4	4	
Code compliance				42	30	41	41	42	57	58
Parks & recreation <sup>B</sup>	205	198	195	182	156	173	173	167	152	150
Public works	33	39	48	45	41	41	40	41	57	100
Sanitation	179	177	187	187	187	179	178	178	169	172
Property management	71	69	66	54	24	50	50	50	33	34
Capital improvement projects	31	31	32	35	35	37	37	36	34	36
Parking	116	120	118	117	83	116	110	111	107	114
Sewer	42	41	38	33	35	35	34	34	34	37
Stormwater	25	26	25	25	23	21	21	21	29	32
Water	69	63	59	54	56	52	52	52	52	23
Fleet management	24	23	21	21	21	20	20	22	22	22
Transportation management									6	9
Public safety:										
Police - Officers	403	396	381	370	370	370	381	381	385	409
Police - Civilians	166	148	149	140	138	138	144	158	92	78
Fire - Officers	207	206	203	200	200	200	200	200	201	200
Fire - Civilians	21	23	27	26	27	27	27	27	27	30
Ocean rescue <sup>B</sup>	76	76	76	76	56	76	76	76	78	92
Emergency Management									72	73
Total	2,102	2,042	2,007	1,927	1,794	1,894	1,903	1,917	1,982	2,054

**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	2007	2008	2009	2010	Fiscal Year		2013	2014	2015	2016
					2011	2012				
<b>General government:</b>										
Mayor and commission										
Ordinances approved	43	46	39	44	43	35	26	73	69	72
Resolutions approved	296	251	308	274	245	230	266	382	383	435
City manager										
Better Place Requests Open and Closed	21	15	4	10	N/A	42	2	7	58	N/A
Total Requests Received	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,855
Total Requests Completed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,605
Budget and performance improvement										
Audits performed	266	242	272	263	233	235	198	187	155	174
Grants awarded	\$ 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	\$ 8,002,420
Finance										
Utility customer accounts	10,059	10,043	10,044	10,057	10,061	10,062	10,070	10,075	10,085	10,125
Licenses issued	8,000	7,541	8,650	7,748	7,718	6,592	6,496	6,943	7,555	7,928
Lien statements	3,942	2,415	2,658	4,076	6,600	6,326	7,355	6,734	6,298	4,750
Annual resort tax accounts	1,119	1,054	1,066	1,050	1,067	1,066	1,087	1,054	1,058	1,049
Human resources										
Employees	1,870	1,926	1,902	1,869	1,837	1,824	1,905	1,930	1,960	2,054
Hires	314	195	188	206	146	154	176	163	218	258
Building										
Building and trade permits processed/issued	13,943	11,904	11,361	11,039	12,523	13,272	13,881	14,071	14,076	12,645
Certificates	736	337	383	411	342	417	529	536	558	587
Tourism & cultural development										
Film & print and special events permits	1,563	1,232	966	1,023	1,215	1,225	1,190	1,141	1,249	1,041
Bass Museum Visitors	25,210	30,071	26,414	29,642	26,477	36,708	47,162	64,323	53,093	21,570
Theater Events (Byron/Colony)	380	267	225	223	218	222	237	172	90	1,049
<b>Operations:</b>										
Parking										
Residential Parking Permits	26,437	28,131	11,557	11,830	12,357	13,720	12,523	14,566	13,539	13,647
Municipal Parking Permits	48,964	48,660	41,651	53,502	42,152	44,418	47,600	51,230	43,014	41,422
Total Vehicle Entries - Garages	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	3,172,477
Parks & recreation										
Summer Camp	2,587	2,317	2,758	2,398	2,538	2,561	2,568	2,653	2,689	3,230
After and Play School Participants	882	2,810	2,680	3,217	3,501	3,276	3,056	3,139	3,091	1,405
Athletics	1,442	2,835	2,656	2,079	2,251	2,042	2,104	2,215	2,143	2,718
Pool Attendance	161,176	145,337	141,524	160,456	157,227	138,005	128,852	133,373	118,553	173,228
Golf course patrons <sup>A</sup>	44,078	42,850	66,358	73,447	80,782	71,528	76,230	79,532	75,542	74,237
Public Works-Engineering/Water/Sewer/Streets										
Right-of-Way permits issued	1,092	899	935	868	855	822	801	967	1,144	1,247
Cleaning and inspection of sewer lines	1,182,000	703,294	778,937	N/A	964,703	824,212	937,000	N/A	N/A	N/A
Storm sewers cleaned	88,000	59,000	78,279	N/A	1,253	97,425	N/A	N/A	N/A	N/A
Sanitation										
Residential Waste (tons per year)	15,500	14,882	13,354	12,980	12,172	10,233	8,920	8,972	8,278	8,036
Litter Cans	2,335	2,335	2,735	2,735	2,735	2,735	2,765	2,787	2,376	2,424
Mechanized Sweeping (miles per day)	15	15	20	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)	820,913	866,571	890,529	903,675	900,211	858,767	698,280	849,400	847,359	862,970
Preventive maintenance jobs	2,932	2,911	3,160	3,053	3,181	3,174	3,519	3,153	3,334	3,549
Police										
Total number of arrests	14,954	13,804	13,338	10,801	9,588	9,890	10,577	8,280	6,644	6,458
Traffic Violations	52,976	49,389	44,521	39,586	49,561	48,344	50,590	71,562	64,478	57,488
Fire										
Emergency responses	16,794	22,640	25,015	20,356	21,429	22,263	22,948	23,415	25,185	25,384
Existing building inspections	N/A	2,292	978	1,500	1,107	773	961	1,985	1,461	3,248
Night club inspections	N/A	3,184	2,769	3,198	3,718	1,957	2,477	1,775	333	23
Site inspections	N/A	4,932	4,953	3,672	5,187	7,369	9,047	9,736	10,868	8,531
On duty inspections	N/A	1,984	1,856	1,793	1,478	187	1,233	1,774	1,946	2,086
Ocean rescue - victims rescued	680	506	579	645	747	531	733	575	788	886
Ocean rescue prevention	447,251	455,757	349,882	320,858	257,862	250,310	273,543	208,027	217,367	228,294

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

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

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	4	4	4	4	4	4	4	4	4	4
Vehicles assigned to the police department	440	440	440	486	486	530	530	530	530	530
Fire stations	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	180	180	180	180	180	180	180	180	180	180
Water valves	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Fire hydrants	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Fire lines	717	717	717	717	717	717	717	717	717	717
Meters	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460
Water pumping stations	5	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Stormwater										
Stormwater pipes (miles)	59	59	59	59	59	59	59	59	99	99
Drainage basins	172	172	172	172	172	172	172	172	471	471
Stormwater catch basins	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	4,779	4,779
Manholes	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,616	2,616
Sewer										
Sanitary gravity sewer pipes (miles)	152	152	152	152	152	152	152	152	122	122
Force main pipes (miles)	21	21	21	21	21	21	21	21	22	22
Manholes	3,293	3,293	3,293	3,293	3,293	3,293	3,293	3,293	3,160	3,160
Wastewater pump stations	23	23	23	23	23	23	23	23	23	23
Other public works										
Streets (miles)	140	140	140	140	140	140	140	140	140	140
Sidewalks (miles)	242	242	242	242	242	242	242	242	242	242
Curb and gutter (miles)	200	200	200	200	200	200	200	200	200	200
Alleys (miles)	33	33	33	33	33	33	33	33	33	33
Seawalls (linear feet)	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300
Streetlights	6,000	6,200	6,200	6,893	6,893	6,893	6,893	6,893	6,893	6,893
Street lights cable (miles)	265	265	265	263	263	263	263	263	263	263
Parking										
Parking Lots & Garages	68	68	70	75	76	76	76	76	76	77
Parking Spaces	8,300	8,404	8,404	8,404	8,424	8,592	8,424	8,424	8,424	8,424
Parks and recreation										
Recreational open space (acres)	727	727	727	727	727	727	727	727	526	526
Playground tot-lots	15	15	19	15	19	19	19	19	20	21
Stadiums	2	2	2	2	2	2	2	2	1	1
Sports fields	7	7	7	7	7	7	7	7	5	5
Tennis sites	6	6	6	6	7	7	7	7	6	6
Basketball court sites	10	10	10	10	10	10	10	10	10	10
Ice Rink	1	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3	3	3	3
Youth/Community centers	3	3	3	3	3	3	3	3	2	2
Bark parks	3	3	4	3	4	4	4	5	9	9
Parks - passive and staffed	26	26	26	26	26	26	36	36	42	41
Municipal regulation golf courses	2	2	2	2	2	2	2	2	2	2
Trucks, off-road, and other vehicles	93	98	98	97	98	N/A	N/A	N/A	84	87
Sanitation										
Sweepers	13	9	9	6	6	6	N/A	N/A	N/A	N/A
Front end loader	3	3	3				N/A	N/A	N/A	N/A
Trucks, Vans, and other vehicles	81	74	83	79	84	90	N/A	N/A	N/A	N/A
Pressure washers	11	9	9	9	7	7	N/A	N/A	N/A	N/A
Transit-minibuses	4	4	4							

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

N/A- Data not available

# MIAMI BEACH

This page intentionally left blank

# **SINGLE AUDIT REPORTS**

**CITY OF MIAMI BEACH, FLORIDA**

**SINGLE AUDIT REPORT IN ACCORDANCE WITH  
UNIFORM GUIDANCE**

For the Year Ended September 30, 2016



CITY OF MIAMI BEACH, FLORIDA  
SINGLE AUDIT  
For the Year Ended September 30, 2016

CONTENTS

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 .....	1
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 UNIFORM GUIDANCE AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL.....	3
Schedule of Expenditures of Federal Awards and State Financial Assistance .....	6
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	8
Schedule of Findings and Questioned Costs.....	9
Summary of Prior Year Audit Findings.....	13
Management's Corrective Action Plan.....	14

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, 2016, 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 28, 2017. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-002 and 2016-003 to be significant deficiencies.

### **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*.

### **The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 28, 2017

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 THE UNIFORM GUIDANCE 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 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 projects for the year ended September 30, 2016. The City's major federal programs and state financial assistance projects 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 projects.

**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 projects 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, 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 projects for the year ended September 30, 2016.

### ***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 the Uniform Guidance 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 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 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 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. 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 the Uniform Guidance 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 the Uniform Guidance 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 28, 2017, 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 the Uniform Guidance 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 LLP

Miami, Florida  
April 28, 2017

CITY OF MIAMI BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended September 30, 2016

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/ Contract Number	Expenditures	Transfers to Subrecipients
Federal Grants				
U.S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B-15-MC-12-0014	\$ 1,286,805	\$ 1,126,531
Home Investment Partnership Program	14.239	M-15-MC-12-0012	1,413,415	1,376,045
Pass-Through Dept. of Community Affairs:				
Pass-Through Miami Dade County				
Supportive Housing Program	14.235	FL0177L4D001407	42,056	-
Total U.S. Department of Housing and Urban Development			2,742,276	2,502,576
U.S. Department of Justice				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2013)	16.738	2013-DJ-BX-0450	3,948	-
Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2014)	16.738	2014-DJ-BX-0718	43,925	-
Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2015)	16.738	2015-DJ-BX-0953	15,350	-
Pass-Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program Cluster - Criminal Justice Records Improvement	16.738	2016-JACG-DADE-26-H3-151	9,260	-
Subtotal JAG Program			72,483	-
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program - Smart Policing	16.751	2015-WY-BX-0002	37,401	-
National Institute of Justice				
Federal Equitable Sharing Agreement	16.000	FL-0130700	370,404	-
Pass-Through State of Florida Office of the Attorney General:				
Crime Victim Assistance - VOCA	16.575	V091-V14027	71,131	-
Total U.S. Department of Justice			551,419	-
U.S. Department of Transportation				
Pass-Through Florida Department of Transportation:				
National Priority Safety Program (NHTSA 405 Funds)	20.616	G0715	100,000	-
Pass-Through State of Florida:				
Florida Department of Transportation				
Highway Planning and Construction - Middle Beach Recreational Corridor Phase 2	20.205	APT97	82,428	-
Pass-Through Florida Department of Transportation:				
Pass-Through University of South Florida (USF)				
Highway Planning and Construction - Pedestrian and Bicycle Safety Environment	20.205	TWO #945-002/BDV25	44,155	-
Subtotal Highway Planning and Construction			126,583	-
Total U.S. Department of Transportation			226,583	-
U.S. Department of Homeland Security				
Pass-Through United Way of Miami-Dade:				
Emergency Food and Shelter National Board Program-EFS Phase 31	97.024	159400-076	2,621	-
Florida Division of Emergency Management:				
Pass-Through City of Miami				
Homeland Security Grant Program - Urban Areas Security Initiative 2014	97.067	15DS-P8-11-23-02-45	116,500	-
Florida Department of Community Affairs:				
Hazard Mitigation Grant	97.039	11HM-2Y-11-23-02-003	85,395	-
Pass-Through State of Florida:				
Division of Emergency Management				
Pre-Disaster Mitigation Grant - Talmudic University	97.047	13DM-24-11-23-02-281	76,162	76,162
Total U.S. Department of Homeland Security			280,678	76,162

Continued

CITY OF MIAMI BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended September 30, 2016

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/ Contract Number	Expenditures	Transfers to Subrecipients
<b><u>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>			15,000	-
<b><u>U.S. Department of Defense</u></b>				
<b>Pass-Through State of Florida U.S. Army Corps:</b>				
Continuing Authorities Program, Section 14 Project at the Mount Sinai Medical Center	12.106		106,250	106,250
<b>Total U.S. Department of Defense</b>			106,250	106,250
<b><u>U.S. Department of Interior</u></b>				
<b>Pass-Through State of Florida Department of State:</b>				
<b>Department of Historical Resources</b>				
Historic Preservation Fund Grants-In-Aid	15.904	F1202	1,785	-
<b>Total U.S. Department of Homeland Security</b>			1,785	-
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,923,991</u>	<u>\$ 2,684,988</u>
<b>State Project/Pass-Through Entity Program Title</b>	<b>State CSFA Number</b>	<b>Grant/ Contract Number</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b><u>State of Florida Department of Environmental Protection</u></b>				
Statewide Surface Water Restoration and Wastewater Projects (Clean Water State Revolving Loan Agreement)	37.077	SW131300	\$ 1,597,574	\$ -
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP12131	400,000	-
<b>Total State of Florida Department of Environmental Protection</b>			1,997,574	-
<b><u>State of Florida Department of Health</u></b>				
<b>Pass-Through Miami-Dade County:</b>				
Emergency Prev/Prep/Response-EMS County Grants	64.005	C-4013	4,650	-
<b>Total State of Florida Department of Health</b>			4,650	-
<b><u>State of Florida Department of Transportation</u></b>				
Public Transit Service Development Program	55.012	G0644	332,073	-
<b>Total State of Florida Department of Transportation</b>			332,073	-
<b><u>Florida Department of State</u></b>				
<b>Division of Historical Resources:</b>				
Historic Preservation Grants	45.031	S1644	14,545	-
<b>Total Florida Department of State</b>			14,545	-
<b><u>State of Florida Housing Finance Corporation</u></b>				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	21,709	-
<b>Total State of Florida Housing Finance Corporation</b>			21,709	-
<b>Total Expenditures of State Awards</b>			<u>\$ 2,370,551</u>	<u>\$ -</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, 2016

---

**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, 2016. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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. Expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. 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, 2016

---

**Section I - Summary of Independent Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiencies identified not  
considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

***Federal Awards and State Financial Assistance***

Type of auditor's report issued on compliance for major programs: Unmodified

Internal Control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified not  
considered to be material weaknesses? None reported

Any audit findings disclosed that are required to be reported in  
accordance with 2 CFR 200.516(a), Section 215.97, *Florida Statutes*  
and Chapter 10.550, *Rules of the Auditor General* No

Identification of major programs and state financial assistance projects:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	U.S. Department of Housing and Urban Development: Home Investment Partnership Program
<u>CSFA Number(s)</u>	<u>Name of State Financial Assistance Project</u>
37.077	Florida Department of Environmental Protection: Statewide Surface Water Restoration and Wastewater Projects (Clean Water State Revolving Loan Agreement)
37.039	Florida Department of Environmental Protection: Statewide Surface Water Restoration and Wastewater Projects
55.012	Florida Department of Transportation: Public Transit Service Development Program

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	\$750,000
State	\$231,893

Auditee qualified as low-risk auditee?   X   Yes        No

## Section II - Financial Statement Findings

### Material Weakness

2016-001	Bank reconciliations
Criteria:	Policies and procedures should reasonably assure that bank accounts are reconciled in a timely manner.
Condition:	We noted that there were several accounts which had not been reconciled within 30 days of the bank statement dates.
Context:	During our review of bank reconciliations for the month ended September 30, 2016, we noted that 15 bank accounts out of 33 tested were not reconciled within 30 days of the bank statement date. Further, we noted that 1 bank reconciliation was completed within 30 days of the bank statements date but was not reviewed in a timely manner and 2 bank reconciliations did not include the date that the reconciliation had been performed out of the 33 tested.
Cause:	There is no written or formal policy being followed that bank reconciliations must be completed and reviewed for all bank accounts in a timely manner.
Effect:	Banking errors and discrepancies could occur without being identified in a timely manner.
Recommendation:	The City should implement a policy requiring bank accounts to be reconciled within 30 days of the bank statement date and that copies of the bank reconciliations be forwarded to the appropriate manager for review on a timely basis. The appropriate manager should review the work of the subordinates to ensure that it is being performed in a timely manner. Instituting a time deadline and requiring supervisory review should speed up the reconciliation of bank accounts and identify any discrepancies that might occur.
Management's Response:	The existing bank reconciliation procedure was updated in April 2017. The procedure states that bank reconciliations shall be completed within 30 days from the close of the books for the month, which is typically 10 to 15 days after the bank statement date. To address timelines of the closing of the books, at the beginning of each fiscal year, a monthly closing memorandum is prepared by the Finance Department and distributed to all Finance staff. In addition, the Deputy Finance Director (DFD) has started monthly meetings to ensure that the underlying issues causing reconciling items are addressed and identified. Furthermore, the Bank Reconciliation procedure updated in April 2017 states that bank reconciliations are signed by the preparer and reviewed/signed and dated by a supervisor, manager, or Deputy Director.

### Significant Deficiencies

2016-002	IT Controls
Criteria:	Information Systems controls should reasonably assure that electronic information is not compromised by unauthorized access to systems and that access is granted only as needed for individuals within the entity to perform their assigned responsibilities while maintaining adequate segregation of duties.
Condition:	We noted the following with respect to the City's information systems:  <ol style="list-style-type: none"><li>1. Management does not perform a periodic review of access to validate the appropriateness of each user with access to Munis.</li></ol>

2. Termination process – during our interim procedures, we noted that eight terminated user accounts were still active which could lead to unauthorized activity. During our year end procedures, we noted that the eight employees' accounts had been disabled.

Context: Not applicable

Cause: There is no written or formal policy being followed to ensure review that individuals might have inappropriate access levels to financially significant databases and terminated users may continue to have access to the system resulting in a lack of controls.

Effect: Individuals could access financially significant databases and perform functions that are not commensurate with their job responsibilities and terminated employees could continue to have access to the system after the termination date.

Recommendation: Our recommendations are as follows:

1. Management has not developed and implemented procedures to perform a periodic review (Quarterly) for the financially significant databases to ensure that access levels of users remains commensurate with job responsibilities. Such a review should capture changes to application security and functionality as a result of new updates, organizational changes that result from departmental role adjustments, and errors and omissions in the current user administration process. These reviews should be documented and conducted by an individual independent of the administrative functions on the application. If this is not possible, management should have two individuals conduct the review.
2. We recommend that terminated users be removed from the system within forty eight (48) hours from termination in order to avoid unauthorized activity.

Management's Response:

1. Management will develop and implement procedures to perform a periodic review (Quarterly) for the financially significant databases to ensure that access levels of users remains commensurate with job responsibilities. Such a review will capture changes to application security and functionality as a result of new updates, organizational changes that result from departmental role adjustments, and errors and omissions in the current user administration process. These reviews will be documented and conducted by an individual independent of the administrative functions on the application. If this is not possible, management will have two individuals conduct the review.
2. Terminated users will be removed from the system within forty eight (48) hours from termination in order to avoid unauthorized activity, providing IT is notified of such termination in a timely manner.

2016-003 Schedule of Expenditure of Federal Awards and State Financial Assistance

Criteria: Policies and procedures should reasonably assure that Federal award and State financial assistance expenditures be accurately reflected on the Schedule of Expenditure of Federal Awards and State Financial Assistance.

Condition: We noted that there was one Federal award and two State projects amounts that had to be adjusted on the final Schedule of Expenditure of Federal Awards and State Financial Assistance received from the City.

Context:	During our audit procedures we noted that the expenditures on the Schedule of Expenditure of Federal Awards did not include all of the expenditures related to one Federal award over the duration of the grant period and included amounts that were actually refunds of state financial assistance for one State project and did not include all of the expenditures related to another State project over the duration of the grant period.
Cause:	There is no written or formal policy being followed to ensure that expenditures are being accurately and completely included on the Schedule of Expenditure of Federal Awards and State Financial Assistance.
Effect:	Expenditures related to Federal awards and State projects could be incorrectly included or excluded from the schedule and this could affect the dollar threshold that would trigger the necessity to perform a Federal single audit and the determination of type A and type B programs.
Recommendation:	The City should implement a policy requiring employees to prepare the Schedule of Expenditure of Federal Awards and State Financial Assistance on a timely basis. An appropriate level of management should review the work of the subordinates to ensure that it is being performed in a timely manner. Instituting a time deadline and requiring supervisory review should identify any discrepancies that might occur.
Management's Response:	The City is in the process of formalizing a procedure that would allow for quarterly reporting and monitoring of grant balances. The formalized procedure will consist of the quarterly preparation of a grant roll-forward schedule that will allow for all grant balances to be reconciled between the grant roll-forward schedule and the general ledger. This will ensure that all grant related receivables, expenditures, deferrals and revenues balances are complete and accurate at year end. This reconciliation will essentially be a quarterly SEFA and will allow the City to review grant balances on a grant by grant basis and at a City-wide level. The quarterly and final SEFA will be reviewed by a Financial Analyst III or above in a timely manner.

### **Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs**

No items noted.

CITY MIAMI BEACH, FLORIDA  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
September 30, 2016

**Summary of Prior Year Audit Findings**

There were no prior year audit findings

CITY MIAMI BEACH, FLORIDA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
September 30, 2016

Finding 2016-003 Schedule of Expenditure of Federal Awards and State Financial Assistance

Corrective Action Plan:

The City will formalize a procedure that would allow for quarterly reporting and monitoring of grant balances. The procedure will consist of a quarterly preparation of a grant roll-forward schedule that will allow for all grant balances to be reconciled between the grant roll-forward schedule and the general ledger. This will ensure that all grant related receivables, expenditures, deferrals and revenues balances are complete and accurate at year end. This reconciliation will essentially be a quarterly SEFA and will allow the City to review grant balances on a grant by grant basis and at a City-wide level. The quarterly and final SEFA will be reviewed by a Financial Analyst III or above in a timely manner.

Anticipated Completion Date: September 30, 2017

Contact Information:

For more information or questions concerning findings, please contact Allison Williams, Deputy Finance Director, Finance Department at (305) 673-7466.

# **AUDITOR'S REPORT**

**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 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, 2016, 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 28, 2017. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-002 and 2016-003 to be significant deficiencies.

### **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*.

### **The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 28, 2017

# **OTHER REPORTS**

**GAS AND CHAPTER 10.550 FLORIDA STATUTES**

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

**MANAGEMENT LETTER**

**CITY OF MIAMI BEACH, FLORIDA**

**REPORTS IN ACCORDANCE WITH**  
**CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***  
September 30, 2016

CITY OF MIAMI BEACH, FLORIDA  
REPORTS IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*  
September 30, 2016

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, <i>FLORIDA STATUTES</i> .....	1
MANAGEMENT LETTER.....	2

**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, 2016. 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, 2016.

  
Crowe Horwath LLP

Miami, Florida  
April 28, 2017

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, 2016, and have issued our report thereon dated April 28, 2017. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; 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 28, 2017 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. There were no findings 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.

## **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, 2016, 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, 2016. 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

Miami, Florida  
April 28, 2017



## **CONTINUING DISCLOSURES**

# **MUNICIPAL SECURITY DISCLOSURE**

**City of Miami Beach, Florida**

For the Fiscal Year Ended September 30, 2016



Prepared by:  
The City of Miami Beach Finance Department  
1700 Convention Center Drive, Miami Beach, Florida • 33139  
Tel: (305) 673 – 7466 • Fax: (305) 673 – 7795



# MIAMI BEACH

**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 18, 2017

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 the 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, 2016, as described in the respective undertaking 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
- This loan is no longer outstanding at September 30, 2016.

\$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
- This loan is no longer outstanding at September 30, 2016.

\$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 06, 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
- These bonds are no longer outstanding at September 30, 2016.

\$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

\$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 the operating data are hereinafter collectively entitled the "Fiscal Year 2016 Annual Information."

The information is for the Fiscal Year of the City ended September 30, 2016, 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 John Woodruff, 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 'J. Woodruff', with a large, stylized initial 'J' and a long, sweeping horizontal line extending to the right.

John Woodruff

Chief Financial Officer  
City of Miami Beach and the  
Miami Beach Redevelopment Agency



**City of Miami Beach, Florida**  
**Report of Annual Financial Information**  
**For Fiscal Year Ended September 30, 2016**

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, (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, and (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, 2016 ("Fiscal Year 2016") 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, 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") - This loan is no longer outstanding at September 30, 2016



- \$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) - This loan is no longer outstanding at September 30, 2016
- \$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")
- \$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) – These bonds are no longer outstanding at September 30, 2016
- \$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)

\$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)

\$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)

\$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 date are hereinafter collectively referred to as the "Fiscal Year 2016 Annual Information."

The Fiscal Year 2016 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 2016 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 2016 Annual Information is indicative of financial operating results of the City since the end of Fiscal Year 2016 or future financial or operating results.

**CITY OF MIAMI BEACH, FLORIDA**

CONTACT: John Woodruff, Chief Financial Officer  
City of Miami Beach

1700 Convention Center Dr  
Miami Beach, Florida 33139  
Telephone: (305) 673-7466

[Balance of page intentionally left blank]

## **TABLE OF CONTENTS**

INTRODUCTION.....	Page 1
GENERAL OBLIGATION BONDS .....	Page 5
Property Tax Levies and Collections.....	Page 5
Statement of Tax Levies and Tax Rates .....	Page 6
Computation of Direct and Overlapping Debt.....	Page 7
OTHER OBLIGATIONS PAYABLE FROM NON-AD VALOREM FUND.....	Page 8
PARKING BONDS.....	Page 9
Number of Garages and Parking Spaces.....	Page 9
Parking Rates .....	Page 10
Table of Historical Parking System Net Revenues, Debt Service, and Debt Service Coverage .....	Page 11
Principal and Interest Requirements .....	Page 12
Incurrence of Additional Parking System Debt.....	Page 13
Expansion of Parking System .....	Page 13
Reduction of Parking System.....	Page 13
Change in Senior Management of the Parking System .....	Page 13
WATER AND SEWER BONDS .....	Page 15
Existing Arrangements with the County .....	Page 15
Rates, Fees and Charges.....	Page 15
Anticipated Cost Increases .....	Page 16
Table of Historical Net Revenues, Debt Service, and Debt Service Coverage .....	Page 17
STORMWATER BONDS .....	Page 18
Rates, Fees and Charges.....	Page 18
Table of Historical Net Revenues, Debt Service, and Debt Service Coverage .....	Page 19
Comparative Rates .....	Page 19
RESORT TAX BONDS .....	Page 21
Resort Tax Revenue By Source .....	Page 21
Resort Tax Revenue, Debt Service and Debt Service Coverage .....	Page 22

## 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, (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") - This loan is no longer outstanding at September 30, 2016;

- \$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) - This loan is no longer outstanding at September 30, 2016;
- \$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) – These bonds are no longer outstanding at September 30, 2016;
- \$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).

\$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), August 1, 2001 (as to the 2001 Gulf Breeze Loan), 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), December 15, 2015 (as to the Series 2015 Resort Tax Bonds), December 15, 2015 (as to the Series 2015A Tax Increment Bonds), and December 15, 2015 (as to the Series 2015B Tax Increment Bonds).

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

[Balance of page intentionally left blank]



## 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 2007 through 2016

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
2007	\$ 165,759,439	\$ 163,120,484 (A)	98.41 %	\$ 2,205,547	\$ 165,326,031	99.74 %
2008	150,418,073	145,433,238	96.69	4,730,848	150,164,086	99.83
2009	150,588,328	144,321,499	95.84	4,693,908	149,015,407	98.96
2010	138,703,567	131,355,903	94.70	3,997,402	135,353,305	97.58
2011	136,549,286	128,719,932	94.27	1,661,789	130,381,721	95.48
2012	134,753,401	129,572,373	96.16	3,270,601	132,842,974	98.58
2013	139,133,369	130,317,166	93.66	2,209,728	132,526,894	95.25
2014	143,266,670	139,729,175	97.53	2,560,078	142,289,253	99.32
2015	155,102,311	151,761,695	97.85	1,944,319	153,706,014	99.10
2016	172,420,383	168,150,832	97.52	(B)	168,150,832	97.52

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 not available at this time

[Balance of page intentionally left blank]

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 2007 through 2016**

<b>Fiscal Year Ended 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>
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
2016	166,497,378	5.7092	5,923,005	0.2031	172,420,383	5.9123

Source: City of Miami Beach Comprehensive Annual Financial Report, 2016 and FY 2015/16 Adopted Workplan and Operating Budget.

[Balance of page intentionally left blank]

**City of Miami Beach**  
**Computation of Direct and Overlapping Debt**  
**September 30, 2016**

**DIRECT DEBT**

General Obligation Indebtedness		
Public Improvement Bonds	\$	50,120,000
Premium/(Discount)		1,305,287
Total General Obligation Indebtedness		<u>51,425,287</u>

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

Gulf Breeze Government Loan Program	\$	5,310,000	
Pension Obligation Bonds		19,215,000	
Tax Increment Revenue Bonds		322,095,000	
Resort Tax Bonds		191,090,000	
Energy Savings Obligation		<u>11,002,350</u>	
Total Non-self-supporting Indebtedness			<u>548,712,350</u>
Total Direct Indebtedness			<u>600,137,637</u>

**OVERLAPPING DEBT <sup>B</sup>**

Miami-Dade County			
Total General Obligation Indebtedness	1,597,781,000		
Percent Applicable to City <sup>C</sup>	13.3220%		212,857,175
Total School District Obligation	496,274		
Indebtedness			
Percent Applicable to City <sup>C</sup>	13.3220%		66,114
Total Net Non-self-supporting	2,334,300,779		
Indebtedness			
Percent Applicable to City <sup>C</sup>	13.3220%		<u>310,976,704</u>
Total Overlapping Debt			<u>523,899,993</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 1,124,037,630</u>

(A) Excludes self-supporting debt obligations.

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

(C) Based upon 2016 assessed valuation figures for the City and Miami-Dade County.

## OTHER OBLIGATIONS PAYABLE FROM NON-AD VALOREM FUNDS

As of September 30, 2016, 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 Outstanding Principal	Maximum Annual Debt Service	Final Maturity
1985E Gulf Breeze Fixed Rate	5,310,000	1,202,250	December 1, 2020
Pension Refunding Bonds Series 2005	19,215,000	5,164,945	September 1, 2021
Loan Agreement dated 2/20/2008	9,053,480	3,358,487	September 30, 2025
Loan Agreement dated 5/25/2010	11,002,350	1,738,879	April 25, 2025
Line of Credit <sup>(1)</sup>	-	-	July 30, 2018

Source: City of Miami Beach Finance Department

(1) As of September 30, 2016, no draws have been made on this Line of Credit.

[Balance of page intentionally left blank]

## PARKING BONDS

Parking Enterprise Fund indebtedness at September 30, 2016, is comprised of the following issued indebtedness:

\$17,155,000 Series 2010A Parking Revenue Refunding Bonds due in annual installments  
through 2022: interest at 3.00% - 5.00%      \$8,930,000

\$27,405,000 Series 2010B Parking Revenue Bonds due in annual installments  
through 2040: interest at 4.00% - 5.00%      \$27,405,000

\$58,825,000 Series 2015 Parking Revenue Bonds due in annual installments  
through 2045: interest at 3.00% - 5.00%      \$58,825,000

In the previous years, a portion of the Gulf Breeze 1985C loan was committed to funding the construction of a construction garage. This loan was paid in full during fiscal year 2016. Parking Enterprise Fund operating indicators are noted below:

	<b><u>9/30/16</u></b>
<b>Number of Parking Garages</b>	<u>10</u>
<b>Number of Parking Spaces:</b>	
On-Street (Metered)	4,468
Off-Street Lots	4,655
Garages and attended lots	<u>6,965*</u>
Total	<u>16,088</u>

\* This includes 876 spaces for the preferred lot. These spaces are not fully available due to the Convention Center construction; however, limited revenue is still received for the use of the lot.

[Balance of page intentionally left blank]

## **Parking Rates**

On-Street Meters: The rates at on-street meters are \$1.00 per hour in the West Middle and North Beach Parking Zones; \$3.00 per hour in the East Middle Beach Parking Zone and \$ \$4.00 per hour in the South Beach Parking Zone. 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 \$2.00 per hour in the East Middle and South Beach Parking Zones and \$1.00 per hour in the West Middle and North Beach Parking Zones. 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 7th Street, 12th Street, 13th 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 \$100.00 per month plus tax for all garages except the 42nd Street Garage which is at the rate of \$70.00 per month plus tax. Storage in municipal parking garages is prohibited. The 42nd Street Garage charges \$1.00 per hour up to twenty-four hours with a maximum of \$8.00 for the entire day. The 17th Street Garage and the City Hall 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 16th 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.

[Balance of page intentionally left blank]

**City of Miami Beach, Florida**  
**Table of Historical Parking System Net Revenues,**  
**Debt Service, and Debt Service Coverage**  
**Fiscal Years Ending September 30, 2007 Through September 30, 2016**  
**(Thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	\$ 31,571	\$ 31,417	\$ 33,478	\$ 35,449	\$ 40,663	\$ 42,818	\$ 44,305	\$ 40,467	\$ 42,741	\$ 52,264
Current Expenses	17,741	19,612	19,908	20,579	21,017	21,861	23,669	27,387	27,066	31,863
Net Revenues (Available for Debt Service)	13,830	11,805	13,570	14,870	19,646	20,957	20,636	13,080	15,675	20,401
Debt Service	2,969	2,967	2,967	2,968	3,790	4,031	4,023	4,027	3,240	6,113
Debt Service Coverage Ratio	4.66	3.98	4.57	5.01	5.18	5.20	5.13	3.25	4.84	3.34

Source: City of Miami Beach Finance Department

[Balance of page intentionally left blank]

# City of Miami Beach, Florida

## Parking Debt Service Requirements

FY	Series 2010A & B		Series 2015		Total	
	Parking Revenue Bonds		Parking Revenue Bonds		Interest	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,525,000	\$ 1,719,862	\$ 75,000	\$ 2,932,850	\$ 1,600,000	\$ 4,652,712
2018	1,590,000	1,649,113	80,000	2,930,600	1,670,000	4,579,713
2019	1,660,000	1,585,512	80,000	2,927,400	1,740,000	4,512,912
2020	1,725,000	1,519,113	80,000	2,925,000	1,805,000	4,444,113
2021	1,810,000	1,432,862	85,000	2,921,800	1,895,000	4,354,662
2022	1,790,000	1,342,363	200,000	2,919,250	1,990,000	4,261,613
2023	960,000	1,270,762	1,110,000	2,911,250	2,070,000	4,182,012
2024	1,000,000	1,231,163	1,165,000	2,855,750	2,165,000	4,086,913
2025	1,045,000	1,188,662	1,220,000	2,797,500	2,265,000	3,986,162
2026	1,095,000	1,139,019	1,280,000	2,736,500	2,375,000	3,875,519
2027	1,145,000	1,088,375	1,345,000	2,672,500	2,490,000	3,760,875
2028	1,195,000	1,035,419	1,415,000	2,605,250	2,610,000	3,640,669
2029	1,250,000	980,150	1,485,000	2,534,500	2,735,000	3,514,650
2030	1,310,000	922,337	1,560,000	2,460,250	2,870,000	3,382,587
2031	1,370,000	861,750	1,635,000	2,382,250	3,005,000	3,244,000
2032	1,440,000	793,250	1,715,000	2,300,500	3,155,000	3,093,750
2033	1,510,000	721,250	1,805,000	2,214,750	3,315,000	2,936,000
2034	1,585,000	645,750	1,895,000	2,124,500	3,480,000	2,770,250
2035	1,665,000	566,500	1,990,000	2,029,750	3,655,000	2,596,250
2036	1,750,000	483,250	2,090,000	1,930,250	3,840,000	2,413,500
2037	1,835,000	395,750	2,195,000	1,825,750	4,030,000	2,221,500
2038	1,930,000	304,000	2,300,000	1,716,000	4,230,000	2,020,000
2039	2,025,000	207,500	2,415,000	1,601,000	4,440,000	1,808,500
2040	2,125,000	106,250	2,540,000	1,480,250	4,665,000	1,586,500
2041	-	-	4,900,000	1,353,250	4,900,000	1,353,250
2042	-	-	5,140,000	1,108,250	5,140,000	1,108,250
2043	-	-	5,400,000	851,250	5,400,000	851,250
2044	-	-	5,670,000	581,250	5,670,000	581,250
2045	-	-	5,955,000	297,750	5,955,000	297,750
	\$ 36,335,000	\$ 23,189,962	\$ 58,825,000	\$ 62,927,150	\$ 95,160,000	\$ 86,117,112
						\$ 181,277,112



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

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 2016.

### **Reduction of Parking System**

There were no reductions in parking spaces during Fiscal Year 2016.

### **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 February 2017, the City of Miami Beach hired John Woodruff to act as the new Chief Financial Officer. Among other responsibilities, Woodruff 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 Mr. Woodruff.

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.

John Woodruff was appointed Chief Financial Officer (CFO) for the City of Miami Beach in February 2017. Prior to becoming CFO, he served as Budget Director for the City of San Antonio, Texas

for one year. John had previously served as the Director of the City of Miami Beach's Office of Budget & Performance Improvement, which includes the City's Internal Audit function, from 2013 to 2016. He also served as Interim CFO for four months in 2015 and 2016. In addition, John served as Budget Director in Pinellas County for five years. John has an MBA in International Business and is a member of the International City/County Management Association.

[Balance of page intentionally left blank]

## 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, 2016, the current rate was \$1.7341 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, 2016, the current dry season charge was \$2.4394 per thousand gallons and the current wet season charge was \$3.1364 per thousand gallons.

### Rates, Fees and Charges

On September 10, 2015, 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 #2015-3967):

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

<b>Size of Meter</b>	<b>Gallons of Water per Month</b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
¾"	5,000	\$ 16.15	\$ 19.40	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 21.80	\$ 22.15	\$ 23.04
1"	7,000	22.61	27.16	30.52	30.52	30.52	30.52	30.52	30.52	31.01	32.25
1½"	11,000	35.53	42.68	47.96	47.96	47.96	47.96	47.96	47.96	48.73	50.68
2"	17,000	54.91	65.96	74.12	74.12	74.12	74.12	74.12	74.12	75.31	78.32
3"	40,000	129.20	155.20	174.40	174.40	174.40	174.40	174.40	174.40	177.20	184.29
4"	80,000	258.40	310.40	348.80	348.80	348.80	348.80	348.80	348.80	354.40	368.58
6"	120,000	387.60	465.60	523.30	523.30	523.30	523.30	523.30	523.30	531.60	552.86
8"	200,000	646.00	776.00	872.00	872.00	872.00	872.00	872.00	872.00	886.00	921.44

[Balance of page intentionally left blank]

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	\$ 4.43	\$ 4.61

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	\$ 6.34	\$ 7.55	\$ 8.23

### **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.

[Balance of page intentionally left blank]

**City of Miami Beach, Florida**  
**Table of Historical Water and Sewer Utility Net Revenues,**  
**Debt Service, and Debt Service Coverage**  
**Fiscal Years Ending September 2007 through September 30, 2016 (Thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Water	\$ 23,031	\$ 25,552	\$ 30,889	\$ 33,424	\$ 33,844	\$ 33,623	\$ 32,819	\$ 33,306	\$ 34,246	\$ 35,429
Wastewater	28,150	28,814	33,471	36,208	35,243	35,000	35,565	36,094	41,873	45,435
Total Revenues	<u>\$ 51,181</u>	<u>\$ 54,366</u>	<u>\$ 64,360</u>	<u>\$ 69,632</u>	<u>\$ 69,087</u>	<u>\$ 68,623</u>	<u>\$ 68,384</u>	<u>\$ 69,400</u>	<u>\$ 76,119</u>	<u>\$ 80,864</u>
Current Expenses:										
Water	\$ 16,568	\$ 17,681	\$ 18,712	\$ 21,999	\$ 23,770	\$ 22,917	\$ 23,874	\$ 23,636	\$ 24,087	\$ 25,136
Wastewater	20,249	19,938	20,271	23,832	24,740	23,853	25,864	25,606	29,440	31,988
Total Current Exp.	<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>	<u>\$ 57,124</u>
Net Revenues: (Available for Debt Service)	<u>\$ 14,364</u>	<u>\$ 16,747</u>	<u>\$ 25,377</u>	<u>\$ 23,801</u>	<u>\$ 20,577</u>	<u>\$ 21,853</u>	<u>\$ 18,646</u>	<u>\$ 20,158</u>	<u>\$ 22,592</u>	<u>\$ 23,740</u>
Total Debt Service	<u>\$ 8,752</u>	<u>\$ 8,812</u>	<u>\$ 8,927</u>	<u>\$ 8,812</u>	<u>\$ 9,892</u>	<u>\$ 9,901</u>	<u>\$ 9,918</u>	<u>\$ 8,818</u>	<u>\$ 10,235</u>	<u>\$ 8,882</u>
Debt Service Coverage	<u>1.64</u>	<u>1.90</u>	<u>2.84</u>	<u>2.70</u>	<u>2.08</u>	<u>2.21</u>	<u>1.88</u>	<u>2.29</u>	<u>2.21</u>	<u>2.67</u>

Source: City of Miami Beach Finance Department

[Balance of page intentionally left blank]

## THE STORMWATER UTILITY

### Rates, Fees and Charges

On September 27, 2016, the City Commission amended Article III of Chapter 110 (Stormwater Utility) of the Miami Beach City Code as follows (Ordinance #2016-4040):

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>	<u>2016</u>
Per equivalent residential unit (ERU)	\$ 5.80	\$ 5.80	\$ 7.42	\$ 9.06	\$ 9.06	\$ 9.06	\$ 9.06	\$ 9.06	\$ 16.67	\$ 16.67	\$ 22.67

[Balance of page intentionally left blank]

**City of Miami Beach, Florida**  
**Table of Historical Stormwater Utility Net Revenues,**  
**Debt Service, and Debt Service Coverage**  
**Fiscal Years Ending September 2007 through September 30, 2016**  
**(Thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Budgeted 2017
Revenues:											
Stormwater	\$ 10,248	\$ 8,493	\$ 10,130	\$ 11,444	\$ 11,845	\$ 11,754	\$ 11,779	\$ 11,939	\$ 21,322	\$ 21,833	\$ 28,334
Total Revenues	\$ 10,248	\$ 8,493	\$ 10,130	\$ 11,444	\$ 11,845	\$ 11,754	\$ 11,779	\$ 11,939	\$ 21,322	\$ 21,833	\$ 28,334
Current Expenses:											
Stormwater	\$ 2,458	\$ 3,190	\$ 2,875	\$ 2,717	\$ 3,347	\$ 3,771	\$ 3,012	\$ 3,287	\$ 4,805	\$ 4,467	\$ 7,938
Total Current Exp.	\$ 2,458	\$ 3,190	\$ 2,875	\$ 2,717	\$ 3,347	\$ 3,771	\$ 3,012	\$ 3,287	\$ 4,805	\$ 4,467	\$ 7,938
Net Revenues: (Available for Debt Service)	\$ 7,790	\$ 5,303	\$ 7,255	\$ 8,727	\$ 8,498	\$ 7,983	\$ 8,767	\$ 8,652	\$ 16,517	\$ 17,366	\$ 20,396
Total Debt Service	\$ 3,571	\$ 3,569	\$ 3,570	\$ 3,571	\$ 2,043	\$ 4,837	\$ 5,848	\$ 5,849	\$ 6,828	\$ 11,237	\$ 11,361
Debt Service Coverage	2.18	1.49	2.03	2.44	4.16	1.65	1.50	1.48	2.42	1.55	1.80

Source: City of Miami Beach Finance & Budget Departments

### Comparative Rates

Based on monthly stormwater utility fees for Florida local governments, as compiled in the 2016 Stormwater Utility Report 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 2016 Florida Stormwater Association Report is \$6.57. 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 \$60.00.

The table on the next page lists the Florida local governments included in the 2016 Florida Stormwater Association Report and the stormwater utility fees charged by each governmental entity.

[Balance of page intentionally left blank]

Jurisdiction	Rate/1000 Sq. Ft.
Brevard County	\$1.73
Charlotte County	\$0.25
City of Altamonte Springs	\$2.71
City of Atlantic Beach	\$4.69
City of Boca Raton	\$1.14
City of Boynton Beach	\$2.58
City of Bradenton	\$2.65
City of Cape Canaveral	\$2.41
City of Casselberry	\$3.04
City of Clearwater	\$7.83
City of Clermont	\$0.95
City of Cocoa	\$2.89
City of Cocoa Beach	\$2.76
City of Coconut Creek	\$1.71
City of Cooper City	\$1.67
City of Coral Gables	\$3.75
City of Daytona Beach	\$5.65
City of DeBary	\$2.73
City of Delray Beach	\$2.13
City of Doral	\$2.58
City of Dunedin	\$5.95
City of Edgewater	\$4.44
City of Flagler Beach	\$2.44
City of Fort Meade	\$2.25
City of Fort Myers	\$1.92
City of Fort Pierce	\$2.06
City of Fort Walton Beach	\$1.33
City of Gainesville	\$3.91
City of Gulfport	\$1.57
City of Haines City	\$2.34
City of Hallandale Beach	\$3.50
City of Hialeah	\$1.50
City of Homestead	\$1.69
City of Indian Harbour Beach	\$1.60
City of Jacksonville	\$1.61
City of Jacksonville Beach	\$3.33
City of Key West	\$5.71
City of Kissimmee	\$3.36
City of Lake Mary	\$0.87
City of Lakeland	\$1.20
City of Largo	\$2.95
City of Leesburg	\$2.75
City of Longwood	\$2.07
City of Maitland	\$3.87
City of Margate	\$2.21
City of Melbourne	\$1.47
City of Miami	\$2.94
City of Miami Gardens	\$2.58
City of Minneola	\$3.64
City of Naples	\$6.75
City of Neptune Beach	\$1.58
City of New Port Richey	\$1.28

Jurisdiction	Rate/1000 Sq. Ft.
City of New Smyrna Beach	\$3.94
City of Niceville	\$0.60
City of North Lauderdale	\$1.40
City of North Miami	\$3.52
City of Oakland Park	\$4.64
City of Ocala	\$2.05
City of Oldsmar	\$1.96
City of Orlando	\$5.00
City of Ormond Beach	\$2.67
City of Palm Bay	\$0.97
City of Palm Coast	\$3.16
City of Pensacola	\$1.76
City of Pompano Beach	\$1.28
City of Port St. Lucie	\$5.59
City of Riviera Beach	\$4.69
City of Rockledge	\$1.45
City of Safety Harbor	\$3.89
City of Sanford	\$3.88
City of Satellite Beach	\$2.89
City of Sebastian	\$1.52
City of St. Petersburg	\$2.52
City of Stuart	\$1.07
City of Sweetwater	\$2.74
City of Tallahassee	\$3.99
City of Tamarac	\$5.02
City of Tampa	\$2.06
City of Tavares	\$2.21
City of Titusville	\$2.11
City of Umatilla	\$1.33
City of West Melbourne	\$1.20
City of West Miami	\$1.79
City of West Palm Beach	\$4.89
City of Wilton Manors	\$1.26
City of Winter Park	\$4.97
City of Winter Springs	\$2.59
Leon County	\$2.16
Marion County	\$0.55
Miami-Dade County	\$2.58
Pasco County	\$1.64
Pinellas County	\$4.19
Sarasota County	\$2.39
Town of Bay Harbor Islands	\$3.23
Town of Belleair	\$2.18
Town of Cutler Bay	\$2.58
Town of Jupiter	\$1.72
Town of Melbourne Beach	\$1.20
Town of Redington Shores	\$1.14
Town of Surfside	\$4.12
Village of Indian Creek	\$1.00
Village of Key Biscayne	\$12.33
Village of Pinecrest	\$5.17
Volusia County	\$2.16

The following is additional Annual Financial Information as required by the Series 2015 Resort Tax Bonds that were issued on December 15, 2015, during fiscal year 2016. The Annual Financial Information for the Series 2015 Parking Bonds is incorporated within the Parking Annual Financial Information commencing on page 9.



## RESORT TAX BONDS

Set forth below is a summary of Resort Tax Revenues by source for Fiscal Year 2012 through 2016 and projected for Fiscal Year 2017.

Source of Resort Tax Revenue	<u>2012 <sup>(1)</sup></u>	<u>2013 <sup>(1)</sup></u>	<u>2014 <sup>(1)</sup></u>	<u>2015 <sup>(1)</sup></u>	<u>2016 <sup>(1)</sup></u>	Sept. 30 <u>2017 <sup>(2)</sup></u>
3% on Transient Rentals	\$ 29,616,708	\$ 33,367,131	\$ 35,315,559	\$ 38,281,053	40,764,409	\$ 42,195,000
1% Additional Tax on Transient Rentals for Debt Service	-	-	-	-	11,836,117	13,000,000
2% on Food and Beverages	24,303,459	25,250,861	26,444,959	29,718,863	30,032,618	31,209,000
Total	<u>\$ 53,920,167</u>	<u>\$ 58,617,992</u>	<u>\$ 61,760,518</u>	<u>\$ 67,999,916</u>	<u>82,633,144</u>	<u>\$ 86,404,000</u>

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 2017.

[Balance of page intentionally left blank]

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 Year</u>	<u>Resort Tax Revenues</u>	<u>Maximum Annual Debt Service on Series 2015 Bonds <sup>(1)</sup></u>	<u>Coverage on Maximum Annual Debt Service on 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	82,754,779	12,454,750	6.64
2017 <sup>(2)</sup>	86,722,000	12,454,750	6.96
2018 <sup>(3)</sup>	86,722,000	12,454,750	6.96
2019 <sup>(3)</sup>	86,722,000	12,454,750	6.96
2020 <sup>(3)</sup>	86,722,000	12,454,750	6.96

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 2017, 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 2017; 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 2017.

# **MUNICIPAL SECURITY DISCLOSURE**

## **Miami Beach Redevelopment Agency**

For the Fiscal Year Ended September 30, 2016



Prepared by:  
The City of Miami Beach Finance Department  
1700 Convention Center Drive, Miami Beach, Florida • 33139  
Tel: (305) 673 – 7466 • Fax: (305) 673 – 7795



MIAMI BEACH

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 23, 2017

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, 2016, 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 and \$9,135,000 Miami Beach Redevelopment Agency, Tax Increment Bonds, Series 1998B (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.
- At September 30, 2016, these bonds are no longer outstanding.

\$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.

- At September 30, 2016, these bonds are no longer outstanding.

\$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.

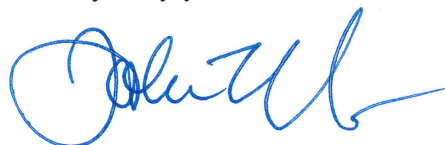
Note: The 1998A, 1998B, 2005A, and 2005B series of bonds were refunded and/or paid off during fiscal year 2016.

Such information and operating data are hereinafter collectively called the "Fiscal Year 2016 Annual Information."

The information is for the Fiscal Year of the Agency ended September 30, 2016, 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 John Woodruff, Chief Financial Officer, 1700 Convention Center Drive, Miami Beach, Florida 33139; Telephone (305) 673-7466.

Very truly yours,



**John Woodruff**

Chief Financial Officer  
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, 2016**

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, 2016 ("Fiscal Year 2016") 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,

\$9,135,000 Miami Beach Redevelopment Agency, Tax Increment Bonds, Series 1998B  
(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),

\$29,330,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding  
Bonds, Series 2005B (City Center/Historic Convention Village),

\$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).

Note: The 1998A, 1998B, 2005A, and 2005B series of bonds were refunded and/or paid off during fiscal year 2016.

The above annual financial information and operating data are hereinafter collectively referred to as the "Fiscal Year 2016 Annual Information."

The Fiscal Year 2016 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 2016 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 2016 Annual Information is indicative of financial operating results of the Agency or the City since the end of Fiscal Year 2016 or future financial or operating results.

**MIAMI BEACH REDEVELOPMENT AGENCY**  
CONTACT: John Woodruff, Chief Financial Officer  
Miami Beach Redevelopment Agency

1700 Convention Center Drive  
Miami Beach, Florida 33139  
Telephone: (305) 673-7466

[Balance of page intentionally left blank]

## **TABLE OF CONTENTS**

INTRODUCTION.....	Page 1
TAX INCREMENT REVENUE BONDS .....	Page 3
Debt Service Coverage.....	Page 3
Historical Taxable Real Property and Tax Increment Revenues.....	Page 4
Release of Pledge of Supplemental Revenues .....	Page 5
Annual Financial Information for the Series 2015 Bonds.....	Page 6
Real Property Assessed Values.....	Page 6
Tax Increment Revenues and Growth.....	Page 7
Historical Trust Fund Revenues, Debt Service on Bonds, and Debt Service Coverage.....	Page 8
Debt Service Schedule for the Series 2015 Bonds and Any New Debt Payable from the Pledged Funds.....	Page 9

[Balance of page intentionally left blank]



## 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"), 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 on July 27, 2005, and Resolution No. 511-2005, adopted by the Chairman and Members of the Miami Beach Redevelopment 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, on October 14, 2015, and Resolution No. 619-2015, adopted by the Chairman and Members of the Miami Beach Redevelopment 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,

\$9,135,000 Miami Beach Redevelopment Agency, Tax Increment Bonds, Series 1998B (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,

\$29,330,000 Miami Beach Redevelopment Agency, Tax Increment Revenue Refunding Bonds, Series 2005B (City Center/Historic Convention Village),

\$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).

Note: The 1998A, 1998B, 2005A, and 2005B series of bonds were refunded and/or paid off during fiscal year 2016.

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.

[Balance of page intentionally left blank]

## 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>			
	2013	2014	2015	2016
Trust Fund Revenues	\$ 32,072,486	\$ 37,456,562	\$ 36,251,898	\$ 42,216,634
Annual Operating and Administration Costs	500,000	500,000	-	-
Net Trust Fund Revenues	31,572,486	36,956,562	36,251,898	42,216,634
Resort Tax Revenues	58,617,992	-	-	-
Supplemental Revenues <sup>(3) (5)</sup>	58,617,992	-	-	-
Total Available for Debt Service <sup>(1)</sup>	90,190,478	36,956,562	36,251,898	42,216,634
Series 1998 Bonds Debt Service <sup>(2)(4)</sup>	668,000	668,000	668,000	-
Series 2005 Bonds Debt Service <sup>(4)</sup>	7,729,766	7,735,739	7,746,103	-
Series 2015 Bonds Debt Service	-	-	-	16,669,815
Total Debt Service	8,397,766	8,403,739	8,414,103	16,669,815
Coverage Ratio	10.74	4.40	4.31	2.53

Source: City of Miami Beach Finance Department

<sup>(1)</sup> Net Trust Fund Revenues plus Supplemental Revenues.

<sup>(2)</sup> The Series 1998B Bonds matured on December 1, 2008.

<sup>(3)</sup> The lien upon and pledge of the Supplemental Revenues to secure payment

<sup>(4)</sup> These bonds were refunded in fiscal year 2016.

<sup>(5)</sup> The Resort Tax Revenue pledge was released at 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 2016:

### Miami Beach Redevelopment Agency Historical Taxable Real Property and Tax Increment Revenues City Center Historic Convention Village

<u>Tax Year</u> (FY Ended Sept. 30)	<u>(Preliminary)</u> <u>Total Taxable</u> <u>Real Property</u>	<u>Increment of</u> <u>Taxable Real</u> <u>Property</u>	<u>Annual</u> <u>Change in</u> <u>Taxable</u> <u>Values</u>	<u>County</u> <u>Millage</u>	<u>City</u> <u>Millage</u>	<u>County</u> <u>Payments</u> <u>at 95%</u>	<u>City</u> <u>Payments</u> <u>at 95%</u>	<u>Total Tax</u> <u>Increment</u>
Base/ 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
2016 (FY17)	5,612,744,843	5,320,172,572	16.4%	4.6669	5.7092	23,587,278	28,855,233	52,442,510

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.

[Balance of page intentionally left blank]

## Annual Financial Information for the Series 2015 Bonds

The following is additional Annual Financial Information as required by the 2015 Bonds that were issued on December 15, 2015, during the fiscal year ended September 30, 2016.

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 Year As of January 1	Fiscal Year Ended September 30	A	Percentage	B	= A - B	Percentage	Dollar
		Gross Taxable Value <sup>(1)</sup>	Increase or Decrease Over Prior Year	Base Year Taxable Value <sup>(2)</sup>	Incremental Value <sup>(3)</sup>	Increase or Decrease Over Prior Year	Increase or Decrease Over Prior Year
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
2015	2016	4,821,643,185	15.17	292,572,271	4,529,070,914	16.31	634,960,111

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, 2007 through 2014 and as reflected in the preliminary assessment rolls for the Fiscal Years ended September 30, 2015 and 2016.
- (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.

[Balance of page intentionally left blank]

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>**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Increase (Decrease) in Existing Value					
Existing Value	23.08%	4.91%	8.13%	8.67%	15.34%
Final Gross Taxable Value	\$ 3,385,553,066	\$ 3,551,915,704	\$ 3,840,656,769	\$ 4,173,787,012	\$ 4,813,918,016
Base Year Taxable Value	\$ 3,407,221,550	\$ 3,610,880,289	\$ 3,871,409,731	\$ 4,186,683,074	\$ 4,821,643,185
<b>Increment Taxable Value</b>	<b>(292,572,271)</b>	<b>(292,572,271)</b>	<b>(292,572,271)</b>	<b>(292,572,271)</b>	<b>(292,572,271)</b>
	\$ 3,114,649,279	\$ 3,318,308,018	\$ 3,578,837,460	\$ 3,894,110,803	\$ 4,529,070,914
<b>City of Miami Beach <sup>(2)</sup></b>					
Millage Rate (City)	6.1655	6.0909	5.8634	5.7942	5.7092
Gross Increment Revenue <sup>(3)</sup>	\$ 19,203,370	\$ 20,211,482	\$ 20,984,156	\$ 22,563,257	\$ 25,857,372
Statutory Reduction (5.0%)	(960,169)	(1,010,574)	(1,049,208)	(1,128,163)	(1,292,869)
<b>City Tax Increment Revenue <sup>(3)</sup></b>	<b>18,243,201</b>	<b>19,200,908</b>	<b>19,934,948</b>	<b>21,435,094</b>	<b>24,564,503</b>
<b>Miami-Dade County <sup>(2)</sup></b>					
Millage Rate (County)	4.805	4.7035	4.0735	4.6669	4.6669
Gross Increment Revenue <sup>(3)</sup>	\$ 14,965,890	\$ 15,607,662	\$ 16,833,062	\$ 18,173,426	\$ 21,136,721
Statutory Reduction (5.0%)	(748,295)	(780,383)	(841,653)	(908,671)	(1,056,836)
<b>County Tax Increment Revenue <sup>(3)</sup></b>	<b>14,217,595</b>	<b>14,827,279</b>	<b>15,991,409</b>	<b>17,264,755</b>	<b>20,079,885</b>
<b>Total Tax Increment Revenue <sup>(3)</sup></b>	<b>\$ 32,460,796</b>	<b>\$ 34,028,187</b>	<b>\$ 35,926,357</b>	<b>\$ 38,699,849</b>	<b>\$ 44,644,388</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, 2012 through 2014 and the preliminary assessment rolls for such property for the Fiscal Years ended September 30, 2015 and 2016.
- (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 Ended September 30</u>	<u>Trust Fund Revenue <sup>(1)</sup></u>	<u>Debt Service on Outstanding Prior Bonds <sup>(2)</sup></u>	<u>Debt Service Coverage on Outstanding Prior Bonds <sup>(2)</sup></u>
2007	\$ 67,255,835	\$ 8,359,013	8.05
2008	70,096,698	8,375,554	8.37
2009	70,358,394	8,374,697	8.40
2010	72,608,937	8,393,267	8.65
2011	81,436,306	8,393,254	9.70
2012	84,406,486	8,393,816	10.06
2013	90,190,478	8,397,766	10.74
2014	36,956,562	8,398,000	4.40
2015	36,251,898	8,414,103	4.31
2016	42,216,634	16,669,815	2.53

---

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 Ending September 30	Series 2015A Bonds			Series 2015B Bonds			Total Outstanding 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.