CITY OF HIALEAH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

CITY OF HIALEAH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2014

Prepared by:

Finance Department

CITY OF HIALEAH, FLORIDA

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INTRODUCTORY SECTION

Carlos Hernandez
Mayor

Isis Garcia-Martinez
Council President

Luis E. Gonzalez
Council Vice President

Council Members

Jose F. Caragol
Vivian Casals-Muñoz
Lourdes Lozano
Katharine Cue
Paul B. Hernandez

City of Hialeah

June 30, 2015

To the Members of the City Council and Residents of the City of Hialeah:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Hialeah, Florida, for the fiscal year ending September 30, 2014. The financial statements included in this report conform to generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The City of Hialeah's financial statements have been audited by Alberni, Caballero & Fierman, LLP Certified Public Accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hialeah's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

This report consists of management's representation concerning the finances of the City of Hialeah. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Hialeah has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Hialeah's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Hialeah's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Hialeah's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Hialeah was incorporated in 1925 by the laws of the State of Florida contained in Chapter 11516 Special Acts of 1925. The City of Hialeah occupies a land area of 23 square miles and serves a population of approximately 234,000 residents. The City of Hialeah has operated under a strong mayor form of government since its inception. Policy making and legislative authority are vested in a governing council consisting of a seven member council. The council is responsible for, among other things, passing ordinances and adopting the budget.

The Mayor is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the government, and appointing the heads of various departments.

The City of Hialeah offers a wide range of services, including, public safety (police and fire), public works, streets, water and wastewater, sanitation, social services, cultural activities, public improvements, planning and zoning, libraries and educational services, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

Each fiscal year provides the City an opportunity to identify, address and resolve issues facing our community and our citizens. The City's major challenges are to provide the infrastructure and services needed to maintain the quality of life, which has attracted considerable growth to our economy. The City continues to emphasize the support of systems such as transportation, public safety (police and fire), storm water management, potable (drinking) water, waste treatment and solid waste collection which must be balanced carefully with the quality of life amenities which include parks and recreation, entertainment and cultural opportunities to maintain the beauty and attractiveness of our community.

In the past year, home taxable values in the City of Hialeah have declined approximately 3.5% based on the Miami Dade County Property Appraiser's Office assessments. Nevertheless, the City continues to maintain a stable economic base despite the negative impacts of property tax reform and a slowing housing market being felt nationwide. As our tax rolls decline, we have honored our commitment to the residents and have not increased the millage rate above the levels that have been set by the Administration for the last two (2) years. The following discussion is intended to demonstrate the growth and vitality of the City and to address the challenges and concerns of the near future.

Annexation Area - In 2005 the City of Hialeah annexed from Miami Dade County an area located along the northwest corner of the City of Hialeah between Highway I-75 and the Florida Turnpike lying directly to the west of City. The Annexation Area consists of 1,890 acres of land, of which, a third has been designated for residential use and two-thirds have been designated for commercial and industrial use. As part of the inter-local agreement between the City and Miami-Dade County, the City will provide the necessary regional pre-development infrastructure, including: water and sewer services, road improvements, and regional recreational facilities. The Annexation Area will provide continued strong economic growth to the City of Hialeah by expanding its revenue base and maximizing the land use within its borders. Current development began in fiscal 2013 and as of the date of this report several projects have been completed and others are well underway in the construction phase.

MAJOR INNITIATIVES AND PROGRAMS

The City's emphasis has been to restore, maintain and beautify urban and residential infrastructure through a program of major renovations and improvements to City parks, streets, sidewalks and development of affordable housing projects and improving the operational efficiency of the City.

Setting our sights for the future, the City will continue allocating resources to the development of our annexed area in fiscal year 2015. The City of Hialeah has completed the construction of several projects for the necessary water, sewer and roadway infrastructure in the annexation area; this work continues to date. The City is also continuing with the ongoing program to repair and modernize sewer pump stations around the City in accordance with the State of Florida and Miami Dade County Consent Orders. These stations are upgraded with the latest state-of-the-art pumps and control systems enhancing an already efficient water and sewer department. The City's Water and Sewer Department is also working on retrofitting the City's sewer lines to avoid filtration into the underground pipes, which increases the amount of sewer waste. Completion of this project will reduce expenses in the long-run by reducing the amount paid by the City in water dumping fees.

RELEVANT FINANCIAL POLICIES

Budgetary Controls – The annual budget serves as a foundation for the City of Hialeah financial planning and control. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States. The City follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements. Prior to September 1, the Mayor submits to the City Council a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance. Upon request of the Mayor, the City Council may transfer, at any time, any part of an unencumbered balance of an appropriation within a department. Upon request of the Mayor and only after the first six months of the budget year have passed, the City Council, in the form of a resolution, may transfer any part of the unencumbered balance of an appropriation between departments.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and shall be subject to future appropriations. The legal level of control is at the department level. The City Council approves supplemental appropriations. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted.

Risk Management – The City administers a self-insurance program for workers' compensation, general liability, and group health insurance programs, subject to certain stop-loss provisions. The health insurance program is administered by an independent administrator. The workers' compensation and liability programs are administered by a separate administrator. For group health insurance, the City funds the program on a pay as you go basis. Insurance coverage is maintained with independent carriers for property damage to City facilities. The City maintains stop-loss coverage with an independent carrier for the City's self-funded group health plan.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hialeah for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. This was the seventh consecutive year that the City of Hialeah has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our 2014 Comprehensive Annual Financial Report continues to meet the high standards of the Certificate of Achievement Program requirements and we are submitting it to the GFOA for consideration of the award certificate.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the Office of Management and Budget and the City's audit firm, Alberni, Caballero & Fierman, LLP. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Hialeah's finances.

Respectfully submitted,

Carlos Hernandez
Mayor

Javier Collazo
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hialeah
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF HIALEAH, FLORIDA

List of Elected City Officials

September 30, 2014

Strong Mayor Form of Government

<u>CITY COUNCIL</u>

Carlos Hernandez, Mayor

Isis Garcia-Martinez, Council President

Luis E. Gonzalez, Council Vice President

Jose F. Caragol

Vivian Casals-Muñoz

Paul B. Hernandez

Katharine E. Cue-Fuente

Lourdes Lozano

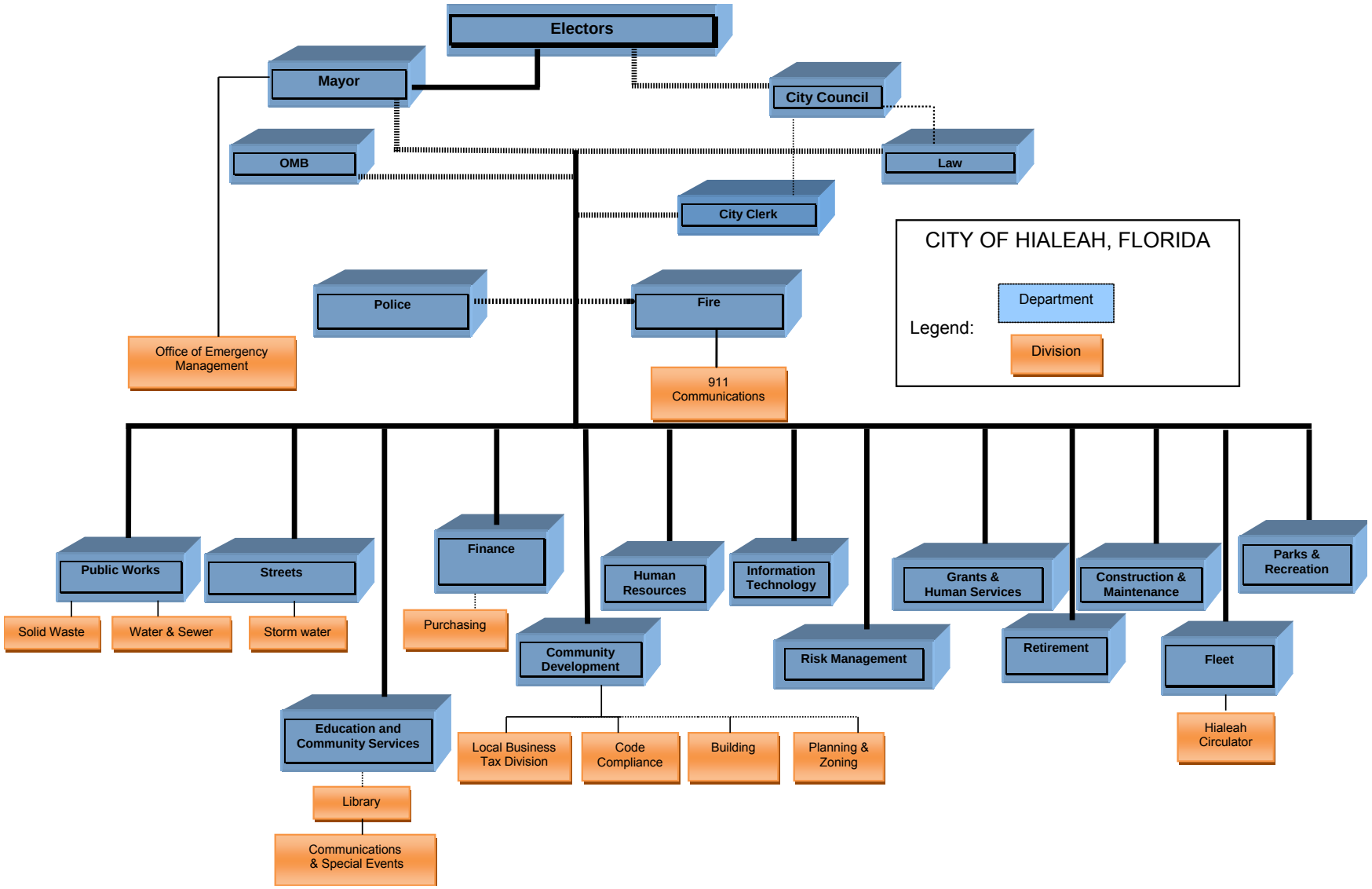
Prepared by:

Finance Department and Administration

CITY OF HIALEAH, FLORIDA

ORGANIZATIONAL CHART

SEPTEMBER 30, 2014



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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ACCOUNTANTS • ADVISORS

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Hialeah, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities and Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.

As discussed in Note 14 to the financial statements, Management analyzed GASB Statement No. 67 and determined that the Deferred Retirement Option Program (DROP) liability recorded in the previous year did not meet the criteria of a liability. The beginning net position held in trust for pension benefits has been restated by $9,325,968 to include the investments and the activity held in the DROP as of October 1, 2013. Further, Management determined that prior period adjustment was required to reflect employer contributions legally due for the prior fiscal year and as a result the net position held in trust for pension benefits and the beginning net position for the general fund have been restated by approximately $3.7 and $3.1 million, respectively.

In addition, the implementation of GASB Statement No. 65 resulted in a restatement of the beginning net position. See note 19 to the financial statements for additional detail.

Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 16 and Budgetary Comparison Schedule, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Investment Returns on pages 79 through 86, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section and schedule of expenditures of federal awards and state financial assistance projects, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organization, and Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards and state financial assistance projects 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 nonmajor fund financial statements, budgetary comparison schedules and schedule of expenditures of federal awards and state financial assistance projects 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 Reporting Required by *Government Auditing Standards*

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

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hialeah, Florida, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014.

Financial Highlights

- The assets and deferred outflows of resources of the City of Hialeah's Governmental and Business-type funds exceed its liabilities and deferred inflows at the close of the most recent fiscal year by $208 million.
- Net position of the City's governmental activities decreased by 6% ($3.6 million) from $57.3 million for last fiscal year, compared to $53.7 million in the current fiscal year. A decrease change in the Net Position for fiscal 2014 of $3.6 million was due primarily to the net change of increases in OPEB liability and claims payable of $7.5 and $3 million, respectively; however, these were offset by decreases in net pension obligation and Long-term liability of $5.4 and $4.2 million, respectively.
- Net position of the City's business-type activities decreased by 7% ($11 million) from $165.7 million compared to $154.5 million in the current fiscal year. The beginning net position and liabilities for the business-type activities were restated by due to interest payments that were not capitalized during the construction phase of the RO Plant. Beginning net position was increased by $3.8 million (note 19).
- The implementation of GASB 65 as stated in Note 19 resulted in a restatement of the beginning net position for governmental activities and business type activities. The respective net position were to be restated to decrease the beginning net position by $1.7 million and $879 thousand to write off capitalized loan cost as of September 30, 2013.
- At the close of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of $26.6 million, an increase of approximately $11.2 million per financial statements.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was approximately $15.4 million, or 88% of the total General Fund Balance. The non-spendable fund balance was $2.2 million which represents inventory and prepaid expenses which are amounts that are not spendable in nature. The $15.4 million of unassigned fund balance is considered undesignated at the closing of the year and are funds available for spending at the government's discretion. It is important for readers to understand that these funds available for spending are essential for long-term commitments and unanticipated contingencies and should not be considered superfluous.

Overview of the Financial Statements

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

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 a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, 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 the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the City include police, fire, streets, grants, bus circulator and human services, state housing initiative, work investment act programs, library, code compliance, licenses, fleet maintenance, construction and maintenance, recreation and community services, planning and development, and general and administrative services. The business type activities of the City include solid waste, water & sewer and storm-water operations. The government-wide financial statements can be found on pages 17-18 of this report.

Fund financial statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable* resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City'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, the reader may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several 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, which is considered to be the major fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison statements have been provided for the General Fund and governmental funds with legally adopted budgets to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 19-21 of this report.

Proprietary funds - The City maintains one type of proprietary fund. *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 solid waste and water & sewer operations.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste, water & sewer and storm-water operations, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 22-26 of this report.

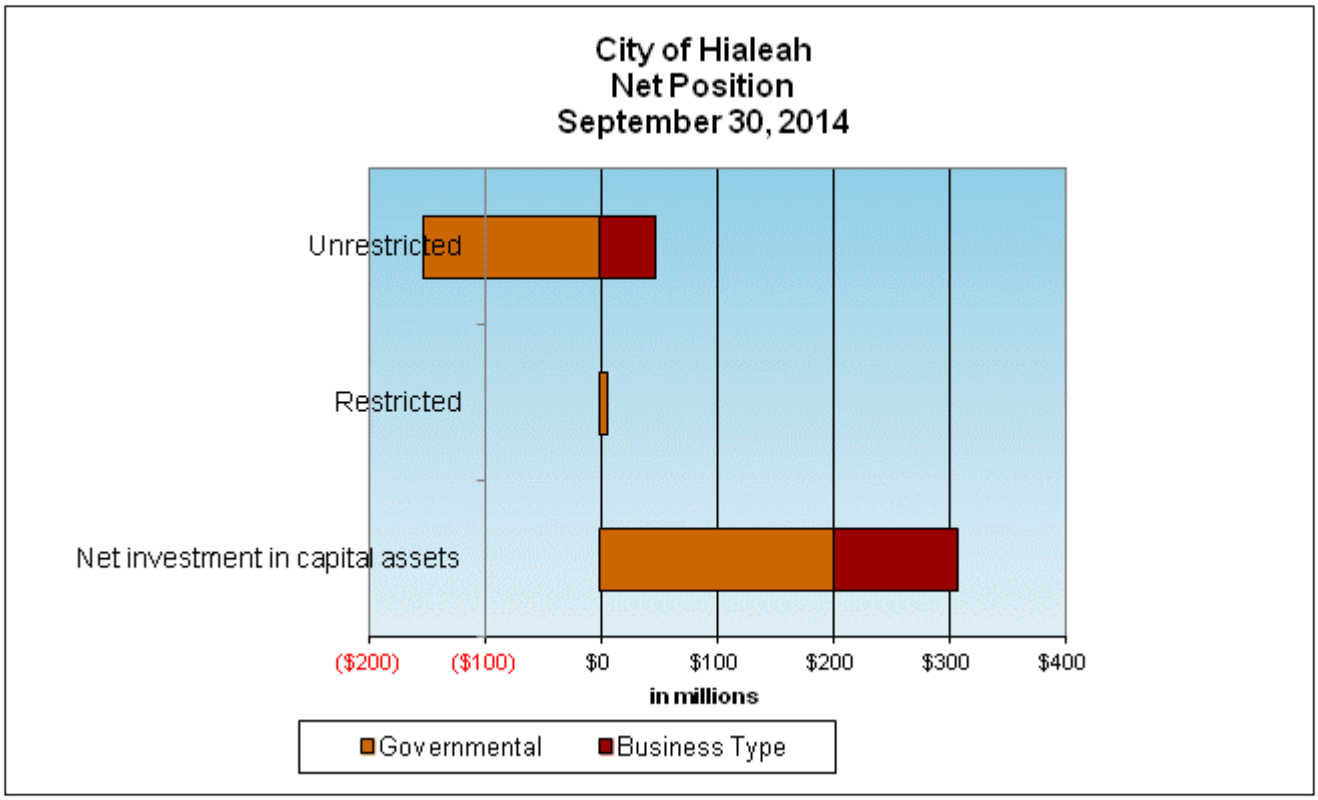
Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29-78 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including, but not limited to, the budgetary comparison schedule of the General Fund and information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 79-86 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 87-115 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Hialeah, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $208 million at the close of the most recent fiscal year. This is a 7.1% decrease compared to last year's net position of $224 million.



CITY OF HIALEAH - NET POSITION	Governmental Activities	Business-type Activities	Total 2014	Governmental Activities	Business-type Activities	Total 2013
Current and other assets	$ 64,581,800	$ 59,608,419	$ 124,190,219	$ 54,883,602	$ 82,343,147	$ 137,226,749
Restricted assets	1,337,378	13,168,384	14,505,762	1,389,383	10,879,245	12,268,628
Capital assets, net	276,655,559	191,196,745	467,852,304	291,082,133	183,387,320	474,469,453
Total assets	342,574,737	263,973,548	606,548,285	347,355,118	276,609,712	623,964,830
Long-term liabilities	239,585,181	81,675,414	321,260,595	238,586,075	81,657,713	320,243,788
Other liabilities	46,985,922	27,709,248	74,695,170	46,681,105	32,246,741	78,927,846
Total liabilities	286,571,103	109,384,662	395,955,765	285,267,180	113,904,454	399,171,634
Deferred Inflows of Resources	2,273,176	-	2,273,176	-	-	-
Net Position						
Net investment in capital assets	200,596,082	122,274,496	322,870,578	211,571,226	116,770,648	328,341,874
Restricted	7,643,866	-	7,643,866	7,703,518	-	7,703,518
Unrestricted	(154,509,490)	32,314,390	(122,195,100)	(157,186,806)	45,934,610	(111,252,196)
Total net position	$ 53,730,458	$ 154,588,886	$ 208,319,344	$ 62,087,938	$ 162,705,258	$ 224,793,196

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, they 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 represents resources that are subject to external restrictions on how they may be used. The remaining balance is considered unrestricted net position and that amount is a negative $154.5 million. This figure illustrates that if all liabilities became due at this point in time, total assets would be insufficient to cover all our obligations. Capital assets of the City would need to be sold in order to meet contingencies.

Net position of the City's governmental activities decreased by 6.3% ($3.6million) from $57.3 million for last fiscal year, compared to $53.7 million in the current fiscal year. See detailed explanation under Financial Highlights.

Net position of the City's business-type activities decreased by 8% ($11.1 million) from $165.7 million for last fiscal year, compared to $154.5 million in the current fiscal year.

CITY OF HIALEAH - CHANGES IN NET POSITION	Governmental Activities	Business-type Activities	Total 2014	Governmental Activities	Business-type Activities	Total 2013
Revenues:						
Program revenues:						
Charges for services	$ 24,987,843	$ 73,171,642	$ 98,159,485	$ 26,600,182	$ 68,575,726	$ 95,175,908
Operating grants & contributions	24,576,496	-	24,576,496	21,651,822	-	21,651,822
Capital grants & contributions	9,019,257	502,578	9,521,835	26,000,214	538,297	26,538,511
General Revenues:						
Property taxes	41,424,199	-	41,424,199	41,687,822	-	41,687,822
Utility taxes	22,487,398	-	22,487,398	21,909,541	-	21,909,541
Franchise fees on gross receipts	15,370,782	-	15,370,782	10,277,964	-	10,277,964
Intergovernmental revenue	25,094,317	-	25,094,317	23,733,372	-	23,733,372
Unrealized loss on investments	-	414,486	414,486			
Gain on disposal of capital assets	(1,434,185)			163,973		
Unrestricted interest	7,600	475,934	483,534	14,745	(316,354)	(301,609)
Total revenues	161,533,707	74,564,640	236,098,347	172,039,635	68,797,669	240,837,304
Expenses:						
General government	72,876,508	-	72,876,508	68,161,389	-	68,161,389
Police	43,375,725	-	43,375,725	43,436,364	-	43,436,364
Fire	38,604,552	-	38,604,552	39,443,585	-	39,443,585
Streets	11,842,353	-	11,842,353	11,985,507	-	11,985,507
Recreation & community service	10,239,608	-	10,239,608	10,665,547	-	10,665,547
Interest on long-term debt	3,179,767	-	3,179,767	4,538,607	-	4,538,607
Water & sewer	-	49,789,756	49,789,756	-	45,991,989	45,991,989
Solid waste	-	15,552,864	15,552,864	-	18,232,547	18,232,547
Stormwater	-	5,299,992	5,299,992	-	4,672,609	4,672,609
Total expenses	180,118,513	70,642,612	250,761,125	178,230,999	68,897,145	247,128,144
Transfers	15,033,525	(15,033,525)	-	-	-	-
Change in net position	(3,551,281)	(11,111,497)	(14,662,778)	(6,191,364)	(99,476)	(6,290,840)
Net position-beginning	57,281,739	165,700,383	222,982,122	68,279,302	162,804,734	231,084,036
Net position-ending	$ 53,730,458	$ 154,588,886	$ 208,319,344	$ 62,087,938	$ 162,705,258	$ 224,793,196

Governmental activities - Governmental activities decreased the City's net position by $3.6 million. This change in the Net Position for fiscal 2014 of $3.6 million was due primarily to the net change of increases in OPEB liability and claims payable of $7.5 and $3 million, respectively; however, these were offset by decreases in net pension obligation and Long-term liability of $5.4 and 4.2 million, respectively. In addition, the October 1, 2013 beginning net position and liabilities were restated for the government activities by a decrease in beginning net position and increase in liabilities of $3.1 million for the underfunded portion of the City's contribution to the pension plan (note 19); and the implementation of GASB 65 resulted in a restatement of the beginning net positon of $1.6 million to write off capitalized loan costs. These changes reported in the statement of activities do not require the use of current financial resources.

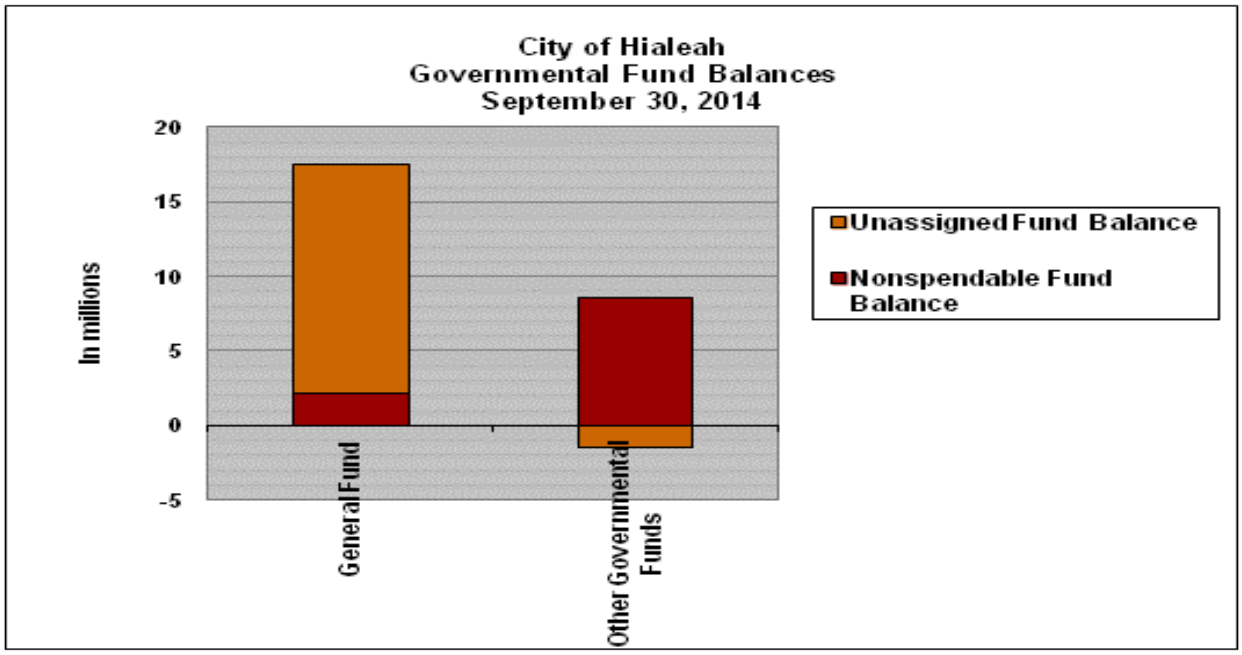
Revenues in ad valorem taxes decreased by approximately $263 thousand in the current fiscal year; this was due to a decrease in the assessed property values within the City by the Miami-Dade County Property Appraisers' Office. This continues to be a challenge for the City of Hialeah to maintain the high level of services while revenues continue to decrease in the current economic crisis. Yet despite these issues, the City of Hialeah remains determine to maintain its promise not to raise taxes and in fact it maintained the City's millage rate of 6.3018 from the prior will remain the same for the coming fiscal year.

Business-type activities - Net position of the City's business-type activities decreased by $11 million in the current fiscal year. The beginning net position and capital assets for the business-type activities on October 1, 2013 were restated due to interest payments that were not capitalized during the construction phase of the RO Plant. Beginning net position was increased by $3.8 million (note 19). Current year operating loss for the Solid Waste fund of $15.6 million was due to the net effect of the internal transfer of assets approved by the City Council on December 10, 2013 comprising of 35.438 acres improved with buildings in the amount of $19 million intended to be utilized the Solid Waste as part of the privatization of trash collection within the fund to lease the building and a portion of the land to the private hauler for use of its contracted service; and to relocate and consolidate its fleet with the City fleet and to lease vacant land to a third party for a recycling/trash transfer station. In addition, the implementation of GASB 65 resulted in a restatement of the beginning net positon of the business type activities of $879 thousand to write off capitalized loan costs.

Financial Analysis of the City's Funds

As noted earlier, the City of Hialeah uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

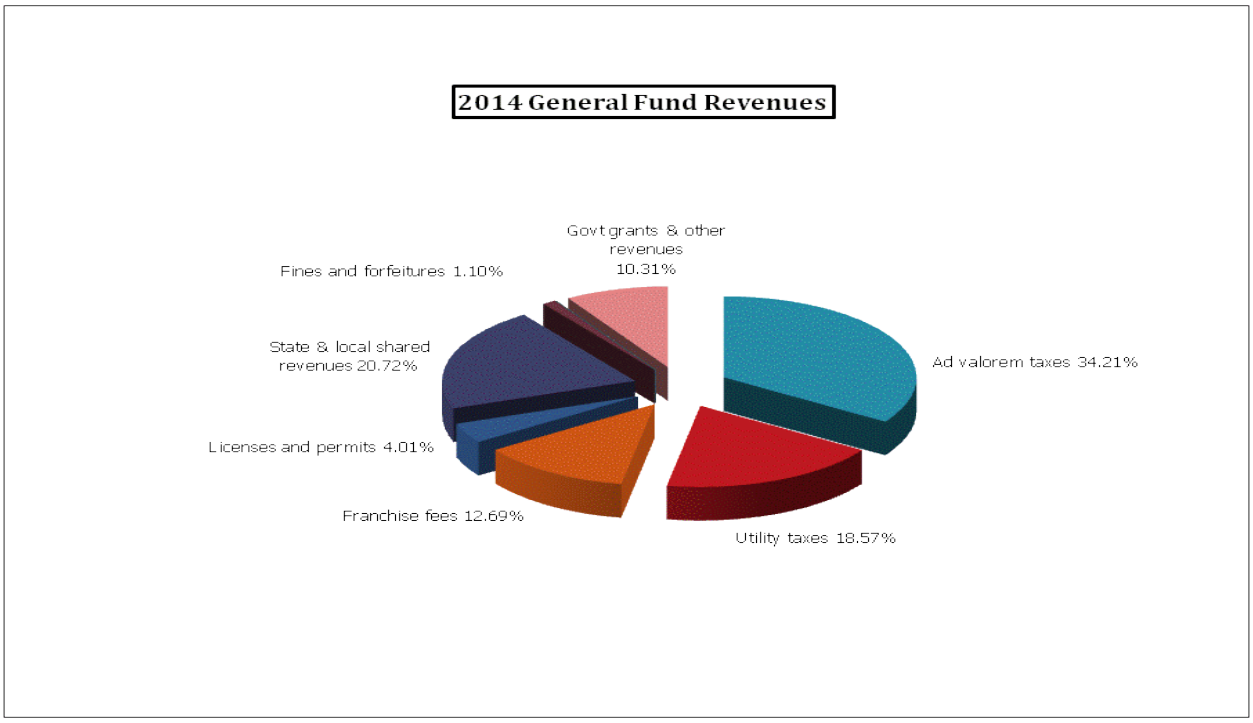


As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of $26.6 million, an increase of approximately $11.2 million. The individual *statement of revenues, expenditures and changes in fund balances* for nonmajor governmental funds can be found on pages 85-88 of this report.

Unassigned fund balance in the amount of $15.3 million in the General Fund constitutes amount which is available for spending as explained earlier under Financial Highlights. The remainder of fund balance is *non-spendable* to indicate it is not available for spending because they are in non-spendable form (i.e. inventory and prepaid expenses).
The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund.

The amount of General Fund revenue from various sources, the percentage of the total and the amount of change compared to last fiscal year are shown in the following schedule:

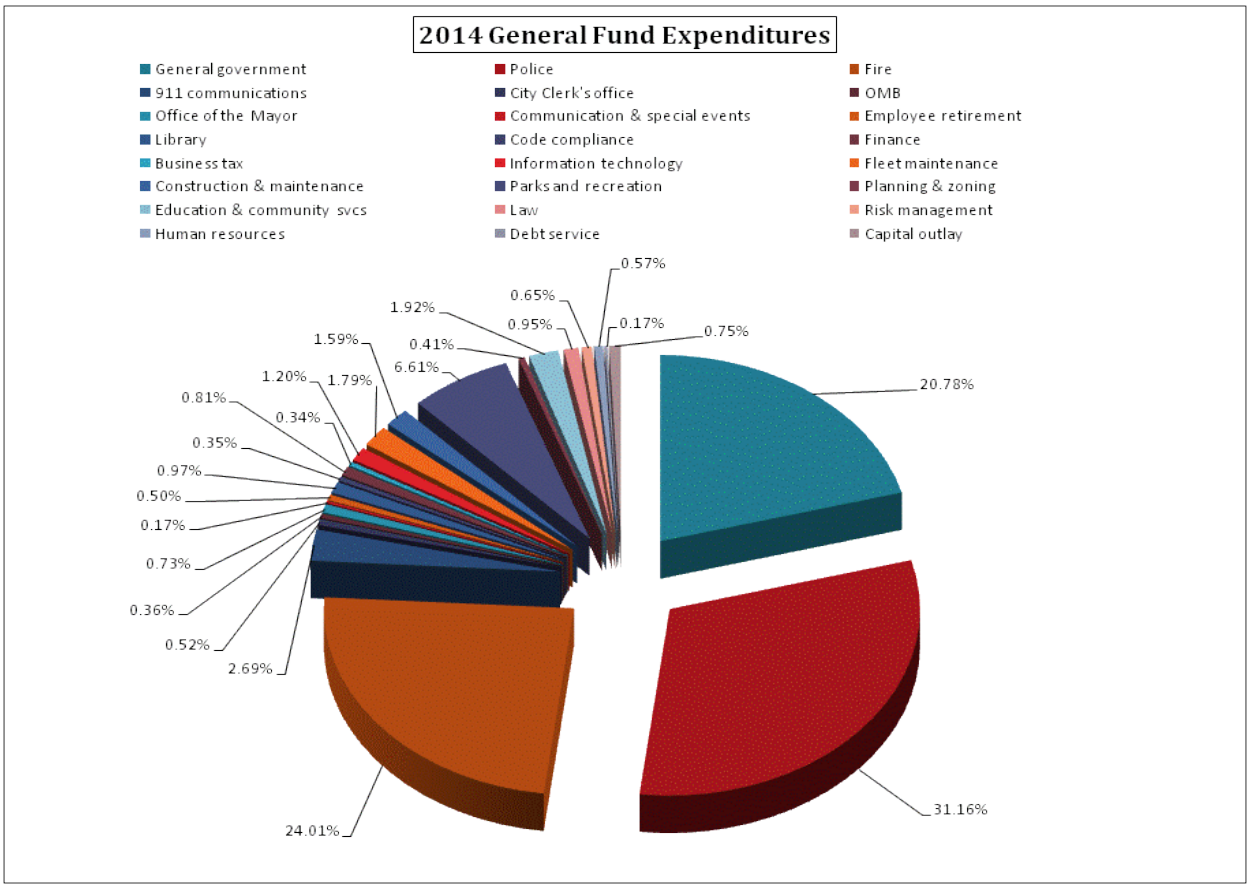
Revenue Sources	2014 Amount	2014 Percent of Total	2013 Amount	2013 Percent of Total	Amount Incr (Decr) from Prior Year	Percent Incr -Decr from Prior Year
Ad valorem taxes	$ 41,424,199	34.21%	$ 41,687,822	35.32%	$ (263,623)	-0.63%
Utility taxes	22,487,398	18.57%	21,909,541	18.56%	577,857	2.64%
Franchise fees	15,370,782	12.69%	10,277,964	8.71%	5,092,818	49.55%
Licenses and permits	4,853,204	4.01%	4,924,571	4.17%	(71,367)	-1.45%
State & local shared revenues	25,094,317	20.72%	23,733,372	20.11%	1,360,945	5.73%
Fines and forfeitures	1,328,469	1.10%	1,197,481	1.01%	130,988	10.94%
Interest	7,498	0.01%	14,096	0.01%	(6,598)	-46.81%
Gov. grants & other revenues	10,516,737	8.69%	14,282,319	12.10%	(3,765,582)	-26.37%
Total	$ 121,082,604	100%	$ 118,027,166	100%	$ 3,055,438	2.59%



Total General Fund revenues increased slightly by $3.1 million or 3% in fiscal year 2014. Although there was a decrease of $3.8 million in government grants and other revenues in 2014; this change was offset by an increase in state and local shared revenues and franchise fees revenues of $1.4 and $5 million, respectively. Consequently, current year General Fund revenues remained relatively consistent in comparison to the prior year; nevertheless, the City of Hialeah remains determined to maintain its services at the highest levels.

Expenditures in the General Fund are shown in the following schedule:

Expenditures	2014	2014 Percent of Total	2013	2013 Percent of Total	Amount Incr (Decr) from Prior Year	Percent Incr -Decr from Prior Year
General government	$ 26,520,903	20.78%	$ 25,015,678	20.69%	$ 1,505,225	6.02%
Police	39,772,491	31.16%	38,292,740	31.67%	1,479,751	3.86%
Fire	30,648,389	24.01%	28,794,425	23.81%	1,853,964	6.44%
911 communications	3,432,867	2.69%	2,842,064	2.35%	590,803	20.79%
City Clerk's office	658,140	0.52%	676,279	0.56%	(18,139)	-2.68%
OMB	461,476	0.36%	494,087	0.41%	(32,611)	-6.60%
Office of the Mayor	927,025	0.73%	441,278	0.36%	485,747	110.08%
Communication & special events	221,436	0.17%	47,427	0.04%	174,009	100.00%
Employee retirement	632,686	0.50%	636,543	0.53%	(3,857)	-0.61%
Library	1,241,652	0.97%	1,124,518	0.93%	117,134	10.42%
Code compliance	447,571	0.35%	392,052	0.32%	55,519	14.16%
Finance	1,032,730	0.81%	880,172	0.73%	152,558	17.33%
Business tax	429,010	0.34%	392,421	0.32%	36,589	9.32%
Information technology	1,532,664	1.20%	1,358,607	1.12%	174,057	12.81%
Fleet maintenance	2,286,994	1.79%	2,052,285	1.70%	234,709	11.44%
Construction & maintenance	2,034,254	1.59%	2,178,352	1.80%	(144,098)	-6.62%
Parks and recreation	8,442,246	6.61%	8,504,481	7.03%	(62,235)	-0.73%
Planning & zoning	528,781	0.41%	484,169	0.40%	44,612	9.21%
Education & community svcs	2,451,185	1.92%	2,171,059	1.80%	280,126	12.90%
Law	1,216,909	0.95%	768,888	0.64%	448,021	58.27%
Risk management	826,743	0.65%	819,238	0.68%	7,505	0.92%
Human resources	731,129	0.57%	513,118	0.42%	218,011	42.49%
Debt service	213,704	0.17%	1,849,607	1.53%	(1,635,903)	-88.45%
Capital outlay	958,573	0.75%	196,364	0.16%	762,209	388.16%
Total	$ 127,649,558	100.00%	$ 120,925,852	100.00%	$ 6,723,706	5.56%



In fiscal year 2014, total General Fund expenditures increased by $6.7 million or 5.6 % as compared to the prior year. This was due to an increase in City wide payroll due to the end of the 7% employee contribution towards health insurance used to offset health insurance costs during the current fiscal year.

Proprietary funds. The City maintains two proprietary funds. *Enterprise funds* are used to provide the same type of information found in the government-wide financial statements, but in more detail. The City uses proprietary funds to account for its water and sewer, storm-water and solid waste operations.

Unrestricted net position of all the enterprise funds at the end of the year amounted to $47 million. Unrestricted net position at the end of the fiscal year for the Water and Sewer Fund, Solid Waste Fund and Stormwater Utility Fund totaled to $53.9 million and a deficit of $10.5 and $3.8 million, respectively. Other factors concerning the finances of these major funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The differences in the *actual* revenues and expenses as *compared* to the *budget* are summarized as follows:

- Ad valorem revenue was lower than budgeted due to a decrease in monies received from Miami Dade Tax Collector's department. Due to the current economic conditions and the lingering decline in the housing market this revenue source continues to be an area of concern for the City.
- Franchise fees collected were higher than budgeted due to newly implemented water and wastewater payment in lieu of a franchise fee from the sale of water and wastewater service to all customers in fiscal year 2014.
- State and local-shared revenues were lower than budgeted due to decrease in Sales tax revenue, which is a major part of this revenue source.
- Total General Fund expenditures were higher than budgeted figures by $446 thousand or less than ½ of 1%.

Differences between the *original budget* and the *final amended budget* for expense accounts increase by $21.9 million an increase of 20% over the original budget.

Capital Assets and Debt Administration

Capital assets - The City's investment in capital assets for its governmental and business type activities as of September 30, 2014 totals $468 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, and machinery and equipment. The total decrease in the City's investment in capital assets for the current fiscal year was 1.3%.

CITY OF HIALEAH - CAPITAL ASSETS (NET OF DEPRECIATION)

	September 30, 2014			September 30, 2013		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
Land	$ 29,694,983	$ 4,202,141	$ 33,897,124	$ 29,967,769	$ 629,356	$ 30,597,125
Construction in progress	1,253,014	52,801,174	54,054,188	13,272,080	48,177,144	61,449,224
Buildings and utility plants	95,643,736	7,993,787	103,637,523	90,338,178	4,484,824	94,823,002
Improvements other than buildings	7,660,538	-	7,660,538	9,407,502	-	9,407,502
Furniture, fixtures, machinery and equipment	11,455,236	1,439,806	12,895,042	12,785,297	2,186,190	14,971,487
Furniture, fixtures, machinery and equipment - Charter School	1,015,309	-	1,015,309	389,721	-	389,721
Infrastructure	129,932,743	124,759,837	254,692,580	134,921,586	127,909,806	262,831,392
Total capital assets	$ 276,655,559	$ 191,196,745	$ 467,852,304	$ 291,082,133	$ 183,387,320	$ 474,469,453

Additions to capital assets before depreciation for governmental activities equaled $11.4 million. The following additions and transfers include the following items:

- Reconstruction and engineering services of various City street projects totaling $3.4 million that were completed during the current fiscal year and were subsequently transferred to the Infrastructure asset group once placed in service. Continued construction and engineering services in progress of several City street projects totaling approximately $1 million at the end of FY 2014.
- Continued construction in progress of several City projects including the 300-units recreation center, the 36-units Elderly Housing, Palm Center 72-units affordable housing project adjacent parking garage totaling approximately $11 million at the end of FY 2014.
- The above additions were offset by the transfer of assets to the business type activities (solid waste fund) in the amount of approximately $4 million. See note 8 Interfund Loan for additional detail.

Additions to capital assets before depreciation for business type activities equaled $7.5 million and include the following items:

- Continued construction in progress of the new reverse osmosis water treatment plant in the annexation area totaling approximately $1.4 million in construction in fiscal year 2014.
- Upgrading or replacing of water mains, repairing and modernizing sewer pump stations around the City in accordance with the State of Florida and Miami-Dade County ongoing program totaling approximately $3.1 million.

Additional information on the City's capital assets can be found in Note 10 starting on page 52 of this report.

Long-term debt - The City's net outstanding debt remained consistent to prior year. Significant changes of the City's net outstanding debt are described in the financial highlights. Additional information on the City's long-term debt can be found in the notes to the financial statements. More in-depth detail can be found on pages 53-60, Note 11.

CITY OF HIALEAH'S OUTSTANDING DEBT

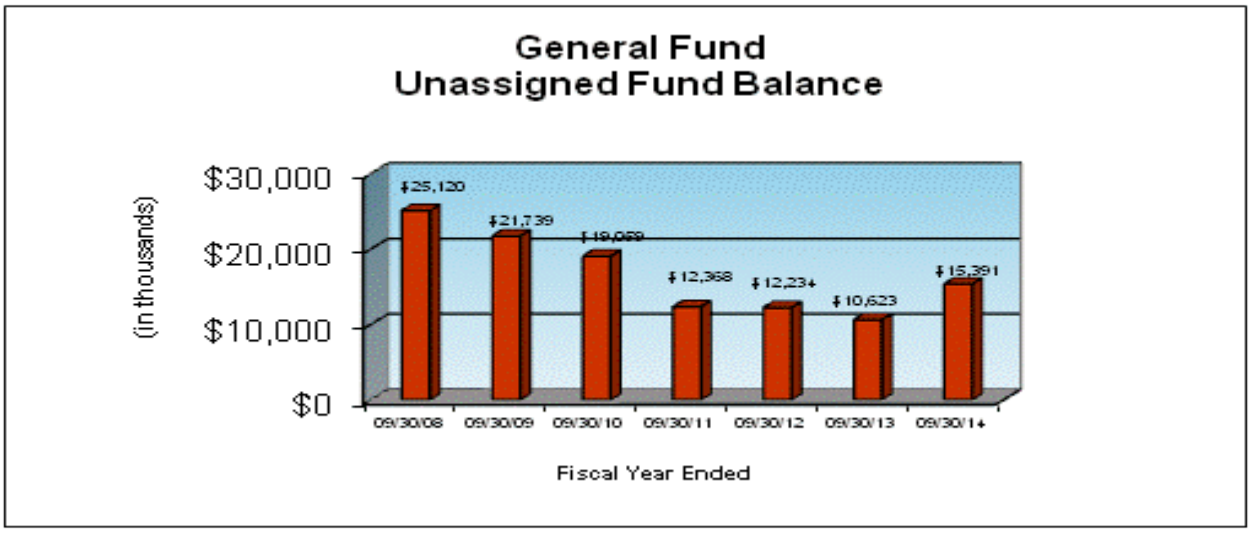
	2014	2013
Bonds payable (W&S)	$ 47,605,000	$ 47,925,000
Notes payable	96,929,205	102,879,261
Other long-term debt	196,943,833	190,665,222
Total	$ 341,478,038	$ 341,469,483

Economic Factors and Next Year's Budgets and Rates

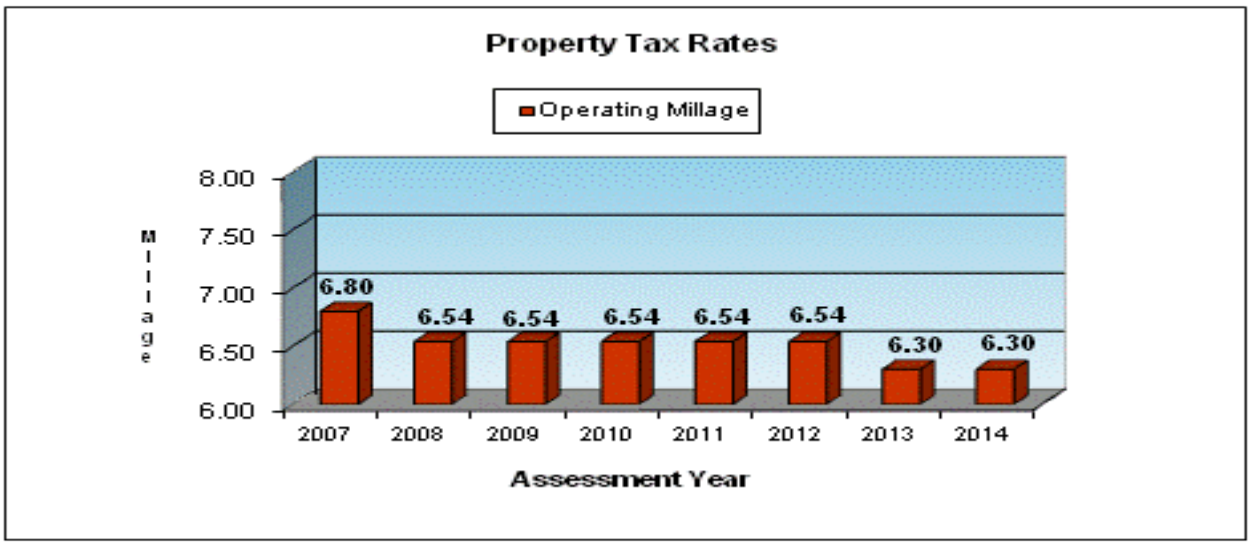
The City's local economy is primarily based upon industrial, light manufacturing and service related companies. The occupancy rates of the City's establishments for these businesses remained at approximately 97%.

During the current fiscal year, unassigned fund balance in the General Fund increased to $15.4 million. The unassigned fund balance of $15.4 million is approximately equal to a little over one month of the General Fund budgeted expenditures for fiscal year 2014-2015.

The following graph shows the City's fund balance for the last seven years:



In 1995, the State of Florida limited all local governments' ability to raise homestead assessed property value in any given year by 3% or cost of living, whichever is lower. As the following graph indicates, the City's property tax rates have been reduced by almost 3/4 of a mill since 2007. The City's operational expenditures, such as salaries, health insurance and pension contributions continue to increase while our revenue resources have become more and more limited. During fiscal year 2013-2014, the City maintained the millage rate at 6.3018 mills, as it was in the previous fiscal year. The City has reduced the cost of government, while maintaining a full complement of municipal services (police, fire, parks, recreation, libraries, education, community services and affordable housing) at optimum levels without the need for additional voter approved debt.



2014 Fiscal Year Accomplishments

During the 2013-2014 fiscal year, the City of Hialeah, has invested its revenues from all sources in a manner that reflects a vision towards the future. This investment will be enjoyed by the current residents of the City as well as future generations. The following list illustrates a sampling of our major accomplishments this year.

- The City has annexed 1,890 acres of land located in the Northwest section of the City and construction of the infrastructure system is underway. The proposed future land use for this area is as follows:
  - 4,395 Residential units
  - 1,651,680 Square Feet Retail/Commercial/Office
  - 7,623,000 Square Feet Industrial
  - 30 to 50 Acre Park
- Water and Sewer Department
  - Completed repairs and rehabilitation to sewage pump stations around the City of Hialeah
  - Completed construction of the new water treatment plant that will provide service to the new annexed area as well as other areas of the County and is expected to be fully operational in fiscal 2015
  - Completed construction of a new Water & Sewer administrative building
- Construction and Maintenance
  - Completed construction of a 36-unit affordable housing project located on 355 East 32 Street
  - Completed construction of a multipurpose facility that will house 72 affordable housing units and an adjacent parking garage for the facility
  - Completed construction of a new 300-units 5,000 square feet recreation center
- Street Department
  - Completion of road construction and resurfacing projects around the City
  - Continue median beautification/maintenance program

Future Outlook

- Water and Sewer Department
  - Continue with ongoing programs to upgrade Sewer Pump Stations
  - Continue with ongoing program of lining an additional 50,000 lineal feet of sewer lines
  - Continue construction of the sanitary sewer system and the water distribution system to service the annexed area and to support development
- Streets Department
  - Continue with road construction and resurfacing projects around the City
  - Continue implementation of median beautification/maintenance program
- Recreation Department
  - Continue construction and completion of major renovations and improvements at various City parks and recreational facilities

Requests for Information

This financial report is designed to provide a general overview of the City of Hialeah's finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Javier Collazo, Finance Director, Finance Department, City of Hialeah, 501 Palm Avenue, Hialeah, Florida 33010. In addition, the City's Comprehensive Annual Financial Report may be obtained through the City's website at http://www.hialeahfl.gov.

BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 26,538,605	$ 27,452,146	$ 53,990,751
Investments	1,389,120	26,368,846	27,757,966
Receivables, net	18,797,721	12,265,455	31,063,176
Notes receivable	2,351,009	-	2,351,009
Net pension asset	2,152,280	-	2,152,280
Internal balances	10,200,878	(10,200,878)	-
Inventories	1,456,224	681,268	2,137,492
Prepaids and other assets	1,695,963	3,041,582	4,737,545
Restricted assets:			
Cash and cash equivalents	1,337,378	9,098,175	10,435,553
Other assets	-	4,070,209	4,070,209
Capital assets:			
Non-depreciable	30,947,997	57,003,315	87,951,312
Depreciable, net of depreciation	245,707,562	134,193,430	379,900,992
Total assets	342,574,737	263,973,548	606,548,285
LIABILITIES			
Accounts payable and other current liabilities	26,555,971	12,661,522	39,217,493
Accrued interest	916,730	-	916,730
Unearned revenue	3,348,276	1,422,536	4,770,812
Liabilities payable from restricted assets	-	9,462,442	9,462,442
Other liabilities	110,250	-	110,250
Non-current liabilities:			
Due within one year	16,054,695	4,162,748	20,217,443
Due in more than one year	239,585,181	81,675,414	321,260,595
Total liabilities	286,571,103	109,384,662	395,955,765
DEFERRED INFLOWS OF RESOURCES			
Business license tax	2,273,176	-	2,273,176
NET POSITION			
Net investment in capital assets	200,596,082	122,274,496	322,870,578
Restricted:			
Capital projects	215,396	-	215,396
Public safety	1,381,167	-	1,381,167
Human services	6,047,303	-	6,047,303
Unrestricted	(154,509,490)	32,314,390	(122,195,100)
Total net position	$ 53,730,458	$ 154,588,886	$ 208,319,344

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 72,876,508	$ 18,589,162	$ 17,385,757	$ 756,204	$ (36,145,385)	$ -	$ (36,145,385)
Police	43,375,725	918,205	1,134,430	24,298	(41,298,792)	-	(41,298,792)
Fire	38,604,552	4,775,600	841,024	1,248,519	(31,739,409)	-	(31,739,409)
Streets	11,842,353	120,024	4,059,080	6,765,759	(897,490)	-	(897,490)
Recreation and community services	10,239,608	584,852	1,156,205	224,477	(8,274,074)	-	(8,274,074)
Interest on long term debt	3,179,767	-	-	-	(3,179,767)	-	(3,179,767)
Total governmental activities	180,118,513	24,987,843	24,576,496	9,019,257	(121,534,917)	-	(121,534,917)
Business-type activities:							
Water and sewer	49,789,756	54,905,792	-	502,578	-	5,618,614	5,618,614
Solid waste	15,552,864	14,969,410	-	-	-	(583,454)	(583,454)
Stormwater	5,299,992	3,296,440	-	-	-	(2,003,552)	(2,003,552)
Total business-type activities	70,642,612	73,171,642	-	502,578	-	3,031,608	3,031,608
	$ 250,761,125	$ 98,159,485	$ 24,576,496	$ 9,521,835	(121,534,917)	3,031,608	(118,503,309)
General revenues:							
Property taxes					41,424,199	-	41,424,199
Utility taxes					22,487,398	-	22,487,398
Franchise fees on gross receipts					15,370,782	-	15,370,782
Intergovernmental revenues not restricted to specific program					25,094,317	-	25,094,317
Unrealized gain on investments					-	414,486	414,486
Loss on disposal of capital assets					(1,434,185)	-	(1,434,185)
Unrestricted interest					7,600	475,934	483,534
Total general revenues					102,950,111	890,420	103,840,531
Transfers					15,033,525	(15,033,525)	-
Change in net position					(3,551,281)	(11,111,497)	(14,662,778)
Net position - beginning (as restated, see Note 19)					57,281,739	165,700,383	222,982,122
Net position - ending					$ 53,730,458	$ 154,588,886	$ 208,319,344

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 25,593,559	$ 945,046	$ 26,538,605
Investments	1,389,120	-	1,389,120
Receivables	10,879,757	7,917,964	18,797,721
Due from other funds	26,806,234	15,038,056	41,844,290
Inventories	1,456,224	-	1,456,224
Prepaids	718,000	977,963	1,695,963
Notes receivable	2,351,009	-	2,351,009
Restricted cash	-	1,337,378	1,337,378
Total assets	$ 69,193,903	$ 26,216,407	$ 95,410,310
LIABILITIES			
Vouchers payable and accrued liabilities	$ 24,356,019	$ 2,199,952	$ 26,555,971
Compensated absences payable	2,006,811	-	2,006,811
Self-insurance claims payable	535,556	-	535,556
Due to other funds	19,979,343	11,664,069	31,643,412
Unearned revenue	2,367,199	3,332,086	5,699,285
Other liabilities	110,250	-	110,250
Total liabilities	49,355,178	17,196,107	66,551,285
DEFERRED INFLOWS OF RESOURCES			
Business license tax	2,273,176	-	2,273,176
FUND BALANCES			
Nonspendable	2,174,224	977,963	3,152,187
Restricted	-	7,643,866	7,643,866
Committed	-	1,115,426	1,115,426
Unassigned	15,391,325	(716,955)	14,674,370
Total fund balances	17,565,549	9,020,300	26,585,849
Total liabilities, deferred inflows of resources, and fund balances	$ 69,193,903	$ 26,216,407	
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			276,655,559
Long-term liabilities, including bonds payable, are not due and payable in the current period			(80,068,998)
Compensated absences			(16,262,128)
Claims payable			(48,479,658)
Accrued interest			(916,730)
Net pension asset			2,152,280
Net pension obligation			(37,356,943)
Notes receivable-long term			2,351,009
OPEB Liability			(70,929,782)
Net position of governmental activities			$ 53,730,458

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	$ 41,424,199	$ -	$ 41,424,199
Utility taxes	22,487,398	-	22,487,398
Franchise fees	15,370,782	-	15,370,782
Licenses and permits	4,853,204	4,463,322	9,316,526
State and local shared revenues	25,094,317	15,017,690	40,112,007
Fines and forfeitures	1,328,469	696,538	2,025,007
Impact Fees	-	1,087,068	1,087,068
Interest	7,498	102	7,600
Government grants and other revenues	10,516,737	20,620,568	31,137,305
Total revenues	121,082,604	41,885,288	162,967,892
Expenditures:			
Current:			
General government	26,520,903	12,417,427	38,938,330
Police	39,772,491	711,855	40,484,346
Fire	30,648,389	3,962,715	34,611,104
911 communications	3,432,867	-	3,432,867
Streets	-	3,201,821	3,201,821
Grants and human services	-	6,104,005	6,104,005
State housing initiative program	-	343,353	343,353
Work Investment Act programs	-	1,657,136	1,657,136
City Clerk's office	992,671	-	992,671
Office of Management and Budget	461,476	-	461,476
Office of the Mayor	557,105	-	557,105
Communications and special events	221,436	-	221,436
Employee retirement	632,686	-	632,686
Library	1,241,652	-	1,241,652
Code compliance	447,571	-	447,571
Finance	1,032,730	-	1,032,730
Business tax division	429,010	-	429,010
Information technology	1,532,664	-	1,532,664
Fleet maintenance	2,286,994	-	2,286,994
Construction and maintenance	2,034,254	-	2,034,254
Parks and recreation	8,442,246	-	8,442,246
Planning and zoning	528,781	-	528,781
Education and community services	2,451,185	-	2,451,185
Law	1,231,716	-	1,231,716
Risk management	847,325	-	847,325
Human resources	731,129	-	731,129
Debt service:			
Principal	153,393	4,253,636	4,407,029
Interest	60,311	3,360,665	3,420,976
Capital outlay	958,573	7,627,713	8,586,286
Total expenditures	127,649,558	43,640,326	171,289,884
(Deficiency) of revenues over expenditures before other financing sources (uses)	(6,566,954)	(1,755,038)	(8,321,992)
Other financing sources (uses):			
Proceeds from disposal of capital assets	4,076,089	-	4,076,089
Issuance of debt	-	423,920	423,920
Transfers in	15,033,705	4,747,653	19,781,358
Transfers out	(4,747,653)	(180)	(4,747,833)
Total other financing sources (uses)	14,362,141	5,171,393	19,533,534
Net change in fund balances	7,795,187	3,416,355	11,211,542
Fund balances - beginning (as restated, see Note 19)	9,770,362	5,603,945	15,374,307
Fund balances - ending	$ 17,565,549	$ 9,020,300	$ 26,585,849

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of activities (Page 18) are different because:		
Net change in fund balances - total governmental funds (Page 20)		$ 11,211,542
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. This is the amount by which capital outlays exceeded depreciation in the current period.		
The details of the difference are as follows:		
Capital outlay	$ 8,586,286	
Depreciation expense	(15,721,170)	
Net adjustment		(7,134,884)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.		
Capital outlay which did not meet the threshold for capitalization	(1,891,030)	
Loss on disposal of capital assets	(1,434,185)	
Interfund sale of capital assets	(3,966,475)	
Other	378,209	
Net adjustment		(6,913,481)
The issuance of long-term debt (e.g., bonds, master leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
The details of the differences are as follows:		
Issuance of debt	(423,920)	
Principal payments:		
Notes payable	4,308,963	
Capital leases	98,066	
	4,407,029	
Net adjustment		3,983,109
Some 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.		
The details of the difference are as follows:		
Decrease in net pension obligation	5,378,760	
Decrease in net pension asset	(15,102)	
Increase in OPEB liability	(7,507,669)	
Decrease in accrued interest	33,302	
Decrease in claims payable	(2,993,494)	
Amortization of bond discount/premium	207,907	
Decrease in compensated absences	$ 198,729	
Net adjustment		(4,697,567)
Change in net position of governmental activities (Page 18)		$ (3,551,281)

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2014

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 24,023,861	$ 3,428,285	$ -	$ 27,452,146
Investments	26,368,846	-	-	26,368,846
Customers accounts receivable	11,966,810	16,698	-	11,983,508
Interfund interest receivable	475,000	-	-	475,000
Other receivables	281,947	-	-	281,947
Due from other funds	933,665	4,210,697	5,883,694	11,028,056
Inventories	681,268	-	-	681,268
Prepaids	3,012,700	-	28,882	3,041,582
Restricted assets:				
Cash and cash equivalents	9,098,175	-	-	9,098,175
Other assets	4,070,209	-	-	4,070,209
Total current assets	80,912,481	7,655,680	5,912,576	94,480,737
Non-current assets:				
Interfund loan receivable	19,000,000	-	-	19,000,000
Capital assets, not being depreciated	56,559,246	444,069	-	57,003,315
Capital assets, net of accumulated depreciation	100,872,234	5,543,351	27,777,845	134,193,430
Total capital assets, net	176,431,480	5,987,420	27,777,845	210,196,745
Total assets	$ 257,343,961	$ 13,643,100	$ 33,690,421	$ 304,677,482

(Continued)

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Continued)

SEPTEMBER 30, 2014

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
LIABILITIES AND NET POSITION				
Current Liabilities:				
Accounts payable and accrued liabilities	$ 11,983,340	$ 569,769	$ 108,413	$ 12,661,522
Current portion of self-insurance claims payable	722,788	851,291	543,952	2,118,031
Current portion of loans payable	718,114	307,739	607,164	1,633,017
Current portion of compensated absences	218,162	160,810	32,728	411,700
Interfund Interest payable	-	475,000	-	475,000
Due to other funds	6,768,814	7,924,875	195,200	14,888,889
	20,411,218	10,289,484	1,487,457	32,188,159
Current liabilities payable from restricted assets:				
DERM payable	827,277	-	-	827,277
Due to other funds	6,340,045	-	-	6,340,045
Customer deposits	8,635,165	-	-	8,635,165
Total current liabilities payable from restricted assets	15,802,487	-	-	15,802,487
Total current liabilities	36,213,705	10,289,484	1,487,457	47,990,646
Non-current liabilities:				
Revolving loan	1,670,449	-	-	1,670,449
Loan payable	46,531,514	314,349	14,806,445	61,652,308
Interfund Loan payable	-	19,000,000	-	19,000,000
Unearned revenues, net	61,467	35,000	-	96,467
Unearned interest, net	1,326,069	-	-	1,326,069
Self-insurance claims payable	3,566,674	4,324,182	622,163	8,513,019
OPEB liability	4,590,215	3,124,806	376,083	8,091,104
Compensated absences payable	916,161	679,535	152,838	1,748,534
Total non-current liabilities	58,662,549	27,477,872	15,957,529	102,097,950
Total liabilities	94,876,254	37,767,356	17,444,986	150,088,596
Net position:				
Net investment in capital assets	108,511,403	1,398,857	12,364,236	122,274,496
Unrestricted	53,956,304	(25,523,113)	3,881,199	32,314,390
Total net position	$ 162,467,707	$ (24,124,256)	$ 16,245,435	$ 154,588,886

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
Operating revenues:				
Metered water sales	$ 18,677,889	$ -	$ -	$ 18,677,889
Sanitary sewer service	32,203,573	-	-	32,203,573
Sanitation fees	-	14,916,660	-	14,916,660
Stormwater fees	-	-	3,296,440	3,296,440
Other	4,024,330	52,750	-	4,077,080
Total operating revenues	54,905,792	14,969,410	3,296,440	73,171,642
Operating expenses:				
Operating, administrative and maintenance	44,349,977	14,301,012	2,906,819	61,557,808
Depreciation	5,390,323	776,852	1,764,390	7,931,565
Total operating expenses	49,740,300	15,077,864	4,671,209	69,489,373
Operating Income (Loss)	5,165,492	(108,454)	(1,374,769)	3,682,269
Non-operating revenues (expenses):				
Unrealized gain on investments	414,486	-	-	414,486
Transfer out	-	(15,033,525)	-	(15,033,525)
Interest income	475,934	-	-	475,934
Interest expense	(49,456)	(475,000)	(628,783)	(1,153,239)
Net non-operating revenues (expenses)	840,964	(15,508,525)	(628,783)	(15,296,344)
Gain (Loss) before contributions	6,006,456	(15,616,979)	(2,003,552)	(11,614,075)
Capital contributions	502,578	-	-	502,578
Change in net position	6,509,034	(15,616,979)	(2,003,552)	(11,111,497)
Net position - beginning as restated (Note 19)	155,958,673	(8,507,277)	18,248,987	165,700,383
Net position, ending	$ 162,467,707	$ (24,124,256)	$ 16,245,435	$ 154,588,886

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Totals
Cash flows from operating activities:				
Cash received from customers	$ 51,118,409	$ 15,784,138	$ 3,296,440	$ 70,198,987
Cash received from others	4,012,577	52,750	966,399	5,031,726
Cash paid for interfund services used	(1,638,513)	(1,198,399)	(140,108)	(2,977,020)
Cash payments to suppliers	(29,873,086)	(8,179,084)	(1,389,962)	(39,442,132)
Cash payments to employees	(7,899,167)	(4,423,031)	(892,594)	(13,214,792)
Net cash provided by operating activities	15,720,220	2,036,374	1,840,175	19,596,769
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(7,552,883)	(3,966,475)	(347,699)	(11,867,057)
Proceeds from interfund loan payable	-	19,000,000	-	19,000,000
Transfer out	-	(15,033,525)	-	(15,033,525)
Interest paid	(932,501)	-	(628,783)	(1,561,284)
Capital contributions	502,578	-	-	502,578
Payments on long-term debt	(428,355)	(368,850)	(863,693)	(1,660,898)
Net cash used in capital and related financing activities	(8,411,161)	(368,850)	(1,840,175)	(10,620,186)
Cash flows from investing activities:				
Proceeds from sales of investments	25,197,969	-	-	25,197,969
Issuance of interfund note receivable	(19,000,000)	-	-	(19,000,000)
Interest received on investments	934	-	-	934
Net cash provided by investing activities	6,198,903	-	-	6,198,903
Net increase in cash and cash equivalents	13,507,962	1,667,524	-	15,175,486
Cash and cash equivalents, beginning	19,614,074	1,760,761	-	21,374,835
Cash and cash equivalents, ending	33,122,036	3,428,285	-	36,550,321
Cash and cash equivalents per statement of net position:				
Unrestricted	24,023,861	3,428,285	-	27,452,146
Restricted - current	9,098,175	-	-	9,098,175
	$ 33,122,036	$ 3,428,285	$ -	$ 36,550,321

(Continued)

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Totals
Reconciliation of operating loss to net cash provided by operating activities:				
Operating income (loss)	$ 5,165,492	$ (108,454)	$ (1,374,769)	$ 3,682,269
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	5,390,323	776,852	1,764,390	7,931,565
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	236,947	867,478	-	1,104,425
Other receivables	1,094,687	-	-	1,094,687
Due from other funds	(663,364)	(1,940,412)	871,170	(1,732,606)
Prepaids	-	-	10,574	10,574
Other assets	(491,156)			(491,156)
Inventories	(159,036)	-	-	(159,036)
Increase (decrease) in:				
Vouchers payable and accrued liabilities	(2,670,229)	(476,862)	102,794	(3,044,297)
Unearned revenue	2,361	-	-	2,361
Self insurance claims payable	288,294	(343,653)	291,218	235,859
Compensated absences payable	59,259	69,983	28,041	157,283
OPEB liability	321,761	170,364	51,528	543,653
Due to other funds	6,685,062	3,021,078	95,229	9,801,369
Customer deposits	459,819	-	-	459,819
Total adjustments	10,554,728	2,144,828	3,214,944	15,914,500
Net cash provided by operating activities	$ 15,720,220	$ 2,036,374	$ 1,840,175	$ 19,596,769
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets from developers	$ 502,578	$ -	$ -	$ 502,578

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2014

	Pension Trust
ASSETS	
Cash and cash equivalents	$ 40,447,109
Securities lending cash collateral	65,126,062
Investments, at fair value:	
U.S. Treasury bonds and notes	54,484,730
U.S. Government securities	8,973,040
Asset backed securities	1,805,058
Mortgage backed securities	64,234,820
Real estate investment trusts	973,780
Corporate bonds and notes	93,898,297
Municipal bonds	22,254,667
Limited partnerships	10,909,271
Mutual funds	16,375,531
Common stocks	304,311,251
Receivables:	
Other receivables	35,373
Employer and employee contributions	18,696,692
Accrued interest and dividends	1,532,453
Investments sold	1,335,562
Loans to members	10,130,193
Total assets	715,523,889
LIABILITIES AND NET POSITION	
Obligations under securities lending	65,126,062
Due to retired participants	39,594,420
Investments purchased	2,174,568
Accounts payable and accrued liabilities	438,091
Total liabilities	107,333,141
Net position held in trust for pension benefits	$ 608,190,748

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Pension Trust
ADDITIONS	
Contributions:	
Employer	$ 26,074,253
Employee	6,849,145
State	461,877
Total contributions	33,385,275
Investment income:	
Net apreciation in fair value of investments	46,307,078
Investment earnings	14,391,991
Total investment income	60,699,069
Less investment expenses	1,364,822
Net investment income	59,334,247
Total additions	92,719,522
DEDUCTIONS	
Pension benefits	49,342,568
Refunds of contributions	7,145,138
DROP benefits	7,042,727
Total deductions	63,530,433
Net increase	29,189,089
Net position held in trust for pension benefits:	
Beginning of year - as previously reported	565,942,788
Piror period adjustment	13,058,871
Beginning of year - as restated (Note 14)	579,001,659
Ending	$ 608,190,748

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hialeah, Florida (the "City") was incorporated in 1925. The City operates under a strong mayor form of government with the legislative function being vested in a seven-member council. The City provides the following services as authorized by its charter: public safety (police and fire), streets, water and wastewater, sanitation, social services, culture-recreation, public improvements, planning and zoning and general administrative services. The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The more significant of the City's accounting policies are described below.

a. The Financial Reporting Entity

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the City. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the City of Hialeah Educational Academy, Inc. (the "HEA") met the definition for inclusion as a blended component unit. There were no discretely presented component unis.

Blended Component Unit

HEA is a charter school operating as a charter-school-municipality through a school charter agreement between the School Board of Miami Dade County, Florida and the City. HEA is governed by an Oversight Committee which was established by City Ordinance 08-48 and is composed of the City's Mayor and council members. The members of the oversight committee also serve as the HEA Board of Directors. HEA is included as a blended component unit because the City, through the oversight committee, approves the budget and oversees the HEA operations. Further, there is a direct financial benefit to the City. HEA has a fiscal year ending on June 30, 2014. The June 30, 2014 financial statements are reported as a special revenue fund and issues separate financial statements.

Related Organization

The City Council is also responsible for appointing the members of the Board of the Hialeah Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. In fiscal year 2014, the City appropriated an operating grant of approximately $135,000 to this organization, of which $135,000 was expended.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate 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 Basis of 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, insurance claims, pensions and other post-employment benefits are recorded only when payment is due or when the City has made a decision to fund these obligations with current available resources.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The **Water and Sewers Utility System Fund** accounts for the activities of the Water and Sewers Department. The Department operates the sewage treatment plan, sewage pumping stations and collection systems, and the water distribution system.

The **Solid Waste Utility System Fund** accounts for providing solid waste services to customers of the City.

The **Stormwater Utility System Fund** accounts for providing stormwater services to customers of the City.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the City follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government wide and proprietary fund financial statements. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The City has elected not to follow subsequent FASB guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Implementation of Governmental Accountant Standards Board Statement

During the fiscal year ended September 30, 2014, the City implemented the following GASB Statements that had an impact on the financial statements:

Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 67, *Financial Reporting for Pension Plans–an amendment of GASB Statement No. 25*. For defined benefit pension plans, this Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement and to defined contribution plans that provide postemployment benefits other than pensions.

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents, for the purpose of the statement of cash flows, are considered to be cash on hand, demand deposits, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Government, certificates of deposit, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

The City's Retirement Plans are authorized by its governing board to invest in obligations of the U.S. Government, common stocks, corporate bonds and other investment types allowed by Florida Statutes.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Net appreciation/depreciation in fair value includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Dividends and interest are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis.

Investments in the City's Retirement Plans are governed by the Plan's investment policies.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

2. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred as either “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

3. Inventories and Prepaid Items

Inventories of the general fund are valued at cost determined on the first-in/first-out (FIFO) method, and consist of gasoline and expendable supplies available for consumption. Inventory acquired by the City is expensed when purchased (purchase method). Inventories are recorded on the balance sheet with a reservation of fund balance. Inventories of the water and sewers fund are valued at lower of cost (determined using the weighted average) or market and consist of pipe, valves, fittings and meters.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded – in both, the government-wide and fund financial statements – as prepaid items by recording an asset for the prepaid amount and recognizing the expenditure in the year such item is consumed (consumption method). Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, bike paths and similar items) are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

4. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
Improvements other than buildings	15-25
Furniture, fixtures, machinery and equipment	5-15
Public domain and system infrastructure	50

5. 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, deferred outflows of resources, 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. Currently, the City does not report any item that qualifies for reporting in this category.

In additions to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. Currently, the only item in this category is unearned revenue. The source of this unearned revenue is local business license tax collected in advance of $2,273,176 reported in both the governmental funds and the government-wide statement of net position. This amount is deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

6. Unearned Revenues

Unearned revenues at the government-wide level, governmental funds and proprietary funds are reported when the City receives resources that do not meet the criteria for revenue recognition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

7. Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee services. The City's vacation and sick leave policy is to permit employees to accumulate earned but unused sick pay benefits. Such leave is accrued and reported as a fund liability when it is probable that the City will compensate the employee with expendable available financial resources. Vacation and sick leave is accrued when incurred in proprietary funds and reported as a fund liability. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Net Position

Total equity as of September 30, 2014, is classified into three components of net position:

Net investment in capital assets — This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

Restricted net position — This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.

Unrestricted net position — This category includes all of the remaining net position that does not meet the definition of the other two categories.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

9. Net Position (Continued)

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. The City considers restricted net position to have been depleted before unrestricted-net position is applied.

10. Fund Balance

As of September 30, 2014, fund balances of the governmental funds are classified as follows:

Non-spendable — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council. Ordinances and resolutions are equally binding and are the highest level of decision making authority.

Assigned — Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the City Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delineated in the policy approved by the Council. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type, Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned — This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

10. Fund Balance (Continued)

	General	Other Governmental Funds	Total Governmental Funds
Fund Balances:			
Nonspendable:			
Prepaids	$ 718,000	$ 977,963	$ 1,695,963
Inventories	1,456,224	-	1,456,224
Restricted:			
Capital projects	-	215,396	215,396
Public safety	-	1,381,167	1,381,167
Human services	-	6,047,303	6,047,303
Committed:			
Encummbrances	-	1,115,426	1,115,426
Unassigned:	15,391,325	(716,955)	14,674,370
Total Fund Balances	$ 17,565,549	$ 9,020,300	$ 26,585,849
Fund Balances:			
Nonspendable	$ 2,174,224	$ 977,963	$ 3,152,187
Restricted	-	7,643,866	7,643,866
Committed	-	1,115,426	1,115,426
Unassigned	15,391,325	(716,955)	14,674,370
Total Fund Balances	$ 17,565,549	$ 9,020,300	$ 26,585,849

11. Capital Contributions

Capital contributions in proprietary fund financial statements arise from grants or outside contributions of resources restricted to capital acquisition and construction.

12. Utility Billings

Utility customers are billed monthly on a cycle basis. Unbilled revenue is recognized in the accompanying financial statements based upon estimates of revenues for services rendered between billing cycle dates and fiscal year end.

13. Rebatable Arbitrage

The City has elected the option of treating rebatable arbitrage as a reduction of investment income. However, for the fiscal year ended September 30, 2014, there was no rebatable arbitrage required to be recorded.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

14. Employee Benefit Plans and Net Pension Asset/Obligation

The City provides two separate defined benefit pension plans for its employees and elected officials. At September 30, 2014, the City recorded a net pension obligation related to the Employees' Retirement System and a net pension asset related to the Elected Officials' Retirement System in its government-wide statement of net position. The net pension asset/obligations are functions of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers contributions made to the Plans. Please refer to Note 14 for further information.

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

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirement of the City of Hialeah Employees' Retirement System and Elected Officials Retirement Plan covering substantially all elected officials, regular full time general, police, and fire department employees of the City.

The City is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City records a Net OPEB obligation in its government-wide and proprietary financial statements related to the implicit subsidy. The OPEB plan does not issue separate financial statements.

16. Risk Management

The City is self-insured for automobile liability, general liability, and property damage claims pursuant to Florida Statute Section 768.28 *(Waiver of Statute of Limitations; Exclusions: Indemnifications; Risk Management Programs).* Per Florida Statute section 768.28, the City is self-insured up to $100,000 per person/$200,000 per occurrence for claims occurring between October 1, 1981 and October 1, 2011. After October 1, 2011 the statutory limit will increase to $200,000 per person/$300,000 per occurrence. These limits do not apply, though, to action brought in federal courts or to claim relief bills approved by the Florida legislature. The City is also self-insured for worker's compensation claims. The City is self-insured for health claims and uses a commercial carrier as the administrator. The discounted accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end including claims incurred by not yet reported.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

17. Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, pension and postretirement obligations and useful lives and impairment of tangible assets, the determination of the actuarially accrued liability for unpaid claims, which is prepared based upon certain assumptions pertaining to interest rates, inflation rates, etc., among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

18. Fund Deficits

The following funds had deficits in the amounts indicated as of September 30, 2014:

Fund	Deficit
Proprietary Fund:	
Solid Waste Utility System	$ 24,124,256
Special Revenue:	
Affordable Housing	354,829
Debt Service:	
Fire Administration BuildingFund	230,405
Capital Project:	
Multi-Purpose Senior Center Fund	23,379
Milander Center Fund	5,009

With the exception of the solid waste fund, these deficits are a result of expenses exceeding revenues or the deferral of revenues recognition. The City plans to eliminate these deficits by reducing costs, identifying other funding sources, using operating transfers, revisiting user charges, etc. in the near future.

The solid waste fund deficit of $24.1 million increased from $8.5 million during the fiscal year primarily due to the net result of an interfund transfer of capital assets through a sale from the governmental activities to the business type activities. The value of the assets were valued through an independent appraisal for an estimated amount of $19 million. The solid waste financed this through an interfund loan from the water and sewer fund (see note 8 for additional information). As required by the Governmental Accounting Standards Board ("GASB") Statement No. 48, the solid waste fund recorded the purchase of the capital assets as an interfund transfer at the carrying value of the transferor in the amount of $3,966,475 and the difference from the sale price or $15,033,525 as a transfer out.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

18. Fund Deficits *(Continued)*

The impact of the GASB Statement No. 48 is a non-operating loss on the Solid Waste Fund of $15.6 million in the current fiscal year.

As discussed in note 8 and 18, the purpose of the transfer of assets is related to the privatization of trash collection within the Solid Waste Fund. Based on the study performed by an independent consultant the City expects to generate an annual savings of approximately $3 million for collection and disposal of solid waste. These savings will bring efficiencies and continued improvement in this fund that will eliminate the current deficit reported in the fund and pay down the loan.

19. Excess of Expenditures over Appropriations

For fiscal year ended September 30, 2014, expenditures exceeded appropriations in the following departments for the General Fund:

	Final Budget	Actual	Amount in Excess of Final Budget
Law	$ 1,092,583	$ 1,231,716	$ 139,133
Compliance Division	393,683	447,571	53,888
General Government	26,996,742	32,094,420	5,097,678

These excess of expenditures in those departments were funded with surpluses in other departments.

For fiscal year ended September 30, 2014, expenditures exceeded appropriations in the following non-major governmental funds.

	Final Budget	Actual	Amount in Excess of Final Budget
E-911 Non-Wireless Fund	$ 367,680	$ 374,871	$ 7,191
City of Hialeah Education Academy Fund	3,043,000	3,654,015	611,015
Milander Parking Garage Fund	141,756	1,785,635	1,643,879
GOB Goodlet Park	21,477	319,570	298,093

These excess were funded with excess revenues received in the current fiscal year or available fund balance.

NOTE 2. PROPERTY TAXES

Property taxes (ad valorem taxes) are assessed on January 1 and are billed and payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 and accrue interest charges from April 1 until a tax sale certificate is sold at auction. Assessed values are established by the Miami-Dade County Property Appraiser at approximately fair market value. The County bills and collects all property taxes for the City.

NOTE 2. PROPERTY TAXES (Continued)

Under Florida law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to $10 (10 mills) per $1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The millage rate to finance general governmental services for the year ended September 30, 2014 was 6.3018 mills per $1,000 of assessed valuation.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Deposit Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City. City administration is authorized to invest in those instruments authorized by the Florida statutes and the City's By Laws. Investments consist of the Florida Municipal Investment Trust administered by the Florida League of Cities, Inc., and investments held by the City's retirement funds. The investments held in the Retirement Plans may be invested in obligations of the U.S. Government or its agencies, first mortgages or first mortgage bonds, corporate bonds, and common and preferred stock. Investments are carried at fair value as determined by quoted market prices.

Investments - City

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. In accordance with its investment policy, the City places no limit on the amount that may be invested in securities of the U.S. Government or its agencies.

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Money market funds	$ 1,394,390	$ 1,394,390	$ -	$ -	$ -
Vanguard-bond mutual funds	5,088,868	-	-	5,088,868	-
FMIvT-bond mutual funds	21,274,708	-	4,092,720	17,181,988	-
Total Fair Value	$ 27,757,966	$ 1,394,390	$ 4,092,720	$ 22,270,856	$ -

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments – City *(Continued)*

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City has an investment policy that limits investments to the highest ratings by nationally recognized statistical rating organizations (NRSPO) – (Standard and Poor's, Moody's Investors Services and Fitch Ratings). Excess funds are also invested daily with the Florida Municipal Investment Trust (FMIvT).

As of September 30, 2014, the City's investments consisted of the following:

		Fitch Rating
0-2 Year High Quality Bond	$ 2,033,249	AAA/V1
1-3 Year High Quality Bond	2,059,471	AAA/V2
Intermediate High Quality Fund	13,673,287	AAA/V3
Broad Market High Quality Fund	8,597,569	AA/V4
Total	$ 26,363,576	

Concentration Credit Risk – Disclosure of investments in any one issuer that represents 5% or more of the total of the City's investments is required. Conversely, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from the concentration of credit risk disclosure requirement.

Investments – Pension Plans

The Board of Trustees has developed certain investment policies and has retained investment managers. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's policies. The investment managers are compensated based on a percentage of their portfolio's market value.

The Plans' investment policies are determined by the Board who is responsible for directing the investment of the assets of the Plans to ensure that there will be adequate monies for future benefits. The policies have been identified by the Board to conduct the operations of the Plans in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, preserving principal while maximizing the rate of return.

Employee Retirement System (PERS)

Investment in all equity securities shall be limited to those listed on a major U.S stock exchange or traded over-the-counter. The equity position in any one company shall not exceed 5% of the total cost of equity investments. Investments in stocks of foreign companies shall be limited to 10% of the manager's portfolio. Fixed income securities must be rated "BBB" or higher by a major rating agency. The average quality rating of the fixed income portfolio shall be "A" or better by a major rating agency.

Elected Officials' Retirement System (EORS)

Investment in all equity securities shall be limited to those listed on a major U.S stock exchange or traded over-the-counter. The equity position in any one company shall not exceed 5% of the total cost of equity investments. Fixed income securities must be rated "BBB" or higher by a major rating agency. The average quality rating of the fixed income portfolio shall be "A" or better by a major rating agency.

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments – Pension Plans (Continued)

Types of Investments

Florida statutes and Plan investment policy authorize the Board to invest funds in various investments. The current target allocation of these investments at fair value is as follows:

	Target Allocation	
Asset Class	Employees' Retirement System	Elected Officials' Retirement System
Domestic Equity	50%	45%
International Equity	5%	10%
Domestic Bonds	40%	30%
Alternatives	5%	0%
Cash	0%	15%

Rate of Return

For the year ended September 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.22% and 10.4% for the PERS and EORS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculations are determined on a monthly basis.

As of September 30, 2014, the Plans had the following investments:

City of Hialeah Employees' Retirement System		Investment Maturities (In Years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasuries Bonds and Notes	$ 54,484,730	$ 6,591,655	$ 29,775,470	$ 18,117,605	$ -
U.S. Agencies/Instrumentalities	8,973,040	-	8,973,040	-	-
Corporate Bonds and Notes	93,898,297	7,619,964	62,055,915	24,222,418	-
Municipal Bonds	973,780	-	488,670	485,110	-
Mortgage Backed Securities	64,234,820	-	1,609,028	2,331,007	60,294,785
Asset Backed Securities	1,805,058	-	1,805,058	-	-
Sub-total	224,369,725	$ 14,211,619	$104,707,181	$ 45,156,140	$ 60,294,785
Real estate investment trusts	10,909,271				
Limited Partnership	7,609,187				
Mutual Funds	22,254,667				
Common stocks	303,145,151				
Total Fair Value	$568,288,001				

Elected Officials Retirement Plan		Investment Maturities (In Years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Vanguard-bond mutual funds	$ 4,327,226	$ -	$ 4,327,226	$ -	$ -
Sub-total	4,327,226	$ -	$ 4,327,226	$ -	$ -
Vanguard-equity funds	5,605,218				
Total Fair Value	$ 9,932,444				

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments – Pension Plans (Continued)

Interest Rate Risk – Interest rate risk exits when there is possibility that changes in interest rates could adversely affect an investment's fair value. In accordance with its investment policy, the Plan places no limit on the amount that may be invested in securities of the U.S. Government or its agencies. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan's investment policy limits investments to the highest ratings by nationally recognized statistical rating organizations (NRSPO) – (Standard and Poor's, Moody's Investors Services and Fitch Ratings). Fixed income investments must be direct issues of the United States Treasury, United States Government Agencies, or Instrumentalities including Mortgage Backed Securities and their derivative products. Mortgage and Asset backed securities not issued by an agency of the Federal Government must be rated "A" or better by a NRSPO. Other than securities of the U.S. Government or its agencies the fixed income portfolio shall not exceed 5% of any one issuer. Any idle cash not invested by the investment manager shall be invested daily through an automatic, interest bearing, sweep vehicle managed by the custodian.

As of September 30, 2014, the Plans' fixed income investments with credit ratings consisted of the following:

Investment Type	Fair Value	Credit Rating
U.S. Treasury bonds and notes	$ 51,362,994	Aaa
U.S. Treasury bonds and notes	3,121,736	NR
U.S. Government securities	8,973,040	Aaa
Asset backed securities	1,776,965	Aaa
Asset backed securities	28,093	NR
Mortgage backed securities	913,990	AAA
Mortgage backed securities	63,320,830	NR
Municipals	488,670	Aa2
Municipals	485,110	A2
Corporate bonds and notes	17,184,531	A1
Corporate bonds and notes	14,492,033	A2
Corporate bonds and notes	13,996,794	A3
Corporate bonds and notes	2,380,398	Aa1
Corporate bonds and notes	2,653,167	Aa2
Corporate bonds and notes	1,290,728	Aa3
Corporate bonds and notes	1,289,075	Ba1
Corporate bonds and notes	658,369	Ba2
Corporate bonds and notes	12,269,711	Baa1
Corporate bonds and notes	18,164,784	Baa2
Corporate bonds and notes	8,869,707	Baa3
Corporate bonds and notes	649,000	NR
Total	$ 224,369,725	

NOTE 3. CASH AND INVESTMENTS (Continued)

Investments – Pension Plans (Continued)

Concentration Credit Risk

Disclosure of investments in any one issuer that represents 5% or more of the total of the City's investments is required. Conversely, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from the concentration of credit risk disclosure requirement.

As of September 30, 2014, concentration of the City of Hialeah Employees' Retirement System's investments was as follows:

Freddie Mac	9.57%

Custodial Credit Risk – 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. Consistent with the City of Hialeah Employees' Retirement System's (the "Plan") investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. The investment policy of the Plan limits the foreign investments to no more than 5% of the Plan's investment balance. The City of Hialeah Employees' Retirement System has exposure to foreign currency fluctuations as follows:

Holdings Valued in U.S. Dollars

Currency	International Equities
CANADIAN DOLLAR	$ 782,586
AUSTRALIAN DOLLAR	227,386
DANISH KRONE	354,835
EURO CURRENCY	10,762,170
HONG KONG DOLLAR	2,072,627
JAPANESE YEN	2,476,369
NORWEGIAN KRONE	444,333
POUND STERLING	4,413,391
SINGAPORE DOLLAR	1,202,000
SWEDISH KRONA	207,908
SWISS FRANC	2,067,363
	$ 25,010,968

NOTE 4. SECURITIES LENDING TRANSACTIONS

State statutes do not prohibit the Plan from participating in securities lending transactions. The City of Hialeah Employees' Retirement System (the "Plan"), pursuant to a Securities Lending Authorization Agreement, has authorized State Street Bank and Trust Company ("State Street") to act as the Plan's agent in lending the Plan's securities to approved borrowers. State Street, as agent enters into Securities Loan Agreements with borrowers. Cash collateral received in respect to the Plan's securities lent to approved borrowers was invested at the direction of the Plan, in the Quality D Duration and Quality Investment Fund D (the "Fund") which are comprised of liquidity pools and duration pools. Please note the following:

a. Method for Determining Fair Value. The fair value of investments held by the Fund is based upon valuations provided by a recognized pricing service.

b. Policy for Utilizing Amortized Cost Method. As the Fund is not a mutual fund and does not otherwise meet the requirements of the Investment Company Act of 1940 pursuant to which amortized cost accounting may be permissible, State Street has valued the Fund's investments at fair value for reporting purposes.

c. Regulatory Oversight. The Fund is not registered with the Securities and Exchange Commission. State Street and the investment vehicles it sponsors (including the Fund) are subject to oversight by the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of the Plan's position in the Fund is equal to the value of the Fund shares.

d. Involuntary Participation. There was no involuntary participation in an external investment pool by the Plan for the Fiscal Year.

e. Necessary Information. Not Applicable.

f. Income Assignment. No income from one fund was assigned to another fund by State Street during the fiscal year.

During the fiscal year, State Street lent, on behalf of the Plan, certain securities of the Plan held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the United States government. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, State Street had an obligation to indemnify the Plan in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration and notice of Default of the Borrower.

During the fiscal year, the Plan and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of September 30, 2014, such investment pool had an average duration of 3 days and an average weighted final maturity of 182 days for USD collateral. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral.

NOTE 4. SECURITIES LENDING TRANSACTIONS (Continued)

GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions, establishes accounting and financial reporting standards for securities lending transactions. The standard requires governmental entities to report securities lent as assets in their balance sheets unless the entity did not have the ability to pledge or sell collateral securities absent a borrower default as the case with the Plan. Cash received as collateral and investments made with that cash must also be reported as assets. The statement also requires the costs of the securities lending transactions to be reported as expenses separately from income received. In addition, the statement requires disclosures about the transactions and collateral related to them. On September 30, 2014, the Plan had no credit risk exposure to borrowers. The market values of collateral held and the market value (USD) of securities on loan for the Plan as of September 30, 2014, was $65,126,062. The $65,126,062 was cash and securities collateral and has been reported in the statement of fiduciary net position as an asset of the Plan along with the liability of $65,126,062 for obligations under security lending.

NOTE 5. RECEIVABLES

Receivables as of September 30, 2014 for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water & Sewer	Solid Waste	Nonmajor Governmental Funds	Total
Receivables:					
Billed	$ -	$ 13,877,805	$ 16,698	$ 2,661,958	$ 16,556,461
Unbilled	-	4,046,643	-	-	4,046,643
Franchise and utility	4,638,286	-	-	-	4,638,286
Intergovernmental	577,262	281,947	-	3,668,957	4,528,166
Grants	123,279	-	-	3,448,147	3,571,426
Other	2,903,996	143,883	-	-	3,047,879
Sales taxes	2,636,934	-	-	-	2,636,934
Gross receivables	10,879,757	18,350,278	16,698	9,779,062	39,025,795
Less: allowances for uncollectibles	-	2,031,312	-	1,861,098	3,892,410
Net total receivables	$ 10,879,757	$ 16,318,966	$ 16,698	$ 7,917,964	$ 35,133,385

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned.

Revenues of the Fire Prevention and Rescue Transportation fund are reported net of uncollectible amounts. Total amount charged to the provision related to revenues of the current period was $7,068,111.

At the end of the current fiscal year, *unearned revenue* reported in the governmental funds was as follows:

Grants and other unearned revenues	$ 634,773
Community Development Block Grant (CDBG)	2,483,390
State Housing Initiative Program (SHIP)	230,113
Notes receivable (see note 6)	2,351,009
	$ 5,699,285

NOTE 6. NOTE RECEIVABLE

The Hialeah Housing Authority (the "Authority") assumed a Housing Development Grant ("HODAG Loan") awarded on July 12, 1989 to a developer through the City in the amount of $2,843,097 through the purchase of the Palm Centre Project (the "Project"). The HODAG Loan bears interest at 10.125% and is payable in full, including interest, on May 1, 2025 unless the Project is sold or transferred, or due to a violation of the grant covenants with HUD. Interest does not accrue unless the Project's revenues exceed the sum of the Project's net operating income (after payment of debt service in the Palm Centre Bonds) plus a cumulative return to the Authority of twelve percent (12%) per annum on the Authority's equity contribution. The HODAG loan is secured by a Second Mortgage issued to the City and is subordinated to Hialeah Housing Authority Bonds.

The Project was constructed on land leased from the City of Hialeah for a period of 49 years (starting December 26, 1985) with an option to renew for an additional 50 years. The Authority as part of the acquisition of the Project assumed the lease with the City. The lease agreement requires for lease payments to the City based on annual rent revenues generated by the property. In 2006, the City and the Authority amended the land lease agreement and the City accepted a payment of $500,000 as payment in full of all past due rents due from the Authority.

The amended land lease agreement provides for the following terms:

1. Provides free tenant selection services to the City for City owned housing units,
2. Provides the City each year a minimum of six thousand five hundred (6,500) square feet of commercial space in the Palm Centre, free of charge, and
3. Provides forty-two (42) affordable lower-income housing units to be rented at below market rents for the term of the HODAG loan

The future minimum receivable and net present value of these minimum payments as of September 30, 2014 were:

Long-term receivable	$3,531,153
Less present value	(1,180,144)
Present value of future receivable payments	$2,351,009

In connection with the construction of the Hialeah Housing Project mentioned above, the United States Department of Housing and Urban Development ("HUD") has challenged the manner in which certain of the proceeds of the HODAG Loan were used. HUD has claimed that $989,039 of the HODAG Loan was expended for nonqualified purposes (the "Claim"). The City has challenged the Claim.

The Authority has agreed that the City will not be responsible for payment of any such challenged cost in the event it is required to fully indemnify the City for any payments to HUD regarding the claim. In a subordination agreement, the Authority and the City have agreed that, in the event that litigation is instituted by HUD regarding payment of the Claim, the City will fully cooperate with the Authority to resolve the litigation, and that the City will not foreclose on the Second Mortgage in the event the Claim is not paid on demand.

NOTE 6. NOTE RECEIVABLE (Continued)

The City has recorded the note receivable in its governmental-wide financial statements as of September 30, 2014. No allowance against the note receivable is deemed necessary at September 30, 2014. The note receivable was also recorded in the City's general fund and offset by unearned revenues since the proceeds of the receivables are not considered to be available to liquidate liabilities of the current period.

NOTE 7. INTERFUND ACTIVITY

The amounts due from/to other funds at September 30, 2014 were as follows:

	Receivables	Payables
General Fund	$ 26,806,234	19,979,343
Non-Major Governmental Funds	15,038,056	11,664,069
Major Proprietary Type Funds		
Water & Sewer	933,665	13,108,859
Solid Waste	4,210,697	7,924,875
Stormwater	5,883,694	195,200
Total Major Propietary Type Funds	11,028,056	21,228,934
	$ 52,872,346	$ 52,872,346

- Amounts due from the Non-Major Governmental Funds to the general fund are for advances made to those funds to cover expenditures until the receivables on those funds are collected.
- Amounts due to the Non-Major Governmental Funds from the general fund are for amounts due to those funds for amounts collected on their behalf.
- Amounts due to the Solid Waste are for receivables collected by the Water & Sewer fund before year end which are owed to those funds
- Amounts due from the water and sewer fund to the solid waste fund, stormwater fund and general fund are for waste fees collected and utility taxes collected at year end

As of September 30, 2014, major fund and non-major fund activity was as follows:

	Transfer in	Transfer out
General Fund	$ 15,033,705	$ 4,747,653
Non-Major Governmental Funds	4,747,653	180
Solid Waste Utility System Fund	-	15,033,525
	$ 19,781,358	$ 19,781,358

- The general fund transfers to the non-major governmental funds were made to provide additional resources for current operations.

NOTE 8. INTERFUND LOAN

On December 10, 2013 the Council approved the internal transfer of assets comprised of 35.438 acres improved with buildings located at 900 East 56 Street, Hialeah, Florida in the amount of $19,000,000 from the City of Hialeah to its Department of Public Works. The City determined the fair market value of the assets, which includes the land and the CBS buildings, as the average of two asset appraisals by state-certified appraisers: (1) $18,500,000 from Appraisal First Real Estate Appraisers, LLC; and (2) $19,500,000 from Gallaher & Birch, Inc. The Department of Public Works intends to utilize this asset transfer as part of the privatization of trash collection within the Solid Waste Fund, to lease a portion of the land and solid waste building to the private hauler for use of its contracted service, and to relocate and consolidate its fleet with the city fleet and to lease vacant land to a third party for a recycling/trash transfer station.

On June 9, 2015 the Council approved an amended resolution approving the terms of the unsecured promissory note to memorialize the interfund loan from the Water & Sewer Fund of the Public Works Department (the “Lender”) to the Solid Waste Fund of the Public Works Department (the “Borrower”), in the amount of $19,000,000, for the purpose of financing the internal transfer of assets from the City’s General Fund (the “Transferor”) to the Solid Waste Fund (the “Transferee”) of the Public Works Department. Whereas, the Water & Sewer Fund of the Public Works Department loaned the sum of $19,000,000 to the Solid Waste Fund of the Public Works Department to pay the fair market value of the assets to the City’s General Fund. The note calls for interest to accrue from January 1, 2014 at an annual rate of 2.5% and equal quarterly payments of principal and interest of $480,831 commencing on March 1, 2018 and concluding on September 1, 2030.

As a result of the of the above transaction, the net book value of the respective assets, which amounted to $3,966,475 as of September 30, 2014 was transferred from the governmental activities to the business type activities. The remaining purchase amount of $15,033,525 was recorded as an interfund transfer between the general fund and the solid waste utility system fund as stated in note 7.

Annual payments to maturity for the above interfund loan are as follows;

Fiscal Year Ending	Principal	Interest	Total
2015	$ -	$ 486,875	$ 486,875
2016	-	499,047	499,047
2017	-	511,523	511,523
2018	1,059,427	383,066	1,442,493
2019	1,443,437	479,887	1,923,324
2020-2024	7,776,861	1,839,761	9,616,622
2025-2029	8,798,804	817,818	9,616,622
2030	1,893,915	29,409	1,923,325
	$ 20,972,445	$ 5,047,387	$ 26,019,832

NOTE 9. RESTRICTED ASSETS

Restricted assets consist of the cash restricted for debt service, capital projects, advances, public safety and customer deposits at September 30, 2014:

Water and Sewers Fund	
Customers' deposit - cash and investments	$ 9,098,175
Total restricted cash water and sewers fund	9,098,175
Other restricted assets	
Customer accounts - Solid Waste Fund	2,170,288
Customer accounts - Derm Fee	554,092
Customer accounts - Stormwater Fund	756,888
Customer accounts - City Utility Tax	588,941
Total other restricted assets water and sewers fund	4,070,209
Total restricted assets water and sewers fund	$ 13,168,384
Governmental Funds	
Special Revenue Funds	
Rescue Transportation	$ 759,676
Fire Prevention	194,348
State Law Enforcement Trust	381,274
Federal Law Enforcement Trust	2,080
Total Special Revenue Funds	1,337,378
Total Restricted Assets	$ 14,505,762

NOTE 10. CAPITAL ASSETS

A summary of the City's capital assets at September 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Transfers (1)	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 29,967,768	$ -	$ -	$ (272,785)	$ 29,694,983
Construction in Progress	13,272,081	1,253,014	(1,434,185)	(11,837,896)	1,253,014
Total capital assets not being depreciated	43,239,849	1,253,014	(1,434,185)	(12,110,681)	30,947,997
Capital assets being depreciated:					
Buildings	118,767,841	618,085	-	5,855,784	125,241,710
Improvements other than buildings	26,652,122	163,343	-	(712,451)	26,103,014
Furniture, fixtures, machinery and equipment	46,611,778	2,380,119	(277,159)	-	48,714,738
Infrastructure	286,423,354	2,280,695	-	1,127,112	289,831,161
Total capital assets being depreciated	478,455,095	5,442,242	(277,159)	6,270,445	489,890,623
Less accumulated depreciation for:					
Buildings	28,429,663	2,881,771	-	(1,713,459)	29,597,975
Improvements other than buildings	17,244,620	1,358,158	-	(160,302)	18,442,476
Furniture, fixtures, machinery and equipment	33,436,760	3,084,591	(277,159)	-	36,244,192
Infrastructure	151,501,768	8,396,650	-	-	159,898,418
Total accumulated depreciation	230,612,811	15,721,170	(277,159)	(1,873,761)	244,183,061
Total capital assets being depreciated, net	247,842,284	(10,278,928)	-	8,144,206	245,707,562
Governmental activities capital assets, net	$ 291,082,133	$ (9,025,914)	$ (1,434,185)	$ (3,966,475)	$ 276,655,559

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land	$ 629,356	$ 3,300,000	$ -	$ 272,785	$ 4,202,141
Construction in progress	52,051,076	1,476,271	-	(726,173)	52,801,174
Total capital assets not being depreciated	52,680,432	4,776,271	-	(453,388)	57,003,315
Capital assets being depreciated:					
Buildings and utility plant	7,281,519	215,756	-	3,693,690	11,190,965
Improvements to other than building	320,533	-	-	-	320,533
Machinery and equipment	13,701,614	167,227	-	-	13,868,841
Infrastructure	248,816,483	2,741,329	-	726,173	252,283,985
Total capital assets being depreciated	270,120,149	3,124,312	-	4,419,863	277,664,324
Less accumulated depreciation for:					
Buildings and utility plant	2,796,695	400,483	-	-	3,197,178
Improvements other than building	320,533	-	-	-	320,533
Machinery and equipment	11,515,424	913,611	-	-	12,429,035
Infrastructure	120,906,677	6,617,471	-	-	127,524,148
Total accumulated depreciation	135,539,329	7,931,565	-	-	143,470,894
Total capital assets being depreciated, net	134,580,820	(4,807,253)	-	4,419,863	134,193,430
Business-type activities capital assets, net	$ 187,261,252	$ (30,982)	$ -	$ 3,966,475	$ 191,196,745

(1) Included in the transfers is a transfer of capital assets from governmental activities to business type activities. See note 8 (Interfund Loan) for additional detail.

NOTE 10. CAPITAL ASSETS (Continued)

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

Governmental activities:		
General government	$	3,014,328
Police		1,039,738
Fire		1,451,812
Streets		8,573,669
Recreation		1,641,623
Total depreciation expense - governmental activities	$	15,721,170
Business-type activities:		
Water and sew er	$	5,390,323
Solid w aste		776,852
Stormw ater		1,764,390
Total depreciation expense - business-type activities	$	7,931,565

NOTE 11. LONG-TERM DEBT

Revenue Bonds

On December 16, 2007, the City issued $2,283,000 of Capital Improvement Revenue Refunding Bonds, Series 2007 (the "Series 2007 Bonds") the Series 2007 bonds mature in December 2018 and bear interest at 4.33%. The Series 2007 Bonds are secured by a lien upon revenues derived by rescue transport service fees. The City will budget non-ad valorem revenues if such revenue is not adequate to pay debt service costs.

The net proceeds of $2,283,000 were used to advance refund the Series 1993 Bonds with a total principal amount of $2,610,000 and an interest rate ranging from 3.1% to 5.5%. Proceeds from the Series 1993 Bonds were used to finance construction of a new fire administration building, fund the debt service account and pay certain issuance costs. The advance refunding reduced debt payments in the short-term. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately $200,000.

On November 19, 2012 the City issued "The City of Hialeah Capital Improvement Revenue Refunding Bond, Series 2012" for $1,620,000 for the purpose of refunding the City's $2,283,000 Capital Improvement Revenue Refunding Bonds, Series 2007 (the "Series 2007 Bonds") , and paying additional costs of the original project. The Bonds are expected to be repaid over approximately six (6) years at an interest rate of 1.64%. The transaction resulted in an economic gain of approximately $135,000.

NOTE 11. LONG-TERM DEBT (Continued)

Revenue Bonds *(Continued)*

Annual debt service requirements to maturity for the Revenue Bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	$ 256,453	$ 16,788	$ 273,241
2016	260,685	12,556	273,241
2017	264,987	8,255	273,242
2018	269,359	3,882	273,241
2019	68,031	279	68,310
	$ 1,119,515	$ 41,760	$ 1,161,275

State of Florida Loan Payable

In fiscal year 1977, the Water and Sewers Fund borrowed $43,490,000 from the State of Florida toward the construction of the East Side Sewer System. Construction of the East Side Sewer System was completed during 1980. Interest on the loan from the State of Florida, amounting to approximately $5,602,000, has been capitalized and included in construction costs and will be expensed over the estimated useful life of the system (50 years).

The loan agreement provides that the State will deposit the loan proceeds in a restricted, interest-bearing investment account to be used by the Water and Sewers Fund as debt service reserves and for future construction requirements. Interest earned on the construction funds during the time the East Side Sewer was being built, which is credited to the Water and Sewers Fund, has been deferred and is being amortized to income over the same period that the related capitalized interest is being expensed (50 years). At September 30, 2014, the unamortized deferred interest balance was $1,326,069. The City paid off the State of Florida loan in 2008.

Notes Payable

1) Bank of America Promissory Note

On August 20, 2011 the City entered into a loan agreement with Bank of America (Bank of America Loan) to refinance the outstanding loan from the Florida Municipal Loan Council Revenue Bonds, Series 1999 Bonds and to pay interest on the loan for up to three years. The transaction resulted in an economic gain of approximately $1,036,464. The proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 1999 were used to fund major roadway improvements and infrastructure projects. The City will budget non-ad valorem revenues if such revenue is not adequate to pay debt service costs. The Bank of America Loan matures on April 1, 2019 with options to extend to April 1, 2026 and 2031. Interest payments are due semi-annually at a rate of 2.74% with annual principal payments due April 1.

NOTE 11. LONG-TERM DEBT (Continued)

Notes Payable *(Continued)*

1) Bank of America Promissory Note (Continued)

Annual debt service requirements to maturity for the Bank of America Loan are as follows:

Governmental Activities				Business-Type Activities			
Fiscal Year Ending	Principal	Interest	Total	Fiscal Year Ending	Principal	Interest	Total
2015	$ 873,334	$ 220,165	$ 1,093,499	2015	$ 218,333	$ 55,041	$ 273,374
2016	1,779,951	175,973	1,955,924	2016	444,988	43,993	488,981
2017	1,825,268	130,655	1,955,923	2017	456,317	32,664	488,981
2018	1,871,740	84,184	1,955,924	2018	467,935	21,046	488,981
2019	1,920,679	36,530	1,957,209	2019	480,002	9,133	489,135
	$ 8,270,972	$ 647,507	$ 8,918,479		$ 2,067,575	$ 161,877	$ 2,229,452

2) Florida Municipal Loan Council Revenue Bond Series 2012A- Loan Payable

On May 1, 2003, the City executed a loan agreement with the Florida Municipal Loan Council to borrow $48,135,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2003A, for major roadway improvements and infrastructure projects. The loan has an outstanding balance of $39,940,000 and calls for annual payments due on May 1, commencing on May 1, 2004 through May 1, 2033 and bears interest at varying rates ranging from 2.0% to 5.25%.

On November 5, 2012 the City executed a loan agreement with the Florida Municipal Loan Council to borrow $41,620,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2012A, for the purpose of refinancing Florida Municipal Loan Council Revenue Bonds, Series 2003A. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately $4,090,000. The loan matures on May 1, 2033 and bears an interest rate of approximately 3.5%

Annual debt service requirements to maturity for the FMLC Revenue Bond Series 2012A loan payable are as follows:

Governmental Activities				Business-Type Activities			
Fiscal Year Ending	Principal	Interest	Total	Fiscal Year Ending	Principal	Interest	Total
2015	$ 1,124,000	$ 1,354,410	$ 2,478,410	2015	$ 281,000	$ 338,603	$ 619,603
2016	1,168,000	1,309,450	2,477,450	2016	292,000	327,363	619,363
2017	1,216,000	1,262,730	2,478,730	2017	304,000	315,683	619,683
2018	1,264,000	1,214,090	2,478,090	2018	316,000	303,523	619,523
2019	1,316,000	1,163,530	2,479,530	2019	329,000	290,883	619,883
2020-2024	7,560,000	4,835,450	12,395,450	2020-2024	1,890,000	1,208,863	3,098,863
2025-2029	9,448,000	2,945,590	12,393,590	2025-2029	2,362,000	736,398	3,098,398
2030-2033	9,008,000	912,600	9,920,600	2030-2033	2,252,000	228,150	2,480,150
	$ 32,104,000	$ 14,997,850	$ 47,101,850		$ 8,026,000	$ 3,749,464	$ 11,775,464

NOTE 11. LONG-TERM DEBT (Continued)

Notes Payable *(Continued)*

3) Florida Municipal Loan Council Revenue Bond Series 2005- Loan Payable

On February 15, 2005, the City executed a loan agreement with the Florida Municipal Loan Council to borrow $29,090,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2005A, for major roadway improvements and infrastructure projects. The loan has an outstanding balance of $25,190,000 and calls for annual payments due on February 1, commencing on February 1, 2006 through February 1, 2035 and bears interest at varying rates ranging from 3.0% to 5.0%. The arbitrage rebate requirement generally requires issuers of tax-exempt debt to rebate to the U.S. Treasury that investment income arising from the proceeds of tax-exempt debt to the extent that such income results from investments yields in excess of the bond yield. There is no arbitrage rebate liability in connection with the Revenue Bonds at September 30, 2014.

Annual debt service requirements to maturity for the Series 2005 note payable are as follows:

Governmental Activities				Business - Type Activities			
Fiscal Year Ending	Principal	Interest	Total	Fiscal Year Ending	Principal	Interest	Total
2015	$ 552,000	$ 921,523	$ 1,473,523	2015	$ 138,000	$ 230,381	$ 368,381
2016	572,000	899,768	1,471,768	2016	143,000	224,942	367,942
2017	596,000	876,229	1,472,229	2017	149,000	219,057	368,057
2018	620,000	848,468	1,468,468	2018	155,000	212,117	367,117
2019	652,000	816,155	1,468,155	2019	163,000	204,039	367,039
2020-2024	3,788,000	3,535,928	7,323,928	2020-2024	947,000	883,982	1,830,982
2025-2029	4,820,000	2,484,169	7,304,169	2025-2029	1,205,000	621,042	1,826,042
2030-2034	6,096,000	1,166,665	7,262,665	2030-2034	1,524,000	291,666	1,815,666
2035	1,412,000	36,388	1,448,388	2035	353,000	9,097	362,097
	$ 19,108,000	$ 11,585,293	$ 30,693,293		$ 4,777,000	$ 2,896,323	$ 7,673,323

4) Community Development Block Grant Section 108 Loan

On June 14, 2000, the City executed a loan agreement with the U.S. Department of Housing and Urban Development (HUD) under HUD's Community Development Block Grant (CDBG) Section 108 Loan Program. The loan totaled $4,400,000 and calls for semi-annual principal and interest payments at varying interest rates commencing on August 1, 2000 through August 1, 2019. The loan is payable to a bank as the trustee and registered holder of the note, guaranteed by HUD and collateralized by future CDBG funds granted to the City. The City granted all of the guaranteed loan funds to a local business to finance economic development activities, including the purchase of machinery and equipment for the local business warehousing and distributing facilities and corporate headquarters. A grant agreement was also executed with the local business and the City obtained a first priority security interest in the local business machinery and equipment as stipulated in the grant agreement. The City paid the local business $4,000,000 of the loan amount and has designated the additional $400,000 net of transaction fees in the City's CDBG special revenue fund.

NOTE 11. LONG-TERM DEBT (Continued)

Notes Payable *(Continued)*

4) Community Development Block Grant Section 108 Loan (Continued)

Annual debt service requirements to maturity for the CDBG loan payable are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	$ 295,000	$ 154,399	$ 449,399
2016	310,000	110,031	420,031
2017	335,000	85,671	420,671
2018	360,000	59,179	419,179
2019	385,000	30,638	415,638
	$ 1,685,000	$ 439,918	$ 2,124,918

5) Revolving Loan

On May 11, 2001, the City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection for the purpose of providing financial assistance for planning and designing water and sewer system improvements. As of September 30, 2014, the project has been completed and the City has withdrawn $2,779,844 for the project. The loan shall be repaid in 18 semiannual loan payments beginning September 15, 2007, which is based on the total amount owed. The amount due as of September 30, 2014 was $1,670,449, which includes capitalized interest and other costs.

Annual debt service requirements to maturity for the revolving loan payable are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	$ 124,952	$ 46,023	$ 170,975
2016	128,483	42,492	170,975
2017	132,113	38,861	170,975
2018	135,847	35,128	170,975
2019	139,686	31,288	170,975
2020-2024	759,944	94,930	854,873
2025-2026	249,424	7,038	256,462
	$ 1,670,449	$ 295,760	$ 1,966,209

6) Affordable Housing Note, Series 2011

On March 23, 2011 City issued the City of Hialeah Affordable Housing Note, Series 2011 (the TD Bank Note) in the principal amount of $14,489,840 to refund and extend the maturity of the Amended and Restated Bond Anticipation Refunding Note, Series 2010 and pay-off the mortgage payable due to the Miami-Dade Housing Agency. The transaction resulted in an economic gain of approximately $115,740. The proceeds of the Series 2010 note were used for the purpose of financing the construction of a 300-unit affordable housing project in the City of Hialeah. The TD Bank Note is secured by a pledge of net rental income and a covenant to budget and appropriate non-ad valorem revenues sufficient to pay the principal and interest due on the note for the fiscal year. At September 30, 2014, the TD Bank Note had an outstanding balance of $13,238,670.

NOTE 11. LONG-TERM DEBT (Continued)

Notes Payable *(Continued)*

6) Affordable Housing Note, Series 2011 (Continued)

Annual debt service requirements to maturity for the TD Bank Note are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	$ 382,958	$ 573,621	$ 956,579
2016	400,009	556,570	956,579
2017	417,819	538,759	956,579
2018	436,423	520,156	956,579
2019	455,854	500,725	956,579
2020-2024	2,602,411	2,180,483	4,782,894
2025-2029	3,235,709	1,547,185	4,782,894
2030-2034	4,023,120	759,774	4,782,894
2035-2036	1,284,365	46,869	1,331,234
	$ 13,238,670	$ 7,224,140	$ 20,462,810

7) Florida Municipal Loan Council Revenue Bond Series 2011D- Loan Payable

On May 1, 2011, the City executed a loan agreement with the Florida Municipal Loan Council to borrow $48,235,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2011D, for construction, expansion and improvements of the City's sewer treatment plant. The loan has an outstanding balance of $48,235,000 and calls for annual principal payments due on October 1, commencing on October 1, 2012 through October 1, 2041 and semi-annual interest payments commencing on October 1, 2011 at varying rates of interest ranging from 3.0% to 5.5%. The arbitrage rebate requirement generally requires issuers of tax-exempt debt to rebate to the U.S. Treasury that investment income arising from the proceeds of tax-exempt debt to the extent that such income results from investments yields in excess of the bond yield. The City has pledged the net revenues (gross revenues after reduction of the cost of operation and maintenance of the project). There is no arbitrage rebate liability in connection with the Revenue Bonds at September 30, 2014.

Annual debt service requirements to maturity for the Series 2011D note payable are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	$ 580,000	$ 2,387,288	$ 2,967,288
2016	850,000	2,369,888	3,219,888
2017	955,000	2,344,388	3,299,388
2018	985,000	2,315,738	3,300,738
2019	1,015,000	2,286,188	3,301,188
2020-2024	5,745,000	10,783,600	16,528,600
2025-2029	7,175,000	9,364,075	16,539,075
2030-2034	9,265,000	7,294,263	16,559,263
2035-2039	12,065,000	4,528,975	16,593,975
2040-2042	8,970,000	1,004,575	9,974,575
	$ 47,605,000	$ 44,678,975	$ 92,283,975

NOTE 11. LONG-TERM DEBT (Continued)

Notes Payable *(Continued)*

8) Banc of America Public Capital Corp

On April 5, 2012, the City entered into an equipment term loan agreement with Bank of America, N.A., providing for a loan in an amount not to exceed $1,850,000 to refinance existing financed purchases of two E-One Pumpers and recycling containers with interest at the rate of 1.7431% per annum based upon twelve 30 day months over a 360-day year. The entire unpaid principal balance, together with all accrued and unpaid interest, shall be due and payable in full on April 1, 2016.

Annual debt service requirements to maturity for the loan payable are as follows:

Governmental Activities				Business-Type Activities			
Fiscal Year Ending	Principal	Interest	Total	Fiscal Year Ending	Principal	Interest	Total
2015	$ 67,553	$ 2,376	$ 69,929	2015	$ 307,739	$ 10,822	$ 318,561
2016	67,488	1,198	68,686	2016	314,345	5,458	319,803
	$ 135,041	$ 3,574	$ 138,615		$ 622,084	$ 16,280	$ 638,364

9) Capital Leases

The City has entered into a lease agreements for Twenty (20) Zoll Series X Manual Defibrillators $423,920. The lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets section and the related liability in the governmental-wide financial statements.

Capital assets acquired through the issuance of capital leases are as follows:

	Governmental Activities
Defibrillators	$ 423,920
Less: accumulated depreciation	(84,784)
	$ 339,136

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014 were:

Fiscal Year Ending	Principal	Interest	Total
2015	$ 103,685	$ 1,844	$ 105,529
2016	105,501	4,440	109,941
2017	107,349	2,592	109,941
2018	81,744	712	82,456
	$ 398,279	$ 9,589	$ 407,868

NOTE 11. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

The following is a summary of changes in the long-term debt for the year ended September 30, 2014:

	Balance September 30, 2013	Additions	Reductions	Balance September 30, 2014	Due Within One Year
Governmental activities:					
Notes:					
CDBG Sec 108	$ 1,960,000	$ -	$ (275,000)	$ 1,685,000	$ 295,000
FMLC 2005A Bond	19,640,000	-	(532,000)	19,108,000	552,000
FMLC 2012A Bond	33,192,000	-	(1,088,000)	32,104,000	1,124,000
Capital Improvement Revenue Bond 2012	1,371,805	-	(252,290)	1,119,515	256,453
TD Bank (refi bond anticipation loan)	13,605,304	-	(366,634)	13,238,670	382,958
Bank of America (refi of FMLC 1999 Bond)	9,985,043	-	(1,714,071)	8,270,972	873,334
Bank of America Promissory Note	216,009	-	(80,968)	135,041	67,553
Notes payable	79,970,161	-	(4,308,963)	75,661,198	3,551,298
Less deferred amounts:					
Discount	(27,772)	-	5,050	(22,722)	(5,050)
Premium	4,245,200	-	(212,957)	4,032,243	(28,391)
	4,217,428	-	(207,907)	4,009,521	(33,441)
Notes payable, net	84,187,589	-	(4,516,870)	79,670,719	3,517,857
Capital Leases	-	423,920	(25,641)	398,279	103,685
SunTrust (10 Ford vehicles)	72,425	-	(72,425)	-	-
Total capital leases	72,425	423,920	(98,066)	398,279	103,685
Claims payable	46,021,720	24,666,947	(21,673,453)	49,015,214	8,718,218
Compensated absences	18,467,668	10,859,528	(11,058,257)	18,268,939	3,714,935
OPEB liability	63,422,113	16,004,559	(8,496,890)	70,929,782	-
Net Pension Obligation	42,735,703	24,585,273	(29,964,033)	37,356,943	-
Total Governmental activities	$ 254,907,218	$ 76,540,227	$ (80,116,532)	$ 255,639,876	$ 16,054,695
Business-type activities:					
Revolving loan	$ 1,791,968	$ -	$ (121,519)	$ 1,670,449	$ 124,952
Bank of America (refi of FMLC 1999 Bond)	2,496,098	-	(428,523)	2,067,575	218,333
Bank of America Promissory Note	990,938	-	(368,854)	622,084	307,739
FMLC 2005A Bond	4,910,000	-	(133,000)	4,777,000	138,000
FMLC 2011D	47,925,000	-	(320,000)	47,605,000	580,000
FMLC 2012A	8,298,000	-	(272,000)	8,026,000	281,000
Total bonds and loans payable	66,412,004	-	(1,643,896)	64,768,108	1,650,024
Less deferred amounts:					
Discount	(368,536)	-	13,162	(355,374)	13,162
Premium	573,204	-	(30,164)	543,040	(30,169)
	204,668	-	(17,002)	187,666	(17,007)
Notes payable, net	66,616,672	-	(1,660,898)	64,955,774	1,633,017
Claims payable	10,395,192	3,998,537	(3,762,679)	10,631,050	2,118,031
OPEB liability	7,547,451	2,518,266	(1,974,613)	8,091,104	-
Compensated absences	2,002,950	1,085,852	(928,568)	2,160,234	411,700
Total Business-type activities	$ 86,562,265	$ 7,602,655	$ (8,326,758)	$ 85,838,162	$ 4,162,748

Claims and judgments, compensated absences, net pension obligations and net OPEB obligations are generally liquidated by the General Fund for the governmental activities.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is self-insured for general liability, automobile, workers' compensation, and health. The City also purchases stop loss coverage on its health insurance program. For all other coverage the City carries commercial insurance. The City currently reports all of its risk management activities in its General Fund, except those related to Enterprise Funds, which are reported in those funds.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). Claims liabilities are actuarially determined using historical and recent claim settlement trends. There were no significant reductions in insurance coverage from coverage in the prior year, and there were no settlements that exceeded insurance coverage for each of the past three years.

The City only records the current portion of claims payable within the General Fund if there is a settled claim which is due and payable at year end and is outstanding. The long-term portion is reported in the statement of net position. Amounts payable from proprietary funds are accounted for within those funds.

	2014	2013	2012
Unpaid claims, beginning	$ 56,416,912	$ 53,049,681	$ 53,223,935
Incurred claims (including IBNR)	28,665,484	27,725,833	24,079,486
Claims payments	(25,436,132)	(24,538,602)	(24,253,740)
Unpaid claims, ending	$ 59,646,264	$ 56,416,912	$ 53,049,681

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Hialeah Branch Courthouse Lease

On November 4, 1996, the City entered into a lease with Miami-Dade County for two parcels of land owned by the City and reimbursement of design, construction and financing of a courthouse. The lease was amended in 2000 and extended to 2030 with annual payments from the County of $500,000.

NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)

Charter School Agreements

On April 17, 2008, the City executed a contract with the School Board of Miami-Dade County, Florida that provides for The City of Hialeah Education Academy (the "HEA") to (1) provide a high-quality career-oriented curriculum for 21st Century occupations; (2) prepare students for productive employment within a multilingual work environment; and (3) prepare students for successful progression into postsecondary studies. The contract was ended on June 2014 and subsequently renewed for a period of 15 years by a mutual agreement of both parties

During 2011, the City executed a charter school agreement with the School Board of Miami-Dade County for the City of Hialeah Construction, Architecture, and Design Academy ("CAD"). The contract ends June 30, 2016.

The City has entered into an agreement with Academica Dade LLC to provide administrative and educational services for HEA. The agreement ended on June 2014 and was subsequently renewed for a term of three (3) years with an option for renewal for two additional years.

Water and Sewers Fund- Agreements with Miami-Dade County

In 2008, the City Council approved a 20 year agreement with Miami-Dade County (the "County") providing for the rendition of water service to the City by the County and the purchase of treated water from the County until 2027. In 2011, the City of Hialeah entered into a 20 year agreement with the County to provide wastewater treatment and disposal services until 2029. Rates paid by the City of Hialeah vary depending on usage and costs incurred by the County. The charges to operations under these agreements for the year ended September 30, 2014 were $8,870,782 for water services and $16,929,302 for wastewater treatment and disposal services.

Water and Sewers Fund- Administrative Consent Agreement

The Department of Water and Sewers (the "Department") entered into an "Administrative Consent Agreement" with the Miami-Dade County Department of Environmental Resources Management ("DERM") pursuant to Section 24-7(15)(c), of the Miami-Dade County Code (the "MDCC"). DERM was subsequently renamed Miami-Dade County Department of Regulatory and Economic Resources, Division of Environmental Resources Management. Pursuant to this agreement the City has agreed to correct deficiencies for thirty five (35) pump stations within the City's sewer collection and transmission system that were not in conformance with the requirements of MDCC Section 24-42.2. The agreement required the City to have corrected all the deficiencies noted in the SESS Phase III Report by September 30, 2010. The City has reached an agreement with DERM for an extension until November 12, 2017 to correct all the deficiencies noted in the SESS Phase III Report (pending final execution). Of the 35 basins identified in need of repairs the Department has completed 18 basins with 17 basins remaining. It is estimated that repairs will cost the Department approximately $5 million to correct (depending on the complexity of the problems identified) the remaining pump stations to meet the requirements of the agreement.

NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)

Joint Participation Agreement- Reverse Osmosis Water Treatment Plant

On December 27, 2007, (as amended on August 2009) the City entered into a Joint Participation agreement with Miami-Dade County (the "County") for the design, construction and operation of a 17.5 MGD reverse osmosis water treatment plant (the "Plant"). The City and the County have equal 50% ownership of the Plant, exclusive of land which is owned by the City, but inclusive of structures, facilities and appurtenances to be situated in the Annexation Area of the City, having an initial operational capacity of 10 MGD expandable to 17.5 MGD. The Plan shall operate to supply potable water to the Annexation Area of the City and upon agreement of the City and the County, to supply potable water to adjacent areas of unincorporated Miami-Dade County and Hialeah Gardens. At all times during the operation of the Plant, the County and City shall each receive 50% of the water production produced; however, either party will be able to purchase a portion of the other party's 50% share.

The term of the Agreement shall coincide with the later of two dates: (1) The expiration date of the original issuance of any bond related to the Plant issued by the County; and (2) The expiration date of the original issuance of any bond related to the Plant issued on behalf of the City. In no event shall the agreement expire before February 1, 2029. Upon termination, each party shall maintain a fifty percent interest in the WTP.

The County has and continues to contribute for 50% of the planning, design and construction and construction management (the "design and construction") costs for the Plant, in an amount not less than $80 million, and the City has and continues to contribute for 50% of the design and construction costs of the Plant, in an amount not less than $80 million based on an estimate. If the design and construction is accomplished for less than $160 million, the County and the City shall bear half of such actual costs, and shall not be required to contribute amounts in excess of its share of the actual costs.

The County shall receive a credit for the fair market value of the land being conveyed by the County to the City that will be provided for the location of the Plant, minus 10 feet for right-of-way for the construction of NW 97 Avenue, minus 55 feet for right-of-way for the construction of NW 107 Avenue and minus 80 feet for right-of-way for the construction of NW 102 Avenue, as part of the County's contribution to the design and construction costs. To the extent that the City is liable for a wetlands mitigation payment, each party shall pay 50% of the amount of such payment. The City also receives a credit towards its contribution for administrative costs and financing costs as part of the City's contribution to the planning, design and construction costs. The County shall also receive a credit towards its contribution for its financing costs as part of the County's contribution to the planning, design and construction costs. Additional funds that exceed the total design and construction estimate of $160 million and cost overruns shall be shared equally by the City and the County. If the City determines that design and construction of the Plant will or will likely require a County contribution in excess of $80 million, the City shall advise the County of same in writing, within 30 calendar days of such determination.

NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)

Joint Participation Agreement- Reverse Osmosis Water Treatment Plant *(Continued)*

The City and the County acknowledge that the $160 million estimate for the design and construction of the Plant does not include additional capital costs for the procurement of additional land, if necessary. The City and the County shall share equally in these additional expenses, if necessary. In the event, that either the City or the County secure grants to design or construct the Plant, said grants shall be applied to the overall construction of the Plant, and the contribution required from each party shall he accordingly equally adjusted.

The County provided $9.5 million at the time the Agreement was executed. The County continues to provide incremental payments as set forth in the in the Cash Flow Agreement between the County and the City. In 2011, the City issued the $48,235,000 Florida Municipal Loan Council Revenue Bonds, Series 2011D (City of Hialeah Series) to fund its share of the costs to construct the Plant. The schedule below provides a reconciliation of the construction in progress as of September 30, 2014 and the total contributions from the County. As of September 30, 2014, the County's 50% ownership share of the Plant has been recorded as a contra account to the construction in progress totaling $49,401,401.

	October 1, 2013	Additions	Deletions	September 30, 2014
Construction in Progress - RO Plant	$ 91,818,618	$ 3,684,184	$ -	$ 95,502,802
Land	-	3,300,000	-	3,300,000
Contra Account (Miami Dade County)	(45,909,309)	(3,492,092)	-	(49,401,401)
	$ 45,909,309	$ 3,492,092	$ -	$ 49,401,401
Other Receivables - Miami Dade County	$ -	$ 281,947	$ -	$ 281,947

Total Contributed by Miami Dade County	
Advances to the City	$ 44,645,836
50% Share of interest income earned	105,565
50% Share of value of the land	1,650,000
50% Share of grants from SFWMD	3,000,000
	$ 49,401,401

Construction Commitments

At September 30, 2014, the City had in process various construction projects that were not completed with a remaining balance totaling approximately $3,422,534. Funding of these projects is to be made primarily through the proceeds of loans, tax revenues and grants.

NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)

Litigation

The City is a defendant in various lawsuits incidental to its operations. The outcome of these lawsuits is undeterminable as is an amount of range of potential loss

Tax-Exempt Bonds

As disclosed in Note 11 Long-Term Debt; the City has issued tax-exempt bonds to fund capital projects and infrastructure. If the bonds were deemed to be taxable, then the City's interest costs would markedly rise; the potential increase in interest costs would only be determinable at the time such debt was deemed taxable. The City does not, at this time, expect the tax-exempt status of the debt to change.

Unfair Labor Practice Charge

On August 27, 2010, Florida Public Employees Council 79, American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME) (collectively referred to as the Union) filed an unfair labor practice charge with the State of Florida Public Employees Relations Commission (PERC) alleging that the City violated Section 447.51(1)(a) and (c), Florida Statutes (2010), by the manner in which it conducted itself during the impasse resolution procedure. On March 4, 2011, PERC concluded that the City engaged in an unfair labor practice violating Section 447.51(1)(a) and (c), Florida Statutes (2010). The PERC order did not require the City to make a monetary reimbursement to the employees. On July 15, 2013, the Union filed an action in the Eleventh Judicial Circuit Court in Miami-Dade County against the City seeking to enforce the PERC Order of March 2011 requesting that the Court make the Union members whole for the economic changes and other benefits imposed by the City Council in 2010 and for attorney's fees and costs. It is the opinion of the City Attorney that the only costs to the City stemming from this litigation are the charging party's attorney's fees incurred in the administrative proceeding and in the appeal. The City has presented a vigorous defense against Union's request for monetary relief. As of September 30, 2014, there has been no final judgment rendered in this case.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS

EMPLOYEES' RETIREMENT SYSTEM

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the City of Hialeah Employees' Retirement System Plan document for more complete information.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

EMPLOYEES' RETIREMENT SYSTEM (Continued)

Plan Description

The City is the administrator of a single-employer Public Employee Retirement System (PERS) established to provide pension, annuity, death, and disability benefits through a defined benefit and a defined contribution pension plan that covers substantially all of the employees of the City. Cost of living adjustments of 2% annually (excluding beneficiaries and those members who are receiving a Deferred Retirement Allowance), are made to members for Basic and Service Pensions. The City of Hialeah Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Hialeah Employees' Retirement System, 501 Palm Avenue, Hialeah, Florida, 33010.

On May 22, 2012, the City passed Ordinance No. 2012-27, retroactively to April 1, 2012, closing membership to the Plan for all general employees hired after April 1, 2012. New employees will instead participate in a new defined contribution plan. The latest available actuarial valuation is as of October 1, 2012.

Membership in the Plan as of October 1, 2013 consisted of the following:

Inactive Plan members	
Beneficiaries currently receiving benefits	1,365
Entitled to benefits but not yet receiving them	98
Active Plan members	1,113
Total	2,576

Loans to Members

The Employees' Retirement System Plan permits members to borrow from the Plan assets (subject to the rules of the Internal Revenue Service) at rates determined by the Plan Trustees. Interest charged on loans is 1.5% above the Wall Street Journal prime rate (4.75% as of September 30, 2014). Such loans are limited to and fully secured by the respective member's annuity savings account. Loan payments are deducted directly from the member's bi-weekly payroll.

Administrative Expenses

Administrative expenses incurred by the Plans are absorbed by the City.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

EMPLOYEES' RETIREMENT SYSTEM (Continued)

Funding Requirements

The contribution requirements of the Plan members and the City are established and may be amended by the Employees' Retirement System Board of Trustees.

Plan Members Contribution

Plan members are required to contribute 7% of their basic compensation to the Annuity Savings Fund. The City is required to contribute at an actuarially determined rate. Plan participants are permitted to purchase a maximum of four years of membership credit service time. Effective with the fiscal year ended September 30, 2006, the firefighters' and police officers' share plans will make contributions to fund the cost of the minimum benefits under Chapter 99-1, Florida Statutes.

City Contribution

On August 25, 2009, the City passed Ordinance 09-54, which established a minimum City contribution ("floor") to the Plan equal to 22% of the member payroll. Once every five years, the City may increase or decrease the floor up to 2% of member payroll, if supported by an actuarial study. The floor shall not be less than 16% or more than 28% of member payroll. The new provisions also indicate that the floor is subject to Section 70-168(b) which specifies the contribution shall be computed as a level percent of payroll in accordance with generally recognized actuarial principles and the provisions of Chapter 112 of the Florida Statutes. Provisions under Chapter 112 of the Florida Statutes will take precedence in the event the required City contribution calculated under Chapter 112 exceeds the 28% of member payroll.

The City contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2014.

The actual contribution from the City for active members were actuarially determined using the actuarial valuation as of October 1, 2012 for the year ended September 30, 2014. The contributions consisted of the following at September 30, 2014:

	Actual Contribution	Percentage of Covered Payroll
City	$ 25,769,253	113.65%
State of Florida	461,877	2.04
Total contribution from City and State of Florida	26,231,130	115.69
Members	$ 1,587,095	N/A

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

EMPLOYEES' RETIREMENT SYSTEM (Continued)

DROP Plan

The City established a deferred retirement option plan (DROP) for General Employees on February 19, 2008, and for Police and Firefighters on March 1, 2007. An active participant of the City's retirement system may enter into the DROP, on the first day of the month following completion of 25 years of membership service credit, provided that the sum of the member's age and years of service is 70 points or more. Upon entry into the DROP, a member's monthly retirement benefits (basic plus service pension), based on final average earnings and service upon entering the DROP, which would have been payable had the member elected to cease employment and receive a normal retirement benefit, shall be paid into the member's DROP account. At the end of each fiscal year, interest will be credited to the DROP account at the same rate credited to the annuity savings account. Member contributions cease upon entering the DROP and the member shall be ineligible for disability benefits provided by the Plan. Upon termination of employment or death, the DROP account balance will be paid in a cash lump sum. The maximum duration for participation in the DROP shall not exceed thirty-six (36) months and members cannot buy service in order to be eligible for the DROP.

General employees who are members of the retirement system are prohibited from entering the DROP on or after April 2, 2012. As of September 30, 2014, there were forty three (43) DROP participants and their fair value of DROP investment was $4,582,852 which is included in the Plan's net position.

Net Pension Liability

Total pension liability	$ 787,455,356
Plan fiduciary net position	598,324,146
Net pension liability	$ 189,131,210
Plan fiduciary net position as a percentage of total pension liability	75.98%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the following actuarial assumptions:

Interest rates:	
Single discount rate	8.0%
Inflation	3.0%
Salary Increases	4.0-9.0%
Long-term expected rate of return	8.0%
Pre-Retirement Mortality:	RP-2000 Combined Mortality Table with a blue collar adjustment projected 15 years from valuation date.
Post-Retirement Healthy Mortality:	RP-2000 Combined Mortality Table with a blue collar adjustment projected 7 years from valuation date.
Post-Retirement Disabled Mortality:	RP-2000 Disabled Mortality Table.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

EMPLOYEES' RETIREMENT SYSTEM (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Group	Long-Term Expected Real Rate of Return
Domestic Equity	6.60%
International Equity	7.13%
Domestic Bonds	1.79%
Alternatives	4.97%

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using a discount rate of 8.0%, 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 7.0%	**Current Discount Rate Assumption 8.0%**	**1% Increase 9.0%**
$ 263,802,678	$ 189,131,210	$ 125,805,594

Prior Period Adjustment

Management determined based on their analysis of GASB Statement No. 67 that the deferred retirement option plan (DROP) liability recorded in the previous year did not meet the criteria of DROP liability. According to GASB statement No. 67, a pension plan is required to recognize a liability for benefits when the benefits currently are due and payable to a plan member. Therefore, only those amounts in the DROP accounts that are due and payable to the plan member at the Plan's reporting date should be reported as a liability in the pension plan's statement of fiduciary net position. As a result, the beginning net position restricted for pension benefits has been restated in order to include the investments and the activity held in the DROP. In addition, management considered necessary to correct the City's contribution to the Plan for the fiscal year ended September 30, 2013, but received during the current fiscal year.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

EMPLOYEES' RETIREMENT SYSTEM (Continued)

Prior Period Adjustment (Continued)

The restatement is detailed below:

Net position held in trust for pension benefits - beginning as previously reported	$ 557,074,570
Restatement of DROP Liability	9,325,968
Correction of Employer's Contribution	3,732,903
Net position held in trust for pension benefits - beginning as restated	$ 570,133,441

ELECTED OFFICIALS' RETIREMENT SYSTEM

Plan Description

The City of Hialeah Elected Officials' Retirement System (EORS) is a single employer defined benefit pension plan administered by the City of Hialeah. The EORS was established by City Ordinance effective June 1998. The Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. All qualified elected officials and city attorneys are eligible to participate in the plan. The Plan does not issue a stand-alone financial report. Employer contribution requirements for the year ended September 30, 2014 were based on the October 1, 2013 valuation. Benefit and contribution provisions are established by City ordinance and may be amended only by the City Council.

Membership in the Plan as of October 1, 2013 consisted of the following:

Inactive Plan members	
Beneficiaries currently receiving benefits	8
Entitled to benefits but not yet receiving them	5
Active Plan members	15
Total	28

Pension Benefits

Participants earn one vesting credit for each year of service completed. A participant is considered fully vested after 8 years of credited service. After 8 years of credited service, the participant need not render any further service as an employee of the City, in order to begin receiving a pension benefit upon attaining eligibility.

A participant is eligible for normal retirement benefits when the participant has attained age 55 and 8 vesting credits or has attained 20 vesting credits regardless of age.

Normal retirement benefits are based on 3% of average final compensation multiplied by the years of service for each year of prior service.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

ELECTED OFFICIALS' RETIREMENT SYSTEM (Continued)

Funding Requirements

Plan members are required to contribute 7% of their basic compensation. The City contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2014.

The actual contribution from the City for active members were actuarially determined using the actuarial valuation as of October 1, 2013 for the year ended September 30, 2014. The contributions consisted of the following at September 30, 2014:

	Actual Contribution	Percentage of Covered Payroll
City	$ 305,000	30.45%
Members	$ 15,655	N/A

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Net appreciation in fair value of investments includes realized and unrealized gains and losses. Interest and dividends are reported as investment earnings. Realized gains and losses are determined on the basis of specific cost. Purchases and sales are recorded on the trade-date basis.

Net Pension Liability

Total pension liability	$ 8,547,312
Plan fiduciary net position	9,866,602
Net pension liability	$ (1,319,290)
Plan fiduciary net position as a percentage of total pension liability	115.44%

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

ELECTED OFFICIALS' RETIREMENT SYSTEM (Continued)

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the following actuarial assumptions:

Interest rates:	
Single discount rate	6.0%
Inflation	3.0%
Salary Increases	8.0%
Long-term expected rate of return	8.0%
Mortality:	The RP-2000 Combined Mortality Table was used, with separate rates for males and females with generational mortality improvements fully projected to each future valuation date with Scale AA.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Group	Long-Term Expected Real Rate of Return
Domestic Equity	8.50%
International Equity	3.60%
Fixed Income	4.80%
Cash	1.30%

Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate assumed member contributions will be made at the current member contribution rate and employer contribution will be made at rate equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on those 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 was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 14. EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

ELECTED OFFICIALS' RETIREMENT SYSTEM (Continued)

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using a discount rate of 6.0%, 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 5.0%	Current Discount Rate Assumption 6.0%	1% Increase 7.0%
($ 229,255)	($ 1,319,290)	($ 2,222,226)

The statement of net position and statement of changes in net position for the Elected Officials' Retirement System are presented below:

STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

ASSETS	
Cash and cash equivalents	$ 113,727
Contribution Receivables	15,655
Investments, at fair value:	
Mutual Funds	9,932,433
Total Investments, at fair value	9,932,433
Total assets	10,061,826
LIABILITIES AND NET POSITION	
Accounts payable and accrued liabilities	195,224
Net position held in trust for pension benefits	$ 9,866,602

STATEMENT OF CHANGES IN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2014

ADDITIONS	
Contributions - City	$ 305,000
Contributions - Member	15,655
Net Investment Income	908,658
Total Additions	1,229,313
Pension benefits	(230,929)
Net Increase	998,384
Net position held in trust for pension benefits:	
Beginning of year	8,868,218
End of year	$ 9,866,602

NOTE 15. DEFINED CONTRIBUTION PLANS

The City of Hialeah has two defined contribution plans; the City of Hialeah Police Pension Fund and the City of Hialeah Firemen's Relief and Pension Fund. The Plans were created on March 27, 1984 by Ordinance 1781 as amended by Ordinance 84-43 and on May 26, 1981 by Ordinance 631 as amended by Ordinance 81-62, respectively. The purpose of these Plans is to provide a means whereby police officers and firefighters of the City may receive benefits from funds provided for that purpose by contributions of the City through state contributions provided by Chapter 175/185 of the Florida Statutes. The participants do not contribute to the Plans. These funds are a supplement to and in no way affect police officer and firefighter benefits under the City of Hialeah Employees' Retirement System. The City no longer receives passed-through State contributions for the police officers or firefighters. The City under Chapter 185 of the Florida Statutes has provided authorization to the State for the direct contribution of benefits to the Police Pension Fund. The City's Employment Retirement System received passed-through contributions from the two defined contribution plans totaling $461,877 for the fiscal year ended September 30, 2014.

Both funds issue publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained by writing to Hialeah Employees' Retirement Department, 501 Palm Avenue, Hialeah, Florida, 33010.

The City created the City of Hialeah Employee's Retirement Plan on April 1, 2012. The City as a single-employer contributes to the Money Purchase Plan, which is a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The Plan is available to all full-time general employees hired after April 1, 2012, and the City contributes 7% of the employees' salary. Employees are required to contribute 7% of their salaries. Employer contributions for the fiscal year ended September 30, 2014 were approximately $134,730.

NOTE 16. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City of Hialeah sponsors a defined benefit OPEB plan. Retirees who meet certain age and service requirements may elect coverage for themselves and dependents. Self-funded and fully insured options are available. The employer currently charges no contribution for retirees with single coverage, and the single funding rate for double (employee plus spouse) coverage. Self-funded management retirees pay less for double coverage. Disabled contributions vary between plans.

Funding Policy

The OPEB obligation is funded on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation *(Continued)*

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution	$ 18,144,320
Interest on net OPEB obligation	2,838,783
Adjustment to annual required contribution	(2,460,278)
Annual OPEB cost	18,522,825
Contributions made	(10,471,503)
Increase in net OPEB obligation	8,051,322
Net OPEB obligation, beginning of year	70,969,564
Net OPEB obligation, end of year	$ 79,020,886

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
9/30/2012	$ 21,204,643	43.4%	$ 58,963,565
9/30/2013	21,204,643	43.4%	70,969,564
9/30/2014	18,522,825	56.5%	79,020,886

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/1/2009	$ -	$ 243,161,545	$ 243,161,545	0.0%	$ 83,673,089	290.6%
10/1/2011	-	309,613,913	309,613,913	0.0%	79,273,518	390.6%
10/1/2013	-	307,171,520	307,171,520	0.0%	64,338,529	477.4%

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (Continued)

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 4.5%. Both rates included a 3.5% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2013, was thirty (30) years.

NOTE 17. PRONOUCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement No. 68, Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27, was issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The adoption of this statement will require the City to record a liability for the unfunded portion of its pension plans.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, was issued January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of Statement 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

NOTE 17. PRONOUCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, was issued November 2013. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This benefit will be achieved without the imposition of significant additional costs. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application.* GASB 72 will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value accepted valuation techniques. This Statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This Statement is effective for the fiscal year ending September 30, 2016. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

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

NOTE 18. SUBSEQUENT EVENTS

On June 23, 2015 the City Council approved the first reading of the proposed ordinance granting an exclusive franchise agreement to Progressive Waste Solutions of Florida, for the collection of residential municipal solid waste for a term of four years (4), with an automatic renewal term thereafter of five years and subsequent automatic renewals for a term of one year each with cumulative duration of all subsequent renewals after the first renewal term not exceeding a total of five years. In addition, on June 23, 2015 the City Council also approved the first reading of the proposed ordinance entering into a lease agreement with Progressive Waste Solutions of Florida, as tenant, for use of the Solid Waste Equipment facility consisting of 6,570 square feet of office space, surface parking area and equipment storage yard for the same term of the franchise agreement for an annual base rent of $108,000 subject to an annual adjustment of three percent (3%) or one hundred percent (100%) of any upward increase in the Consumer Price Index, whichever amount is greater. Based on the study performed by an independent consultant the City expects to generate an annual savings of approximately $3 million for collection and disposal of solid waste. These savings will bring efficiencies and continued improvement in this fund that will eliminate the current deficit reported in the fund and pay down the note. See notes 1d(18) and 8 for additional information related to this transaction.

NOTE 19. RESTATEMENT

In the current year it was determined that the October 1, 2013 beginning net position and liabilities for the government activities were to be restated to decrease beginning net position and increase liabilities in the government activities by $3,132,674 for the underfunded portion of the City's contribution to the pension plan as of September 30, 2013.

The beginning net position and capital assets for the business type activities were to be restated due to interest payments that were not capitalized during the construction phase of the RO Plant. Beginning net position was increased by $3,873,933.

The implementation of GASB 65 as stated in Note 1 resulted in a restatement of the beginning net position for the government activities and business type activities. The respective net position were to be restated to decrease the beginning net position by $1,673,525 and $878,808 to write off capitalized loan cost as of September 30, 2013.

The corrections are detailed below:

Beginning Net Position, Government Activities	
Beginning net position, as previously recorded	$ 62,087,938
Loan cost write off (GASB 65 Implementation)	(1,673,525)
Correction of liabilities - General Fund	(3,132,674)
Beginning net position, as restated	$ 57,281,739

Beginning Net Position, Business-Type Activities	
Beginning net position, as previously recorded	$ 162,705,258
Loan cost write off (GASB 65 Implementation) - Water and Sewer Fund	(878,808)
Correction of capital assets - Water and Sewer Fund	3,873,933
Beginning net position, as restated	$ 165,700,383

Beginning Net Position, General Fund	
Beginning net position, as previously recorded	$ 12,903,036
Correction of liabilities	(3,132,674)
Beginning net position, as restated	$ 9,770,362

Beginning Net Position, Water and Sewer Fund	
Beginning net position, as previously recorded	$ 152,963,548
Loan cost write off (GASB 65 Implementation) - Water and Sewer Fund	(878,808)
Correction of capital assets - Water and Sewer Fund	3,873,933
Beginning net position, as restated	$ 155,958,673

REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

CITY OF HIALEAH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Ad valorem taxes	$ 41,955,000	$ 42,782,200	$ 41,424,199	$ (1,358,001)
Utility taxes	20,789,000	22,429,090	22,487,398	58,308
Franchise fees	9,327,000	9,979,360	15,370,782	5,391,422
Licenses and permits	3,976,000	4,543,640	4,853,204	309,564
State and local shared revenues	23,976,000	25,003,350	25,094,317	90,967
Fines and forfeitures	929,000	1,268,440	1,328,469	60,029
Government grants and other revenues	8,734,000	6,685,770	10,500,162	3,814,392
Total revenues	109,686,000	112,691,850	121,058,531	8,366,681
Other financing sources				
Proceeds from disposal of capital assets	165,000	19,109,615	4,076,089	(15,033,526)
Issuance of debt	125,000	125,000	-	(125,000)
Other	24,000	24,000	24,073	73
Transfers in	-	-	15,033,705	15,009,705
Total financing sources	314,000	19,258,615	19,133,867	(148,748)
Total revenues and other financing sources	110,000,000	131,950,465	140,192,398	8,217,933
Expenditures:				
Current:				
Police	33,275,586	41,194,546	39,816,280	1,378,266
Fire	24,892,348	32,379,237	30,648,389	1,730,848
911 Communications division	2,741,759	3,543,320	3,432,867	110,453
Fleet maintenance	1,794,482	2,380,774	2,286,994	93,780
Construction and maintenance	1,817,211	2,161,145	2,034,254	126,891
Recreation and community services	7,724,600	9,105,114	8,442,246	662,868
Planning and development	412,181	558,787	528,781	30,006
Education and community services	2,088,092	2,547,369	2,451,185	96,184
Law	844,956	1,092,583	1,231,716	(139,133)
Risk management	841,022	886,943	847,325	39,618
Human resources	576,560	785,477	731,129	54,348
City Clerk's office	1,248,603	1,030,041	992,671	37,370
Office of Management and Budget	444,305	494,973	461,476	33,497
Office of the Mayor	390,197	580,312	557,105	23,207
Communications and special events	278,000	261,681	221,436	40,245
Employee retirement	489,366	647,332	632,686	14,646
Library	1,089,250	1,312,035	1,241,652	70,383
Compliance division	246,409	393,683	447,571	(53,888)
Finance	681,495	1,073,974	1,032,730	41,244
Division of licenses	338,056	542,890	429,010	113,880
General government	26,573,687	26,996,742	32,094,420	(5,097,678)
Information systems	1,211,835	1,981,507	1,835,288	146,219
Total expenditures	110,000,000	131,950,465	132,397,211	(446,746)
Net change in fund balance	-	-	7,795,187	$ 7,795,187
Fund balances - beginning (as restated, see Note 19)	-	-	9,770,362	
Fund balances - ending	$ -	$ -	$ 17,565,549	

See notes to budgetary comparison schedule.

CITY OF HIALEAH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The City follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements.

a. Prior to September 1, the Mayor submits to the City Council a proposed operating budget for the General Fund for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to October 1, the budget is legally enacted through passage of an ordinance.

d. At any time, the Mayor may transfer any unencumbered appropriation balance or portion thereof between classifications of expenditures within an office or department. At the request of the Mayor and within the last 6 months of the fiscal year, the City Council may transfer, by resolution, any unencumbered appropriation balance or portion thereof from one office or department to another. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and shall be subject to future appropriations. The legal level of control is at the department level for the general fund and at the fund level for all other funds.

e. The reported budgetary data represents the final approved budget after amendments adopted by the City Council. Unencumbered appropriations lapse at fiscal year-end.

f. The City Council may make supplemental appropriations during the fiscal year. Supplemental appropriations were $21,950,465 for the general fund, $1,042,642 for the Streets Fund, $564,434 for the Rescue Transportation Fund, $71,500 for the Fire Prevention Fund, $27,680 for the E-911 Non-Wireless Fund, $398,113 for the Law Enforcement Trust-Federal Fund, $853,815 for the Law Enforcement Trust- State Fund, $244,268 for the Affordable Housing Fund, $122,424 for the Children's Trust Fund, $37,372 for the Urban Areas Security Grant, $11,287 for the Streets 3 Cents Optional Gas Tax Fund, $64,420 for the CITT Surtax - Hialeah Circulator Fund, $158,830 for the City of Hialeah Education Academy Fund, $78,783 for the 21st Century After School Grant, $120,882 for the Police Grant Fund, $261,651 for the Park Grants and Impact Fees Fund, $1,072,955 for the Building Division Fund, $109,935 for the ECS & Library Grants Fund, $61,315 for the CITT Surtax Transportation Fund, $141,756 for the Milander Parking Garage Fund, $500 for the Parking Garage Construction Fund, $122,314 for the Milander Center Fund, $264,777 for the Palm Center Complex Fund, $64,975 for the GOB Bucky Dent Fund, $220,198 for the Multi-Purpose Senior Center Fund, $1,285,052 for the Road Construction – 2012 Bond Fund, $42,451 for the Cultural Park Project Fund, $1,471,602 for W.24 Ave.60 to 68 St. MDC (JPA) Fund and $947 for the GOB Goodlet Park Fund, during fiscal year ended September 30, 2014.

All governmental funds with legally adopted budgets have been included as either a budgetary comparison schedule in the required supplementary information section or as a schedule of revenues and expenditures and fund balance- budget vs actual in the combining fund statements section.

CITY OF HIALEAH, FLORIDA

EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal year ending September 30,		2014
Total Pension Liability		
Service Cost	$	8,982,779
Interest		60,285,831
Change in Excess State Money		-
Change in Funding Standard Account		-
Change in Annuity Savings Fund		4,064,028
Share Plan Allocation		-
Difference Between Actual & Expected Experience		-
Changes of Assumptions		-
Contributions - Buy Back		1,182,367
Benefit Payments, Including Refunds of Employee Contributions		(63,299,504)
Net Change in Total Pension Liability		11,215,501
Total Pension Liability - Beginning		776,239,855
Total Pension Liability - Ending (a)	$	787,455,356
Plan Fiduciary Net Position		
Contributions - Employer	$	25,769,253
Contributions - State		461,877
Contributions - Member		1,587,095
Contributions - Buy Back		1,182,367
Contributions - Annuity Savings Fund		4,064,028
Net Investment Income		58,702,102
Benefit Payments, Including Refunds of Employee Contributions		(63,299,504)
Administrative Expense		-
Other		-
Net Change in Plan Fiduciary Net Position		28,467,218
Plan Fiduciary Net Position - Beginning		569,856,928
Plan Fiduciary Net Position - Ending (b)	$	598,324,146
Net Pension Liability - Ending (a) - (b)	$	189,131,210
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		75.98%
Covered Employee Payroll	$	22,672,786
Net Pension Liability as a Percentage of Covered Employee Payroll		834.18%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA

EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2014	$ 26,231,130	$ 26,231,130	-	$ 22,672,786	115.69%

* Total covered payroll for fiscal year ending September 30.

Notes to the Schedule of Contributions

Valuation Date	10/1/2012
Notes	Actuarially determined contribution rates 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	The entry age normal cost method was used to determine all liabilities, except that the liability associated with member contributions has been assumed to be equal to those contributions.
Amortization Method	Beginning October 1, 2011, the method of amortizing all outstanding unfunded liability bases was changed to an increasing amortization based on a level percent of payroll where the aggregate payroll is assumed to increase at 3.5% per year.
Remaining Amortization Period	30 years (as of 10/01/2012)
Actuarial Value of Assets	The actuarial value of assets (AVA) is equal to the market value of assets adjusted to reflect a five year phase-in of the difference between the expected versus actual return on the AVA. The AVA is limited to an 80%-120% corridor of the market value of assets.
Inflation	3.5% per year

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA

EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.22%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA

ELECTED OFFICIALS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal year ending September 30,		2014
Total Pension Liability		
Service Cost	$	278,300
Interest		490,346
Benefit Changes		-
Difference Between Actual & Expected Experience		(76,666)
Changes of Assumptions		-
Benefit Payments, Including Refunds of Member Contributions		(230,929)
Net Change in Total Pension Liability		461,051
Total Pension Liability - Beginning		8,086,261
Total Pension Liability - Ending (a)	$	8,547,312
Plan Fiduciary Net Position		
Contributions - City	$	305,000
Contributions - Member		15,655
Net Investment Income		918,376
Benefit Payments, Including Refunds of Member Contributions		(230,929)
Administrative Expense		(9,718)
Other		-
Net Change in Plan Fiduciary Net Position		998,384
Plan Fiduciary Net Position - Beginning		8,868,218
Plan Fiduciary Net Position - Ending (b)	$	9,866,602
Net Pension Liability - Ending (a) - (b)	$	(1,319,290)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		115.44%
Covered Employee Payroll	$	1,001,519
Net Pension Liability as a Percentage of Covered Employee Payroll		-131.73%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA

ELECTED OFFICIALS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2005	$ 250,415	$ 400,000	(149,585)	$ 965,463	41.43%
2006	240,475	500,000	(259,525)	1,043,850	47.90%
2007	263,369	500,000	(236,631)	986,381	50.69%
2008	288,006	500,000	(211,994)	1,116,589	44.78%
2009	299,852	500,000	(200,148)	1,200,461	41.65%
2010	356,028	500,000	(143,972)	1,206,773	41.43%
2011	313,841	313,841	-	1,113,794	28.18%
2012	280,405	280,405	-	1,048,795	26.74%
2013	312,403	312,403	-	1,085,310	28.78%
2014	288,521	305,000	(16,479)	1,001,519	30.45%

* Total covered payroll for fiscal year ending September 30.

Notes to the Schedule of Contributions

Valuation Date	10/1/2013
Notes	Actuarially determined contribution rates 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 amount, closed
Amortization Period	15 years
Actuarial Value	The actuarial value of assets (AVA) is equal to the market value of assets
Asset Valuation Method	The actuarial value of assets (AVA) is equal to the market value of assets
Inflation	3%
Salary Increases	8%
Investment Rate of	6%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Combined Mortality Table was used, with separate rates for males and females with generational mortality imporvement fully projected to each future valuation date with Scale AA.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA

ELECTED OFFICIALS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.4%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

CITY OF HIALEAH, FLORIDA

GENERAL FUND
COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2013)

	2014	2013
ASSETS		
Cash and cash equivalents	$ 25,593,559	$ 9,243,952
Investments	1,389,120	3,066,585
Receivables, net	10,879,757	14,316,975
Due from other funds	26,806,234	23,302,767
Inventories	1,456,224	1,457,058
Prepaids	718,000	718,000
Notes receivable	2,351,009	2,239,056
Total assets	$ 69,193,903	$ 54,344,393
LIABILITIES		
Vouchers payable and accrued liabilities	24,356,019	8,816,508
Short-term borrowing	-	15,000,000
Compensated absences payable	2,006,811	1,493,521
Self-insurance claims payable	535,556	782,586
Due to other funds	19,979,343	14,035,226
Deferred revenue	2,367,199	4,338,586
Other liabilities	110,250	107,604
Total liabilities	49,355,178	44,574,031
DEFERRED INFLOWS OF RESOURCES		
Business license tax	2,273,176	-
Nonspendable	2,174,224	2,175,058
Committed	-	105,440
Unassigned	15,391,325	7,489,864
Total fund balances	17,565,549	9,770,362
Total liabilities, deferred inflows of resources, and fund balances	$ 69,193,903	$ 54,344,393

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Street – This fund was established to account for revenues derived from Miami-Dade County's 5 cents and 6 cents gas tax. The City funds its Streets Department from these gas tax revenues and the expenditures include regular salaries for the department, major repairs and maintenance to the City streets and capital outlay for road resurfacing and construction.

South Florida Workforce – This fund administers grant funds for the Hayes Program. These programs were established to prepare youth and adults facing serious barriers to employment for participation in labor force by providing job training and other services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency.

Community Development Block Grant (CDBG) – This fund was established to account for expenditures and revenues derived from a Community Development Block Grant obtained from HUD. The grant was established to provide the following: Administration/Planning, Economic Development, Public Services, Housing Development, Commercial Improvement/ Urban Development, 1st Time Home Buyer Assistance, and Section 108 Loan Guarantees.

Law Enforcement Trust (State) – This fund is used to account monies received from state confiscated and forfeited property. These funds are to be used to purchase equipment for the Police Department and for improvements to the Police Department.

E-911 Non-Wireless – This fund administers revenues collected by the phone companies for emergency 911 calls. Expenditures from this fund are mainly for salaries of dispatchers for the Police and Fire Departments and for capital improvements.

Emergency Solution Grant – This fund administers revenues from the Emergency Shelter Grants Program from HUD. The program was designed to help improve the quality of existing emergency shelters, make available additional emergency shelters and meet the costs to operate the shelters for the homeless.

Fire Prevention – This fund administers revenues collected from fire re-inspection fees. Expenditures from this fund are mainly for salaries and operating expenses for the Fire Department.

Rescue Transportation – This fund administers revenues collected from fire rescue calls service billings. The main expenditures are for salaries and capital outlays for the Fire Department.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds
(Continued)

Home Investment Partnership Program (HOME) Fund – This fund was established to account for expenditures and revenues derived from grants obtained from the U.S. Department of Housing and Urban Development. The purpose of the grants is for the City of Hialeah (the City) to provide affordable housing for its citizens. The City manages the grant and obtains reimbursements from HUD after expenditures are incurred.

Park Grants & Park Impact Fees – This fund was established to account for revenues derived from Park Impact Fees established by Ordinance 92-145 collected from building permits for new units. Expenditures from this fund are mainly for park improvements and development of open spaces.

Children's Trust - This fund was established to account for revenues awarded by the Children's Trust to expand and enhance programs servicing the young community.

Metro Medical Response System – This fund was created to account for revenues awarded by the State and Federal Governments. The funds are used for salaries, operating, and capital expenses for the Fire Department as specified by the MMRS agreement.

Building Better Communities – This fund was established to account for expenditures and revenues derived from a passed through grant from the Miami Dade County Building Better Communities Grant (GOB).

Urban Areas Security Grants – This fund was established to account for expenditures and revenues derived from an Inter-local Agreement entered into with Miami-Dade County, passed through from the State of Florida Department of Community Affairs. The purpose of the grant is for the City to carry out the Urban Areas Security Initiative (UASI) program objectives.

Police Grant Fund – This fund is funded by various grants such JAG in which the program covers many activities that help to prevent or control crimes, including supporting law enforcement programs.

State Housing Initiative Program (SHIP) – This fund was established to account for revenues and expenditures derived from a grant obtained from the State of Florida (the State). The purpose of the grant is for the City of Hialeah to provide affordable housing for its citizens. The City manages the grant and obtains reimbursements from the State after expenditures are incurred.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds
(Continued)

Affordable Housing – Created to manage the building and revenues consisting of rental payments from the tenants and regular maintenance expenses as well as debt service payments on the mortgage.

E-911 Wireless – This fund administers revenues collected from fire rescue calls service billings. The main expenditures are for salaries of billing clerks, one lieutenant, and capital outlays for the Fire Department.

Law Enforcement Trust (Federal) – This fund is used to account monies received from federal confiscated and forfeited property. These funds are to be used to purchase equipment for the Police Department and for improvements to the Police Department.

EMS County Grant Fund – This fund was created to account for revenues awarded by Miami Dade County to enhance training and acquire emergency medical equipment for the City's Fire Department.

CITT Surtax - Hialeah Circulator – This fund was established to account for the revenues and expenditures of the City of Hialeah transit system. Funds for this fund are derived from the discretionary half cents sales tax as well as fees charged for fares on City's transportation.

State Homeland Sec. Grant – This fund administers revenues collected from the state government through Homeland Security for protection of major facilities from terrorist activities.

Streets 3 Cent Optional Gas Tax This fund was established to account for revenues derived from Miami-Dade County's cents gas tax. The City funds its Streets Department from these gas tax revenues and the expenditures include regular salaries for the department, and construction.

21st Century After School Grant – This fund was established to account for expenditures and revenues derived from a federal grant, passed through from the State of Florida Department of Education. The purpose of the grant is to provide after-school and summer camp services to 150 students in grades 6-10 from non-English speaking low income families.

ECS and Library Grant – This fund administers revenues from different grants to provide a better environment for the libraries located on the city. The grants help improve the students achievement by focusing in available resources such as media centers

City of Hialeah Education Academy – This fund was established to account for expenditures and revenues of the City of Hialeah Education Academy charter school.

Intersection Cameras – This fund was established to account for revenues and expenditures related to the intersection camera program.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds
(Continued)

Building Division – The building department is responsible for the safety and welfare of the general public by ensuing that the review and inspection of permitted activity is in compliance with the Florida Building Code, State Statutes, and local ordinances.

Telecommunications – This fund was established to account for expenditures derived from telecommunication capital acquisitions as well as repair and maintenance of the same for the entire City, which are then allocated to the different departments. Revenue for this fund will be transferred from each department's allocation of expenditures depending on their telecommunication needs.

Debt Service Funds

Debt service funds are used to account for the resources accumulated and payments made for principal and interest on long term general obligation debt of governmental funds.

CITT Surtax Transportation – The City of Hialeah's Debt Service Fund accounts for the revenue bonds and related costs, which is funded by discretionary ½ cent sales tax.

Fire Administration Building – The City of Hialeah's Debt Service Fund accounts for the revenue bonds and related costs, which is funded by an operating transfer from Rescue Transportation User Fees Special Revenue Fund. The other debt service costs account for maintenance of the reserve account.

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund and trust funds.

Multi- Purpose Senior Center – This fund was established for source of assistance for seniors and their families. It was granted by the Department of Elder Affairs- Fl Grant.

Milander Parking Garage – This fund was established to account for revenues and expenditures received from Building Better Communities Bond Grant for the construction of a new parking garage that will be built to alleviate the parking congestions that will be created with the new arts center.

Parking Garage Construction – This fund was established to account for revenues and expenditures collected from the Building Better Communities Bond Grant for the construction of parking garage adjacent to Hialeah High and the new Milander Performing Arts Center.

Cultural Park Project (GOB) – This project was established to account for revenues and expenditures received from GOB to remodel a park with different cultural aspects located around the city.

Milander Center – This fund was established to account for revenues and expenditures received from Building Better Communities Bond Grant for the construction of a new Performing Arts and Exhibition Center in the Milander Park grounds.

Palm Center Complex – This fund was established to account for expenditures and revenues derived from an Inter-local Agreement entered into with Miami-Dade County to receive revenues collected from Building Better Communities Bond Grant for the construction of a multipurpose facility that will house a neighborhood service center, 75 affordable housing units, and a parking garage to accommodate the affordable housing project.

Sparks Park – This fund was established to account for revenues and expenditures received from Building Better Communities Bond Grant for the construction of a new parking lot and recreation building at Sparks Park.

FDOT 138th St. 57th to 67th Ave. – MDC - This fund was established to account for revenues and expenditures received from the State (through the Florida Department of Transportation (FDOT)) as a pass-through from the Federal government (through the Local Agency Program (LAP) stimulus project) for the purpose of road reconstruction.

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds
(Continued)

Road Construction 2012 Bond – This bond accounts for the construction of various roads around the city. The loan proceeds from FMLC 2012A Bond and the expenses related to this project are accounted for in this fund.

Affordable Housing 180 Units – This fund was created to manage the building and revenues consisting of rentals. There are 180 units of which are to be rented for tenants with reduced income.

Palm to East 1st Ave From 47th to 48th Street – This fund was established to account for revenues and expenditures received from Building Better Communities Bond Grant for the road reconstruction of the City's Palm to East 1st Ave from 47th to 48th Street.

J. Edgar Hall Special Population –GOB – This fund was established to account for revenues and expenditures received from Building Better Communities Bond Grant for the construction of the Special Population Building at J Edgar Hall Park.

Goodlet Park GOB – This fund was established to account for revenues and expenditures received from Building Better Communities Bond Grant for the infrastructure enhancement of Goodlet Park.

East 4th From Hialeah Drive to 21st Street – This fund was established to account for revenues and expenditures received from a Florida Department of Transportation Grant for the road reconstruction of the City's East 4th Ave from Hialeah Drive to 21st Street.

W. 16th Ave. from 76th to 84th St. – This fund was established to account for revenues and expenditures received from the State (through Florida Department of Transportation (FDOT)) as a pass-through from the Federal government (through the Local Agency Program (LAP) stimulus project) for the purpose of road reconstruction.

W. 76th St. from 28th to 31th Ave. MDC – (JPA) – This fund was established to account for revenues and expenditures received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct road improvements to West 76th Avenue from 28th to 31th Avenue.

W. 24th St. from 60th to 68th ST. MDC – (JPA) – This fund was established to account for revenues and expenditures received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct road improvements to West 24th Street from 60th to 68th Street.

Emergency Operation Center – This fund was established to account for revenues and expenditures received from the Florida Division of Emergency Management, to support the newly created Emergency Operation Center (EOC).

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds
(Continued)

Bucky Dent Park – This fund was established to account for revenues and expenditures received from GOB for the construction of a new electrical pool pump room, and other improvement needed.

Babcock Park – This fund was established to account for revenues and expenditures received from Florida Recreation Development Assistant Program Grant for the construction of a new state of the art batting cages, electrical pool pump room, and refurbished the racquetball courts.

Hialeah Charter School – This fund was established to account for expenditures and revenues of the Jeb Bush Educational Center Charter School.

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2014

	Special Revenue												
	Street Fund	Rescue Transportation Fund	Fire Prevention Fund	EMS County Grant Fund	E-911 Non-Wireless Fund	E-911 Wireless Fund	Metro Medical Response System Grant Fund	Law Enforcement Trust State Fund	Law Enforcement Trust Federal Fund	Tele-Communication Fund	ECS & Library Grant Fund	CDBG Fund	South Florida Workforce Fund
ASSETS													
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ -	$ -	$ -	$ -	$ -
Receivables, net	454,684	799,905	955	14,000	111,973	95,990	-	30,000	-	48,885	2,196	137,082	242,611
Due from other funds	1,002,315	984	403,741	56,621	11,916	45,153	67,292	-	802	-	189,341	2,409,864	404,853
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	759,676	194,348	-	-	-	-	381,274	2,080	-	-	-	-
Total assets	$ 1,456,999	$ 1,560,565	$ 599,044	$ 70,621	$ 123,889	$ 141,143	$ 67,292	$ 431,274	$ 2,882	$ 48,885	$ 191,537	$ 2,546,946	$ 647,464
LIABILITIES AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	$ 146,685	$ 360,615	$ 93,883	$ -	$ 12,190	$ -	$ -	$ 173,477	$ -	$ -	$ 19,638	$ 62,270	$ 17,125
Due to other funds	205,319	319,471	75,750	68,528	-	-	67,292	44,408	-	48,885	2,894	1,286	630,339
Unearned revenues	-	-	393,588	-	-	-	-	-	2,882	-	59,068	2,483,390	-
Total liabilities	352,004	680,086	563,221	68,528	12,190	-	67,292	217,885	2,882	48,885	81,600	2,546,946	647,464
Fund balances:													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	128,790	878,999	35,823	2,093	109,719	141,143	-	213,389	-	-	109,937	-	-
Committed	976,205	1,480	-	-	1,980	-	-	-	-	-	-	-	-
Total fund balances	1,104,995	880,479	35,823	2,093	111,699	141,143	-	213,389	-	-	109,937	-	-
Total liabilities and fund balances	$ 1,456,999	$ 1,560,565	$ 599,044	$ 70,621	$ 123,889	$ 141,143	$ 67,292	$ 431,274	$ 2,882	$ 48,885	$ 191,537	$ 2,546,946	$ 647,464

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2014

	Special Revenue													
	Home Investment Partnership Fund	Emergency Solution Grant Fund	Park Grants & Park Impact Fees Fund	Affordable Housing Fund	S.H.I.P. Fund	City of Hialeah Education Academy Fund	Children's Trust Fund	21st Century After School Grant Fund	Urban Area Security Grants Fund	Police Grant Fund	CITT-Surtax Hialeah Circulator Fund	Building Better Communities Fund	Streets 3 Cent Optional Gas Tax Fund	Building Division Fund
ASSETS														
Cash and cash equivalents	$ -	$ -	$ -	$ 336,974	$ -	$ 588,072	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receivables, net	103,177	6,304	-	-	-	30,576	299,590	141,912	103,060	35,091	447,112	-	174,134	-
Due from other funds	-	18	938,924	-	263,670	-	-	53,579	2,918	38,256	365,969	180	1,954,580	1,873,307
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 103,177	$ 6,322	$ 938,924	$ 336,974	$ 263,670	$ 618,648	$ 299,590	$ 195,491	$ 105,978	$ 73,347	$ 813,081	$ 180	$ 2,128,714	$ 1,873,307
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable and accrued liabilities	$ 49,820	$ 6,322	$ 24,169	$ 105,158	$ 33,476	$ 124,464	$ 2,679	$ -	$ 4,584	$ 2,199	$ 72,498	$ -	$ 4,432	$ 130,919
Due to other funds	3,357	-	562	586,645	81	-	296,911	193,307	101,394	5,188	-	180	150,006	-
Unearned revenues	50,000	-	47,085	-	230,113	-	-	-	-	65,960	-	-	-	-
Total liabilities	103,177	6,322	71,816	691,803	263,670	124,464	299,590	193,307	105,978	73,347	72,498	180	154,438	130,919
Fund balances:														
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	866,128	-	-	494,184	-	2,184	-	-	740,583	-	1,963,109	1,742,388
Committed	-	-	980	-	-	-	-	-	-	-	-	-	11,167	-
Unassigned	-	-	-	(354,829)	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	867,108	(354,829)	-	494,184	-	2,184	-	-	740,583	-	1,974,276	1,742,388
Total liabilities and fund balances	$ 103,177	$ 6,322	$ 938,924	$ 336,974	$ 263,670	$ 618,648	$ 299,590	$ 195,491	$ 105,978	$ 73,347	$ 813,081	$ 180	$ 2,128,714	$ 1,873,307

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2014

		Debt Service		Capital Projects										
	Intersection Cameras Fund	CITT Surtax Transportation Fund	Fire Administration Building Fund	Parking Garage Construction Fund	Multi-Purpose Senior Center Fund	Cultural Park Project (GOB) Fund	Palm Center Complex Fund	Milander Parking Garage Fund	Milander Center Fund	Sparks Park Fund	Babcock Park Fund	E. 4 from Hialeah Drive to 21 Street Fund	Palm to East 1 Ave from 47 to 48 Street Fund	Emergency Operation Center Fund
ASSETS														
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receivables, net	-	1,626,975	-	-	-	194,656	-	-	1,245,013	-	-	-	-	30,902
Due from other funds	186,681	-	-	358,692	28,444	64,410	1,260,643	1,784,635	-	3,739	68,374	52,429	92,000	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaids	-	977,963	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 186,681	$ 2,604,938	$ -	$ 358,692	$ 28,444	$ 259,066	$ 1,260,643	$ 1,784,635	$ 1,245,013	$ 3,739	$ 68,374	$ 52,429	$ 92,000	$ 30,902
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable and accrued liabilities	$ -	$ 39,193	$ -	$ -	$ -	$ 167,823	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,902
Due to other funds	186,681	1,660,747	230,405	358,692	51,823	91,243	1,260,643	1,784,635	1,250,022	3,739	68,374	52,429	92,000	-
Unearned revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	186,681	1,699,940	230,405	358,692	51,823	259,066	1,260,643	1,784,635	1,250,022	3,739	68,374	52,429	92,000	30,902
Fund balances:														
Nonspendable	-	977,963	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	-	30,368	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(103,333)	(230,405)	-	(23,379)	-	-	-	(5,009)	-	-	-	-	-
Total fund balances	-	904,998	(230,405)	-	(23,379)	-	-	-	(5,009)	-	-	-	-	-
Total liabilities and fund balances	$ 186,681	$ 2,604,938	$ -	$ 358,692	$ 28,444	$ 259,066	$ 1,260,643	$ 1,784,635	$ 1,245,013	$ 3,739	$ 68,374	$ 52,429	$ 92,000	$ 30,902

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2014

	Capital Projects									
	W. 76 St 28 to 31 Ave MDC (JPA) Fund	Road Construction 2012 Bond Fund	HEA Charter School Expansion Fund	Affordable Housing 180 Units Fund	GOB J. Edgar Hall Special Population Fund	Goodlet Park Fund	W. 16th Ave. from 76 to 84th St Fund	GOB Bucky Dent Park Fund	W.24 Ave. 60 to 68 St. MDC (JPA) Fund	Total Non-Major Governmental Funds
ASSETS										
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 945,046
Receivables, net	841,024	-	12,700	29,201	-	-	-	6,194	652,062	7,917,964
Due from other funds	-	578,355	-	-	92,301	319,570	63,500	-	-	15,038,056
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-	-	-	-	977,963
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	1,337,378
Total assets	$ 841,024	$ 578,355	$ 12,700	$ 29,201	$ 92,301	$ 319,570	$ 63,500	$ 6,194	$ 652,062	$ 26,216,407
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	$ 74,552	$ 269,712	$ 12,700	$ 88	$ -	$ -	$ -	$ 6,194	$ 152,185	$ 2,199,952
Due to other funds	766,472	-	-	29,113	92,301	319,570	63,500	-	499,877	11,664,069
Unearned revenues	-	-	-	-	-	-	-	-	-	3,332,086
Total liabilities	841,024	269,712	12,700	29,201	92,301	319,570	63,500	6,194	652,062	17,196,107
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	977,963
Restricted	-	215,397	-	-	-	-	-	-	-	7,643,866
Committed	-	93,246	-	-	-	-	-	-	-	1,115,426
Unassigned	-	-	-	-	-	-	-	-	-	(716,955)
Total fund balances	-	308,643	-	-	-	-	-	-	-	9,020,300
Total liabilities and fund balances	$ 841,024	$ 578,355	$ 12,700	$ 29,201	$ 92,301	$ 319,570	$ 63,500	$ 6,194	$ 652,062	$ 26,216,407

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue												
	Street Fund	Rescue Transportation Fund	Fire Prevention Fund	EMS County Grant Fund	E-911 Non-Wireless Fund	E-911 Wireless Fund	Metro Medical Response System Grant Fund	Law Enforcement Trust State Fund	Law Enforcement Trust Federal Fund	Tele-Communication Fund	ECS & Library Grant Fund	CDBG Fund	South Florida Workforce Fund
Revenues:													
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State and local shared revenues	2,821,633	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	612,321	84,217	-	-	-	-
Impact Fees	-	163,038	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	63	-	-	-	-
Government grants and other revenues	119,924	3,782,060	830,502	68,528	337,855	307,393	-	8,200	13,972	491,173	190,450	1,940,727	1,656,827
Total revenues	2,941,557	3,945,098	830,502	68,528	337,855	307,393	-	620,521	98,252	491,173	190,450	1,940,727	1,656,827
Expenditures:													
Current:													
General government	212,864	-	-	-	374,459	214,018	18,441	-	10,659	367,077	-	1,461,488	-
Police	-	-	-	-	-	-	-	590,678	-	-	-	-	-
Fire	-	3,406,720	406,720	-	-	-	-	-	-	-	-	-	-
Streets	2,610,752	-	-	-	-	-	-	-	-	-	-	-	-
Grants and human services	-	-	-	-	-	-	-	-	-	-	166,809	-	-
S.H.I.P. expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Work Investment Act programs	-	-	-	-	-	-	-	-	-	-	-	-	1,657,136
Capital outlay	354,220	607,592	46,900	68,528	412	-	48,850	262,014	309,728	-	5,938	49,840	-
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	25,641	-	-	-	-	-	-	-	-	-	275,000	-
Interest	-	1,844	-	-	-	-	-	-	-	-	-	154,399	-
Total expenditures	3,177,836	4,041,797	453,620	68,528	374,871	214,018	67,291	852,692	320,387	367,077	172,747	1,940,727	1,657,136
Excess (deficiency) of revenues over expenditures	(236,279)	(96,699)	376,882	-	(37,016)	93,375	(67,291)	(232,171)	(222,135)	124,096	17,703	-	(309)
Other financing sources (uses):													
Debt proceeds	-	423,920	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	65,310	-	-	-	-	-	396,861
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	423,920	-	-	-	-	65,310	-	-	-	-	-	396,861
Net change in fund balance	(236,279)	327,221	376,882	-	(37,016)	93,375	(1,981)	(232,171)	(222,135)	124,096	17,703	-	396,552
Fund balances, beginning	1,341,274	553,258	(341,059)	2,093	148,715	47,768	1,981	445,560	222,135	(124,096)	92,234	-	(396,552)
Fund balances, ending	$ 1,104,995	$ 880,479	$ 35,823	$ 2,093	$ 111,699	$ 141,143	$ -	$ 213,389	$ -	$ -	$ 109,937	$ -	$ -

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue														
	Home Investment Partnership Fund	Emergency Solution Grant Fund	Park Grants & Park Impact Fees Fund	Affordable Housing Fund	S.H.I.P. Fund	City of Hialeah Education Academy Fund	Children's Trust Fund	21st Century After School Grant Fund	Urban Area Security Grants Fund	Police Grant Fund	State Homeland Security Grant Fund	CITT-Surtax Hialeah Circulator Fund	Building Better Communities Fund	Streets 3 Cent Optional Gas Tax Fund	Building Division Fund
Revenues:															
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,463,322
State and local shared revenues	-	-	-	-	-	3,738,858	-	-	-	-	-	1,691,440	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	924,030	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	39	-	-	-	-	-	-	-	-	-	-
Government grants and other revenues	1,218,943	294,927	93,408	2,180,223	343,314	318,164	959,561	361,345	1,248,519	133,326	33,286	488,632	-	1,042,136	-
Total revenues	1,218,943	294,927	1,017,438	2,180,223	343,353	4,057,022	959,561	361,345	1,248,519	133,326	33,286	2,180,072	-	1,042,136	4,463,322
Expenditures:															
Current:															
General government	-	-	29,855	1,469,494	-	-	-	-	-	-	-	1,844,887	-	-	2,901,433
Police	-	-	-	-	-	-	-	-	-	121,177	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	133,015	-	16,260	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-	-	-	-	-	591,069	-
Grants and human services	719,681	294,927	63,553	-	-	3,540,513	959,361	359,161	-	-	-	-	-	-	-
S.H.I.P. expenses	-	-	-	-	343,353	-	-	-	-	-	-	-	-	-	-
Work Investment Act programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	499,262	-	125,803	22,285	-	113,502	200	-	1,118,169	12,149	17,026	-	-	56,411	96,686
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	366,634	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	589,945	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,218,943	294,927	219,211	2,448,358	343,353	3,654,015	959,561	359,161	1,251,184	133,326	33,286	1,844,887	-	647,480	2,998,119
Excess (deficiency) of revenues over expenditures	-	-	798,227	(268,135)	-	403,007	-	2,184	(2,665)	-	-	335,185	-	394,656	1,465,203
Other financing sources (uses):															
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	2,918	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(180)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,918	-	-	-	(180)	-	-
Net change in fund balance	-	-	798,227	(268,135)	-	403,007	-	2,184	253	-	-	335,185	(180)	394,656	1,465,203
Fund balances, beginning	-	-	68,881	(86,694)	-	91,177	-	-	(253)	-	-	405,398	180	1,579,620	277,185
Fund balances, ending	$ -	$ -	$ 867,108	$ (354,829)	$ -	$ 494,184	$ -	$ 2,184	$ -	$ -	$ -	$ 740,583	$ -	$ 1,974,276	$ 1,742,388

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue	Debt Service		Capital Projects										
	Intersection Cameras Fund	CITT Surtax Transportation Fund	Fire Administration Building Fund	Parking Garage Construction Fund	Multi-Purpose Senior Center Fund	Cultural Park Project (GOB) Fund	Palm Center Complex Fund	Milander Parking Garage Fund	Milander Center Fund	Sparks Park Fund	Babcock Park Fund	E. 4 from Hialeah Drive to 21 Street Fund	Palm to East 1 Ave from 47 to 48 Street Fund	Emergency Operation Center Fund
Revenues:														
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State and local shared revenues	-	6,765,759	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government grants and other revenues	-	-	-	-	207,103	224,477	-	-	-	-	-	-	-	30,902
Total revenues	-	6,765,759	-	-	207,103	224,477	-	-	-	-	-	-	-	30,902
Expenditures:														
Current:														
General government	-	619,147	-	354,964	-	-	1,782	1,785,635	-	3,739	68,374	52,429	92,000	30,902
Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and human services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State housing initiative program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work Investment Act programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	230,482	224,477	293,281	-	4,241	-	-	-	-	-
Debt service:														
Principal	-	3,334,071	252,290	-	-	-	-	-	-	-	-	-	-	-
Interest	-	2,593,526	20,951	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	6,546,744	273,241	354,964	230,482	224,477	295,063	1,785,635	4,241	3,739	68,374	52,429	92,000	30,902
Excess (deficiency) of revenues over expenditures	-	219,015	(273,241)	(354,964)	(23,379)	-	(295,063)	(1,785,635)	(4,241)	(3,739)	(68,374)	(52,429)	(92,000)	-
Other financing sources (uses):														
Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	186,681	-	-	358,692	-	-	1,260,643	1,784,635	-	3,739	68,374	52,429	92,000	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	186,681	-	-	358,692	-	-	1,260,643	1,784,635	-	3,739	68,374	52,429	92,000	-
Net change in fund balance	186,681	219,015	(273,241)	3,728	(23,379)	-	965,580	(1,000)	(4,241)	-	-	-	-	-
Fund balances, beginning	(186,681)	685,983	42,836	(3,728)	-	-	(965,580)	1,000	(768)	-	-	-	-	-
Fund balances, ending	$ -	$ 904,998	$ (230,405)	$ -	$ (23,379)	$ -	$ -	$ -	$ (5,009)	$ -	$ -	$ -	$ -	$ -

CITY OF HIALEAH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Capital Projects										
	W. 76 St- 28 to 31 Ave- MDC (JPA) Fund	Road Construction 2012 Bond Fund	HEA Charter School Expansion Fund	Affordable Housing 180 Units Fund	GOB J. Edgar Hall Special Population Fund	GOB Goodlet Park Fund	W. 16th Ave. from 76 to 84th St Fund	GOB Bucky Dent Park Fund	138th St. 57 to 67 Ave- MDC (FDOT) Fund Fund	W.24 Ave. 60 to 68 St. MDC (JPA) Fund	Total Non-Major Governmental Funds
Revenues:											
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,463,322
State and local shared revenues	-	-	-	-	-	-	-	-	-	-	15,017,690
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	696,538
Impact Fees	-	-	-	-	-	-	-	-	-	-	1,087,068
Interest	-	-	-	-	-	-	-	-	-	-	102
Government grants and other revenues	841,024	-	12,700	9,603	-	-	-	6,194	173,108	652,062	20,620,568
Total revenues	841,024	-	12,700	9,603	-	-	-	6,194	173,108	652,062	41,885,288
Expenditures:											
Current:											
General government	-	-	12,700	9,515	92,301	319,570	63,500	6,194	-	-	12,417,427
Police	-	-	-	-	-	-	-	-	-	-	711,855
Fire	-	-	-	-	-	-	-	-	-	-	3,962,715
Streets	-	-	-	-	-	-	-	-	-	-	3,201,821
Grants and human services	-	-	-	-	-	-	-	-	-	-	6,104,005
State housing initiative program	-	-	-	-	-	-	-	-	-	-	343,353
Work Investment Act programs	-	-	-	-	-	-	-	-	-	-	1,657,136
Capital outlay	841,024	1,393,435	-	88	-	-	-	-	173,108	652,062	7,627,713
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	4,253,636
Interest	-	-	-	-	-	-	-	-	-	-	3,360,665
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	841,024	1,393,435	12,700	9,603	92,301	319,570	63,500	6,194	173,108	652,062	43,640,326
Excess (deficiency) of revenues over expenditures	-	(1,393,435)	-	-	(92,301)	(319,570)	(63,500)	-	-	-	(1,755,038)
Other financing sources (uses):											
Debt proceeds	-	-	-	-	-	-	-	-	-	-	423,920
Transfers in	-	-	-	-	92,301	319,570	63,500	-	-	-	4,747,653
Transfers out	-	-	-	-	-	-	-	-	-	-	(180)
Total other financing sources (uses)	-	-	-	-	92,301	319,570	63,500	-	-	-	5,171,393
Net change in fund balance	-	(1,393,435)	-	-	-	-	-	-	-	-	3,416,355
Fund balances, beginning	-	1,702,078	-	-	-	-	-	-	-	-	5,603,945
Fund balances, ending	$ -	$ 308,643	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,020,300

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Streets Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
State and local shared revenues	$ 3,484,668	$ 3,658,782	$ 2,821,633	$ (837,149)
Government grants and other revenues	-	-	119,924	119,924
Total revenues	3,484,668	3,658,782	2,941,557	(717,225)
Other financing sources:				
Appropriation of prior year fund balance	183,945	1,052,473	-	(1,052,473)
Transfers in	-	-	-	-
Total other financing sources	183,945	1,052,473	-	(1,052,473)
Total revenues and other financing sources	3,668,613	4,711,255	2,941,557	(1,769,698)
Expenditures:				
General government	-	-	212,864	(212,864)
Streets	3,668,613	4,711,255	2,964,972	1,746,283
Total expenditures	3,668,613	4,711,255	3,177,836	1,533,419
Net change in fund balance	-	-	(236,279)	$ (236,279)
Fund balances - beginning	-	-	1,341,274	
Fund balances - ending	$ -	$ -	$ 1,104,995	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Rescue Transporation Fund				Fire Prevention Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Interest	$ 1,500	$ 1,500	$ -	$ (1,500)	$ 100	$ 100	$ -	$ (100)
Government grants and other revenues	3,587,000	4,151,434	3,945,098	(206,336)	670,000	741,500	830,502	89,002
Total revenues	3,588,500	4,152,934	3,945,098	(207,836)	670,100	741,600	830,502	88,902
Other financing sources:								
Issuance of debt	-	-	423,920	423,920	-	-	-	-
Total other financing sources	-	-	423,920	423,920	-	-	-	-
Total revenues and other financing sources	3,588,500	4,152,934	4,369,018	216,084	670,100	741,600	830,502	88,902
Expenditures:								
Fire	3,588,500	4,152,934	4,041,797	111,137	670,100	741,600	453,620	287,980
Total expenditures	3,588,500	4,152,934	4,041,797	111,137	670,100	741,600	453,620	287,980
Net change in fund balance	-	-	327,221	$ 327,221	-	-	376,882	$ 376,882
Fund balances - beginning	-	-	553,258		-	-	(341,059)	
Fund balances - ending	$ -	$ -	$ 880,479		$ -	$ -	$ 35,823	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	E-911 Non-Wireless Fund				E-911 Wireless Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ 340,000	$ 340,000	$ 337,855	$ (2,145)	$ 360,000	$ 360,000	$ 307,393	$ (52,607)
Total revenues	340,000	340,000	337,855	(2,145)	360,000	360,000	307,393	(52,607)
Other financing sources:								
Appropriation of prior year fund balance	-	27,680	-	(27,680)	-	-	-	-
Total other financing sources	-	27,680	-	(27,680)	-	-	-	-
Total revenues and other financing sources	340,000	367,680	337,855	(29,825)	360,000	360,000	307,393	(52,607)
Expenditures:								
General government	340,000	367,680	374,871	(7,191)	360,000	360,000	214,018	145,982
Total expenditures	340,000	367,680	374,871	(7,191)	360,000	360,000	214,018	145,982
Net change in fund balance	-	-	(37,016)	$ (37,016)	-	-	93,375	$ 93,375
Fund balances - beginning	-	-	148,715		-	-	47,768	
Fund balances - ending	$ -	$ -	$ 111,699		$ -	$ -	$ 141,143	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Law Enforcement Trust - Federal Fund				Law Enforcement Trust - State Fund			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
Fines and forfeitures	$ -	$ -	$ 84,217	$ 84,217	$ -	$ 853,815	$ 612,321	$ (241,494)
Interest	-	-	63	63	-	-	-	-
Government grants and other revenues	-	-	13,972	13,972	-	-	8,200.00	8,200.00
Total revenues	-	-	98,252	98,252	-	853,815	620,521	(233,294)
Other financing sources:								
Appropriation of prior year fund balance	-	398,113	-	(398,113)	-	-	-	-
Total other financing sources	-	398,113	-	(398,113)	-	-	-	-
Total revenues and other financing sources	-	398,113	98,252	(299,861)	-	853,815	620,521	(233,294)
Expenditures:								
Police	-	398,113	320,387	77,726	-	853,815	852,692	1,123
Total expenditures	-	398,113	320,387	77,726	-	853,815	852,692	1,123
Net change in fund balance	-	-	(222,135)	$ (222,135)	-	-	(232,171)	$ (232,171)
Fund balances - beginning	-	-	222,135		-	-	445,560	
Fund balances - ending	$ -	$ -	$ -		$ -	$ -	$ 213,389	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Affordable Housing Fund				Children's Trust Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ 2,150,000	$ 2,394,268	$ 2,180,223	$ (214,045)	$ 844,540	$ 966,964	$ 959,561	$ (7,403)
Total revenues	2,150,000	2,394,268	2,180,223	(214,045)	844,540	966,964	959,561	(7,403)
Other financing sources:								
Appropriation of prior year fund balance	250,000	250,000	-	(250,000)	-	-	-	-
Total other financing sources	250,000	250,000	-	(250,000)	-	-	-	-
Total revenues and other financing sources	2,400,000	2,644,268	2,180,223	(464,045)	844,540	966,964	959,561	(7,403)
Expenditures:								
General government	2,400,000	2,644,268	2,448,358	195,910	-	-	-	-
Grants and human services	-	-	-	-	844,540	966,964	959,561	7,403
Total expenditures	2,400,000	2,644,268	2,448,358	195,910	844,540	966,964	959,561	7,403
Net change in fund balance	-	-	(268,135)	$ (268,135)	-	-	-	$ -
Fund balances - beginning	-	-	(86,694)		-	-	-	
Fund balances - ending	$ -	$ -	$ (354,829)		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Urban Area Security Grant Fund				Streets 3 Cents Optional Gas Tax Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ 1,311,699	$ 1,349,071	$ 1,248,519	$ (100,552)	$ 1,998,570	$ 2,009,857	$ 1,042,136	$ (967,721)
Total revenues	1,311,699	1,349,071	1,248,519	(100,552)	1,998,570	2,009,857	1,042,136	(967,721)
Other financing sources:								
Transfers in	-	-	2,918	2,918	-	-	-	-
Total other financing sources	-	-	2,918	2,918	-	-	-	-
Total revenues and other financing sources	1,311,699	1,349,071	1,251,437	(97,634)	1,998,570	2,009,857	1,042,136	(967,721)
Expenditures:								
Fire	1,311,699	1,349,071	1,251,184	97,887	-	-	-	-
Streets	-	-	-	-	1,998,570	2,009,857	647,480	1,362,377
Total expenditures	1,311,699	1,349,071	1,251,184	97,887	1,998,570	2,009,857	647,480	1,362,377
Net change in fund balance	-	-	253	$ 253	-	-	394,656	$ 394,656
Fund balances - beginning	-	-	(253)		-	-	1,579,620	
Fund balances - ending	$ -	$ -	$ -		$ -	$ -	$ 1,974,276	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Metro Medical Response System Grant Fund				CITT Surtax - Hialeah Circulator Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
State and local shared revenues	$ -	$ -	$ -	$ -	$ 1,454,110	$ 1,454,110	$ 1,691,440	$ 237,330
Government grants and other revenues	-	-	-	-	462,000	526,420	488,632	(37,788)
Total revenues	-	-	-	-	1,916,110	1,980,530	2,180,072	199,542
Other financing sources:								
Appropriation of prior year fund balance	233,305	233,305	-	(233,305)	125,276	125,276	-	(125,276)
Transfers in	-	-	65,310	65,310	-	-	-	-
Total other financing sources	233,305	233,305	65,310	(167,995)	125,276	125,276	-	(125,276)
Total revenues and other financing sources	233,305	233,305	65,310	(167,995)	2,041,386	2,105,806	2,180,072	74,266
Expenditures:								
General government	233,305	233,305	67,291	166,014	2,041,386	2,105,806	1,844,887	260,919
Total expenditures	233,305	233,305	67,291	166,014	2,041,386	2,105,806	1,844,887	260,919
Net change in fund balance	-	-	(1,981)	$ (1,981)	-	-	335,185	$ 335,185
Fund balances - beginning	-	-	1,981		-	-	405,398	
Fund balances - ending	$ -	$ -	$ -		$ -	$ -	$ 740,583	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	City of Hialeah Education Academy Fund**				Emergency Medical Services County Grant Fund			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
State and local shared revenues	$ 2,968,000	$ 2,687,537	$ 3,738,858	$ 1,051,321	$ -	$ -	$ -	$ -
Government grants and other revenues	155,000	233,000	318,164	85,164	10,000	10,000	68,528	58,528
Total revenues	3,123,000	2,920,537	4,057,022	1,136,485	10,000	10,000	68,528	58,528
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	91,489	91,489	-	(91,489)
Total other financing sources	-	-	-	-	91,489	91,489	-	(91,489)
Total revenues and other financing sources	3,123,000	2,920,537	4,057,022	1,136,485	101,489	101,489	68,528	(32,961)
Expenditures:								
General government	-	-	-	-	101,489	101,489	68,528	32,961
Grants and human services	2,884,170	3,043,000	3,654,015	(611,015)	-	-	-	-
Total expenditures	2,884,170	3,043,000	3,654,015	(611,015)	101,489	101,489	68,528	32,961
Net change in fund balance	238,830	(122,463)	403,007	$ 525,470	-	-	-	$ -
Fund balances - beginning	153,265	153,265	91,177		-	-	2,093	
Fund balances - ending	$ 392,095	$ 30,802	$ 494,184		$ -	$ -	$ 2,093	

**Note: Balances are as of June 30, 2014.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	21st Century After School Grant Fund				Police Grant Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ 395,813	$ 474,596	$ 361,345	$ (113,251)	$ 127,338	$ 248,220	$ 133,326	$ (114,894)
Total revenues	395,813	474,596	361,345	(113,251)	127,338	248,220	133,326	(114,894)
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	28,443	28,443	-	(28,443)
Total other financing sources	-	-	-	-	28,443	28,443	-	(28,443)
Total revenues and other financing sources	395,813	474,596	361,345	(113,251)	155,781	276,663	133,326	(143,337)
Expenditures:								
General government	-	-	-	-	155,781	276,663	133,326	143,337
Grants and human services	395,813	474,596	359,161	115,435	-	-	-	-
Total expenditures	395,813	474,596	359,161	115,435	155,781	276,663	133,326	143,337
Net change in fund balance	-	-	2,184	$ 2,184	-	-	-	$ -
Fund balances - beginning	-	-	-		-	-	-	
Fund balances - ending	$ -	$ -	$ 2,184		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Park Grants and Impact Fees Fund				Building Division Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Licenses and permits	$ -	$ -	$ -	$ -	$ 3,287,080	$ 4,360,035	$ 4,463,322	$ 103,287
Government grants and other revenues	86,000	347,651	1,017,438	669,787	-	-	-	-
Total revenues	86,000	347,651	1,017,438	669,787	3,287,080	4,360,035	4,463,322	103,287
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	175,026	175,026	-	(175,026)
Issuance of debt	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	175,026	175,026	-	(175,026)
Total revenues and other financing sources	86,000	347,651	1,017,438	669,787	3,462,106	4,535,061	4,463,322	(71,739)
Expenditures:								
General government	86,000	347,651	219,211	128,440	3,462,106	4,535,061	2,998,119	1,536,942
Total expenditures	86,000	347,651	219,211	128,440	3,462,106	4,535,061	2,998,119	1,536,942
Net change in fund balance	-	-	798,227	$ 798,227	-	-	1,465,203	$ 1,465,203
Fund balances - beginning	-	-	68,881		-	-	277,185	
Fund balances - ending	$ -	$ -	$ 867,108		$ -	$ -	$ 1,742,388	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	ECS & Library Grants Fund				State Homeland Security Grant Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ 149,000	$ 258,935	$ 190,450	$ (68,485)	$ 33,286	$ 33,286	$ 33,286	$ -
Total revenues	149,000	258,935	190,450	(68,485)	33,286	33,286	33,286	-
Expenditures:								
Grants and human services	149,000	258,935	172,747	86,188	33,286	33,286	33,286	-
Public safety	-	-	-	-	-	-	-	-
Total expenditures	149,000	258,935	172,747	86,188	33,286	33,286	33,286	-
Net change in fund balance	-	-	17,703	$ 17,703	-	-	-	$ -
Fund balances - beginning	-	-	92,234		-	-	-	
Fund balances - ending	$ -	$ -	$ 109,937		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	CITT Surtax Transportation Fund				Fire Administration Building Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
State and local shared revenues	$ 6,201,497	$ 6,201,497	$ 6,765,759	$ 564,262	$ -	$ -	$ -	$ -
Total revenues	6,201,497	6,201,497	6,765,759	564,262	-	-	-	-
	-							
Other financing sources:								
Appropriation of prior year fund balance	1,230,000	1,291,315	-	(1,291,315)	-	-	-	-
Total other financing sources	1,230,000	1,291,315	-	(1,291,315)	273,242	273,242	-	-
Total revenues and other financing sources	7,431,497	7,492,812	6,765,759	(727,053)	273,242	273,242	-	-
Expenditures:								
General government	-	-	619,147	(619,147)	-	-	-	-
Streets	7,431,497	7,492,812	5,927,597	1,565,215	273,242	273,242	273,242	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	7,431,497	7,492,812	6,546,744	946,068	273,242	273,242	273,242	-
Net change in fund balance	-	-	219,015	$ 219,015	-	-	(273,241)	$ -
Fund balances - beginning	-	-	685,983		-	-	42,836	
Fund balances - ending	$ -	$ -	$ 904,998		$ -	$ -	$ (230,405)	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Milander Parking Garage Fund				Parking Garage Construction Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ -	$ 141,756	$ -	$ (141,756)	$ 1,139,069	$ 1,139,569	$ -	$ (1,139,569)
Total revenues	-	141,756	-	(141,756)	1,139,069	1,139,569	-	(1,139,569)
Other financing sources:								
Transfers in	-	-	1,784,635	1,784,635	-	-	358,692	358,692
Total other financing sources	-	-	1,784,635	1,784,635	-	-	358,692	358,692
Total revenues and other financing sources	-	141,756	1,784,635	1,642,879	1,139,069	1,139,569	358,692	(780,877)
Expenditures:								
General government	-	-	1,785,635	(1,785,635)	-	-	354,964	(354,964)
Capital Outlay	-	141,756	-	141,756	1,139,069	1,139,569	-	1,139,569
Total expenditures	-	141,756	1,785,635	(1,643,879)	1,139,069	1,139,569	354,964	784,605
Net change in fund balance	-	-	(1,000)	$ (1,000)	-	-	3,728	$ 3,728
Fund balances - beginning	-	-	1,000		-	-	(3,728)	
Fund balances - ending	$ -	$ -	$ -		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Milander Center Fund				Palm Center Complex Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ -	$ -	$ -	$ -	$ 3,857,191	$ 4,121,968	$ -	$ (4,121,968)
Total revenues	-	-	-	-	3,857,191	4,121,968	-	(4,121,968)
Other financing sources:								
Appropriation of prior year fund balance	-	122,314	-	(122,314)	-	-	-	-
Transfers in	-	-	-	-	-	-	1,260,643	1,260,643
Total other financing sources	-	122,314	-	(122,314)	-	-	1,260,643	1,260,643
Total revenues and other financing sources	-	122,314	-	(122,314)	3,857,191	4,121,968	1,260,643	(2,861,325)
Expenditures:								
General government	-	-	-	-	-	-	1,782	(1,782)
Capital Outlay	-	122,314	4,241	118,073	3,857,191	4,121,968	293,281	3,828,687
Total expenditures	-	122,314	4,241	118,073	3,857,191	4,121,968	295,063	3,826,905
Net change in fund balance	-	-	(4,241)	$ (4,241)	-	-	965,580	$ 965,580
Fund balances - beginning	-	-	(768)		-	-	(965,580)	
Fund balances - ending	$ -	$ -	$ (5,009)		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	GOB Bucky Dent Fund				Multi- Purpose Senior Center Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ -	$ -	$ 6,194	$ 6,194	$ 130,900	$ 130,900	$ 207,103	$ 76,203
Total revenues	-	-	6,194	6,194	130,900	130,900	207,103	76,203
Other financing sources:								
Appropriation of prior year fund balance	-	64,975	-	(64,975)	-	220,198	-	(220,198)
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	64,975	-	(64,975)	-	220,198	-	(220,198)
Total revenues and other financing sources	-	64,975	6,194	(58,781)	130,900	351,098	207,103	(143,995)
Expenditures:								
Capital outlay	-	64,975	6,194	58,781	130,900	351,098	230,482	120,616
Total expenditures	-	64,975	6,194	58,781	130,900	351,098	230,482	120,616
Net change in fund balance	-	-	-	$ -	-	-	(23,379)	$ (23,379)
Fund balances - beginning	-	-	-		-	-	-	
Fund balances - ending	$ -	$ -	$ -		$ -	$ -	$ (23,379)	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Road Construction - 2012 Bond Fund				Cultural Park Project Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ 1,362,706	$ 1,362,706	$ -	$ (1,362,706)	$ 851,650	$ 894,101	$ 224,477	$ (669,624)
Total revenues	1,362,706	1,362,706	-	(1,362,706)	851,650	894,101	224,477	(669,624)
Other financing sources:								
Appropriation of prior year fund balance	-	1,285,052	-	(1,285,052)	-	-	-	-
Total other financing sources	-	1,285,052	-	(1,285,052)	-	-	-	-
Total revenues and other financing sources	1,362,706	2,647,758	-	(2,647,758)	851,650	894,101	224,477	(669,624)
Expenditures:								
Grants and human services	-	-	1,393,435	(1,393,435)	-	-	-	-
Capital Outlay	1,362,706	2,647,758	-	2,647,758	851,650	894,101	224,477	669,624
Total expenditures	1,362,706	2,647,758	1,393,435	1,254,323	851,650	894,101	224,477	669,624
Net change in fund balance	-	-	(1,393,435)	$ (1,393,435)	-	-	-	$ -
Fund balances - beginning	-	-	1,702,078		-	-	-	
Fund balances - ending	$ -	$ -	$ 308,643		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	W.24 Ave. 60 to 68 St. MDC (JPA) Fund				W.76 St 28 to 31 Ave MDC (JPA) Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Government grants and other revenues	$ -	$ 1,471,602	$ 652,062	$ (819,540)	$ 1,930,920	$ 1,930,920	$ 841,024	$ (1,089,896)
Total revenues	-	1,471,602	652,062	(819,540)	1,930,920	1,930,920	841,024	(1,089,896)
Other financing sources:								
Transfers in	-	-	-	-	-	-	68,374	68,374
Total other financing sources	-	-	-	-	-	-	68,374	68,374
Total revenues and other financing sources	-	1,471,602	652,062	(819,540)	1,930,920	1,930,920	909,398	(1,021,522)
Expenditures:								
Capital Outlay	-	1,471,602	652,062	819,540	1,930,920	1,930,920	841,024	1,089,896
Total expenditures	-	1,471,602	652,062	819,540	1,930,920	1,930,920	909,398	1,021,522
Net change in fund balance	-	-	-	$ -	-	-	-	$ (68,374)
Fund balances - beginning	-	-	-		-	-	-	
Fund balances - ending	$ -	$ -	$ -		$ -	$ -	$ -	

CITY OF HIALEAH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	GOB Goodlet Park			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Government grants and other revenues	$ 20,530	$ 21,477	$ -	$ (21,477)
Total revenues	20,530	21,477	-	(21,477)
Other financing sources:				
Transfers in	-	-	319,570	319,570
Total other financing sources	-	-	319,570	319,570
Total revenues and other financing sources	20,530	21,477	319,570	298,093
Expenditures:				
General government	-	-	319,570	(319,570)
Capital outlay	20,530	21,477	-	21,477
Total expenditures	20,530	21,477	319,570	(298,093)
Net change in fund balance	-	-	-	$ -
Fund balances - beginning	-	-	-	
Fund balances - ending	$ -	$ -	$ -	

FIDUCIARY FUNDS

CITY OF HIALEAH, FLORIDA

FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2014

	Employees' Retirement System	Elected Officials' Retirement System	Total
ASSETS			
Cash and cash equivalents	$ 40,333,382	$ 113,727	$ 40,447,109
Securities lending cash collateral	65,126,062	-	65,126,062
Receivables:			
Accrued interest	1,214,625	-	1,214,625
Accrued dividends	317,828	-	317,828
Other receivables	35,373	-	35,373
Contributions	18,681,037	15,655	18,696,692
Investments sold	1,335,562	-	1,335,562
Total receivables	21,584,425	15,655	21,600,080
Investments, at fair value:			
U.S. Treasury bonds and notes	54,484,730	-	54,484,730
U.S. Government securities	8,973,040	-	8,973,040
Asset backed securities	1,805,058	-	1,805,058
Mortgage backed securities	64,234,820	-	64,234,820
Real estate investment trusts	973,780	-	973,780
Corporate bonds and notes	93,898,297	-	93,898,297
Municipal bonds	22,254,667	-	22,254,667
Limited partnerships	10,909,271	-	10,909,271
Mutual funds	6,443,087	9,932,444	16,375,531
Common stocks	304,311,251	-	304,311,251
Total investments	568,288,001	9,932,444	578,220,445
Loans to members	10,130,193	-	10,130,193
Total assets	705,462,063	10,061,826	715,523,889
LIABILITIES AND NET POSITION			
Obligations under securities lending	65,126,062	-	65,126,062
Due to retired participants	39,594,420	-	39,594,420
Investments purchased	2,174,568	-	2,174,568
Accounts payable and accrued liabilities	242,867	195,224	438,091
Total liabilities	107,137,917	195,224	107,333,141
Net position held in trust for pension benefits	$ 598,324,146	$ 9,866,602	$ 608,190,748

CITY OF HIALEAH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Employees' Retirement System	Elected Officials' Retirement System	Total
ADDITIONS			
Contributions:			
Employer	$ 25,769,253	$ 305,000	$ 26,074,253
Employee	6,833,490	15,655	6,849,145
State	461,877	-	461,877
Total contributions	33,064,620	320,655	33,385,275
Investment income:			
Net apreciation in fair value of investments	45,619,892	687,186	46,307,078
Investment earnings	14,142,623	249,368	14,391,991
Total investment income	59,762,515	936,554	60,699,069
Less investment expenses	1,336,926	27,896	1,364,822
Net investment income	58,425,589	908,658	59,334,247
Total additions	91,490,209	1,229,313	92,719,522
DEDUCTIONS			
Pension benefits	49,111,639	230,929	49,342,568
Refunds of contributions	7,145,138	-	7,145,138
DROP benefits	7,042,727	-	7,042,727
Total deductions	63,299,504	230,929	63,530,433
Net increase	28,190,705	998,384	29,189,089
Net position held in trust for pension benefits:			
Beginning of year - as previously reported	557,074,570	8,868,218	565,942,788
Piror period adjustment	13,058,871	-	13,058,871
Beginning of year - as restated (Note 14)	570,133,441	8,868,218	579,001,659
Ending	$ 598,324,146	$ 9,866,602	$ 608,190,748

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Hialeah'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 **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. **116-119**

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. **120-123**

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. **124-126**

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. **127-128**

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. **129-131**

CITY OF HIALEAH, FLORIDA

NET POSITION BY COMPONENT

FOR THE LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	$ 146,261,556	$ 157,977,858	$ 183,501,680	$ 200,996,079	$ 203,538,055	$ 211,733,799	$ 212,133,537	$ 194,882,428	$ 211,571,226	$ 200,596,082
Restricted	9,328,761	1,723,358	14,206,203	7,778,905	6,277,482	6,144,155	12,466,327	4,187,495	7,703,518	7,643,866
Unrestricted	(37,031,548)	(31,280,078)	(53,760,487)	(73,598,339)	(86,739,623)	(106,165,039)	(133,288,201)	(138,778,621)	(157,186,806)	(154,509,490)
Total governmental activities net position	118,558,769	128,421,138	143,947,396	135,176,645	123,075,914	111,712,915	91,311,663	60,291,302	62,087,938	53,730,458
Business-type activities:										
Net investment in capital assets	68,886,789	106,282,295	79,156,300	88,351,287	103,874,020	123,881,159	75,538,974	121,429,175	116,770,648	122,274,496
Restricted	7,473,034	7,606,961	21,446,086	-	-	-	40,562,646	5,213,862	-	-
Unrestricted	34,327,360	3,112,053	26,479,228	46,322,656	37,501,753	30,323,471	30,136,654	44,149,697	45,934,610	32,314,390
Total business-type activities net position	110,687,183	117,001,309	127,081,614	134,673,943	141,375,773	154,204,630	146,238,274	170,792,734	162,705,258	154,588,886
Primary government:										
Net investment in capital assets	215,148,345	264,260,153	262,657,980	289,347,366	307,412,075	335,614,958	287,672,511	316,311,603	328,341,874	322,870,578
Restricted	16,801,795	9,330,319	35,652,289	7,778,905	6,277,482	6,144,155	53,028,973	9,401,357	7,703,518	7,643,866
Unrestricted	(2,704,188)	(28,168,025)	(27,281,259)	(27,275,683)	(49,237,870)	(75,841,568)	(103,151,547)	(94,628,924)	(111,252,196)	(122,195,100)
Total primary government net position	$ 229,245,952	$ 245,422,447	$ 271,029,010	$ 269,850,588	$ 264,451,687	$ 265,917,545	$ 237,549,937	$ 231,084,036	$ 224,793,196	$ 208,319,344

CITY OF HIALEAH, FLORIDA

CHANGES IN NET POSITION

FOR THE LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	$ 55,582,787	$ 65,290,102	$ 65,326,837	$ 69,140,040	$ 74,384,843	$ 68,871,742	$ 66,589,887	$ 66,408,608	$ 68,219,791	$ 72,876,508
Police	38,558,035	37,743,976	42,209,396	47,982,487	46,859,988	46,206,703	47,628,629	43,670,286	43,377,962	43,375,725
Fire	27,400,080	28,371,023	32,354,377	38,058,400	38,524,121	40,660,842	43,122,832	39,712,334	39,443,585	38,604,552
Streets	12,140,825	13,049,483	12,593,306	14,561,927	13,865,386	14,581,951	14,965,763	12,935,254	11,985,507	11,842,353
Recreation and community services	11,838,894	12,357,830	13,128,189	16,045,320	13,262,701	10,852,844	10,765,871	10,441,684	10,665,547	10,239,608
Interest on long-term debt	4,464,526	5,187,625	5,491,719	5,559,726	5,421,745	5,155,341	5,155,170	3,081,789	4,538,607	3,179,767
Total governmental activities expenses	149,985,147	162,000,039	171,103,824	191,347,900	192,318,784	186,329,423	188,228,151	176,249,956	178,230,999	180,118,513
Business-type activities:										
Water & sewer	39,891,188	37,231,951	36,259,160	38,888,103	39,571,242	43,158,697	45,302,229	52,462,058	45,991,989	49,789,756
Solid waste	15,720,554	15,144,955	14,715,629	15,349,165	14,743,134	15,047,591	15,832,635	15,415,099	18,232,547	15,552,864
Hialeah circulator	1,762,968	2,039,987	1,901,689	2,214,548	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	4,818,638	4,672,609	5,299,992
Total business-type activities expenses	57,374,710	54,416,892	52,876,478	56,451,816	54,314,376	58,206,288	61,134,864	72,695,795	68,897,145	70,642,612
Total primary government expenses	$ 207,359,857	$ 216,416,931	$ 223,980,302	$ 247,799,716	$ 246,633,160	$ 244,535,711	$ 249,363,015	$ 248,945,751	$ 247,128,144	$ 250,761,125
Program revenues:										
Governmental activities:										
Charges for services:										
General government	$ 14,562,835	$ 18,884,163	$ 10,990,136	$ 15,978,981	$ 16,545,856	$ 13,747,204	$ 15,711,906	$ 17,233,277	$ 20,356,002	$ 18,589,162
Police	2,130,207	1,780,920	2,063,068	2,217,049	2,625,878	1,574,179	1,467,723	1,058,390	889,365	918,205
Fire	-	-	3,428,353	3,674,530	4,113,359	4,731,510	3,779,318	4,762,900	4,489,584	4,775,600
Streets	-	-	28,973	-	-	3,589,564	3,697,364	-	209,436	120,024
Recreation and community services	-	-	1,743,647	1,601,966	1,265,892	1,049,507	1,118,475	2,042,914	655,795	584,852
Operating grants and contributions	26,739,915	34,698,127	11,346,564	8,534,749	15,049,192	12,701,522	24,069,595	22,096,593	21,651,822	24,576,496
Capital grants and contributions	-	-	22,174,756	14,978,580	13,323,168	31,827,725	15,486,278	27,170,059	26,000,214	9,019,257
Total governmental activities program revenues	43,432,957	55,363,210	51,775,497	46,985,855	52,923,345	69,221,211	65,330,659	74,364,133	74,252,218	58,583,596
Business-type activities:										
Charges for services:										
Water & sewer	40,940,748	42,901,913	41,236,360	42,211,672	42,822,010	45,036,544	45,036,544	48,361,859	49,939,574	54,905,792
Solid waste	12,531,995	12,492,877	12,853,239	13,526,608	13,676,979	13,997,390	13,997,390	14,952,300	15,002,838	14,969,410
Hialeah circulator	2,325,368	1,924,770	1,947,693	1,897,338	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	3,550,573	3,633,314	3,296,440
Operating grants and contributions	597,541	457,207	-	-	-	-	-	-	-	-
Capital grants and contributions	308,954	356,111	3,557,718	4,413,317	3,119,117	9,004,831	9,004,831	1,168,560	538,297	502,578
Total business-type activities program revenues	56,704,606	58,132,878	59,595,010	62,048,935	59,618,106	68,038,765	68,038,765	68,033,292	69,114,023	73,674,220
Total program revenues	$ 100,137,563	$ 113,496,088	$ 111,370,507	$ 109,034,790	$ 112,541,451	$ 137,259,976	$ 133,369,424	$ 142,397,425	$ 143,366,241	$ 132,257,816
Net (expense) revenue:										
Governmental activities	$ (106,552,190)	$ (106,636,829)	$ (119,328,327)	$ (144,362,045)	$ (139,395,439)	$ (117,108,212)	$ (122,897,492)	$ (101,885,823)	$ (103,978,781)	$ (121,534,917)
Business-type activities	(670,104)	3,715,986	6,718,532	5,597,119	5,303,730	9,832,477	6,903,901	(4,662,503)	216,878	3,031,608
Total primary government net expense	$ (107,222,294)	$ (102,920,843)	$ (112,609,795)	$ (138,764,926)	$ (134,091,709)	$ (107,275,735)	$ (115,993,591)	$ (106,548,326)	$ (103,761,903)	$ (118,503,309)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$ 48,983,038	$ 54,405,056	$ 61,549,502	$ 68,833,515	$ 65,666,056	$ 58,548,370	$ 48,550,595	$ 44,867,987	$ 41,687,822	$ 41,424,199
Utility taxes	23,268,653	24,007,854	24,769,883	21,696,763	22,580,807	22,275,529	22,212,359	22,181,374	21,909,541	22,487,398
Franchise fees on gross receipts	-	-	11,929,276	11,865,713	11,602,898	10,365,647	10,500,154	10,478,381	10,277,964	15,370,782
Intergovernmental revenue	36,963,680	35,372,486	34,202,926	32,202,844	26,285,985	19,773,241	21,521,902	21,875,813	23,733,372	25,094,317
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	163,973	(1,434,185)
Unrestricted interest	1,532,057	2,413,802	2,402,998	992,459	172,565	49,530	22,944	6,254	14,745	7,600
Transfers	397,600	-	-	-	391,068	(1,576,750)	-	-	-	15,033,525
Total governmental activities	111,145,028	116,199,198	134,854,585	135,591,294	126,699,379	109,435,567	102,807,954	99,409,809	97,787,417	117,983,636
Business-type activities:										
Unrealized loss on investments	-	-	-	-	-	-	-	-	(401,464)	414,486
Unrestricted interest	1,520,798	2,598,140	3,361,773	1,995,210	1,929,614	1,419,630	720,906	672,616	85,110	475,934
Transfers	(397,600)	-	-	-	(391,068)	1,576,750	-	-	-	(15,033,525)
Total business-type activities	1,123,198	2,598,140	3,361,773	1,995,210	1,538,546	2,996,380	720,906	672,616	(316,354)	(14,143,105)
Total primary government	$ 112,268,226	$ 118,797,338	$ 138,216,358	$ 137,586,504	$ 128,237,925	$ 112,431,947	$ 103,528,860	$ 100,082,425	$ 97,471,063	$ 103,840,531
Total change in net position:										
Governmental activities	$ 4,592,838	$ 9,562,369	$ 15,526,258	$ (8,770,751)	$ (12,696,060)	$ (7,672,645)	$ (20,089,538)	$ (2,476,014)	$ (6,191,364)	$ (3,551,281)
Business-type activities	453,094	6,314,126	10,080,305	7,592,329	6,842,276	12,828,857	7,624,807	(3,989,887)	(99,476)	(11,111,497)
Total primary government change in net position	$ 5,045,932	$ 15,876,495	$ 25,606,563	$ (1,178,422)	$ (5,853,784)	$ 5,156,212	$ (12,464,731)	$ (6,465,901)	$ (6,290,840)	$ (14,662,778)

Note: The Hialeah Circulator Fund was converted to Special Revenue Fund in fiscal-year 2009 from an Enterprise Fund. Conversely, in fiscal-year 2012 the Stormwater Fund was converted from a Special Revenue Fund to an Enterprise Fund

CITY OF HIALEAH, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

		Fiscal Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:											
Reserved		$ 2,121,649	$ 2,742,507	$ 5,927,352	$ 3,466,345	$ 2,325,307	$ 1,625,608	$ -	$ -	$ -	$ -
Unreserved		30,041,079	30,307,855	23,768,425	25,120,247	21,738,986	19,058,565	-	-	-	-
Nonspendable	*	-	-	-	-	-	-	1,429,186	1,678,708	2,175,058	2,174,224
Restricted	*	-	-	-	-	-	-	-	-	-	-
Committed	*	-	-	-	-	-	-	192,686	82,338	105,440	-
Unassigned	*	-	-	-	-	-	-	12,368,373	12,234,370	10,622,538	15,391,325
Total general fund		$ 32,162,728	$ 33,050,362	$ 29,695,777	$ 28,586,592	$ 24,064,293	$ 20,684,173	$ 13,990,245	$ 13,995,416	$ 12,903,036	$ 17,565,549
All other governmental funds:											
Reserved											
Encumbrances		$ 10,177,921	$ 3,351,691	$ 4,345,683	$ 831,483	$ 294,643	$ 84,917	$ -	$ -	$ -	$ -
Inventories		-	-	-	-	-	28,702	-	-	-	-
Public safety		2,472,715	2,260,634	2,717,111	2,243,527	1,173,854	954,844	-	-	-	-
Capital projects		9,328,761	10,314,057	7,802,592	5,017,981	4,560,605	3,902,174	-	-	-	-
Debt service		-	665,696	686,500	517,397	543,023	1,287,137	-	-	-	-
Human services		-	-	-	-	-	-	-	-	-	-
Unreserved											
Undesignated, reported in:											
Capital projects fund		-	-	-	-	-	-	-	-	-	-
Special revenue funds		2,101,096	3,384,753	797,136	(2,513,140)	3,268,881	3,121,877	-	-	-	-
Nonspendable	*	-	-	-	-	-	-	43,221	1,002,607	29,785	977,963
Restricted	*	-	-	-	-	-	-	12,466,327	4,187,495	7,703,518	7,643,866
Committed	*	-	-	-	-	-	-	174,865	997,467	-	1,115,426
Unassigned	*	-	-	-	-	-	-	(618,391)	20,131	(2,129,354)	(716,955)
Total all other governmental funds		$ 24,080,493	$ 19,976,831	$ 16,349,022	$ 6,097,248	$ 9,841,006	$ 9,379,651	$ 12,066,022	$ 6,207,700	$ 5,603,949	$ 9,020,300

***** *During Fiscal Year 2011 the City implemented the new fund balance classifications.*

CITY OF HIALEAH, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Ad valorem taxes	$ 48,983,038	$ 54,289,694	$ 61,549,502	$ 68,833,515	$ 65,666,056	$ 58,548,370	$ 48,550,595	$ 44,867,987	$ 41,687,822	$ 41,424,199
Utility taxes	23,268,651	23,752,852	24,769,883	25,523,938	26,185,078	25,865,093	25,909,723	22,181,374	21,909,541	22,487,398
Franchise fees	9,062,308	11,098,497	11,929,276	11,865,713	11,602,898	10,365,647	10,500,154	10,478,381	10,277,964	15,370,782
Licenses and permits	5,500,527	7,785,664	6,774,381	6,988,328	6,767,212	6,458,977	7,051,641	7,629,552	8,236,427	9,316,526
State and local shared revenues	36,963,680	35,372,486	34,277,457	32,376,186	31,721,302	30,518,499	33,595,019	34,760,063	37,373,455	40,112,007
Fines and forfeitures	2,130,206	1,780,919	2,001,490	2,217,049	2,067,047	1,465,851	1,860,247	3,350,685	1,942,897	2,025,007
Interest	1,461,075	2,594,270	2,402,998	992,459	172,565	49,530	22,944	6,254	14,745	7,600
Government grants and other revenues	26,739,917	34,813,492	41,541,262	33,779,960	34,772,591	46,869,457	40,648,290	50,301,393	50,432,811	31,137,305
Total revenues	154,109,402	171,487,874	185,246,249	182,577,148	178,954,749	180,141,424	168,138,613	173,575,689	171,875,662	162,967,892
Expenditures:										
Current:										
General government	30,382,986	43,422,682	32,294,210	32,505,934	31,914,072	30,178,666	27,517,406	32,464,271	35,476,738	38,938,330
Police	35,631,207	37,491,043	40,605,970	42,039,964	41,726,150	42,215,617	41,846,335	40,470,429	38,871,981	40,484,346
Fire	25,134,687	27,735,665	30,821,396	33,991,275	34,770,078	34,668,940	35,432,307	34,244,222	33,527,289	34,611,104
911 communications	-	-	-	-	2,334,640	2,784,860	3,057,095	2,877,722	2,842,064	3,432,867
Streets	5,153,437	5,581,116	5,539,443	5,494,218	4,051,787	4,589,071	4,286,467	3,144,097	2,781,994	3,201,821
Grants and human services	1,117,650	1,064,881	2,446,509	2,146,882	2,773,003	5,968,055	6,923,729	5,170,883	5,326,027	6,104,005
State housing initiative programs	1,690,485	686,690	1,388,171	1,017,306	960,403	997,212	1,133,537	664,604	107,769	343,353
Work investment act programs	1,843,001	2,121,473	2,131,368	2,209,604	2,247,265	2,444,219	2,044,010	2,295,878	2,021,437	1,657,136
City Clerk's office	1,217,191	1,295,503	1,112,082	1,315,761	905,065	1,164,135	813,123	1,074,523	676,279	658,140
Office of Management and Budget	499,740	596,364	753,186	668,269	621,505	498,549	576,663	551,784	494,087	461,476
Office of the Mayor	559,109	675,196	714,702	655,965	662,240	637,840	532,856	416,047	441,278	927,025
Communications and special events	-	-	941,837	1,016,370	841,146	801,972	747,618	-	47,427	221,436
Employee retirement	467,835	483,995	455,229	519,634	489,769	537,162	463,361	501,114	636,543	632,686
Library	1,854,187	2,067,074	1,743,219	1,896,684	1,700,898	1,514,939	1,364,642	1,158,859	1,124,518	1,241,652
Compliance division	469,331	544,655	535,830	563,559	555,821	510,496	447,585	310,669	392,052	447,571
Finance	738,228	778,099	890,882	907,045	929,122	942,757	879,174	932,222	880,172	1,032,730
Business tax division	352,958	386,085	397,628	478,074	553,528	431,087	286,569	248,847	392,421	429,010
Information technology	841,477	887,225	1,109,924	1,446,964	1,676,906	1,439,308	1,608,553	1,405,939	1,358,607	1,532,664
Fleet maintenance	2,046,240	2,291,796	2,107,047	2,361,705	2,555,219	2,281,377	1,966,394	1,984,209	2,052,285	2,286,994
Construction and maintenance	2,292,005	2,656,957	2,876,541	3,123,798	4,464,077	3,648,104	3,268,194	2,169,116	2,178,352	2,034,254
Parks and recreation	10,114,055	11,313,187	10,399,244	9,991,115	10,096,913	8,940,825	8,402,552	8,480,480	8,504,481	8,442,246
Planning and zonning	2,199,219	2,630,981	3,135,389	2,939,020	2,506,832	2,368,498	1,909,454	476,241	484,169	528,781
Education and community services	-	-	1,675,303	1,969,595	2,056,599	1,856,244	1,750,844	2,166,341	2,171,059	2,451,185
Law	797,968	889,820	965,169	988,913	960,676	895,422	730,159	805,255	768,888	1,216,909
Risk management	401,699	432,882	578,003	716,475	732,041	991,704	877,824	976,285	819,238	826,743
Human resources	868,676	905,862	838,335	693,341	821,708	782,972	752,723	572,277	513,118	731,129
Debt service:										
Principal	2,577,312	515,987	3,113,294	3,111,594	4,909,511	5,591,347	33,809,421	4,364,337	36,744,137	4,407,029
Interest	4,365,428	6,799,067	5,512,378	5,580,385	5,442,404	5,064,354	5,007,310	3,408,154	4,932,024	3,420,976
Debt issuance cost	-	-	-	-	-	-	-	-	630,913	-
Capital outlay	44,547,773	30,479,617	42,096,354	33,261,658	19,259,020	22,198,239	14,650,952	22,198,021	23,867,900	8,586,286
Total expenditures	178,163,884	184,733,902	197,178,643	193,611,107	183,518,398	186,943,971	203,086,857	175,532,826	211,065,247	171,289,884
Excess (deficiency) of revenues over expenditures	(24,054,482)	(13,246,028)	(11,932,394)	(11,033,959)	(4,563,649)	(6,802,547)	(34,948,244)	(1,957,137)	(39,189,585)	(8,321,992)
Other financing sources (uses):										
Premium on debt	-	-	-	-	-	-	-	-	-	-
Transfers in	2,211,137	4,388,554	6,475,276	1,714,930	3,419,660	1,397,618	67,768	3,258,319	38,555	19,781,358
Transfers out	(1,813,537)	(4,388,554)	(6,475,276)	(1,714,930)	(3,100,661)	(1,397,618)	(67,768)	(7,477,992)	(38,555)	(4,747,833)
Payment to refunded bond escrow agent	-	-	-	(2,610,000)	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	2,283,000	-	-	-	-	-	-
Proceeds from disposal of capital assets	-	-	-	-	-	4,800,000	-	-	163,973	4,076,089
Issuance of debt	29,996,745	10,030,000	4,950,000	-	3,466,113	459,788	31,252,400	323,659	37,329,481	423,920
Total other financing sources (uses)	30,394,345	10,030,000	4,950,000	(327,000)	3,785,112	5,259,788	31,252,400	(3,896,014)	37,493,454	19,533,534
Net change in fund balances	$ 6,339,863	$ (3,216,028)	$ (6,982,394)	$ (11,360,959)	$ (778,537)	$ (1,542,759)	$ (3,695,844)	$ (5,853,151)	$ (1,696,131)	$ 11,211,542
Debt service as a percentage of non-capital expenditures	5.20%	4.74%	5.56%	5.42%	6.30%	6.47%	20.60%	5.07%	22.34%	4.81%

CITY OF HIALEAH, FLORIDA

NET ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Real Property	Personal Property	Centrally Assessed	Total Net Assessed Value	Total Direct Tax Rate
2005	6,670,557,535	631,915,093	6,396,334	7,308,868,962	7.1000
2006	7,907,932,115	619,146,007	5,884,955	8,532,963,077	6.8000
2007	9,001,150,803	625,028,036	6,671,929	9,632,850,768	6.8000
2008	10,369,515,975	649,134,069	7,039,040	11,025,689,084	6.5400
2009	10,126,361,853	554,764,657	7,711,059	10,688,837,569	6.5400
2010	8,940,547,673	538,044,784	10,027,214	9,488,619,671	6.5400
2011	7,222,367,199	520,988,608	7,357,864	7,750,713,671	6.5400
2012	6,744,572,176	531,432,543	10,363,835	7,286,368,554	6.5400
2013	6,695,064,915	523,612,469	5,972,673	7,224,650,057	6.3018
2014	6,416,539,571	549,698,400	5,474,876	6,971,712,847	6.3018

Note: Property in the City is reassessed each year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per $1,000 of assessed value.

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

CITY HIALEAH, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

	Overlapping Rates (1)											
	City of Hialeah	Miami-Dade County			Miami-Dade County School Board							Total
Fiscal Year	Operating Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Water Management District	Special District	Children's Trust	Everglades C.P.	Direct and Overlapping Rates
2005	7.1000	5.8350	0.2850	6.1200	7.9470	0.4910	8.4380	0.5970	0.0385	0.4288	0.1000	22.8223
2006	6.8000	5.6150	0.2850	5.9000	7.6910	0.4140	8.1050	0.5970	0.0385	0.4223	0.1000	21.9628
2007	6.8000	4.5796	0.2850	4.8646	7.5700	0.3780	7.9480	0.5346	0.0345	0.4223	0.0894	20.6934
2008	6.5400	4.8379	0.2850	5.1229	7.5330	0.2640	7.7970	0.5346	0.0345	0.4212	0.0894	20.5396
2009	6.5400	4.8379	0.2850	5.1229	7.6980	0.2970	7.9950	0.5346	0.0345	0.5000	0.0894	20.8164
2010	6.5400	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	0.5346	0.0345	0.5000	0.0894	21.8200
2011	6.5400	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	0.3739	0.0345	0.5000	0.0624	20.6058
2012	6.5400	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	0.3676	0.0345	0.5000	0.0613	20.4899
2013	6.3018	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	0.3523	0.0345	0.5000	0.0587	20.3498
2014	6.3018	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.1577	0.0345	0.5000	0.0548	20.1397

Note: All millage rates are based on $1 for every $1,000 of assessed value.

Sources: City of Hialeah Office of Management & Budget and Miami-Dade County Property Appraiser's Office.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Hialeah. Not all overlapping rates apply to all City of Hialeah property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

CITY OF HIALEAH, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

FISCAL YEAR 2014

Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power & Light CO	$ 177,727,802	1	2.46%
Palm Springs Mile Associates LTD	118,190,268	2	1.64%
Westland Mall LLC	80,800,000	3	1.12%
Lifemark Hospitals Inc.	59,361,352	4	0.82%
Centergate at Gratigny LLC	37,959,961	5	0.53%
SC Westland Promenade Ltd Prtshp	30,748,897	6	0.43%
Tenet Hialeah Healthsystems Inc	24,534,244	7	0.34%
United Parcel Service Inc.	24,085,139	8	0.33%
FH: Hialeah Fee Commons LTD	20,900,000	9	0.29%
FDG Beacon Countyline LLC	19,978,142	10	0.28%
	$ 594,285,805		8.24%

Note: Information is not available for fiscal year 2005 comparison.

Source: Miami-Dade County Property Appraisers Office.

CITY OF HIALEAH, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Levied Taxes Collected within the Fiscal Year		Delinquent Tax Collections	Total Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2005	$ 51,892,970	$ 48,596,777	93.65%	$ 386,261	$ 48,983,038	94.39%
2006	58,024,149	53,351,595	91.95%	423,624	53,775,219	92.68%
2007	65,503,385	60,909,886	92.99%	299,605	61,209,491	93.44%
2008	72,108,007	67,599,293	93.75%	779,007	68,378,300	94.83%
2009	69,904,998	66,521,182	95.16%	810,759	67,331,941	96.32%
2010	62,055,573	55,475,555	89.40%	2,465,365	57,940,920	93.37%
2011	48,499,075	46,209,687	95.28%	2,008,135	48,217,821	99.42%
2012	47,652,850	43,747,005	91.80%	1,120,983	44,867,987	94.16%
2013	45,528,300	40,894,173	89.82%	793,648	41,687,821	91.56%
2014	43,934,340	39,589,518	90.11%	1,467,597	41,057,115	93.45%

Source: City of Hialeah Office of Management & Budget.

CITY OF HIALEAH, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities				Business-Type Activities							
Fiscal Year Ended September 30,	Revenue Bonds	Notes Payable	Capital Leases	Mortgage Payable	Revenue Bonds	Notes Payable	Revolving Loan	Capital Leases	Water Purchase Agreement	Total	Percentage of Personal Income (1)	Per Capita (1)
2005	2,940,000	102,620,000	316,218	113,720	970,000	5,415,000	900,989	-	-	113,275,927	1.44%	492
2006	2,780,000	109,930,000	252,391	103,841	465,000	2,305,000	1,021,188	-	514,546	117,371,966	1.47%	509
2007	2,610,000	112,010,000	185,047	97,891	465,000	1,185,000	2,158,254	-	352,832	119,064,024	1.43%	514
2008	2,223,591	109,035,000	113,992	91,761	-	-	2,047,309	-	176,416	113,688,069	1.38%	490
2009	2,047,751	107,553,325	334,426	85,444	-	-	1,875,810	-	-	111,896,756	1.55%	490
2010	1,864,063	102,418,870	527,519	117,969	-	-	1,705,629	-	-	106,634,050	1.48%	471
2011	1,672,177	100,102,352	596,872	117,969	-	-	52,070,567	-	-	154,559,937	2.14%	678
2012	1,471,927	88,242,884	143,267	-	-	57,668,324	1,910,149	-	-	149,436,551	2.09%	650
2013	-	79,970,161	72,425	-	-	64,620,036	1,791,969	-	-	146,454,591	1.93%	631
2014	-	75,661,198	398,279	-	-	63,097,659	1,670,450		-	140,827,586	2.14%	603

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

(1) See the Schedule of Demographic and Economic Statistics on page 124 for personal income and population data.

CITY OF HIALEAH, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2014
(amounts expressed in thousands)

	2014		
Government Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to the City of Hialeah
Miami-Dade County School Board	$ 359,623	7.98%	$ 28,687
Miami-Dade County	1,293,364	2.76%	35,658
Subtotal, Overlapping Debt	1,652,987		64,345
City of Hialeah Direct Debt	145,141	100%	145,141
Total Direct and Overlapping Debt	$ 1,798,128		$ 209,486

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board, Finance Department

(1) The percentage of overlapping debt applicable is estimated using net taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF HIALEAH, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

	FMLC Bond Series 2011D						Rescue Transportation 2007 Revenue Bond			
Fiscal Year Ended September 30,	Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Rescue Transportation Fees (a)	Debt Service Principal	Debt Service Interest	Coverage
2005	42,439,031	36,554,800	5,884,231	3,435,000	528,471	1.48	1,827,090	155,000	169,755	5.63
2006	42,901,913	36,984,771	5,917,142	3,615,000	337,265	1.50	1,968,192	160,000	161,540	6.12
2007	41,236,360	36,154,466	5,081,894	1,585,000	138,400	2.95	2,394,917	170,000	152,900	7.42
2008	46,070,878	38,241,216	7,829,662	1,185,000	65,175	6.26	2,602,700	59,409	75,876	19.24
2009	40,702,131	39,699,976	1,002,155	-	-	N/A	2,763,685	175,840	94,730	10.21
2010	56,463,162	46,051,730	10,411,432	-	-	N/A	3,324,801	183,688	86,882	12.29
2011	47,536,277	48,531,832	(995,555)	-	-	N/A	2,956,713	270,570	78,674	8.47
2012	48,361,859	45,883,620	2,478,239	310,000	2,401,538	0.91	3,658,191	200,250	70,320	13.52
2013	49,265,671	41,497,509	7,768,162	320,000	2,392,088	2.86	4,051,551	-	-	N/A
2014	58,913,986	52,358,264	6,555,722	580,000	2,387,288	2.21	4,369,019	-	-	N/A

Source: City of Hialeah Finance Department

Note (a): During 2008, the City paid off the State of Florida Loan.
Note (b): Rescue transportation fees are net of related uncollectible accounts.
Note (c): During 2011, the City issued Florida Municipal Loan Council Revenue Bond Series 2011D for which the City has pledged Project Revenues, see Note 11.

CITY OF HIALEAH, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Year	Population (1)	Total Personal Income (Amounts Expressed in Thousands) (1)	Per Capita Personal Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2005	230,225	7,850,903	34,101	39	29,370	5.9%
2006	230,407	7,996,966	34,708	39	29,885	5.1%
2007	231,500	8,352,752	36,081	39	30,105	5.8%
2008	232,155	8,224,091	35,425	38	31,226	8.9%
2009	228,157	7,230,067	31,689	42	29,370	14.5%
2010	226,419	7,183,822	31,728	41	29,685	15.9%
2011	227,962	7,227,763	31,706	38	34,194	12.6%
2012	229,969	7,151,116	31,096	41	38,794	9.2%
2013	231,941	7,606,737	32,796	43	28,912	10.3%
2014	233,394	6,571,208	28,155	42	25,239	5.6%

Sources:

(1) University of Florida, Bureau of Economic Research and American Factfinder, City of Hialeah, Fl.

(2) United States Census Bureau

(3) Miami-Dade County School Board Budget Office

(4) U.S. Department of Labor

Note: Population, median age and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

CITY OF HIALEAH, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Hialeah	1,866	1	1.97%	1,345	2	1.50%
Palmetto General Hospital	1,648	2	1.74%	1,815	1	2.03%
United Parcel Service	1,162	3	1.22%	1,310	3	1.46%
Hialeah Hospital	1,075	4	1.13%	1,305	4	1.46%
Winn Dixie Super Markets	1,031	5	1.09%	1,279	5	1.43%
Publix Super Markets	827	6	0.87%	697	6	0.78%
Palm Springs Hospital	618	7	0.65%	607	7	0.68%
Sedano's Super Markets	547	8	0.58%	388	8	0.43%
Yellow Stone Group	414	9	0.44%	374	9	0.42%
Bank of America	391	10	0.41%	366	10	0.41%
Coulter Electronic	-	-	-	-	-	
Gator Industries	-	-	-	-	-	
Interamerican Transport Equipment Co.	-	-	-	-	-	-
Piba Industries Inc.	-	-	-	-	-	-
Total	9,579		10.09%	9,486		10.60%

Source: Hialeah Dade Development, Inc.

CITY OF HIALEAH, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of employees:										
Mayor's office	9	9	10	12	12	10	8	5	3	3
Communications & special events	-	8	11	11	11	8	1	-	-	-
Information systems	10	13	19	14	14	14	14	12	12	12
Community development:										
Planning and zoning	41	15	13	13	13	8	10	9	7	7
Building	-	26	31	31	31	17	19	22	19	19
License	9	9	8	10	10	7	5	8	8	8
Code compliance	12	12	12	9	10	7	7	9	9	9
Office of Management & Budget	11	10	13	17	16	15	12	20	3	3
City Clerk's office	10	8	8	11	10	8	3	5	4	4
Law	14	14	14	13	13	10	11	10	10	9
Risk management	10	8	15	13	13	14	14	3	3	3
Police:										
Police officers	371	372	372	358	365	312	327	303	290	276
Civilians	157	131	151	150	150	121	105	75	56	70
Fire:										
Firefighters	281	262	288	262	265	241	199	254	245	235
Civilians	51	51	59	58	58	55	44	35	19	28
911 Communications	-	-	-	-	-	43	47	44	38	39
Education & community services	-	15	28	30	33	32	27	35	29	29
Library	32	28	31	29	30	24	17	15	15	15
Recreation and community services	109	94	93	92	92	81	76	79	71	70
Streets	34	33	30	30	32	23	34	19	17	17
Stormwater	21	18	17	18	20	13	13	9	9	9
Fleet	50	46	47	48	48	31	33	35	37	37
Circulator	2	7	7	7	7	5	5	-	-	-
Construction and maintenance	52	52	54	53	58	30	30	36	39	39
Solid waste	135	122	126	115	113	85	74	68	62	62
Human resources	11	12	10	10	10	9	7	8	8	9
Finance	16	15	17	15	15	14	16	13	19	19
Retirement	3	4	5	5	5	3	3	4	4	4
Grants and human services	43	50	43	42	40	38	35	33	32	32
Water and sewer	57	57	57	58	59	52	50	60	55	54
Water division	44	40	39	38	40	32	30	32	32	32
Sewer division	32	31	30	30	31	24	19	19	17	17
Total number of employees	1,627	1,572	1,658	1,602	1,624	1,386	1,295	1,279	1,172	1,170

Source: City of Hialeah Human Resources Department

Note: Communication & Special Events and Education & Community Services, which were established in fiscal-year 2006, as well as 911 Communications which was established in fiscal-year 2010. Furthermore, the Planning and Development department was divided into the Planning and Zoning and Building divisions of the newly created Community and Development department along with the Code Compliance and License departments, which are now a division of Community and Development.

CITY OF HIALEAH, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police:										
Police calls for service	260,108	224,546	222,425	223,101	260,108	259,556	203,401	215,200	245,463	370,506
Parking violations	19,533	11,514	12,325	11,925	19,533	18,775	2,915	3,510	3,301	2,987
Traffic violations	69,701	74,446	75,251	76,135	88,550	91,051	73,423	77,900	78,751	77,253
Fire:										
Number of calls answered	32,332	31,338	33,658	35,009	32,350	34,425	32,992	33,755	35,455	42,250
Inspections	10,396	13,035	17,947	22,921	10,851	11,825	11,136	12,235	12,235	8,500
Planning and development:										
Business permits issued	10,228	10,530	12,487	9,852	9,215	9,185	9,205	8,815	8,716	6,421
Occupational licenses issued	17,211	17,648	18,101	18,325	18,058	17,225	18,318	18,449	18,915	19,019
Streets:										
Street resurfacing (miles)	14.8	8.2	6.9	6.1	7.8	8.1	7.4	10.1	11.5	12.0
Potholes repaired	516	580	462	471	420	310	310	295	285	208
Culture and recreation:										
Registrations for library programs	112,433	118,054	119,645	122,398	112,433	110,663	110,663	56,642	56,642	46,042
Community center admissions	175,605	184,385	192,874	196,010	154,388	155,658	154,763	145,100	144,302	146,525
Athletic field permits issued	47	60	72	85	47	41	41	65	63	134
Water and sewer:										
Active accounts - water and sewer	54,331	55,265	54,640	54,400	54,580	53,996	54,523	54,392	54,554	55,401
Average daily water consumption (thousands of gallons)	23,800	23,606	21,325	20,015	22,422	22,321	20,519	21,837	20,878	19,959
Average daily sewage treatment (thousands of gallons)	30,100	24,026	25,178	24,985	21,767	18,913	16,670	19,184	19,308	19,458
New connections	3,629	6,910	4,698	4,355	4,225	4,468	4,931	5,368	1,020	920
Water main breaks	163	251	225	192	115	102	177	193	195	200
Solid waste:										
Residential accounts	35,492	35,567	35,621	36,780	34,951	35,037	35,591	35,303	35,285	35,101
Commercial accounts	415	422	443	452	443	468	446	449	441	436
Refuse collected (tons/day)	267.4	251.4	231.9	241.5	398.8	405.3	358.0	365.0	225.0	193.0
Recyclables collected (tons/day)	9.6	7.2	7.3	7.4	12.7	13.5	14.2	14.9	21.0	27.0

Sources: Various City departments

Note: Indicators are not available for the general government function.

CITY OF HIALEAH, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
General government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	4	4	5	5	5	5	5	5	5	5
Patrol units	177	191	282	315	378	386	398	402	229	238
Fire:										
Fire stations	7	7	8	8	8	8	8	8	8	8
Fire apparatus vehicles	12	12	12	13	13	15	15	15	14	15
Emergency rescue vehicles	7	8	9	10	10	10	10	12	14	14
Streets:										
Miles of streets	493.1	493.1	493.1	493.1	493.1	493.1	493.1	493.1	450.6	455.0
Culture and recreation:										
Parks	27	27	27	27	27	27	27	27	27	27
Parks acreage	223.5	255.0	255.0	255.0	223.5	223.5	223.5	223.5	223.5	223.5
Community center	3	3	3	3	3	3	3	3	3	3
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	25	23	23	21	26	26	26	26	26	26
Water & sewer:										
Water & sewer buildings	1	1	1	1	1	1	1	2	2	2
Water mains (miles)	487	487	490	490	492	492	492	492	492	496
Fire hydrants	2,750	2,750	2,766	2,766	2,772	2,772	2,772	2,772	2,772	2,812
Storm sewers (miles)	84.3	84.3	88.2	88.2	88.2	88.2	88.2	88.2	88.2	92.3
Solid waste:										
Collection trucks	36	38	37	36	38	42	46	46	46	46

Sources: Various City departments

COMPLIANCE SECTION

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INDEPENDENT AUDITORS' 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*

Honorable Mayor and Members of the City Council
City of Hialeah, Florida

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2014-01.

We also noted one other matter which we have reported in the accompanying schedule of findings and questioned costs as item 2014-02.

City of Hialeah, Florida's Responses to Findings

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
June 30, 2015
Coral Gables, Florida

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MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the City Council
City of Hialeah, Florida

Reports on the Financial Statements

We have audited the basic financial statements of City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 30, 2015.

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal City

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal City 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. This information is disclosed in the notes 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 fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

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, our recommendations are included in the accompanying schedule of findings and questioned costs.

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, City Council and applicable management, and is not intended to be and should not be and should not be used by anyone other than these specified parties.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2015

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the City Council
City of Hialeah, Florida

We have examined the City of Hialeah, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2014. 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, 2014**.**

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2015

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and Members of the City Council
City of Hialeah, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited City of Hialeah, Florida's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement,* and the requirements described in the *Department of Financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on each of City of Hialeah, Florida's (the "City") major federal programs and state projects for the year ended September 30, 2014. City of Hialeah, Florida's major federal programs and state 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 projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state 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 projects. However, our audit does not provide a legal determination of City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, City of Hialeah, Florida, 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 projects for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of City of Hialeah, Florida, 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 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 project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Purpose of This Report

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

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
June 30, 2015
Coral Gables, Florida

CITY OF HIALEAH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Grant Number	Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218	B-11MC-12-0008	$ 91,240
Community Development Block Grants/Entitlement Grants	14.218	B-12MC-12-0008	952,809
Community Development Block Grants/Entitlement Grants	14.218	B-13MC-12-0008	896,679
			$ 1,940,728
HOME Investment Partnership	14.239	M-08-MC-12-0207	$ 198,554
HOME Investment Partnership	14.239	M-09-MC-12-0207	398,386
HOME Investment Partnership	14.239	M-10-MC-12-0207	29,614
HOME Investment Partnership	14.239	M-11-MC-12-0208	592,389
			$ 1,218,943
Emergency Solutions Grant	14.231	S-11-MC-12-0005	$ 103,168
Emergency Solutions Grant	14.231	S-12-MC-12-0005	144,514
Emergency Solutions Grant	14.231	S-13-MC-12-0005	47,245
			$ 294,927
Total U.S. Department of Housing and Urban Development			$ 3,454,598
U.S. Department of Justice			
Equitable Sharing Program	16.922	N/A	$ 320,386
Edward Byrne Memorial Grant Justice Assistance Grant Progam	16.738	2013-DJ-BX-0100	12,148
Total U.S. Department of Justice			$ 332,534
Subtotal Direct Programs			$ 3,787,132
U.S. Department of Agriculture			
Indirect Programs-Passed through the Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-3269	$ 19,950
Total U.S. Department of Agriculture			$ 19,950
Executive Office of the President			
Pass-Through Program from:			
Monroe County Sherrif's Office			
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G12MI0001A	$ 23,061
Total Executive Office of the President			$ 23,061

N/A - Not Applicable

(Continued)

See notes to schedule of federal awards and state financial assistance projects.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

Federal Agency/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Grant Number	Expenditures
Pass-Through Program from:			
South Florida Workforce Investment Board			
WIA Adult Program	17.258	WS-CC-PY'13-03-01	$ 280,724
WIA Adult Program	17.258	WS-CC-PY'14-03-00	48,784
			$ 329,508
WIA Disclocated Worker Formula Grants	17.278	WS-CC-PY'13-03-01	$ 457,130
WIA Disclocated Worker Formula Grants	17.278	WS-CC-PY'14-03-00	60,208
			$ 517,338
Unemployment Insurance	17.225	WS-CC-PY'13-03-01	$ 89,795
Unemployment Insurance	17.225	WS-CC-PY'14-03-00	17,882
			$ 107,677
Total WIA Cluster			$ 954,523
Total U.S. Department of Labor - Through the South Florida Workforce Investment Board			$ 954,523
Pass-Through Program from:			
South Florida Workforce Investment Board			
Temporary Assistance for Needy Families	93.558	WS-CC-PY'13-03-01	$ 330,031
Temporary Assistance for Needy Families	93.558	WS-CC-PY'14-03-00	82,619
Total U.S. Department of Health and Human Services - Through the South Florida Workforce Investment Board			$ 412,650
Pass-Through Program from:			
South Florida Workforce Investment Board			
Refugee and Entrant Assistance_Targeted Assistance Grants	93.584	RET-DP-PY'13-05-00	$ 46,743
Refugee and Entrant Assistance_Targeted Assistance Grants	93.584	RET-DP-PY'13-05-2-00	49,699
Total U.S. Department of Health and Human Services - Through the South Florida Workforce Investment Board			$ 96,442
Pass-Through Program from:			
South Florida Workforce Investment Board			
Supplemental Nutrition Assistance Program	10.551	WS-CC-PY'13-03-01	$ 44,788
Supplemental Nutrition Assistance Program	10.551	WS-CC-PY'14-03-00	19,524
Total U.S. Department of Agriculture - Through the South Florida Workforce Investment Board			$ 64,312
Pass-Through Program from:			
State of Florida Department of Education			
21st Century Community Learning Centers	84.287	13B-2444A-4CCC1	$ 359,125
Total U.S. Department of Education - Through the State of Florida Department of Education			$ 359,125
Pass-Through Program from:			
The Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JAG-C-DADE-36-E5-074	$ 14,985
Total U.S. Department of Justice Assistance - Through the Florida Department of Law Enforcement			$ 14,985
Pass-Through Program from:			
The Florida Division of Emergency Management			
Homeland Security Grant Program	97.067	COBK-233-01-0041	$ 67,291
Homeland Security Grant Program	97.067	12-DS-22-11-23-02-236	793,850
Homeland Security Grant Program	97.067	14-DS-C5-11-23-02-212	454,669
Total U.S. Department of Homeland Security - Through the Florida Division of Emergency Management			$ 1,315,810
Pass-Through Program from:			
State Homeland Security			
Homeland Security Grant Program	97.067	11-DS-9Z-13-00-16-436	$ 33,286
Total U.S. Department of Homeland Security - Through the State Homeland Security			$ 33,286
Pass-Through Program from:			
State of Florida Office of the Attorney General			
Crime Victim Assistance	16.575	V12272	$ 46,463
Total U.S. Department of Justice - Through the State of Florida Office of the Attorney General			$ 46,463
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 7,127,739

See notes to schedule of federal awards and state financial assistance projects.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2014

State Agency/Pass-Through Grantor/Program Title	State CSFA Number	State Grant Number	Expenditures
Florida Housing Finance Corporation			
State Housing Initiative Partnership Program	52.901	N/A	$ 149,745
State Housing Initiative Partnership Program	52.901	N/A	193,608
Total Florida Housing Finance Corporation			$ 343,353
Florida Department of State - Division of Libraries and Information Services			
State Aid to Libraries	45.030	12-ST-32	$ 12,100
Total Florida Department of State - Division of Libraries and Information Services			$ 12,100
Florida Department of Elder Affairs			
Alliance for Aging - Meals for the Elderly	65.009	2013-2014 LSP-KL-1334	$ 611,395
Alliance for Aging - Meals for the Elderly	65.009	2013-2014 LSP-KL-1334	146,562
Multi-Purpose Senior Center	65.009	XQ932	207,103
Total Florida Department of Elder Affairs			$ 965,060
State of Florida Division of Emergency Management			
Emergency Operation Center	31.064	15-MP-4B-11-23-01-174	$ 30,902
Total Florida Division of Emergency Management			$ 30,902
Florida Department of Economic Opportunity			
HEA Charter School Expansion	40.038	HL023	$ 12,700
Total Florida Department of Economic Opportunity			$ 12,700
Florida Department of Transportation			
Highway Improvement Project - State Funded	55.023	407718-1-68-01	$ 173,108
Total Florida Department of Transportation			$ 173,108
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 1,537,223

See notes to schedule of federal awards and state financial assistance projects.

CITY OF HIALEAH, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE PROJECTS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and State financial assistance includes the federal and state grant activity of the City of Hialeah and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SUBRECIPIENTS

The City of Hialeah provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Provided
Community Development Block Grant	14.218	$ 368,292

NOTE 3. CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

CITY OF HIALEAH, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

PRIOR YEAR COMMENTS AND STATUS

OTHER MATTER

2007-7 Solid Waste Fund Deficit (revised and included as 2014-02)

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FISCAL YEAR ENDED SEPTEMBER 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	*Unmodified Opinion*			
Internal control over financial reporting:				
Material weakness(es) identified?	____	yes	X	no
Significant deficiencies identified not considered to be material weakness?	____	yes	X	None reported
Non-compliance material to financial statements noted?	____	yes	X	no

Federal Awards Program and State Financial Assistance Projects

Internal control over major federal awards programs and state financial assistance projects:				
Material weakness(es) identified?	____	yes	X	no
Significant deficiencies identified not considered to be material weakness?	____	yes	X	None reported
Type of auditors' report issued on compliance for major federal awards programs and state financial assistance projects:	*Unmodified Opinion*			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) or Chapter 10.550, Rules of the Auditor General?	____	yes	X	no

Identification of major federal awards programs assistance projects and state financial assistance projects:

Federal Awards Program	Federal CFDA No.
WIA Adult Program	17.258
WIA Dislocated Worker Formula Grants	17.278
Twenty-First Century Community Learning Centers	84.287
Home Investment Partnerships Program	14.239
Temporary Assistance for Needy Families	93.558

State Assistance Projects	State CFSA No.
Alliance for Aging-Meals for the Elderly/Multi-Purpose Senior Center	65.009

Dollar threshold used to distinguish between Type A and Type B programs:	Federal	$300,000
	State	$300,000

Auditee qualified as low risk auditee for audit of federal awards programs?	X	yes	____	no

SECTION II – FINANCIAL STATEMENT RECOMMENDATIONS AND RESPONSES

NON COMPLIANCE

2014-01 Budget amendments

Criteria:

Section 166.241(4), Florida Statutes (FS), provides that the governing body of each municipality at any time within a fiscal year or within 60 days following the end of the fiscal year may amend a budget for that year.

Condition:

The City amended its fiscal year 2014 budget beyond the 60 days requirement following the end of the fiscal year as of September 30, 2014.

Cause:

The delay was due to an attempt at using the most accurate revenue/expenditures instead of using the latest estimation at 60 days from the fiscal-year end

Effect:

The City is not in compliance with Florida Statutes.

Recommendation:

We recommend that, in the future, the City comply with statutory reporting requirements.

View of Responsible Officials and Planned Corrective Actions:

The City's Office of Management and Budget will comply with statutory reporting requirements and has established steps to prevent delays in the future.

OTHER MATTER

2014-02 Solid Waste and Storm Water Fund Deficit

Condition: During our testing of the enterprise funds we noted that the Solid Waste and Storm Water funds had an operating loss of approximately $108,454 and $1,374,769 during 2013, respectively. In the prior year the funds also incurred an operating loss of $3,229,709 and $558,007, respectively. The fees charged to the City by Miami-Dade County for waste disposal have increased; however, there have been no significant adjustments to rates charged to the residents for these services.

Recommendation: We recommend that the City review its current charges for sanitation and storm water services to ensure the fees cover the costs of operations and also continue to reduce costs of operations while maintaining quality of service.

Current Year Status: The Solid Waste fund had an operating loss of $108,454 for the fiscal year ended September 30, 2014 compared to operating losses of $3,229,709, $393,367, $1,056,952, $1,050,201 and $1,282,867 for the fiscal years ended September 30, 2013, 2012, 2011, 2010 and 2009; respectively. The Storm Water fund had an operating loss of $1,374,769 for the fiscal year ended September 30, 2014 compared to operating losses of $558,007 and $969,246 for the fiscal years ended September 30, 2013 and 2012, respectively.

SECTION II – FINANCIAL STATEMENT RECOMMENDATIONS AND RESPONSES (Continued)

OTHER MATTER (Continued)

2014-02 Solid Waste and Storm Water Fund Deficit (Continued)

View of Responsible Officials and Planned Corrective Actions: The City is self-insured for general liability, automobile, workers' compensation and health. As such, the City is required to establish loss reserves as reported by an actuarial review using historical and recent claim settlement trends (Note 12). This loss was primarily due to the increase in Other Post-Employment Benefits and depreciation expense of $170 and $776 thousand, respectively, reported in the statement of revenues, expenses and changes in net position. However, these expenses do not require the use of current financial resources and are non-cash transactions. In addition, during the previous fiscal year the City had entered into an agreement with an outside consultant to conduct a detail analysis of the City's Solid Waste System and develop a study on various options and alternatives, including the possibility of privatizing the Solid Waste System using a collection franchise agreement, as is common in much of the State of Florida. Given the results of the study performed by an independent consultant the City expects to generate an annual savings of approximately $3 million for collection and disposal of solid waste. During the current year the City proceeded with a Request for Proposal to privatize the collection of residential municipal solid waste; and on June 23, 2015 the City Council approved the first reading of the proposed ordinance granting an exclusive franchise agreement to Progressive Waste Solutions of Florida, for the collection of residential municipal solid waste for a term of four years (4), with an automatic renewal term thereafter of five years and subsequent automatic renewals for a term of one year each with cumulative duration of all subsequent renewals after the firs renewal term not exceeding a total of five years. The City expects that these savings will generate sufficient savings to not only reduce the deficit in this fund but meet its current obligations on an ongoing basis. The Storm Water fund had an operating loss of $1,374,769 for the fiscal year ended September 30, 2014 compared to operating losses of $558,007 and $969,246 for the fiscal year ended September 30, 2013 and 2012. During the current year there was an increase of $300 thousand in workers' compensation due to an increase in loss reserves based on the actuarial report. In addition, during the current year depreciation expense in the stormwarter fund was $1.7 million; however, these expenses do not require the use of current financial resources and are non-cash transactions.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

CITY OF HIALEAH
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