

Department of Off-Street Parking Comprehensive Annual Financial Report



Department of Off-Street Parking Comprehensive Annual Financial Report

PREPARED BY THE FINANCE DEPARTMENT

Scott Simpson
Chief Financial Officer



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Department of Off-Street Parking Comprehensive Annual Financial Report

INTRODUCTORY SECTION



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January 28, 2011

Honorable Mayor and Members of
The City of Miami Commission:

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the Department of Off-Street Parking of the City of Miami, Florida (the City) d/b/a Miami Parking Authority (the Authority) for the fiscal year ended September 30, 2010 is herewith submitted. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and audited by a firm of independent certified public accountants.

The management of the Authority is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The data is reported in a manner designed to present fairly the financial position and the results of operations of the Authority. We believe that all the information necessary to enable a reader to gain an understanding of the Authority's financial and operational activities is included.

These assertions are based on a comprehensive framework of internal accounting controls, which are an integral part of the Authority's accounting system and are designed to provide reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that records used for preparing financial statements and maintaining asset accountability are reliable.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors. The remainder of this letter provides an overview of the Authority as well as local economic conditions and prospects for the future.

Profile of the Government

The Authority was created in 1955 by a Special Act of the Florida State Legislature. The Authority's enabling legislation was incorporated into the City's Charter in 1968. As a semi-autonomous agency of the City, the Authority receives no property tax support. During its 55-year history, the Authority has been supported solely by the revenue generated through its operation.

The Authority is governed by the five-member Off-Street Parking Board (the Board). The Board has the powers, duties, and responsibilities customarily vested in the board of directors of a private corporation and exercises supervisory control over the operations of the off-street and on-street parking facilities of the City. The Miami City Commission retains the final authority for the approval of the Authority's annual budget and rate structure, with the exception of leased and managed facilities, the confirmation of appointments to the Board, and the issuance of parking revenue bonds. As a component unit of the City, the financial statements of the Authority are incorporated as a discretely proprietary fund into the City's Comprehensive Annual Financial Report.

As of September 30, 2010, the Authority managed approximately 29,700 spaces, including 10 garages, 80 surface lots, and approximately 10,400 on-street spaces. The Authority provides parking for about 6 million vehicles annually.

The Authority operates facilities which it owns, as well as facilities owned by other governmental units, nonprofit entities, and public/private sector joint ventures. Non-Authority-owned facilities operated under management or lease agreements include:

- City of Miami
Knight Center Garage and Municipal Lot Nos. 1, 20, 57- 60, 67, 68, and 70- 72 (2,951 spaces)
- Miami-Dade County
Garage I and Municipal Lot Nos. 18, 22, 23, 26, 34, 44, 45, 46, 48, and E (1,677 spaces)
- State of Florida
Municipal Lot Nos. 11-17, 28, 29, 30, 32, 33, 36-39, 42, 49-56, 73, and 76-78 (2,452 spaces)
- Martin Luther King Economic Development Corporation and R.J. Properties
Municipal Lot No. 7 (66 spaces)
- Wind & Rain Corporation
Municipal Lot No. 80 (28 spaces)
- Jacob 1535 Properties
Municipal Lot. No. 74 (39 spaces)
- Flagler Development Company, LLC
Municipal Lot Nos. A, B, C and D (1,206 spaces)
- Public Health Trust
Park Plaza West Garage, Park Plaza East Garage, Highland Park Garage, Jackson Medical Towers Garage, North Garage, Municipal Lot Nos. 0, 4, 5, 10 and Highland Park Pavilion Lot (7,175 spaces)

- Gesu Catholic Church
Lot 41 (88 spaces)

Enforcement of Parking Regulations - In addition to on-street and off-street parking operations, the Authority shares responsibility with the City of Miami Police Department for the ticketing and towing of illegally parked vehicles. The Authority also shares responsibility with Miami-Dade County for enforcement of parking regulations. Although the Authority participates in these enforcement and regulatory responsibilities, the Authority receives no parking fine revenue. All parking fine revenue generated within the City of Miami by the Authority is collected by the Miami-Dade County Clerk of the Circuit and County Courts, and is allocated to the City of Miami and Miami-Dade County. During the fiscal year ended September 30, 2010, Authority traffic management enforcement efforts generated approximately \$2.6 million in parking fine revenue for the City of Miami and approximately \$4.0 million for Miami-Dade County for a total of \$6.6 million.

Knight Center - The Authority manages, under a separate management agreement, the operations of the International Place – Knight Center Garage for the City. Under the terms of the agreement, the Authority receives a management fee based on a percentage of gross revenue for this garage, which is recorded as revenue from management and administrative fees on the Authority’s financial statements. Because all ownership rights and ultimate financial responsibility for these operations are held by the City, these operations are excluded from the Authority’s reporting entity.

Gusman Center - A unique nonparking-related responsibility of the Authority is the management of the historic 1,567-seat Gusman Center for the Performing Arts and the Olympia Office Building owned by the City of Miami. The Gusman Center and Olympia Building (G&O) complex was donated to the City of Miami in 1975 by its benefactor, Maurice Gusman, with the stipulation that the facility be managed by the Authority. The City of Miami traditionally has provided deficit funding, as necessary, to operate the facility. In 1994, the City of Miami selected a developer and entered into a lease agreement which provided for the redevelopment of the Olympia Building into 80 units of affordable housing. Construction of these units was completed in January 1997. This lease provides an income stream used to partially fund the complex. The operations of the G&O complex are separately accounted for by the City of Miami under the title of the G&O Special Revenue Fund, and are excluded from the Authority’s reporting entity.

Pension plan - The Authority sponsors a defined benefit plan in which all full-time Authority employees participate. The pension plan is presented on the face of the Authority’s financial statements as a fiduciary fund type. Additionally, required disclosures regarding the pension plan are presented in the notes to the financial statements.

Community Outreach - During the past several years, the Authority has experienced rapid change both in terms of operational responsibilities and its role in the community development process. The Authority’s traditional role of meeting the parking needs of the City of Miami has been expanded to include fostering an awareness of parking as an integral component of a balanced transportation system (public and vehicular) and the community development process.

The Authority’s expanded role in community involvement is demonstrated in various parking-related projects geared toward neighborhood beautification and economic development, as well as continued participation on civic and governmental committees.

The Authority's continued role in community involvement is demonstrated as follows:

- The Authority continues its participation in neighborhood parking advisory committees which provide a vehicle for citizen participation in the Authority's decision-making process.
- The Board and Authority continue participating in civic and governmental committees to share resources and provide input on decisions which impact on the area's transportation needs and the City of Miami community development process.
- The Board and staff continue to support the Gusman Center for the Performing Arts. With the assistance of the Board and the Authority, a \$300,000 capital improvement loan/grant from the Miami Sports and Exhibition Authority was awarded to the theater for the 2009 - 2010 fiscal year.
- During 2010, the Authority continued its summer internship program for disadvantaged youth by awarding three high school students full-time summer internships. The students were mentored by staff and were able to experience job responsibilities, skills, and work ethics in a real-life environment.

Economic Condition and Outlook

The City of Miami encompasses 34.3 square miles of land and 19.5 square miles of water, and is the county seat of Miami-Dade County, which encompasses 2,000 square miles of Florida's southeastern region. Miami is situated at the mouth of the Miami River on the western shore of Biscayne Bay and is the main port of entry in Florida. Miami is the southernmost major city and seaport in the continental United States. The nearest foreign territory is the Bahamian Island of Bimini, 50 miles from the Miami coast. Miami has a subtropical-marine climate, characterized by long summers with abundant rainfall and mild, dry winters. The average temperature in the summer is 81.4 degrees Fahrenheit and 69.1 degrees Fahrenheit in the winter, with an average annual temperature of 75.3 degrees.

The economic base of Greater Miami has diversified in recent years, shifting from a reliance on the tourism industry to a combination of manufacturing, service industries, and international trade.

The City of Miami has a resident population in excess of 365,000 and a workforce within the City in excess of 150,000. Total motor vehicle registrations within the City and Miami-Dade County, taken as a whole, exceed 2 million. The Authority is charged with meeting the public parking needs within the City limits.

Most public sector parking programs use parking revenue to fund their operating budgets. Within the United States, more than 71% of municipal parking operations derive their operating budgets from parking revenue. The Authority also funds its operating budget, including debt service, from parking revenue. Revenue from parking ticket fines goes to the general fund of the City of Miami and Miami-Dade County governments.

	Where the money comes from					
	Industry (1)	2010	2009	Authority 2008	2007	2006
On-street facilities	20.1%	50.3%	41.7%	37.4%	34.9%	34.7%
Off-street facilities	35.2	11.9	11.3	11.7	14.6	18.5
Parking lots	13.4	31.6	31.6	31.0	31.5	34.5
Penalties and fines	14.0	—	—	—	—	—
Interest	2.4	0.5	1.7	5.4	8.7	6.8
Management and administrative fees	0.7	4.8	12.5	12.9	9.4	4.5
Parking taxes	0.8	—	—	—	—	—
Other, including towing revenue	13.4	0.9	1.2	1.6	0.9	1.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Source: *Benchmarking The Parking Profession*, published by the International Parking Institute (IPI), 1998.

In the United States and Canada, the average municipal operations include 12 surface lots and two garages. The Authority's operation includes 80 surface lots and ten garages. Within the United States, municipal parking operations average 9,500 spaces in the Northeast, 5,000 in the Southeast, 4,200 in the Midwest, and more than 11,000 on the West Coast. The average number of municipal on-street parking spaces ranged from 750 within cities with populations under 50,000 to more than 22,800 within cities with populations of over 1 million. The Authority manages approximately 10,400 on-street parking spaces within the City of Miami.

The following is a summary of municipal on-street and off-street parking spaces with related population sizes:

City size (1)	Total spaces (1)
0 to 100,000	2,500
100,000 to 200,000	5,000
250,000 to 500,000	7,800
500,000 to 1 million	20,800
+ 1 million	22,800
The Authority	29,718

The following is a summary of municipal parking expenses nationwide compared to the Authority:

	<u>Industry (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Returned to government	1.7%	25.0%	8.6%	5.0%	12.3%	13.2%
Interest expense	19.2	11.6	4.4	7.8	11.4	9.9
Contract service, rentals, and other	14.8	31.8	34.5	23.7	20.3	22.9
Utilities and insurance	6.6	3.7	6.2	9.2	9.4	7.2
Maintenance and repairs	21.9	3.3	4.9	7.3	5.3	6.6
Personnel	35.8	24.6	41.4	47.0	41.3	40.2
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) Source: *Benchmarking The Parking Profession*, published by the International Parking Institute (IP), 1998.

Financial Highlights

The following is a summary of financial highlights of the Authority for the fiscal years ended September 30, 2006 through 2010 (amounts in dollars, except debt service ratio):

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total revenue including interest	\$ 17,856,509	21,659,921	22,717,549	22,789,679	24,026,477
Operating expenses before depreciation and amortization	(11,679,111)	(13,612,086)	(15,585,453)	(16,070,653)	(15,567,070)
Depreciation and amortization	(2,362,431)	(2,439,843)	(2,500,475)	(2,545,454)	(3,429,841)
Interest expense ^(a)	(1,503,411)	(2,195,760)	(1,551,110)	(1,024,037)	(3,232,379)
Nonoperating income (expenses) ^(b)	<u>1,021,135</u>	<u>29,404</u>	<u>(54,162)</u>	<u>519</u>	<u>(5,580,242)</u>
Net income before operating transfers and contributed capital	<u>\$ 3,332,691</u>	<u>3,441,636</u>	<u>3,026,349</u>	<u>3,150,054</u>	<u>(3,783,055)</u>
Debt service coverage ratio (see Exhibit 2)	2.75	2.71	3.03	3.61	2.06
Property, plant, and equipment, net	\$ 38,470,390	39,723,777	49,248,016	74,801,511	76,943,652
Bonds payable, net of current portion and unamortized discount/premium	\$ 49,060,703	48,282,291	47,694,210	46,853,854	69,440,935
Amount available in restricted reserve accounts, net	\$ 37,108,394	32,980,107	25,052,566	4,644,348	10,751,706
Number of parking spaces (see Exhibit 5)	20,208	31,651	31,927	32,606	29,718
Average revenue per space (see Exhibit 6)	830.91	816.66	820.93	855.23	1,015.35

(a) Interest expense includes amortization of bond discounts/premiums and is net of interest capitalized during the year.

(b) Nonoperating income/expenses include gains and losses on disposal of fixed assets, and valuation changes due to valuing investments at fair market value. In fiscal year 2010, amount includes \$5.8 million in expenses related to the early extinguishment of an existing interest rate swap agreement in connection with the Series 2008 bonds. Amounts exclude any transfers of excess revenue made to the City.

Excess Revenue Transfers to the City - Excess revenue to the City are guided by language in the 1998 bond ordinance, Section 509, which states that after satisfying all required transfers to the revenue, interest, principal, sinking fund, and renewal and replacement accounts, “The Department, at its option, may apply any amounts remaining in the General Reserve Account” for various purposes including transfer to the City. For fiscal year 2009 – 2010, the Department has recorded transfers to the City totaling approximately \$7.5 million.

Budgetary Controls

The Board reviews and approves an annual operational budget which includes the detail of anticipated revenue and expenses for each facility and specific areas of responsibility. Once approved by the Board, the budget is submitted to the Miami City Commission for ratification at a public hearing.

As part of the budget review process, two reports are submitted to the Board. These include: 1) a monthly and year-to-date statement of revenue and expenses designed to show actual financial performance vs. budget and prior year’s actual results, and 2) a five-year strategic plan which provides, among other things, estimates and projections of future capital projects, changes to operations and financial performance. Based on a review of these reports, the Board determines if the overall Authority financial performance justifies proceeding with capital projects in their established priority order.

To help ensure that the financial stability of the Authority is maintained throughout the implementation of the capital program, the Board uses the above budget review process in its capital implementation authorization process. In this process, financial resources available for the capital program and income availability for debt service are monitored on a regular basis. The expected revenue level must be achieved before additional spending for new projects is authorized.

Accounting Systems and Internal Control

The Authority follows U.S. generally accepted accounting principles (GAAP) applicable to governmental units. The accounting records are maintained on a full-accrual basis.

The Authority utilizes a custom-designed computerized garage revenue control system which significantly improves accuracy of daily audits of garage operations. The system, by the use of a magnetic stripe reader, automatically enters and records all ticket transaction information into the computer to enhance the internal accounting controls of the Authority.

Management of the Authority is responsible for establishing and maintaining an internal control structure designed to help ensure that the assets of the Authority are protected from loss, theft or misuse and to help ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure has been designed to provide reasonable, but not absolute, assurance regarding safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgment by management. All internal control evaluations occur within the above framework.

Relevant Financial Policies

Debt Management Policy – The Authority operates within an established formal debt management policy, which applies to all new issuances of debt and all outstanding debt issues. The policy’s objective is to adequately plan and meet the Authority’s comprehensive construction demands for essential capital improvements and equipment.

Cash Management Policies and Practices – In order to achieve maximum financial return on all available funds, the Finance Department pursues a carefully selected and diversified investment vehicles that avoid unreasonable investment risk, providing sufficient liquidity to meet the Authority’s projected operating and capital requirements. The Authority operates within the parameters of an established formal investment policy, which applies to all investments of public funds. Investments consist primarily of United States Treasury and agency securities.

Major Initiatives

Accomplishments during the 2009-2010 fiscal year for the Authority included the following:

Merchant and Resident Incentives - Furthering our commitment to balance the parking needs of the broad public, MPA implemented several programs targeted to specific user groups such as merchants and residents. These programs provide customized benefits to both users while assuring the various parking needs of both are met. For example, City of Miami residents who utilize the Pay by Phone option are entitled to a 20% resident discount on their parking fee.

State-Of-The-Art Pay-On-Foot Facilities - The Authority has successfully completed the automation of five of the Authority’s owned locations. The Cultural Center Garage, the College Station Garage, the Oak Avenue Garage and Lot #43 all received equipment upgrades. The Courthouse Center Garage was also constructed as an automated garage. This process will solidify stringent cash controls and provide efficiencies that will be realized for years to come.

Pay by Phone - The Pay by Phone option has been introduced in all on-street parking and many MPA lots throughout the city of Miami. This option affords customers a convenient method to pay for parking in the City. As of September 30, 2010, approximately 55,000 vehicles have been registered to participate in the Authority’s Pay by Phone program and approximately \$598,000 in parking revenue was generated during the year then ended.

Prospects for the Future

The Authority has been very active in evaluating parking demand and anticipating future parking needs in the various areas within the City. The projects include:

- The Authority continues to monitor potential projects in the Downtown, the Design District and other areas that may support additional parking inventory.
- The Authority will continue to upgrade revenue control equipment and transform our attendant locations into State-of-the-Art pay-on-foot facilities.
- MPA is currently developing several potential joint venture arrangements that will better provide for the public parking needs of the community.

Awards and Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the 24th consecutive year to the Authority for its component unit financial report for the fiscal year ended September 30, 2009.

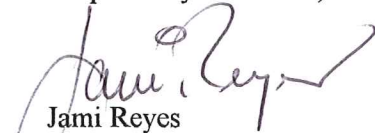
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority believes that its current Comprehensive Annual Financial Report continues to conform to Certificate of Achievement Program requirements and it is being submitted to the GFOA to determine its eligibility for another certificate.

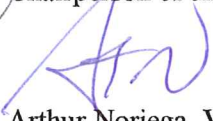
The Authority has also received the award for Outstanding Achievement in Popular Annual Reporting for the September 30, 2009 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

We would like to thank the members of the Off-Street Parking Board for guidance and support in the monitoring of the financial affairs of the Authority in a progressive and responsible manner. Through the efforts of the Off-Street Parking Board, the City Commission, City of Miami Authority and agencies, and the Authority staff, the achievements described in this report have become a reality. We also wish to express our appreciation to the members of the Authority staff who contribute specifically to the preparation of this report.

Respectfully submitted,



Jami Reyes
Chairperson of the Board



Arthur Noriega, V
Chief Executive Officer



Scott Simpson, CPA, CPFO
Chief Financial Officer

Principal Officials

City of Miami Commission

Tomás P. Regalado
Mayor

Frank Carollo
Vice Chair Person

Wilfredo Gort
Chair Person

Francis Suarez
Commissioner

Tony E. Crapp Jr.
City Manager

Marc Sarnoff
Commissioner

Richard P. Dunn
Commissioner

Off-Street Parking Board of Directors

Jami Reyes, Chairperson
President
Jami Reyes & Co.

Arthur H. Hertz
Chief Executive
Wometco Enterprises, Inc.

Tom Jelke
President and CEO
T. Jelke Solutions

Marlon Hill
Attorney at Law

Stephen Nostrand
Managing Director
Colliers Abood Wood-Fay
Chairman of the Finance Committee

Director Emeritus

Arnold Rubin
Director Emeritus, President
HUB Authority Stores (Retired)

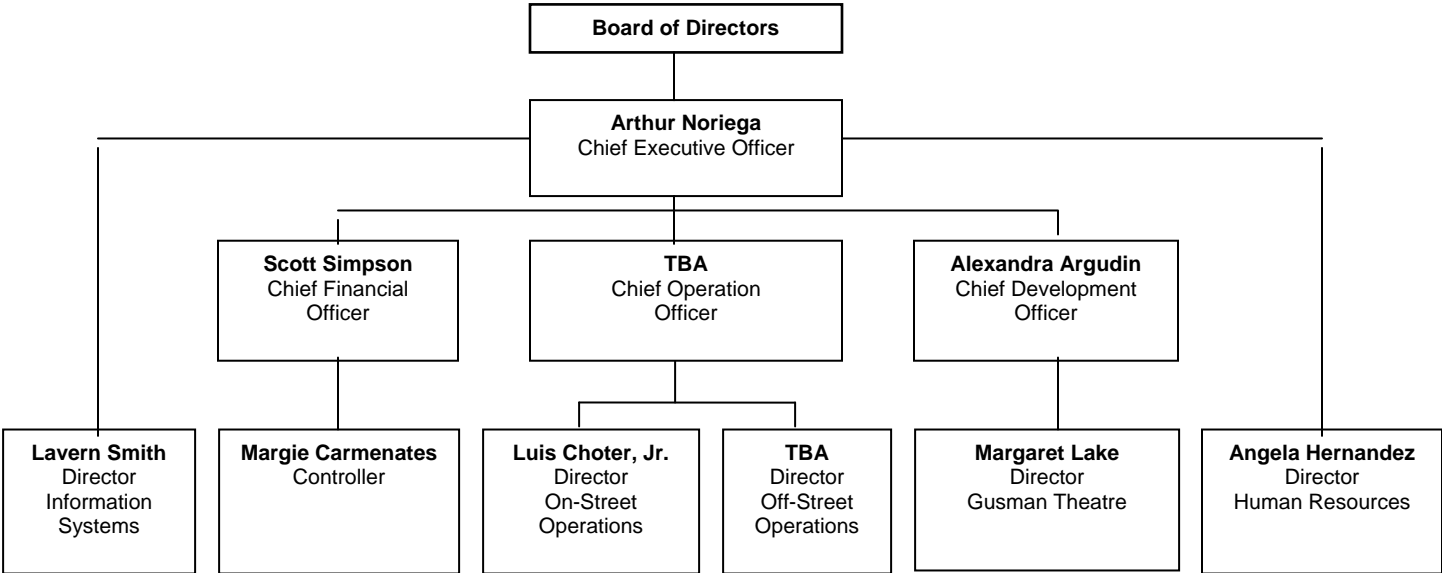
Miami Parking Authority Executive Staff

Arthur Noriega, V, Chief Executive Officer
Scott Simpson, CPA, Chief Financial Officer

Authority Auditors

McGladrey & Pullen, LLP

Miami Parking Authority Senior Administration Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Department of Off-Street Parking
of the City of Miami
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Department of Off-Street Parking Comprehensive Annual Financial Report

FINANCIAL SECTION



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Department of Off-Street Parking Comprehensive Annual Financial Report

FINANCIAL STATEMENTS



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Independent Auditor's Report

To the Chairman and Members of the Board
Department of Off-Street Parking
of the City of Miami, Florida

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Department of Off-Street Parking of the City of Miami, Florida, a component unit of the City of Miami, Florida d/b/a Miami Parking Authority (the "Authority"), as of and for the years ended September 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate remaining fund information, is based on the report of the other auditors.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority as of September 30, 2010 and 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 28, 2011 and January 26, 2010 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The management's discussion and analysis and the schedules of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 2010 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying introductory section, supplemental schedule, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

City of Miami, Florida
January 28, 2011

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis (Unaudited)

The Management's Discussion and Analysis of the Department of Off-Street Parking of the City of Miami, Florida (the "City"), a component unit of the City of Miami, Florida (the "City"), d/b/a Miami Parking Authority (the "Authority") is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position.

Using These Financial Statements

These financial statements have been prepared using the requirements stipulated by the Governmental Accounting Standards Board, Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB 34"). Under GASB 34, the Authority is considered a special purpose government engaged as a business-type activity. As such, the Authority uses the economic resources measurement focus and accrual basis of accounting.

The following financial statements are presented:

The statement of net assets presents the financial position of the Authority as of a specific date. It provides information about the nature and amounts of resources (assets), obligations (liabilities) and net assets.

The statement of revenue, expenses and changes in fund net assets present changes in net assets (revenue and expenses) over the course of the year. The change in net assets may be useful in assessing whether the Authority's financial position improved or deteriorated for the year. This statement measures the Authority's profitability and success in funding its expenses through user charges.

The statement of cash flows presents the cash activities of the Authority segregated by four major cash flow categories: operating activities, noncapital financing activities, capital and related financing activities and investing activities. This statement may be useful in determining changes in the liquidity of the Authority and in understanding how cash and cash equivalents were used during the year.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis (Unaudited)

Financial Highlights

A summary of the Authority's net assets and changes in net assets is presented below together with pertinent comments and information:

	Summary of Net Assets		
	September 30,		
	2010	2009	2008
	(In thousands)		
Current and other assets	\$ 23,776	\$ 14,506	\$ 38,523
Capital assets, net	76,944	74,802	49,248
Total assets	100,720	89,308	87,771
Current and other liabilities	11,477	11,219	9,832
Long-term debt outstanding	71,541	49,104	50,094
Total liabilities	83,018	60,323	59,926
Net assets:			
Invested in capital assets, net of related debt	20,048	27,191	23,328
Restricted for capital projects	-	408	358
Restricted for debt service	1,275	-	-
Unrestricted	(3,621)	1,386	4,159
Total net assets	\$ 17,702	\$ 28,985	\$ 27,845

During fiscal year 2009-2010, current and other assets increased by \$9,270,000. Restricted and unrestricted cash and cash equivalents increased by \$10,367,000, primarily due to the issuance of the Series 2009 bonds. Unamortized bond issuance costs also increased by \$615,000 due to the issuance of the Series 2009 bonds. Restricted investments decreased by \$2,232,000 primarily due to the Authority selling U.S. Treasury securities since the collateral requirement for the swap related to the 2008 bonds was no longer necessary due to the termination of the swap during the year. Capital assets increased by \$2,142,000 primarily due to the construction of the Courthouse Center Garage.

During fiscal year 2008-2009, current and other assets decreased by \$24,017,000. Restricted and unrestricted cash and cash equivalents decreased by \$26,640,000, primarily due to the use of funds for capital projects. Restricted investments increased by \$2,232,000 primarily due to the Authority purchasing U.S. Treasury securities to fund the collateral requirement for the swap related to the 2008 bonds. Capital assets increased by \$25,554,000, primarily due to the construction of the Courthouse Center Garage.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Management's Discussion and Analysis (Unaudited)

During fiscal year 2009-2010, current and other liabilities increased by \$258,000 primarily due to an increase in the amount of excess revenue payable to the City, as well as an increase in interest payable due to the issuance of the Series 2009 bonds. The increase was partially offset by a decrease in liabilities associated with the construction of capital projects. Long-term debt increased by \$22,437,000 due to the issuance of the Series 2009 bonds partially offset by \$985,000 due to principal payments made on the 1998 bonds and on the City of Miami loan. Net assets invested in capital assets, net of related debt, decreased due to the issuance of the Series 2009 bonds. Restricted net assets increased due to the Authority's funding of the debt service bond reserve accounts for the Series 2009 Bonds.

During fiscal year 2008-2009, current and other liabilities increased by \$1,387,000 primarily due to an increase in liabilities associated with the construction of capital projects, as well as an increase in the amount to be distributed to the City. Long-term debt decreased by \$990,000 due to principal payments made on the 1998 bonds and on the City of Miami loan. Unrestricted net assets decreased by \$2,773,000 primarily due to the use of unrestricted cash to pay for capital expenditures, partially offset by an increase in the current year's income, before depreciation and amortization.

	Changes in Net Assets		
	Years Ended September 30,		
	2010	2009	2008
	(In thousands)		
Revenue:			
Charges for parking services	\$ 22,533	\$ 20,771	\$ 19,514
Management and administrative fees	1,160	1,290	1,474
Miscellaneous other income	479	317	362
Investment income	110	411	1,313
Total revenue	24,282	22,789	22,663
Expenses:			
Labor costs	7,385	7,928	7,650
Other operating expenses	8,182	8,142	7,936
Depreciation and amortization	3,430	2,545	2,500
Interest	3,232	1,024	1,551
Swap termination	5,836	-	-
Total expenses	28,065	19,639	19,637
Excess before payments to primary government	(3,783)	3,150	3,026
Payments to primary government	(7,500)	(2,010)	(1,000)
Change in net assets	(11,283)	1,140	2,026
Total net assets, beginning of the year	28,985	27,845	25,819
Total net assets, end of the year	\$ 17,702	\$ 28,985	\$ 27,845

**Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)**

Management's Discussion and Analysis (Unaudited)

Revenue

For the year ended September 30, 2010, parking revenue increased by \$1,763,000 or 8% from 2009. On-street meter revenue increased \$1,843,000 or 18% from 2009 due primarily to the installation and upgrading of PAD's, and the installation of new meters in specific areas.

Investment income decreased by \$301,000 in 2010 as compared to 2009 primarily as a result of a decrease in rates.

For the year ended September 30, 2009, parking revenue increased by \$1,257,000 or 6% from 2008. Garage revenue decreased by \$94,000 or 3% from 2008, primarily due to the demolition of Municipal Garage No. 1 in the early part of the prior year to make way for the construction of the new Courthouse Center Garage. Revenues for Municipal Garage No. 1 were \$129,000 in the prior year. Parking lot revenue increased \$219,000 or 3% from 2008 reflecting newer lots being on line for the entire year. On-street meter revenue increased \$1,133,000 or 12% from 2008 due primarily to the installation and upgrading of PAD's, and the installation of new meters in specific areas.

Investment income decreased by \$902,000 in 2009 as compared to 2008 primarily as a result of a decrease in rates as well as carrying lower investment balances during the current year due to the use of these funds for the construction of the Courthouse Center Garage.

Expenses

For the year ended September 30, 2010, operating expenses before depreciation and amortization decreased by \$504,000 or 3% from the prior year. Labor costs decreased by \$543,000 or 7% primarily due to staff reductions associated with the Authority's automation of garage facilities. Security expense increased by \$198,000 or 19% due to an increase in both rates and hours worked by security personnel during 2010. Insurance expense decreased by \$245,000 or 30% from prior year primarily as a result of obtaining competitive pricing on commercial insurance policies. Depreciation and amortization increased by \$884,000 or 35% due to the Courthouse Center garage becoming a depreciable asset during the year. Interest expense increased by \$2,208,000 or 216% due to the higher debt balances associated with the issuance of the Series 2009 bonds and the cost of refunding the Series of 2008 bonds. Approximately \$5.8 million of cost associated with the refunding of the Series 2008 were for the termination of the swap and early extinguishment of debt.

For the year ended September 30, 2009, operating expenses before depreciation and amortization increased by \$485,000 or 3% from the prior year. Labor costs increased by \$278,000 primarily due to salary rate increases. Other operating expenses increased by \$207,000 or 3% from the prior year. Property rentals and assessments increased \$434,000 or 26% as compared to 2008 due primarily to increases in revenue sharing that resulted from the Authority having an increased number of revenue sharing lots in the current year. Repairs and maintenance decreased by \$299,000 or 21% mainly due to painting and light retrofitting work performed in Municipal Garage No. 3 in the prior year. Insurance expense decreased by \$425,000 or 35% from prior year primarily as a result of obtaining competitive pricing on commercial insurance policies. Legal and professional fees increased by \$355,000 primarily due to expenses that were previously capitalized for construction projects that did not come to fruition.

Department of Off-Street Parking
of the City of Miami, Florida
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Management's Discussion and Analysis (Unaudited)

Capital Assets

The following is a summary of the Authority's capital assets:

Schedule of Capital Assets			
September 30,			
	2010	2009	2008
(In thousands)			
Land	\$ 14,152	\$ 14,152	\$ 14,152
Buildings and structures	71,589	27,908	27,896
Leasehold improvements	10,500	10,089	9,924
Furniture and equipment	18,765	17,046	16,135
Construction in progress	128	40,430	13,428
Total gross capital assets	115,134	109,625	81,535
Less accumulated depreciation	(38,190)	(34,823)	(32,287)
Net capital assets	\$ 76,944	\$ 74,802	\$ 49,248

During fiscal year 2009-2010, capital assets additions totaling \$6,705,000 were made. Major acquisitions during the year were as follows:

Years ended September 30,			
	2010	2009	2008
(In thousands)			
Buildings and structures	\$ 44,824	\$ 12	\$ 155
Equipment	1,186	902	1,346
Construction in progress, net of transfers	(40,301)	27,206	9,699
Other capital assets	996	174	1,109
Total	\$ 6,705	\$ 28,294	\$ 12,309

See Note 4 to the financial statements for more information on capital assets.

Management's Discussion and Analysis

Debt

	Schedule of Long-Term Debt		
	September 30,		
	2010	2009	2008
	(In thousands)		
Current portion of total debt	\$ 1,025	\$ 985	\$ 950
Long-term portion of total debt	71,541	49,104	50,094

In November 2009, the Authority issued \$60,110,000 in of tax-exempt, fixed rate revenue and revenue refunding bonds and \$6,485,000 in taxable, fixed-rate revenue and revenue refunding bonds ("Series 2009 Revenue Bonds"). The proceeds of these bonds were used to: (1) fully redeem and refund the Series 2008 revenue bonds, (2) pay for costs of issuance on the Series 2009 revenue bonds, (3) pay for additional construction costs on the Courthouse Center Garage, and (4) pay fees to terminate the existing interest rate swap agreement in connection with the Series 2008 revenue bonds. The Authority did not issue any new debt during fiscal year 2009.

On August 28, 2008, the Authority issued \$37,070,000 of tax-exempt variable rate revenue refunding bonds and \$3,880,000 of taxable variable rate revenue refunding bonds ("Series 2008 revenue bonds"). The proceeds of these bonds were used to fully redeem and refund the Series 2006 bonds and to pay certain costs of issuance. The Series 2008 revenue bonds have an underlying rating of "Aaa" from Moody's Investors Service, Inc.

See Note 5 to the financial statements for more information on long-term debt. The Authority made all its scheduled payments for principal and interest during fiscal years 2010, 2009, and 2008.

Economic Factors and Future Developments

A U.S. federal courthouse is now opened in the northwest area of the central business district. The Authority has completed the construction of the Courthouse Center Garage adding 50% more capacity to serve the needs of the federal courthouse and surrounding area. This project consists of a 314,089 square foot parking deck containing 852 parking spaces, with 36,835 square feet of office space and 4,043 square feet of commercial retail/restaurant lease space on the ground floor. The Courthouse Center Garage opened its doors to the public in January 2010.

The Authority's staff and Board considered many factors when adopting the fiscal year 2010 budget. Included among these factors were uncertainties regarding health insurance costs, general property insurance costs and construction costs and various economic indicators.

Management's Discussion and Analysis

Off-street/On-street Rate Structure

During the year ended September 30, 2010, the following rates were in effect for the Authority's off-street facilities and on-street spaces:

- On-street meter rates consisted of \$.75, \$1.00, or \$1.25 per hour depending on the specific location of the meter.
- On-street monthly permit rates ranged from \$35.00 to \$85.00 per month.
- Off-street surface lot rates ranged from \$1.00 per hour up to a maximum of \$20.00 per day and \$21.53 to \$86.14 per month.
- Garage rates range from \$1.00 per hour up to a maximum of \$19.00 per day and from \$50.00 to \$155.00 per month.

Requests for Information

The Authority's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the authority's finances and to demonstrate the Authority's accountability. If users have questions about the report or need additional financial information, they should contact Scott Simpson, Chief Financial Officer of the Department of Off-Street Parking of the City of Miami, 40 N.W. 3rd Street, Suite 1103, Miami, Florida 33128, or visit the Authority's website at www.miamiparking.com.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Statements of Net Assets
September 30, 2010 and 2009

Assets	2010	2009
Current Assets:		
Cash and cash equivalents	\$ 8,451,158	\$ 6,422,916
Investments and accrued interest receivable	22,343	29,848
Accounts and other receivables, net of allowance for doubtful accounts of \$27,217 and \$114,022, respectively	641,083	340,715
Due from other government	26,630	134,648
Prepaid expenses and other current assets	533,085	228,889
Total unrestricted current assets	9,674,299	7,157,016
Current Restricted Assets:		
Cash and cash equivalents	2,834,973	1,994,235
Investments	-	2,231,710
Accrued interest receivable	42	14,405
Total restricted current assets	2,835,015	4,240,350
Total current assets	12,509,314	11,397,366
Noncurrent Assets:		
Restricted cash and cash equivalents	7,916,733	418,403
Investments	1,042,267	1,073,600
Rental advances on leased lots, net	138,197	148,466
Unamortized bond issuance costs	2,084,042	1,468,995
Other assets	86,432	-
Capital assets, net	76,943,652	74,801,511
Total noncurrent assets	88,211,323	77,910,975
Total assets	100,720,637	89,308,341

Department of Off-Street Parking
of the City of Miami, Florida
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Statements of Net Assets
September 30, 2010 and 2009

Liabilities and Net Assets	2010	2009
Liabilities:		
Current liabilities payable from unrestricted assets:		
Accounts payable	\$ 989,246	\$ 3,479,554
Accrued payroll	250,399	434,622
Accrued liabilities	1,218,052	1,102,954
Accrued vacation and sick pay	500,091	474,511
Deposits	145,355	145,225
Due to City of Miami, net	4,898,678	2,966,702
Unearned revenue	467,545	387,406
Total payable from unrestricted assets	8,469,366	8,990,974
Current liabilities payable from restricted assets:		
Current portion of bonds payable	875,000	835,000
Current portion – City of Miami loan	150,000	150,000
Interest payable	1,809,973	1,009,235
Total payable from restricted assets	2,834,973	1,994,235
Total current liabilities	11,304,339	10,985,209
Long-term liabilities:		
Accrued vacation and sick pay	130,732	233,804
Other post-employment benefit obligation	42,212	-
Bonds payable, net of current portion and unamortized discounts/premiums	69,440,935	46,853,854
City of Miami Loan	2,100,000	2,250,000
Total long-term liabilities	71,713,879	49,337,658
Total liabilities	83,018,218	60,322,867
Net assets:		
Invested in capital assets, net of related debt	20,048,294	27,191,412
Restricted for capital projects	-	408,048
Restricted for debt service	1,275,023	-
Unrestricted	(3,620,898)	1,386,014
Total net assets	\$ 17,702,419	\$ 28,985,474

See Notes to Financial Statements.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Statements of Revenue, Expenses and Changes in Net Assets
Years Ended September 30, 2010 and 2009

	2010	2009
Operating revenue:		
Parking lots	\$ 7,598,482	\$ 7,764,915
On-street facilities	12,085,091	10,241,641
Off-street facilities	2,850,106	2,764,712
Management and administrative fees	1,159,801	1,290,374
Other	223,008	317,524
	<u>23,916,488</u>	<u>22,379,166</u>
Operating expenses:		
Salaries, wages and fringe benefits	7,384,903	7,928,286
Security	1,224,329	1,026,145
Property rentals and assessments	2,325,855	2,110,595
Repairs and maintenance	987,068	1,155,117
Insurance	559,637	804,418
Legal and professional	964,697	833,364
Utilities	545,378	649,849
Printing and supplies	178,063	203,001
Other	1,397,140	1,359,878
	<u>15,567,070</u>	<u>16,070,653</u>
Operating income before depreciation and amortization	8,349,418	6,308,513
Depreciation and amortization	3,419,571	2,535,184
Amortization of rental advances	10,270	10,270
Operating income	<u>4,919,577</u>	<u>3,763,059</u>
Nonoperating revenue (expenses):		
Investment income	109,989	410,513
Interest expense	(3,232,379)	(1,024,037)
Excess revenue distribution to City of Miami	(7,500,000)	(2,010,000)
Gains on disposals of properties and equipment	251,536	-
Swap termination	(5,835,611)	-
Other income (expense)	3,833	519
Total nonoperating expenses, net	<u>(16,202,632)</u>	<u>(2,623,005)</u>
Change in net assets	(11,283,055)	1,140,054
Net assets, beginning of year	28,985,474	27,845,420
Net assets, end of year	<u>\$ 17,702,419</u>	<u>\$ 28,985,474</u>

See Notes to Financial Statements.

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Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Statements of Cash Flows
Years Ended September 30, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities		
Cash received from customers	\$ 23,696,763	\$ 22,475,211
Cash paid to suppliers	(8,176,212)	(7,881,474)
Cash paid to employees for services	(7,604,406)	(7,901,392)
Net cash provided by operating activities	7,916,145	6,692,345
Cash Flows From Investing Activities		
Interest received	131,850	496,651
Proceeds from sales and maturities of investments	2,263,049	-
Purchase of investments	-	(3,129,057)
Net cash provided by (used in) investing activities	2,394,899	(2,632,406)
Cash Flows From Noncapital Financing Activities		
Excess revenue distribution to City of Miami	(5,210,000)	(800,000)
Cash received from other government	108,018	192,248
Cash paid to primary government	(358,024)	(283,111)
Net cash used in noncapital financing activities	(5,460,006)	(890,863)
Cash Flows From Capital and Related Financing Activities		
Payments for capital acquisitions	(9,473,763)	(27,800,434)
Proceeds from sales of capital assets	1,395,254	-
Payments made for bond issue costs	(2,077,739)	-
Proceeds of refunding bonds	66,595,000	-
Bond discount	(887,327)	-
Payment for redemption of refunded bonds	(40,950,000)	-
Payment to terminate interest rate swap	(5,835,611)	-
Repayments on bonds	(835,000)	(800,000)
Interest paid on long-term debt	(2,264,542)	(1,058,716)
Repayments on City of Miami loan	(150,000)	(150,000)
Net cash provided by (used in) capital and related financing activities	5,516,272	(29,809,150)
Net increase (decrease) in cash and cash equivalents	10,367,310	(26,640,074)
Cash and cash equivalents, beginning of year (including \$2,412,638 and \$24,946,799 in restricted assets for 2010 and 2009, respectively)	8,835,554	35,475,628
Cash and cash equivalents, end of year (including \$10,751,706 and \$2,412,638 in restricted assets for 2010 and 2009, respectively)	\$ 19,202,864	\$ 8,835,554

(Continued)

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Statements of Cash Flows
Years Ended September 30, 2010 and 2009

	2010	2009
Reconciliation of Operating Income to Net Cash Provided By		
Operating Activities:		
Operating income	\$ 4,919,577	\$ 3,763,059
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,419,571	2,535,184
Amortization of rental advances	10,270	10,270
Recovery (provision) for doubtful accounts	(86,805)	102,093
Change in assets and liabilities:		
Accounts and other receivables	(213,563)	142,958
Prepaid expenses and other current assets	(304,196)	(120,566)
Other assets	(86,432)	-
Accounts payable	281,859	150,954
Accrued payroll	(244,369)	88,224
Accrued liabilities	175,244	128,412
Accrued vacation and sick pay	(77,492)	(61,330)
Deposits	130	(26,383)
Other post-employment benefit obligation	42,212	-
Unearned revenue	80,139	(20,530)
Net cash provided by operating activities	\$ 7,916,145	\$ 6,692,345

Supplemental Disclosures of Noncash and Capital and
Related Financing Activities

Purchase of capital assets on account	\$ -	\$ 287,600
Excess revenue distributions to City of Miami on account	3,500,000	\$ 1,210,000
	\$ 3,500,000	\$ 1,497,600

See Notes to Financial Statements.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Statements of Fiduciary Net Assets
September 30, 2010 and 2009

Assets	2010	2009
Investments at fair value:		
Equity fund	\$ 6,978,802	\$ 4,916,271
Fixed income fund	4,150,878	5,382,723
Short-term cash investment fund	49,808	12,744
Total investments	11,179,488	10,311,738
Other assets:		
Accrued interest	11,266	10,454
Total assets	11,190,754	10,322,192
Net assets held in trust for pension benefits	\$ 11,190,754	\$ 10,322,192

See Notes to Financial Statements.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Statements of Changes in Fiduciary Net Assets
Years Ended September 30, 2010 and 2009

	2010	2009
Additions		
Contributions:		
Employer	\$ 563,281	\$ 499,914
Employees	304,228	328,504
Net appreciation in fair value of investments	827,956	186,200
Dividends and interest on investments	202,852	254,855
Total additions	<u>1,898,317</u>	<u>1,269,473</u>
Deductions		
Benefits paid to participants	960,583	684,859
Administrative expenses	69,172	38,921
Total deductions	<u>1,029,755</u>	<u>723,780</u>
Net increase	868,562	545,693
Net assets held in trust for pension benefits, beginning of year	10,322,192	9,776,499
Net assets held in trust for pension benefits, end of year	<u>\$ 11,190,754</u>	<u>\$ 10,322,192</u>

See Notes to Financial Statements.

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Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Notes to Financial Statements

Note 1. General and Summary of Significant Accounting Policies

Description: The Department of Off-Street Parking of the City of Miami, Florida, a component unit of the City of Miami, Florida, d/b/a Miami Parking Authority (the "Authority") was created in 1955 by a special act of the Florida State Legislature (Laws of Florida, Chapter 30997, as amended) and subsequently incorporated into the City of Miami, Florida's (the "City") Charter in 1968. The Authority is an agency and instrumentality of the City, which owns and operates parking facilities within the City.

The five-member Authority Board (the "Board") exercises supervisory control over the operations of the Authority. The City Commission (the "Commission") has reserved the right to confirm new Board members, to establish and set rates and charges for parking services, to approve the Authority's operating budget, and to authorize the issuance of revenue bonds. All other duties have been vested in the Board.

The City Commission is financially accountable for the Authority and, therefore, it is accounted for as a Business-Type Activity in the City's comprehensive annual financial report as a discretely presented component unit.

Reporting entity: The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Codification Section 2100, which establishes standards for defining and reporting on the financial reporting entity. For financial reporting purposes, the Authority includes those operations that are generally controlled by or dependent on the Authority. Control by or dependence on the Authority is determined on the basis of such factors as budget adoption, outstanding debt secured by revenue of the Authority, and obligation of the Authority to finance any deficit that may occur or receipt of significant subsidies from the Authority.

Additionally, the Authority reports and is the sole sponsor of a defined-benefit pension plan (the "Plan") that is mandatory for all full-time Authority employees. The Authority accounts for the assets it holds in a trustee capacity for its employees participating in the plan, in a fiduciary fund.

The Authority manages under a separate management agreement, the operations of the James L. Knight/International Center Garage for the City. Under the terms of the agreement, the Authority receives a management fee based on a percentage of gross revenue for the garage, which is recorded as revenue from management and administrative fees in the Authority's financial statements. Because all ownership rights and ultimate financial responsibility for these operations are held by the City, these operations are excluded from the Authority's reporting entity.

In addition to the managed garage facilities, under City ordinance No. 8435, the City authorized the Board to administer the operations of the Gusman Center for the Performing Arts and the Olympia Building properties owned by the City. Such operations are separately accounted for by the Board and reported by the City under the title of the G&O Special Revenue Fund. All operating budgets of the G&O Special Revenue Fund must be approved by the Commission. In the event that operating revenue of the G&O Special Revenue Fund is not sufficient to cover its operating expenditures, the Authority or the City will fund the cash shortage. Cash needs funded by the Authority are reimbursed by the City. The G&O Special Revenue Fund operations are excluded from the Authority's reporting entity.

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Notes to Financial Statements

Note 1. General and Summary of Significant Accounting Policies (Continued)

The following is a summary of the Authority's significant accounting policies:

Basis of accounting: The Authority utilizes the accrual basis of accounting for its business-type activities and its fiduciary funds. Under the full-accrual basis, revenue is recorded when earned and expenses are recorded when obligations are incurred or when benefits are received. These financial statements are presented using the economic resources measurement focus.

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

Based on the accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities that Use Proprietary Fund Accounting*, the Authority applies only the accounting and reporting pronouncements issued by the Financial Accounting Standards Board prior to November 30, 1989, that do not conflict with or contradict GASB pronouncements. Only GASB pronouncements issued after this date are followed.

Cash and cash equivalents: For purposes of the accompanying statements of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments: The Authority's investments with maturity dates of greater than one year at the time of purchase are reported at fair value using quoted market price or the best available estimate thereof. Fair value is defined by GASB Statement No. 31, *Certain Investments and External Investment Pools*, as the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less, are reported at amortized costs. All investment income, including changes in the fair value of investments, is reported as revenue in the accompanying statements of revenue, expenses and changes in net assets.

Accounts receivable: Accounts receivable are reported net of an allowance for doubtful accounts. The Authority fully reserves for all receivables greater than 90 days.

Restricted assets: Assets required to be segregated by bond ordinance or contractual obligations are identified as restricted assets. Restricted assets at September 30, 2010 and 2009, represent monies mandated under the terms of City Ordinance 11693, as amended by City Ordinance No. 11719 (collectively, the "Series 1998 Bond Ordinance"), as supplemented by City Resolution No. 98-814 related to the Series 1998 Parking System Revenue Refunding Bonds, and as supplemented by Ordinance No. 13092 (the "Series 2009 Bond Ordinance").

Capital assets: Capital assets are recorded at cost, net of accumulated depreciation. Contributed capital assets are recorded at estimated fair value when received. The Authority capitalizes major renewals and betterments for leasehold improvements, furniture and equipment that exceed \$1,000 in cost. Expenditures for minor renewals and betterments that do not add to the value of the asset or materially extend the life are expensed when incurred.

Department of Off-Street Parking
of the City of Miami, Florida
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Notes to Financial Statements

Note 1. General and Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. During the construction phase of capital assets, interest of business-type activities is included as part of the capitalized value of the assets constructed. Interest expense capitalized is offset by interest earned on project specific unspent bond proceeds. In 2010 the Authority incurred \$3,483,462 in interest charges and capitalized \$251,083. In 2009 the Authority incurred \$2,496,488 in interest charges and capitalized \$1,537,771.

Depreciation on capital assets is provided using the straight-line method. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the assets. Depreciable lives are as follows:

	<u>Years</u>
Building and structures	40
Leasehold improvements	5 – 20
Furniture and fixtures	5 – 10
Equipment	3 – 10

When capital assets are disposed of, the related cost and accumulated depreciation are removed from the accounts and gains or losses are reflected as part of change in net assets.

Unamortized bond premiums, discounts, bond issuance costs, and cost of refunding: Premiums, discounts, bond issuance costs, and cost of refunding on the revenue bonds are amortized using the effective interest method, over the maturity of the related issue.

Vacation and other compensated absences: The Authority accrues a liability for vacation and other compensated absences as the benefits are earned by its employees up to the maximum allowed to be carried forward into the subsequent year. The accrual amounted to \$630,823 and \$708,315 at September 30, 2010 and 2009, respectively.

Unearned revenue: Unearned revenue consists primarily of parking fees received in advance from monthly customers. Such amounts are recognized as revenue in subsequent periods as they are earned.

Net assets: Equity in the Authority's statement of net assets is displayed in three categories: 1) invested in capital assets, net of related debt, (2) restricted for capital projects and 3) unrestricted. Net assets invested in capital assets, net of related debt consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Net assets are reported as restricted when there are third party limitations (statutory, contractual or bond covenant) on their use. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

Department of Off-Street Parking
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Notes to Financial Statements

Note 1. General and Summary of Significant Accounting Policies (Continued)

Operating revenue and expense: The Authority distinguishes operating revenue and expenses from non-operating revenue and expenses in its statement of revenue, expenses and changes in net assets. Operating revenues are those revenues earned from parking fee charges to customers and ancillary activities such as management fees earned from the management of parking facilities and towing revenue.

Operating expenses relate to the cost of providing those services and also include administrative expenses and depreciation of capital assets. All other revenues and expenses that are not a result of the Authority's parking functions are considered non-operating. Examples of non-operating items include investment earnings, interest expense, gains and losses on capital assets and excess revenue distribution to the City of Miami.

Use of estimates: The preparation of the basic financial statements requires management of the Authority to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Note 2. Cash and Cash Equivalents and Investments

At September 30, 2010 and 2009, the Authority's cash and cash equivalents and investments, exclusive of the investments of the Pension Plan, consisted of the following:

	2010	2009
Investments:		
U.S. government and federal agency securities	\$ 1,042,267	\$ 3,305,310
Cash and Cash Equivalents:		
Money market mutual funds	17,156,434	7,239,167
Demand deposits	1,956,193	1,517,985
Petty cash	90,237	78,402
Florida State Board of Administration	289	295
Total cash and cash equivalents	19,203,153	8,835,849
Total cash and cash equivalents and investments	\$ 20,245,420	\$ 12,141,159

Department of Off-Street Parking
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Notes to Financial Statements

Note 2. Cash and Cash Equivalents and Investments (Continued)

Investments: The Authority is authorized to invest in U.S. government obligations and its agencies or instrumentalities, direct obligation of this state or agencies and instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, obligations of states, agencies, counties, cities and other political subdivisions of any state rated investment quality by a nationally recognized investment firm with not less than an A rating, fully collateralized repurchase agreements and reverse repurchase agreements, prime domestic commercial paper, prime domestic bankers' acceptances, insured or collateralized certificate of deposit.

This policy's investment objects are the preservation of capital and the protection of investment principal, strive to maximize the return on the portfolio by avoiding unreasonable investment risk, provide sufficient liquidity to meet the Authority's projected operating and capital requirements, and to control risks regarding specific security types, or individual financial institutions by diversifying its investments.

Interest rate risk: Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority's investment policy does not have provisions that limit investment maturity as a mean of managing exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair value of the Authority's investments and market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's debt-type investments by maturity at September 30, 2010:

Investment Type	Fair Value	Investment Maturities (in years)
		Less Than 1
U.S. treasury	\$ 97,197	\$ 97,197
U.S. agencies	945,070	945,070
Florida State Board of Administration	289	289
Money market mutual funds	17,156,434	17,156,434
Total	\$ 18,198,990	\$ 18,198,990

Department of Off-Street Parking
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Notes to Financial Statements

Note 2. Cash and Cash Equivalents and Investments (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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy limits credit risk by requiring all fixed-income securities to be rated by Moody's as an A or better. Investments in the Florida State Board of Administration and the Money market mutual funds are not rated by a nationally recognized statistical rating agency as of September 30, 2010. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Concentration of credit risk: The Authority's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the Authority to meet all anticipated cash requirements. The policy limits the Authority to holding no more than 30% of local Government Surplus Trust Funds ("SBA"), 10% of federal agencies at the time of purchase, no more than 10% of federal agencies in one issuer, 15% of prime domestic and foreign bankers' acceptances at the time of purchase, no more than 5% of bankers' acceptances in one issuer and no more than 10% of all amounts invested in commercial paper and other short-term corporate debt.

Custodial credit risk: Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the Authority's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Under Florida statutes, Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution, eligible collateral equal to between 50% and 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. government and agency securities, state or local government debt, corporate bonds) to public deposits is dependent upon the depository institution's financial history and its compliance with Florida Statutes, Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (for example, a broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Consistent with the Authority's investment policy, the investments are held by the Authority's custodial institution and registered in the Authority's name. Investments in the Florida State Board of Administration and Money market mutual funds are not subject to custodial credit risk.

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Notes to Financial Statements

Note 2. Cash and Cash Equivalents and Investments (Continued)

Pension Plan Investments

At September 30, 2010 and 2009, the investments for the Plan consisted of the following:

Investment Type	2010	2009
Equity funds	\$ 6,978,802	\$ 4,916,271
Fixed-income funds	4,150,878	5,382,723
Cash management fund	49,808	12,744
Total investments	\$ 11,179,488	\$ 10,311,738

The Plan's investment policy, approved by the retirement board for the Plan, stipulates the permissible investments and the allowable long-range asset allocation, measured at market value, at the end of each quarter.

The Plan's investments are potentially exposed to various types of investment risk, including credit risk, custodial credit risk, concentration of credit risk and interest rate risk and foreign currency risk.

The Plan's investment policy limits credit risk by requiring all fixed-income securities to be rated by Moody's as an A or better.

At September 30, 2010, the following represents Moody's ratings and the market value of the Plan's fixed-income portfolio invested:

Investments	Moody's Rating	Fair Value	Percentage of Investments
Ridgeworth Fund - Total Return Bond	AAA	\$ 1,665,501	39.6%
I Shares TR US TRSY Protected SEC BD ETF	AAA	249,747	5.9%
Vanguard Bond Index FDS	AAA	308,606	7.3%
PIMCO FDS Total Return	AAA	1,927,024	46.0%
Short-term cash/Money market funds	Not Rated	49,808	1.2%
Total		\$ 4,200,686	100.0%

Custodial risk: The Plan does not have custodial credit risk since its investments consist of open-ended mutual funds.

Concentration of credit risk: Investments issued, or explicitly guaranteed by the U.S. Government and investments in mutual funds are not subject to any concentration of credit risk.

Department of Off-Street Parking
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Notes to Financial Statements

Note 2. Cash and Cash Equivalents and Investments (Continued)

Interest rate risk: The Plan's investment policy does not have provisions that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair values of the Plan's investments and market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's fixed-income portfolio at September 30, 2010:

Investments Type	Fair Value	Investment Maturities (in years)	
		1 – 5	6 – 10
Ridgeworth Fund – Total Return Bond	\$ 1,665,501	\$ -	\$ 1,665,501
I Shares TR US TRSY Protected SEC BD ETF	249,747	-	249,747
Vanguard Bond Index FDS	308,606	308,606	-
PIMCO FDS Total Return	1,927,024	-	1,927,024
Total	\$ 4,150,878	\$ 308,606	\$ 3,842,272

Foreign currency risk: At September 30, 2010, the Plan was invested in an international equity index fund that had a fair value of approximately \$1,050,121 and represented 9% of the total investments of the Plan. At September 30, 2009, the Plan was invested in an international equity index fund that had a fair value of approximately \$845,000 and represented 8% of the total investments of the Plan.

Note 3. Due to City of Miami, Net

The amount due from primary government represents amounts owed from the City as of September 30, 2010 and 2009 in the amount of \$96,035 and \$448,199, respectively. The amounts represent operating expenses incurred by the Authority on behalf of the City for the G&O special Revenue Fund of the City (the "G&O Fund") offset by revenues received by the Authority from the Knight Center Garage owned by the City. The expenses are subsequently reimbursed by the G&O Fund and the revenues are subsequently reimbursed to the Knight Center Garage. Additionally, in the prior year the amount includes costs incurred by the Authority on behalf of the City for construction on the City's lots. These costs were reimbursed by the City upon reimbursement request.

The amount due to primary government primarily represents amounts owed to the City as of September 30, 2010 and 2009 in the amount of \$4,994,713 and \$3,414,901, respectively. The amounts represent money held by the Authority on behalf of the City and excess revenue distributions payable to the City not yet funded.

The Authority's due to primary government, net, as of September 30, 2010 and 2009, is as follows:

	2010	2009
Due to City of Miami	\$ 4,994,713	\$ 3,414,901
Due from City of Miami	(96,035)	(448,199)
Due to primary government, net	\$ 4,898,678	\$ 2,966,702

Department of Off-Street Parking
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Notes to Financial Statements

Note 4. Capital Assets

Capital assets activity for the years ended September 30, 2010 and 2009 are summarized as follows:

	Balance September 30, 2008	Additions and Transfers	Adjustments and Deletions	Balance September 30, 2009	Additions and Transfers	Adjustments and Deletions	Balance September 30, 2010
Capital assets, not being depreciated:							
Land	\$ 14,152,054	\$ -	\$ -	\$ 14,152,054	\$ -	\$ -	\$ 14,152,054
Construction in progress:							
New developments	13,119,382	27,515,463	(205,682)	40,429,163	-	(40,301,195)	127,968
Major renovations	309,032	-	(309,032)	-	-	-	-
Total capital assets, not being depreciated	27,580,468	27,515,463	(514,714)	54,581,217	-	(40,301,195)	14,280,022
Capital assets, being depreciated:							
Building and structures	27,895,615	12,287	-	27,907,902	44,824,246	(1,143,718)	71,588,430
Leasehold improvements	9,923,685	165,075	-	10,088,760	411,380	-	10,500,140
Furniture and fixtures	314,951	8,237	-	323,188	584,876	-	908,064
Equipment	15,820,435	902,331	-	16,722,766	1,186,123	(52,011)	17,856,878
Total capital assets, being depreciated	53,954,686	1,087,930	-	55,042,616	47,006,625	(1,195,729)	100,853,512
Less accumulated depreciation and amortization:							
Building and structures	(14,291,577)	(783,609)	-	(15,075,186)	(1,619,961)	-	(16,695,147)
Leasehold improvements	(6,821,679)	(694,764)	-	(7,516,443)	(571,682)	-	(8,088,125)
Furniture and fixtures	(226,176)	(16,314)	-	(242,490)	(28,185)	-	(270,675)
Equipment	(10,947,706)	(1,040,497)	-	(11,988,203)	(1,199,743)	52,011	(13,135,935)
Total accumulated depreciation	(32,287,138)	(2,535,184)	-	(34,822,322)	(3,419,571)	52,011	(38,189,882)
Total capital assets, being depreciated, net	21,667,548	(1,447,254)	-	20,220,294	43,587,054	(1,143,718)	62,663,630
Total capital assets	\$ 49,248,016	\$ 26,068,209	\$ (514,714)	\$ 74,801,511	\$ 43,587,054	\$ (41,444,913)	\$ 76,943,652

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Notes to Financial Statements

Note 5. Long-Term Obligations

Changes in long-term liability activity for the years ended September 30, 2010 and 2009 were as follows (in thousands):

	Balance September 30, 2009	Additions	Reductions	Balance September 30, 2010	Amounts Due Within One Year
Bonds payable:					
Revenue bonds	\$ 47,710	\$ 66,595	\$ 41,785	\$ 72,520	\$ 875
Bond premiums	51	-	9	42	-
Bond discounts	(72)	(887)	99	(860)	-
Deferred Refunding Costs	-	(1,430)	44	(1,386)	-
City of Miami Loan	2,400	-	150	2,250	150
Other post-employment benefit obligation	-	42	-	42	-
Compensated absences	708	529	606	631	500
	<u>\$ 50,797</u>	<u>\$ 64,849</u>	<u>\$ 42,693</u>	<u>\$ 73,239</u>	<u>\$ 1,525</u>

	Balance September 30, 2008	Additions	Reductions	Balance September 30, 2009	Amounts Due Within One Year
Bonds payable:					
Revenue bonds	\$ 48,510	\$ -	\$ 800	\$ 47,710	\$ 835
Bond premiums	-	59	8	51	-
Bond discounts	(16)	(56)	-	(72)	-
City of Miami Loan	2,550	-	150	2,400	150
Compensated absences	770	532	594	708	475
	<u>\$ 51,814</u>	<u>\$ 535</u>	<u>\$ 1,552</u>	<u>\$ 50,797</u>	<u>\$ 1,460</u>

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Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Series 1998 Bonds

The City has authorized and issued fixed-rate revenue bonds (Series 1998 bonds) on behalf of the Authority. The principal and interest of the revenue bonds are payable solely from the revenue of the Authority's parking facilities and, accordingly, are included in the accounts of the Authority. The Series 1998 bonds are secured by a pledge of, and payable solely from the net revenue and investment earnings of the Authority. The interest rate on the Series 1998 bonds is 4.3%.

The Series 1998 bonds are not subject to optional redemption prior to maturity.

The Series 1998 term bonds maturing on October 1, 2012, are subject to mandatory redemption prior to maturity, by operation of a sinking fund account, at a redemption price equal to par plus interest accrued to the redemption date, on October 1, 2011, and on each October 1 thereafter, in the following principal amounts in the years specified:

Year Ending October 1,	Principal Amount
2011	\$ 910,000
2012	960,000
	<u>\$ 1,870,000</u>

The Series 1998 bonds maturing on October 1, 2015, are subject to mandatory redemption prior to maturity, by operation of a sinking fund accounts, at a redemption price equal to par plus interest accrued to the redemption date, on October 1, 2014, and on each October 1 thereafter, in the following principal amounts in the years specified:

Year Ending October 1,	Principal Amount
2014	\$ 1,060,000
2015	1,115,000
	<u>\$ 2,175,000</u>

Under the terms of the Series 1998 Ordinance covenants, the City and the Authority are required, among other things, to establish rates and collect fees and charges which will be sufficient at all times to:

- (a) pay the costs of current expenses for the fiscal year;
- (b) create and maintain specified reserves for such purposes; and
- (c) maintain a debt service coverage of at least 150%.

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Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The Authority's debt service requirements to maturity for the Series 1998 bonds are as follows:

Maturing in fiscal year	Principal	Interest	Total
2011	\$ 875,000	\$ 280,138	\$ 1,155,138
2012	910,000	237,700	1,147,700
2013	960,000	190,950	1,150,950
2014	1,005,000	140,569	1,145,569
2015	1,060,000	86,363	1,146,363
2016	1,115,000	29,269	1,144,269
Total	5,925,000	964,989	6,889,989
Current portion	(875,000)	(280,138)	(1,155,138)
Long-term portion	\$ 5,050,000	\$ 684,851	\$ 5,734,851

Series 2008 Bonds

On July 10, 2008, the City Commission adopted ordinance 13011 authorizing the Authority to issue up to \$42.0 million in new revenue bonds for the purpose of refunding the Series 2006 bonds. On August 28, 2008, the Authority issued the \$37.070 million tax-exempt variable rate revenue refunding bonds (the "Tax-Exempt Series 2008 Bonds") and the \$3.880 million taxable revenue refunding bonds (the "Taxable Series 2008 Bonds" and, together with the Tax-Exempt Series 2008 Bonds, the "Series 2008 Bonds"). The proceeds of these bonds were used to fully redeem and refund the Series 2006 bonds and to pay certain costs of issuance. The Series 2008 Bonds were secured by two irrevocable direct-pay letters of credit collectively referred to as the Bond Credit Facility. The Bond Credit Facility, in the amount of \$41.489 million, was approved for the purpose of guaranteeing the payment of principal and interest on the Series 2008 Bonds. These bonds were secured by a pledge of, and payable solely from the Authority's net revenue. During fiscal year 2010, the Series 2008 bonds were refunded by the Series 2009 bonds.

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Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Series 2009 Bonds

On September 24, 2009, the City Commission adopted ordinance 13092 authorizing the Authority to issue up to \$70.0 million in new revenue bonds for the purpose of refunding the Series 2008 bonds. On November 5, 2009, the Authority issued \$60.110 million in of tax-exempt, fixed-rate revenue refunding bonds and \$6.485 million in taxable, fixed-rate revenue refunding bonds ("Series 2009 Revenue Bonds"). The proceeds of these bonds were used to: (1) fully redeem and refund the Series 2008 bonds, (2) pay for costs of issuance on the Series 2009 revenue bonds, (3) pay for additional construction costs on the Courthouse Center Garage, and (4) pay fees to terminate the existing interest rate swap agreement in connection with the Series 2008 bonds. The interest rate swap was terminated by the Authority on November 19, 2009, for the amount of approximately \$5.9 million. The Authority refunded Series 2008 variable rate debt with Series 2009 fixed rate debt. No economic gain/loss was determined for this refunding transaction as the interest rate on the Series 2008 variable rate debt is unknown for the periods after the refunding date. The Series 2009 Revenue Bonds are secured by the net revenues of the Authority. The coupon rates for the tax-exempt fixed-rate revenue bonds range from 4.25% to 5.35%. The coupon rates on the taxable, fixed-rate bonds range from 5.11% to 5.66%. The Authority's debt service requirements to maturity on the Series 2009 bonds are as follows:

Maturing in fiscal year	Tax-Exempt Principal Requirements	Taxable Principal Requirements	Interest Requirements	Total Requirements
2011	\$ -	\$ -	\$ 3,320,122	\$ 3,320,122
2012	-	-	3,320,122	3,320,122
2013	-	-	3,320,122	3,320,122
2014	-	-	3,320,122	3,320,122
2015	-	-	3,320,122	3,320,122
2016-2020	35,000	6,485,000	15,749,226	22,269,226
2021-2025	10,170,000	-	13,491,720	23,661,720
2026-2030	12,785,000	-	10,716,544	23,501,544
2031-2035	16,290,000	-	7,010,494	23,300,494
2036-2040	20,830,000	-	2,237,220	23,067,220
	<u>\$ 60,110,000</u>	<u>\$ 6,485,000</u>	<u>\$ 65,805,814</u>	<u>\$ 132,400,814</u>

Under the terms of the Series 2009 Bond Ordinance covenants, the City and the Authority are required, among other things, to establish rates and collect fees/rentals charges which will be sufficient at all times to:

- (a) pay the costs of current expenses for the fiscal year;
- (b) create and maintain specified reserves for such purposes;
- (c) maintain a debt service coverage of at least 150%.

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Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The Authority's debt service requirements to maturity on bonds payable at September 30, 2010 are as follows:

Maturing in fiscal year	Principal	Interest	Total
2011	\$ 875,000	\$ 3,600,260	\$ 4,475,260
2012	910,000	3,557,822	4,467,822
2013	960,000	3,511,072	4,471,072
2014	1,005,000	3,460,691	4,465,691
2015	1,060,000	3,406,485	4,466,485
2016-2020	7,635,000	15,778,495	23,413,495
2021-2025	10,170,000	13,491,720	23,661,720
2026-2030	12,785,000	10,716,544	23,501,544
2031-2035	16,290,000	7,010,494	23,300,494
2036-2040	20,830,000	2,237,220	23,067,220
Total	72,520,000	66,770,803	139,290,803
Current portion	(875,000)	(3,600,260)	(4,475,260)
Long-term portion	\$ 71,645,000	\$ 63,170,543	\$ 134,815,543

The amounts on deposit in the various long-term debt related restricted asset accounts plus accrued interest as of September 30, 2010 and 2009, are as follows:

	2010	2009
Interest account	\$ 2,048,636	\$ 406,673
Principal account	1,036,360	996,205
Renewal, replacement, and project	2,837,571	1,024,165
Reserve	4,829,181	-
	\$ 10,751,748	\$ 2,427,043

Under the terms of the Series 1998 and Series 2009 Bond Ordinance, the bonds outstanding at September 30, 2010 and 2009 do not constitute an obligation of the City or a pledge of the faith and credit of the City.

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Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

On July 21, 2005, the Authority entered into a loan agreement with the City of Miami. The loan was obtained through Community Development Block Grant ("CDBG") funds up to a maximum amount of \$3,000,000 to be used for the construction of a parking garage facility. Funds are disbursed on a reimbursement basis. The loan bears no interest and is payable in 40 semi-annual installments of \$75,000 starting December 1, 2005. As of September 30, 2010, the Authority has drawn \$3,000,000 of this loan and made repayments in the amount of \$750,000.

Future annual principal payments are scheduled as follows at September 30:

Year	Required Principal Payments
2011	\$ 150,000
2012	150,000
2013	150,000
2014	150,000
2015	150,000
Thereafter	1,500,000
	<u>\$ 2,250,000</u>

Note 6. Pension Plan

Plan description. The Authority is the sponsor of the single-employer Department of Off-Street Parking Retirement Plan (the "Plan"), which is a defined-benefit pension plan that covers all of the Authority's full-time employees, including employees employed by the facilities managed by the Authority. The retirement board, which consists of the Authority's Board members, controls and manages the administration of the Plan. A financial institution serves as trustee and asset manager of the Plan, with the retirement board serving as an investment committee. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Department of Off-Street Parking of the City of Miami, Florida Retirement Plan, 40 N.W. 3rd Street, Suite 1103, Miami, Florida 33128.

Upon retirement, the amount of monthly benefits under the Plan is determined as the average salary earned by the employee during the two highest salaried years out of the employee's final five years of service multiplied by 3% for each of the first 10 years of service and by 2% for each year thereafter. Benefits are payable in the form of annuity contracts or a lump-sum payment. A terminated employee receives at least an amount equal in value to his or her contribution plus interest.

Summary of Significant Accounting Policies – Basis of Presentation. The Plan's financial statements are prepared using the full-accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan 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 Plan.

Funding Policy. The contribution requirements of participants and the Authority are established and amended by the retirement board. Participants' contributions, as required under the Plan, are 6.5% of base compensation.

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Notes to Financial Statements

Note 6. Pension Plan (Continued)

The Authority is required to contribute at an actuarially determined rate; the current rate is 11.37% of annual covered payroll.

Annual Pension Cost. The Authority's annual pension cost and net pension (credit) obligation (from) to the Plan for the years ended September 30, 2010 and 2009 are as follows:

	2010	2009
Annual required contribution	\$ 563,281	\$ 499,914
Interest on net pension obligation	-	-
Annual pension cost	563,281	499,914
Contribution made	(563,281)	(499,914)
Increase (decrease) in net pension obligation	-	-
Net pension obligation, beginning of year	-	-
Net pension obligation, end of year	\$ -	\$ -

The annual required contribution for the years presented was determined as part of the October 1, 2009 and 2008 actuarial valuations using the frozen entry age actuarial cost method. The actuarial assumptions included a 7.5% investment rate of return and a 5.5% projected salary increase assumption. Inflation is estimated at 3% annually. Assets are valued using a five-year moving average method. The unfunded actuarial accrued liability is to be amortized by a series of level payments over a 10-year period on a closed basis.

Three-year trend information is as follows:

Year Ended September 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Credit)
2008	406,440	100%	-
2009	499,914	100%	-
2010	563,281	100%	-

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

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Notes to Financial Statements

Note 6. Pension Plan (Continued)

Funded Status and Funding Progress. The funded status of the Plan as of October 1, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of of Assets (a)	Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
10/1/2009	\$ 11,584,377	\$ 11,596,899	\$ 12,522	99.90%	\$ 4,954,747	0.20%

Note 7. Other Post Employment Benefits

During 2008, the Authority implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for certain postemployment health care benefits provided by the Authority. The requirement of this statement was implemented prospectively.

Plan Description. Pursuant to Section 112.0801, Florida Statutes, the Authority is required 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. The Authority has a single-employer OPEB Plan with benefits based on age and date of employment. The Authority provides postretirement medical and prescription drug coverage to pre-65 year old retirees and their eligible dependents through a fully insured medical plan. Retirees pay 80% of the blended (active and retiree combined) equivalent premium rates for themselves and 100% of the blended equivalent premium rates for their eligible dependents. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, the current and future claims are expected to result in higher costs to the plan on average than those of active employees. The Authority performs a bi-annual actuarial review.

Funding Policy. The Authority is financing the post employee benefits on a pay-as-you-go basis. For fiscal year 2010, three retirees received health care benefits. The Authority provided required contributions of \$17,982 toward the annual OPEB costs. Retiree contributions totaled approximately \$10,000.

Annual OPEB Cost and Net OPEB Obligation. The Authority's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to the retiree health plan for fiscal years 2010 and 2009:

Department of Off-Street Parking
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Notes to Financial Statements

Note 7. Other Post Employment Benefits (Continued)

	2010	2009
Annual required contribution	\$ 34,194	\$ 49,000
Interest on net pension obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB Cost	34,194	49,000
Contribution made	(17,982)	(26,000)
Increase (decrease) in net OPEB obligation	16,212	23,000
Net OPEB obligation, beginning of year	26,000	3,000
Net OPEB obligation, end of year	\$ 42,212	\$ 26,000

The three year trend information for the Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	49,000	94%	\$ 3,000
2009	49,000	53%	\$ 26,000
2010	34,194	53%	\$ 42,212

Funded Status and Funding Progress. The funded status of the Plan as of October 1, 2009, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
10/01/2009	\$ -	\$ 233,357	\$ 233,357	0.00%	\$ 4,954,747	4.71%

Notes to Financial Statements

Note 7. Other Post Employment Benefits (Continued)

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 Authority and plan members at that point. The 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.

The following assumptions were made:

Eligibility. Employees are assumed to receive benefits upon retirement. The eligibility requirements for retirement are as follows: (1) For each participant hired prior to November 1, 2007, the earlier of (a) age 55 and 5 years of service or (b) 25 years of service and (2) for each participant hired on or after November 1, 2007, age 60 and 5 years of service. All participants are assumed to enroll in Medicare upon eligibility and discontinue the Retiree Medical Plan.

Covered Spouses. Based on census data for the Authority's active employees, 80% of males and 60% of females are assumed to be married upon retirement and elect to cover their spouses under the medical plan, with husbands three years older than wives.

Starting Health Care Per Capita Costs. Premium rates are the basis for the medical and prescription drug starting per capita costs. Starting costs for medical and prescription drugs were combined since the premium rate for these coverages are combined.

Mortality. Life expectancies were based on mortality tables from the National Center for Health Statistics. The RP-2000 Combined Healthy Mortality Table projected generationally with scale AA was used.

Turnover and Age at Retirement Rates. Reasonable estimates partially based on the assumptions used for similar groups for GASB 45 valuations and the Authority's experience.

Healthcare Cost Trend Rate. The expected rate of increase in healthcare insurance premiums was based on the Authority's historical experience, our market-place knowledge and macro-economic theory. An initial rate of 10.0%, reduced to an ultimate rate of 5.0% after ten years, was used.

Health Insurance Premiums. 2010 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Department of Off-Street Parking
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Notes to Financial Statements

Note 7. Other Post Employment Benefits (Continued)

Waiving Retiree Health Care Coverage. Active employees who have waived active medical coverage are assumed not to participate in the retiree medical plan. Of those active employees with active medical coverage, 75% are assumed to decline health care coverage at time of retirement.

Discount Rate. Based on the historic and expected returns of the Authority's short-term investment portfolio, a discount rate of 5.0% was used. The unfunded actuarial accrued liability is being amortized on a compound interest basis over thirty years. The remaining amortization period at September 30, 2010 is twenty-eight years.

Note 8. Commitments and Contingencies

Contingencies. Certain claims have been filed or are pending against the Authority. It is management's opinion based on the advice of counsel that all matters are without merit or are of such kind or involve such amounts, that losses, if any, would not have a material adverse effect on the financial position of the Authority.

Agreement with the City. Pursuant to an agreement between the City and the Authority, the Authority agreed to transfer to the City, annually for a period of five years, commencing with fiscal year ended on September 30, 1999, an amount equal to the Authority's excess revenue after paying operating expenses, debt service payments, meeting all renewal and replacement capital requirements and setting aside reserves for the working capital needs of the Authority as determined by the Board. The agreement with the City expired on September 30, 2003. Bond Ordinance 11693 (the "Ordinance") authorized the issuance of the Series 1998 bonds. The Ordinance allows the Authority, at its option, to transfer excess revenue as noted above, except that no minimum transfer requirements are stipulated.

The excess revenue paid or payable to the City for the years ended September 30, 2010 and 2009 was \$7,500,000 and \$2,010,000, respectively.

Note 9. Risk Management

The Authority is exposed to various risks of losses related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority has obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs. Insurance coverage has exceeded the amount of settlements for the past three fiscal years.

Department of Off-Street Parking
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Notes to Financial Statements

Note 10. Operating Leases – Lessee

The Authority leases several lots under fixed rental, as well as revenue-sharing agreements. The Authority's revenue-sharing leases entail rentals equal to a percentage of net or gross revenue generated by the leased facility. Rental expense pertaining to revenue-sharing leases is recognized in the period the related revenue is recognized and is included in property rentals and assessments in the Authority's statements of revenues, expenses and changes in net assets. Rent expense attributable to parking lots leased by the Authority is as follows for the years ended September 30, 2010 and 2009:

	2010	2009
Fixed rental	\$ 688,382	\$ 483,004
Revenue sharing	1,272,218	1,553,978

On December 2009, the Authority entered into a noncancelable operating lease agreement for a parking facility. The lease has a term of five years, which expires on November 30, 2014. Under the terms of the lease, the Authority is responsible for the operation, maintenance and repair of the parking facility.

The future minimum lease payments for the aforementioned lease is as follows:

Year Ending September 30,	Minimum Payments
2011	\$ 150,000
2012	150,000
2013	150,000
2014	150,000
2015	25,000
Total	<u>\$ 625,000</u>

Department of Off-Street Parking
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Notes to Financial Statements

Note 11. Operating Leases – Lessor

The Authority leases approximately 11,000 square feet of office space located at one of its facilities to a non-profit entity. The noncancelable lease has a term of 10 years, which expires July 2020. Under the terms of the lease, the Authority granted a \$200,000 tenant allowance to be used by the tenant to pay costs and expenses of relocation to and operating in the facility. This amount is being amortized on a straight-line basis over the life of the lease. The tenant is responsible for all other expenses associated with the space.

The future minimum lease payments for the aforementioned lease are as follows:

Year Ending September 30,	Minimum Payments
2011	\$ 149,500
2012	149,500
2013	149,500
2014	149,500
2015	149,500
Thereafter	722,583
Total	<u>\$ 1,470,083</u>

As of September 30, 2010, leased assets consist of the following:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 18,391	\$ -	\$ 18,391
Building	807,381	(797,066)	10,315
	<u>\$ 825,772</u>	<u>\$ (797,066)</u>	<u>\$ 28,706</u>

Department of Off-Street Parking Comprehensive Annual Financial Report

REQUIRED SUPPLEMENTARY INFORMATION



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Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Required Supplemental Information
Schedule of Funding Progress – Pension Plan(1)

Actuarial Valuation Date	Actuarial Value of of Assets (a)	Actuarial Accrued Liability (AAL) Frozen 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)
10/1/2007	\$ 10,056,421	\$ 10,084,434	\$ 28,013	99.70%	\$ 4,453,987	0.60%
10/1/2008	11,044,807	11,072,795	27,988	99.70%	4,865,203	0.60%
10/1/2009	11,584,377	11,596,899	12,522	99.90%	4,954,747	0.20%

(1) For information regarding pension contribution percentage rates, assumptions and amortization method, see Note 6.

Department of Off-Street Parking
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Required Supplemental Information
Schedule of Funding Progress – Other Post Employment Benefits(1)

Actuarial Valuation Date	Actuarial Value of of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/2007	\$ -	\$ 349,000	\$ 349,000	0.00%	\$ 4,453,987	7.84%
10/01/2009	-	233,357	233,357	0.00%	4,954,747	4.71%

(1) For information regarding assumptions and amortization methods, see Note 7.

Department of Off-Street Parking Comprehensive Annual Financial Report

SUPPLEMENTAL SCHEDULES



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Department of Off-Street Parking
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Schedule of Revenue and Expenses – Budget and Actual
For the Year Ended September 30, 2010

	2010 Budget	Actual	Budget Variance (Unfavorable) Favorable
Operating revenues:			
Parking lots	\$ 7,971,243	\$ 7,598,482	\$ (372,761)
On-street facilities	10,847,000	12,085,091	1,238,091
Off-street facilities	3,560,250	2,850,106	(710,144)
Management and administrative fees	416,280	1,159,801	743,521
Other	153,250	223,008	69,758
Total	22,948,023	23,916,488	968,465
Operating expenses:			
Salaries, wages and fringe benefits	7,068,054	7,384,903	(316,849)
Maintenance, security and other	7,639,689	8,182,167	(542,478)
Total	14,707,743	15,567,070	(859,327)
Operating income before depreciation and amortization	8,240,280	8,349,418	109,138
Depreciation and amortization	2,786,021	3,429,841	(643,820)
Operating income	5,454,259	4,919,577	(534,682)
Nonoperating revenues (expenses):			
Investment income	75,000	109,989	34,989
Interest expense	(3,087,766)	(3,232,379)	(144,613)
Excess revenue distribution to City of Miami	-	(7,500,000)	(7,500,000)
Gains on disposals of properties and equipment	-	251,536	251,536
Swap termination	-	(5,835,611)	(5,835,611)
Other income (expense)	-	3,833	3,833
Net income (loss)	\$ 2,441,493	\$ (11,283,055)	\$ (13,724,548)

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Department of Off-Street Parking Comprehensive Annual Financial Report

STATISTICAL SECTION



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STATISTICAL SECTION

This part of the Authority'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 Authority's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time. 46

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future. 50

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs. 54

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place 58

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

Department of Off-Street Parking
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Historical Schedule of Revenue and Expenses (Unaudited)
Last Ten Fiscal Years

	2001	2002	2003	2004
Operating revenue:				
Parking lots	\$ 4,592,958	\$ 4,458,106	\$ 4,274,452	\$ 4,163,874
On-street facilities	4,376,296	4,487,997	4,920,249	5,121,009
Off-street facilities	2,361,231	2,500,214	2,730,953	2,798,135
Management and administrative fees	721,333	751,235	734,551	740,493
Other	127,517	96,628	88,256	152,858
Total operating revenue	12,179,335	12,294,180	12,748,461	12,976,369
Operating expenses:				
Salaries, wages and fringe benefits	4,666,530	4,981,509	5,419,139	5,397,084
Repairs and maintenance	576,677	599,219	667,978	673,629
Security	622,506	606,231	622,758	599,975
Utilities	367,786	356,351	368,416	401,528
Other	2,252,294	2,479,963	2,292,863	2,599,978
Total operating expenses	8,485,793	9,023,273	9,371,154	9,672,194
Operating income before depreciation and amortization	3,693,542	3,270,907	3,377,307	3,304,175
Depreciation and amortization	(1,467,937)	(1,586,648)	(1,666,111)	(1,662,884)
Operating income	2,225,605	1,684,259	1,711,196	1,641,291
Nonoperating revenues (expenses):				
Interest income	536,751	298,962	207,509	169,668
Net increase (decrease) in fair value of investment – current	232,526	108,436	(70,908)	(110,589)
Net increase (decrease) in fair value of investment – restricted	-	-	-	-
Interest expense	(591,749)	(567,348)	(543,536)	(517,988)
Swap termination	-	-	-	-
Other (1)	-	-	-	-
Gains (losses) on disposals of properties and equipment	2,701	4,500	-	-
Total nonoperating revenues (expenses)	180,229	(155,450)	(406,935)	(458,909)
Net income before payments to primary government and capital contributions	2,405,834	1,528,809	1,304,261	1,182,382
Payments to primary government	(2,410,000)	(1,870,522)	(1,694,788)	(1,531,868)
Capital contributions (2)	302,712	-	-	150,000
Net income (loss)	\$ 298,546	\$ (341,713)	\$ (390,527)	\$ (199,486)
Capital outlay	\$ 2,161,676	\$ 2,447,006	\$ 2,343,260	\$ 1,852,238

(1) Other nonoperating expenses relates to trade vendor discounts taken

(2) Results for 2001 represent capital contributions received during the year from the Coconut Grove Parking Trust Fund towards the cost of the Coconut Grove Garage. Results for 2004 represents a capital contributions for the City to pay certain amenities adjacent to the Watson Island lot. Results for 2005 represent a capital contribution from the City of Miami to pay for the acquisition of a parcel of land. Results for 2006 represent a capital contribution from the City for the construction of surface lots.

Exhibit 1

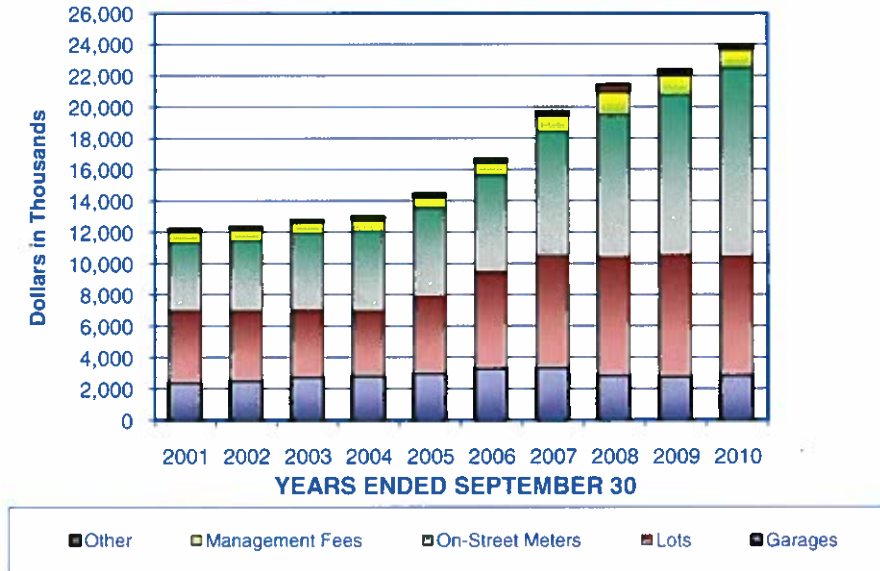
	2005	2006	2007	2008	2009	2010
\$	4,944,587	\$ 6,161,685	\$ 7,160,050	\$ 7,545,972	\$ 7,764,915	\$ 7,598,482
	5,654,960	6,199,456	7,955,787	9,108,790	10,241,641	12,085,091
	2,964,015	3,306,585	3,329,317	2,858,842	2,764,712	2,850,106
	710,008	799,577	1,024,673	1,474,552	1,290,374	1,159,801
	151,668	179,386	213,989	416,448	317,524	223,008
	14,425,238	16,646,689	19,683,816	21,404,604	22,379,166	23,916,488
	5,704,640	6,093,551	6,857,619	7,649,924	7,928,286	7,384,903
	669,314	1,006,771	1,024,644	1,453,712	1,155,117	987,068
	639,043	652,880	716,600	852,625	1,026,145	1,224,329
	440,923	545,925	614,301	582,405	649,849	545,378
	2,995,700	3,379,984	4,398,922	5,046,787	5,311,256	5,425,392
	10,449,620	11,679,111	13,612,086	15,585,453	16,070,653	15,567,070
	3,975,618	4,967,578	6,071,730	5,819,151	6,308,513	8,349,418
	(1,699,218)	(2,362,431)	(2,439,843)	(2,500,475)	(2,545,454)	(3,429,841)
	2,276,400	2,605,147	3,631,887	3,318,676	3,763,059	4,919,577
	148,716	1,209,820	1,976,105	1,312,945	410,513	97,620
	(44,379)	1,215	504	-	-	-
	-	-	-	-	-	12,369
	(490,587)	(1,503,411)	(2,195,760)	(1,551,110)	(1,024,037)	(3,232,379)
	-	-	-	-	-	(5,835,611)
	-	-	-	610	519	3,833
	14,192	1,019,920	28,900	(54,772)	-	251,536
	(372,058)	727,544	(190,251)	(292,327)	(613,005)	(8,702,632)
	1,904,342	3,332,691	3,441,636	3,026,349	3,150,054	(3,783,055)
	(1,887,598)	(2,000,670)	(2,375,610)	(1,000,000)	(2,010,000)	(7,500,000)
	879,113	167,515	-	-	-	-
\$	895,857	\$ 1,499,536	\$ 1,066,026	\$ 2,026,349	\$ 1,140,054	\$ (11,283,055)
\$	7,152,156	\$ 9,051,927	\$ 3,682,957	\$ 12,195,133	\$ 28,294,361	\$ 6,705,430

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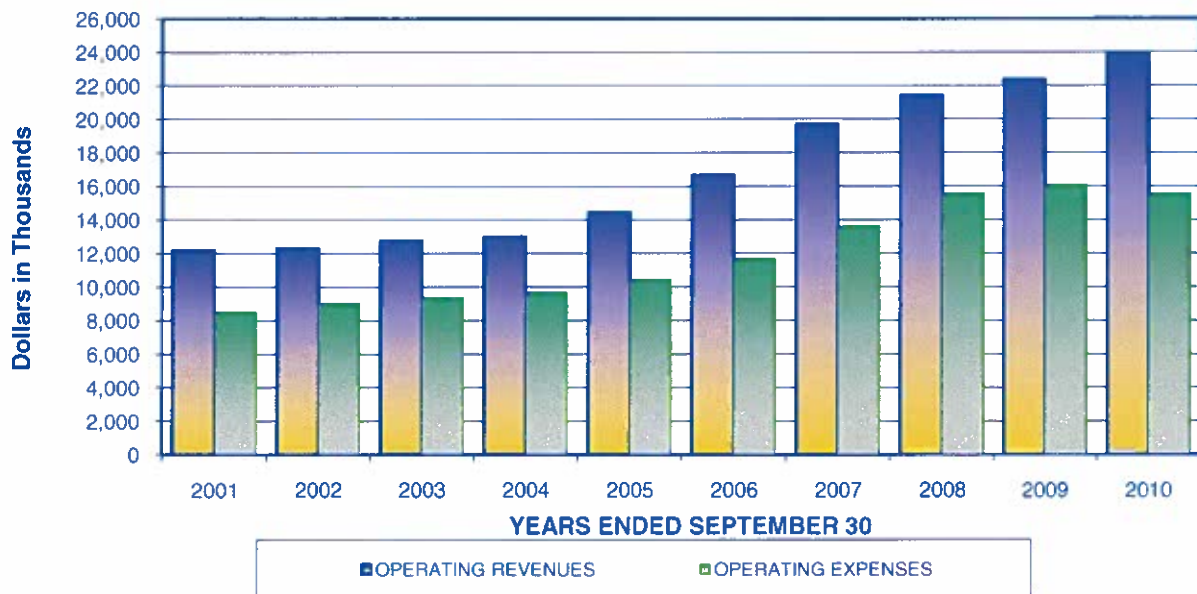
**Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)**

**Historical Schedule of Revenue and Expenses (Unaudited) (Continued)
Last Ten Fiscal Years**

OPERATING REVENUES BY TYPE



OPERATING REVENUES & EXPENSES



Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Exhibit 2

Net Assets by Component (Unaudited)
Last Eight Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010
Business Activity								
Invested in capital assets, net of related debt	\$17,514,527	\$18,449,879	\$23,654,194	\$23,365,367	\$21,259,598	\$23,328,486	\$27,191,412	\$20,048,294
Restricted for capital projects	853,602	886,830	926,518	992,580	300,891	358,323	408,048	-
Restricted for debt service	-	-	-	-	-	-	-	1,275,023
Unrestricted	4,189,009	3,020,943	(1,327,203)	395,098	4,258,582	4,158,611	1,386,014	(3,620,898)
Total business activity net assets	\$22,557,138	\$22,357,652	\$23,253,509	\$24,753,045	\$25,819,071	\$27,845,420	\$28,985,474	\$17,702,419

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

**Department of Off-Street Parking
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**Historical Schedule of Debt Service Coverage (Unaudited)
Last Ten Fiscal Years**

	2001	2002	2003	2004
Income available for debt service (a)	\$ 4,230,293	\$ 3,569,869	\$ 3,513,908	\$ 3,363,254
Debt service:				
Interest on bonds	585,460	561,059	537,247	511,699
Amortization of bond issue cost	6,289	6,289	6,289	6,289
Total interest expense	\$ 591,749	\$ 567,348	\$ 543,536	\$ 517,988
Principal (b)	\$ 610,000	\$ 635,000	\$ 655,000	\$ 685,000
Debt service on bonds (c)	1,195,460	1,196,059	1,198,536	1,202,988
Debt service coverage ratio (d)	3.54	2.98	2.93	2.80

(a) Operating income before depreciation and amortization plus investment income.

(b) Represents the principal payment due on October 1 subsequent to the end of the fiscal year.

(c) Interest on bonds plus principal (excludes payments to refund bonds in any given year).

(d) Income available for debt service divided by debt service on bonds.

DEBT SERVICE COVERAGE RATIO

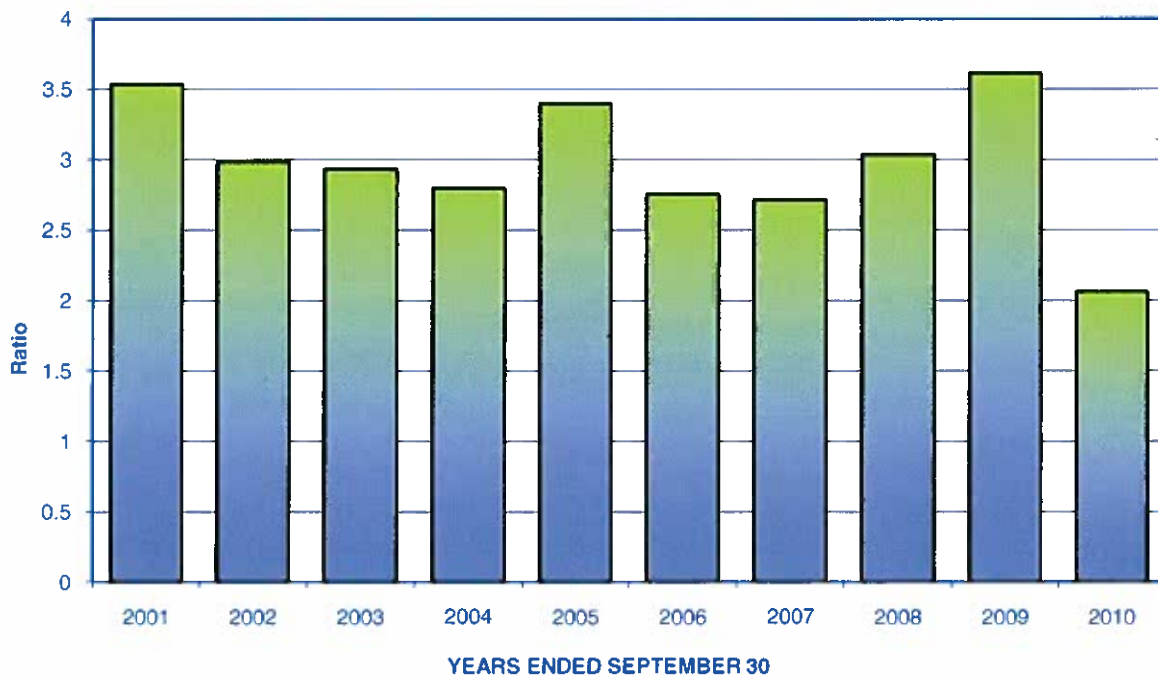
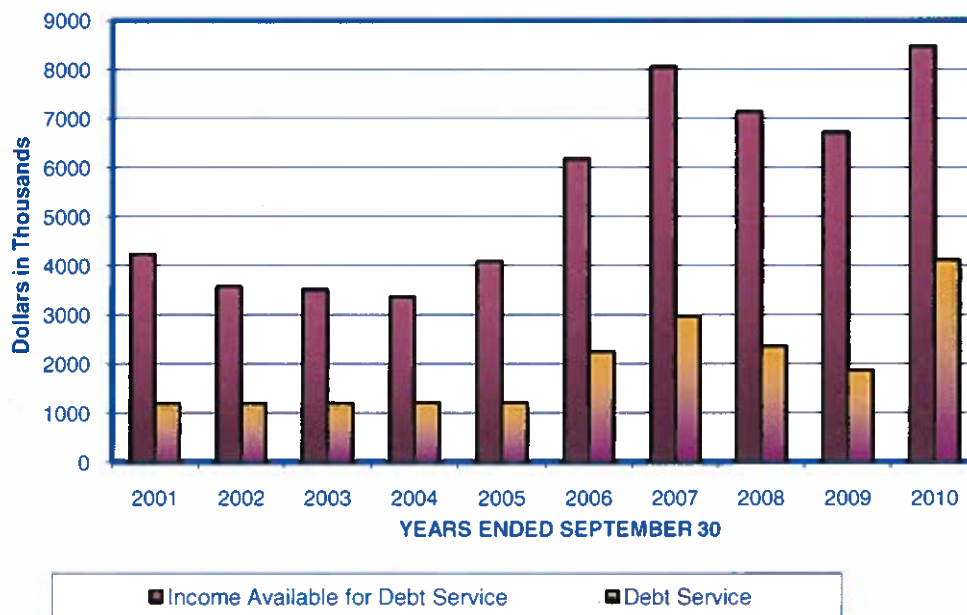


Exhibit 3

	2005	2006	2007	2008	2009	2010
\$	4,079,956	\$ 6,177,398	\$ 8,047,837	\$ 7,132,096	\$ 6,719,026	\$ 8,459,407
	484,298	1,475,484	2,140,610	1,496,819	953,362	3,139,542
	6,289	27,927	55,151	54,291	70,675	92,837
\$	490,587	\$ 1,503,411	\$ 2,195,761	\$ 1,551,110	\$ 1,024,037	\$ 3,232,379
\$	710,000	\$ 740,000	\$ 770,000	\$ 800,000	\$ 835,000	\$ 875,000
	1,200,587	2,243,411	2,965,761	2,351,110	1,859,037	4,107,379
	3.40	2.75	2.71	3.03	3.61	2.06

INCOME AVAILABLE FOR DEBT SERVICE -VS - DEBT SERVICE



Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Parking System Revenue Refunding Bonds Series 2009	Parking System Revenue Refunding Bonds Series 2008	Parking System Revenue Bonds, Series 2006	Parking System Revenue Bonds, Series 1998
2001	-	-	-	12,365,000
2002	-	-	-	11,755,000
2003	-	-	-	11,120,000
2004	-	-	-	10,465,000
2005	-	-	-	9,780,000
2006	-	-	40,655,000	9,070,000
2007	-	-	40,655,000	8,330,000
2008	-	40,950,000	-	7,560,000
2009	-	40,950,000	-	6,760,000
2010	66,595,000	-	-	5,925,000

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

(1) See the Schedule of Demographic and Economic Statistics on page 66 for personal income and population data.

Exhibit 4

Loans Payable	Total	Percent of Personal Income (1)	Per Capita (1)
-	12,365,000	0.13%	34.11
-	11,755,000	0.12%	32.43
-	11,120,000	0.11%	30.68
-	10,465,000	0.10%	28.87
964,868	10,744,868	0.09%	29.64
2,850,000	52,575,000	0.43%	145.05
2,700,000	51,685,000	0.40%	142.59
2,550,000	51,060,000	0.39%	140.87
2,400,000	50,110,000	0.38%	138.25
2,250,000	74,770,000	0.57%	172.62

**Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)**

**Total Number of Parking Spaces (Unaudited)
Last Ten Fiscal Years**

	2001	2002	2003	2004
DOSP parking garages (a)	2,880	2,880	2,880	2,880
Managed parking garages (b)	1,352	1,352	1,352	1,352
Parking lots (c)	6,591	5,972	5,967	5,747
On-street parking meters and PAD (d)	6,573	6,875	7,391	7,479
Total number of spaces	17,396	17,079	17,590	17,458

- (a) Municipal Garage No. 1 was demolished during 2008 to make way for the construction of the Courthouse Center Garage, which came on line in January 2010
- (b) The management of the Public Health Trust garages began in February 2007 (6,429 spaces).
- (c) The management of the Public Health Trust lots began in February 2007 (746 spaces).
The management of the Flagler Development Company lots by the Authority began in December 2006 (1,206 spaces). The Orange Bowl lot was removed during Fiscal Year 2010 (3,895 spaces).
- (d) During fiscal year 2004 through 2010, the Authority has continually replaced on street meters with PAD (pay and display) multispace meters.

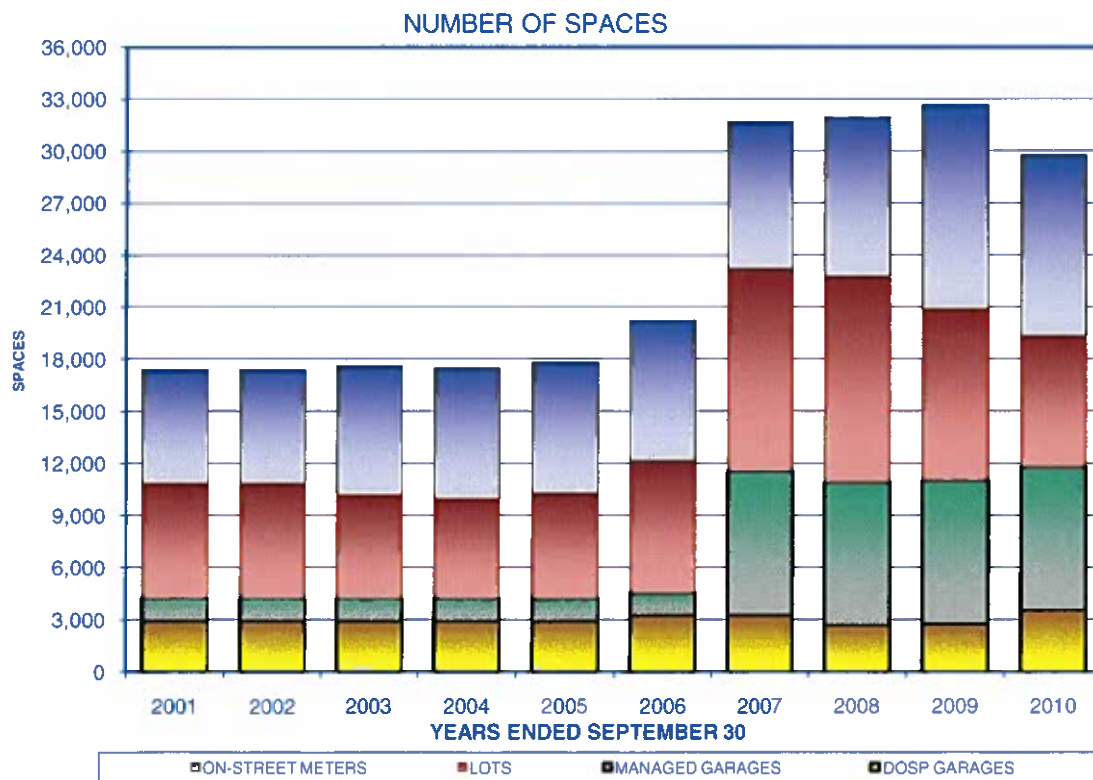


Exhibit 5

2005	2006	2007	2008	2009	2010
2,880	3,204	3,225	2,646	2,717	3,518
1,352	1,352	8,319	8,296	8,319	8,299
6,047	7,594	11,664	11,838	11,681	7,525
7,547	8,058	8,443	9,147	9,889	10,376
17,826	20,208	31,651	31,927	32,606	29,718

**Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)**

**Parking Revenue Per Space (Unaudited)
Last Ten Fiscal Years**

	2001	2002	2003	2004
Parking revenue per space				
DOSP parking garages (a)	\$ 819.87	\$ 868.13	\$ 948.25	\$ 971.58
Parking lots	696.85	746.50	716.35	724.53
On-street parking meters	665.80	652.80	665.71	684.73
Average per space	706.21	727.81	734.43	750.22

(a) Does not include managed garages.

REVENUES PER SPACE
DOSP FACILITIES

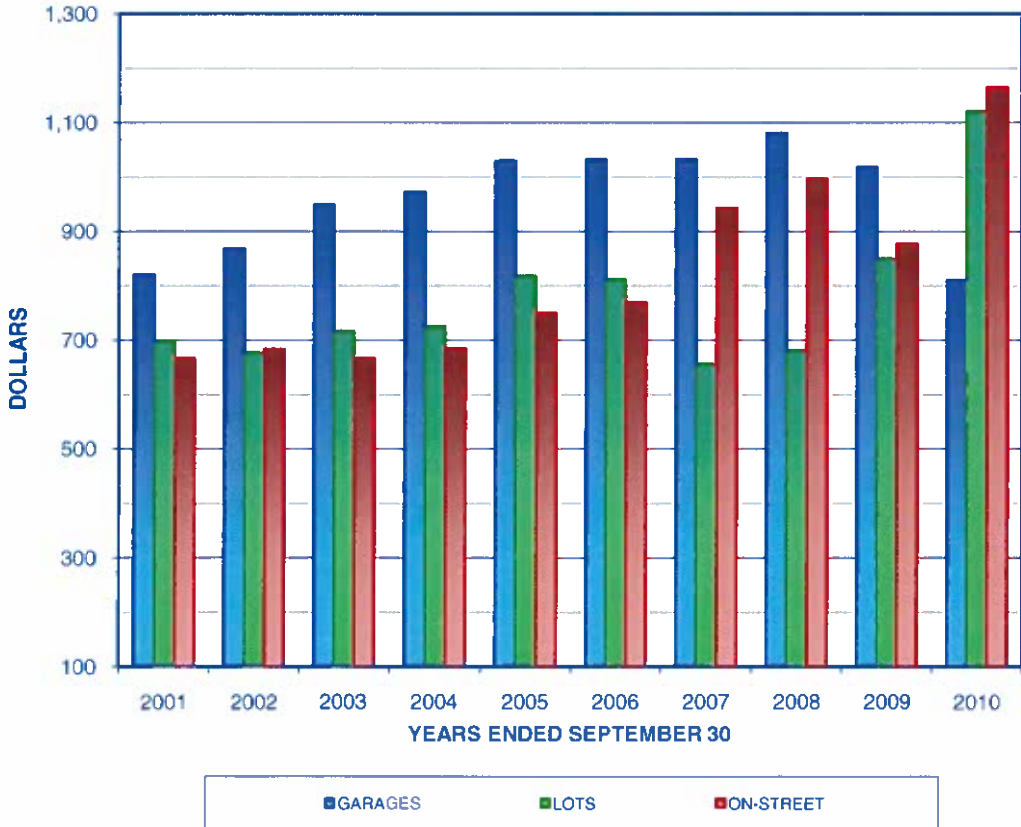


Exhibit 6

	2005	2006	2007	2008	2009	2010
\$	1,029.17	\$ 1,032.02	\$ 1,032.35	\$ 1,037.32	\$ 1,017.49	\$ 810.15
	817.69	811.39	655.80	637.44	664.75	1,120.72
	749.30	769.35	942.29	995.82	1,035.66	1,164.72
	823.33	830.91	816.66	820.93	855.23	1,089.95

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Miami Parking Authority Employees by Function (Unaudited)
Last Ten Fiscal Years

	2001	2002	2003	2004
Number of employees:				
Administrative staff	6	6	5	6
Customer service	4	4	5	4
Enforcement	23	23	23	21
Finance	9	9	9	9
Gusman	5	5	5	5
Human Resource	3	3	3	3
Information Technology	2	2	2	2
Maintenance	16	15	17	11
Meter collection	4	4	7	6
Meter maintenance	16	13	16	18
Off-street parking	45	36	36	37
On-street parking	9	8	9	10
Planning & development	1	1	1	1
Procurement	1	1	1	1
Public Health Trust	-	-	-	-
Senior management	3	4	4	14
Total number of employees	147	134	143	148

Source: Department of Off-Street Parking, Human Resources Department

Exhibit 7

2005	2006	2007	2008	2009	2010
6	7	3	4	3	3
8	8	8	8	6	5
23	26	21	30	27	23
12	11	11	12	10	11
6	6	7	7	6	6
3	3	3	3	3	3
3	3	3	3	3	3
21	26	21	24	22	13
8	7	6	6	5	5
16	14	17	18	15	16
34	45	45	43	42	41
12	10	5	5	5	4
1	2	2	2	2	1
1	2	2	2	2	2
-	-	59	59	48	41
4	5	4	4	4	4
158	175	217	230	203	181

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Exhibit 8

Miami-Dade County, Florida Demographic Data (Unaudited)
Growth Factors
Last Ten Fiscal Years

Year	Miami-Dade County Motor Vehicle Registration (1)	Miami-Dade County Sales Tax Collections (2) (000s)	City of Miami Value of Building Permits (3) (000s)	Unincorporated Miami-Dade County Value of Building Permits (1) (000s)	Miami-Dade County Estimated Nonagricultural Employment (4)
2010	2,362,519	2,062,154	854,815	313,695	975,300
2009	2,360,727	2,087,994	611,348	319,170	1,010,200
2008	2,304,292	2,315,601	1,675,507	636,849	1,045,500
2007	2,409,216	2,421,210	1,069,800	610,999	1,061,300
2006	2,182,782	2,364,163	2,141,487	1,227,709	1,057,700
2005	2,094,012	2,151,475	1,751,348	1,305,492	1,046,500
2004	2,032,721	1,949,507	820,646	1,341,453	1,013,900
2003	2,008,064	1,774,214	727,754	1,516,853	1,025,400
2002	1,916,980	1,913,110	695,460	1,474,037	1,019,200
2001	2,533,220	1,835,007	635,697	1,461,565	1,047,800

Sources:

- (1) Miami-Dade County Finance Department
- (2) State of Florida Department of Revenue
- (3) City of Miami Finance Department
- (4) Florida Agency for Workforce Innovation, Labor Market Statistics, CES Program
(in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics)

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Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

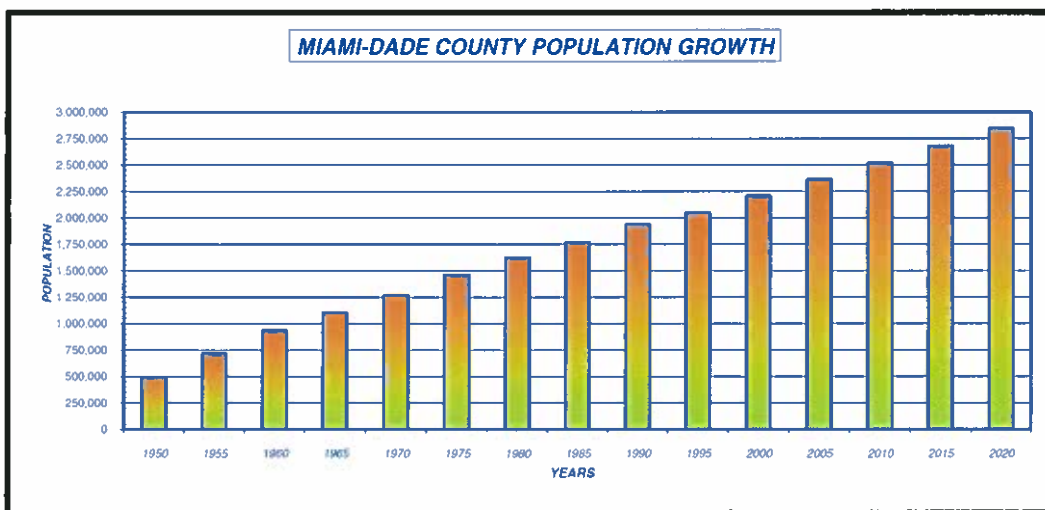
Miami-Dade County, Florida Demographic Data (Unaudited)

	September 2002	%	September 2003	%	September 2004	%
Goods:						
Producing sector:						
Contract construction	41,400	4.06	41,800	4.08	44,000	4.34
Manufacturing	58,000	5.69	56,300	5.49	50,500	4.98
Mining	-	-	500	0.05	400	0.04
Total goods producing	99,400	9.75	98,600	9.62	94,900	9.36
Services sector:						
Transportation, communications and utilities	96,800	9.50	95,400	9.30	90,500	8.93
Wholesale trade	70,400	6.91	71,200	6.94	72,300	7.13
Retail trade	119,600	11.73	119,500	11.65	116,800	11.52
Finance, insurance and real estate	65,400	6.42	65,800	6.42	69,500	6.85
Services	417,900	41.00	423,100	41.26	417,800	41.21
Government	149,700	14.69	151,800	-	152,100	15.00
Total services	919,800	90.25	926,800	90.38	919,000	90.64
Total	1,019,200	100.00	1,025,400	100.00	1,013,900	100.00

65 Years and Older			
%	Number	%	Total
57.0	255,284	15.7	1,625,598
59.1	265,480	15.0	1,770,744
59.0	270,806	14.0	1,937,094
58.7	260,610	12.4	2,100,000
59.3	275,268	12.1	2,260,000
27.5	321,613	13.4	2,402,105

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, CES Program
(in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics)

September 2005	%	September 2006	%	September 2007	%	September 2008	%	September 2009	%	September 2010	%
43,400	4.15	48,300	4.57	54,400	5.12	45,400	4.34	39,100	4.34	33,100	3.39
49,600	4.74	46,900	4.43	46,900	4.42	45,300	4.33	41,400	4.33	34,600	3.55
400	0.03	600	0.06	400	0.03	500	0.05	400	0.05	300	0.03
93,400	8.92	95,800	9.06	101,700	9.57	91,200	8.72	80,900	8.72	68,000	6.97
89,700	8.57	85,000	8.04	82,500	7.77	61,500	5.88	59,000	5.88	57,000	5.84
75,100	7.18	74,200	7.01	76,400	7.20	75,700	7.24	74,100	7.24	69,400	7.12
115,800	11.07	120,200	11.36	126,000	11.87	123,100	11.77	120,300	11.77	119,500	12.25
69,900	6.68	74,900	7.08	76,400	7.20	73,200	7.00	70,800	7.00	77,500	7.95
448,200	42.83	452,900	42.82	442,500	41.69	462,200	44.22	453,300	44.22	432,900	44.39
154,400	14.75	154,700	14.63	155,800	14.70	158,600	15.17	151,800	15.17	151,000	15.48
953,100	91.08	961,900	90.94	959,600	90.43	954,300	91.28	929,300	91.28	907,300	93.03
1,046,500	100.00	1,057,700	100.00	1,061,300	100.00	1,045,500	100.00	1,010,200	100.00	975,300	100.00



Demographic and Economic Statistics (Unaudited)
Last Ten Fiscal Years

Year	Population (1)	Personal Income (Amounts Expressed in Thousands (2))	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2001	362,470	\$ 9,639,527	\$ 26,594	36	368,453	6.90%
2002	362,470	9,706,947	26,780	37	374,725	7.70%
2003	362,470	10,001,635	27,593	37	371,482	7.50%
2004	362,470	10,539,177	29,076	37	369,578	5.70%
2005	362,470	11,362,347	31,347	37	361,550	4.70%
2006	362,470	12,219,589	33,712	37	365,784	3.40%
2007	362,470	13,074,655	36,071	38	346,629	3.90%
2008	362,470	13,007,961	35,887	38	344,806	6.10%
2009	362,470	N/A	N/A	38	345,570	11.10%
2010	433,136	N/A	N/A	38	341,774	11.09%

Sources:

- (1) United States Census Bureau
 - (2) Bureau of Economic Analysis, U.S. Department of Commerce
 - (3) Miami-Dade County Finance Department
 - (4) Miami-Dade County School Board Budget Office
 - (5) Florida Agency for Workplace Innovation, Office of Workforce Information Services,
Labor Market Statistics
- N/A Information not available

Department of Off-Street Parking
of the City of Miami, Florida
(A Component Unit of the City of Miami, Florida)

Exhibit 11

Principal Employers (Unaudited)
Current Year and Nine Years Ago

Employer	2010			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	48,571	1	1.96%	35,469	1	1.43%
Miami-Dade County	29,000	2	1.17%	30,000	2	1.21%
U.S. Federal Government	19,500	3	0.79%	18,276	3	0.74%
State of Florida	17,100	4	0.69%	18,100	4	0.73%
University of Miami	16,000	5	0.65%	7,800	8	0.31%
Baptist Health South Florida	13,376	6	0.54%	7,500	9	0.30%
Public Health Trust/Jackson Memorial Hospital	12,571	7	0.51%	8,191	6	0.33%
Publix Super Markets	10,800	8	0.44%	-		0.00%
American Airlines	9,000	9	0.36%	9,000	5	0.36%
Florida International University	8,000	10	0.32%	-	-	0.00%
BellSouth Corporation - Florida	-	-	0.00%	4,240	10	0.17%
Precision Response Corporation	-	-	0.00%	8,000	7	0.32%
	<u>183,918</u>		<u>7.42%</u>	<u>146,576</u>		<u>5.91%</u>

Source: The Beacon Council / U.S. Department of Labor Bureau of Labor Statistics

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