

**City of North Miami Beach, Florida**

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**Annual Comprehensive  
Financial Report  
For Fiscal Year  
Ended September 30, 2022**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
CITY OF NORTH MIAMI BEACH, FLORIDA  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022**



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**CITY OF NORTH MIAMI BEACH, FLORIDA**

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# **I. INTRODUCTORY SECTION**

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June 30, 2023

To the Citizens, Mayor, and City Commission of the City of North Miami Beach:

We are pleased to submit the Annual Comprehensive Financial Report (“ACFR”) of the City of North Miami Beach, Florida, for the fiscal year ending September 30, 2022. The ACFR is issued pursuant to Florida Statute 218.39(1) which requires municipalities meeting certain criteria to have an annual financial audit of its accounts and records by an independent certified public accountant in accordance with rules of the Auditor General within nine months of the close of each fiscal year.

This report consists of management's representations concerning the finances of the City of North Miami Beach. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of North Miami Beach's financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Caballero Fierman Llerena & Garcia, LLP, a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2022, were free of material misstatement. An independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon their audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City of North Miami Beach's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The report of the independent certified public accountants is presented as the first component.

The ACFR is used to assist in making economic decisions, and to assist citizens in assessing accountability and transparency by:

- Assessing financial condition and results of operations
- Comparing actual financial results with legally adopted budgets, where appropriate
- Assisting in determining compliance with finance related laws, rules, and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

This report includes all funds of the City as well as criteria for defining the financial reporting entity of the City as promulgated by the Governmental Accounting Standards Board (GASB). The GASB is the official standard setting

body of the accounting principles generally accepted in the United States of America as it applies to local governmental units.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of North Miami Beach's MD&A can be found immediately following the report of the independent certified public accountants.

## **PROFILE OF THE CITY**

The City of North Miami Beach was incorporated on October 4, 1926, and operates under a Commission - Manager form of government. The City Commission is comprised of the Mayor and six Commission members. Together they are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of various advisory boards, the City Manager, City Attorney and City Clerk. As Chief Administrative Officer, the City Manager is responsible for the enforcement of laws and ordinances; appointing and supervising the department directors of the City; submitting the proposed annual budget; advising Commission as to the financial condition of the City; and overseeing the day-to-day operations of the City.

The City of North Miami Beach is a first-tier suburb covering an area of five and a third square miles located in northeastern Miami-Dade County, which is in the southeast part of Florida. The City is strategically located midway between Fort Lauderdale and Miami. 163<sup>rd</sup> Street is the most heavily traveled east to west corridor in Miami-Dade County as it is the gateway to both the Oleta River State Park and the beaches, and the Golden Glades Interchange: the convergence of five major roadways serving eastern and southern Florida, including Florida's Turnpike, the Palmetto Expressway (State Road 826), and Interstate 95 (I-95). 163<sup>rd</sup> Street also intersects with Biscayne Boulevard and U.S. Route 1 (US1). In the immediate vicinity of the City are two large higher education campuses: Florida International University's (FIU) Biscayne Bay Campus and Nova Southeastern University's Fischler Graduate School.

Based on the number of parcels, the City is primarily a residential and shopping community. Single- family and multi-family residential uses amount to 53.2% and 6.4%, respectively. Commercial uses and industrial development represent 15% and 3%, respectively, of the City's land parcels. Actual manufacturing activities are limited to a few small fabricating enterprises. Recreational uses and conservation lands represent 2.7% and 12.6% of the City's land parcels, respectively. The remaining land area is occupied by schools, churches, and other related establishments.

The City of North Miami Beach provides a full range of municipal services for its citizens. These include public safety (fire protection is provided by Miami-Dade County), water, sewer, and stormwater utilities, public works, parks and recreation facilities, public library, code compliance, planning and zoning, economic development, and general and administrative services. A franchise contractor provides the City's sanitation services.

The **North Miami Beach Community Redevelopment Agency (the CRA)** was created by the Mayor and City Commission on December 21, 2004, by adoption of Resolution R2004-86 accepting a delegation of powers from the Miami-Dade Board of County Commissioners and declaring the Mayor and City Commission to be the Agency in accordance with Section 163.357 of the Florida Statutes under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. Miami-Dade County retains the final authority to approve the annual CRA budget, redevelopment plan and amendments, and the issuance of long-term debt. The City Commission acts as the CRA's Board of Directors, the Mayor is the Chairman, and the City Manager is the Executive Director. The purpose of the CRA is the elimination and prevention of blight conditions within the designated community redevelopment area. The CRA is a special revenue fund of the City of North Miami Beach and, therefore, has been included as a blended component unit and integral part of the attached financial statements. Additional information on this component unit can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City of North Miami Beach's financial planning and control. All departments of the City submit requests for appropriation to the City Manager and these requests are the starting point for developing a proposed budget. The City Manager, thereafter, proposes a budget to the Commission for review. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department (e.g., police). No department may legally expend more than amounts appropriated for that department within an individual fund. The City Manager may make transfers of appropriations within a department and to a department from the contingency account. The City Commission approves supplemental appropriations; however, the City Manager is granted authority to amend, modify, or otherwise adjust the annual budget to a maximum limit of \$50,000 per individual occurrence. Budget-to-actual comparisons are provided in this report for the general fund and for each non-major governmental fund for which an appropriated annual budget has been adopted. For the General Fund and CRA, this comparison is presented as part of the required supplementary information.

## **FACTORS AFFECTING FINANCIAL CONDITION**

**Local economy.** The information presented in the financial statement is perhaps best understood when it is considered from the broader perspective of the environment within which the City of North Miami Beach operates. From a global perspective, the Congressional Budget Office (CBO) projects much weaker growth of real GDP (gross domestic product) for 2023 at 0.1% than it did last year, stronger growth during Fiscal Years 2024 at 2.5% and 2.6% for 2026 period. CBO projects higher inflation for 2023 and 2024. The national unemployment rate is projected to increase from 3.6% at the end of the last year to 5.1% at the end of 2023 before gradually declining to 4.5% by the end of 2027.

The Florida Economic Estimating Conference published statistics in August 2022 indicating that the state GDP movements have generally mirrored the nation as a whole since the beginning of the pandemic. Buffeted by a series of economic shocks, it grew 2.5% in Fiscal Year 2020-2021, and expanded at more than double that rate (5.2%) in Fiscal Year 2021-2022. The Conference anticipates that the state's economy will expand only 1.0% this fiscal year as economic imbalances weigh down the economy, but beginning in Fiscal Year 2023-2024, it will grow at a more characteristic 2.0% per year. The state's unemployment rate is now approaching its lowest recorded rate in modern times. Unemployment rates are expected to average 3.8% in Fiscal Year 2022-2023 and, due to the Federal Reserve's actions to cool off the economy through higher interest rates, start an upward drift until it reaches 4.2% in Fiscal Year 2024-2024, after which it plateaus at a or slightly above 4.0%.

Personal income growth is an important gauge of the state's economic health. In Fiscal Year 2021-2022 federal dollars infused into Florida's households and businesses. As the federal support measures began to fade and workers returning to their jobs, the Economic Estimating Conference expects personal income growth of 6.4% in Fiscal 2022-23, largely on the continuing strength of salary growth. Thereafter, annual personal income growth rates are expected to remain solidly at or above 4.0%.

The City's total assessed property values have sustained growth for the past several years. The growth in the tax base is attributed to commercial and key residential development projects currently underway. The development climate in the City is very positive as evidenced by the building permit revenue over the past several years. Management expects new growth and development to continue in the near future based on developer interest in the area.

## **LONG-TERM FINANCIAL PLANNING**

Unassigned fund balance is a useful measure for the City's current financial resources available for discretionary spending. This will ensure the City will have sufficient funds for future expected and unexpected events. For the fiscal year ended September 30, 2022, the General Fund unassigned fund balance was \$19.9 million, an increase of 28% above the prior year of \$15.6 million. The City has also invested considerable resources into the implementation of a

new Enterprise Resource Planning (ERP) System to increase the effectiveness of financial planning and reporting, automate services, streamline processes, and improve the customer experience.

Financial and strategic planning are of paramount importance to the City of North Miami Beach. The City Commission developed its inaugural Strategic Plan in 2014 which defined a Vision, a Mission, and Goals. Subsequently, in 2017, the Strategic Plan was updated. The current plan prioritizes policy and management agendas and guides the City's long-term financial strategies. In 2022, goals of the Strategic Plan were expanded, and each goal contains guiding objectives designed to advance administration and staff in the delivery of city services. The goals of the Strategic Plan are as follows:

Our goal is to create a community that is *safe, clean, and beautiful* for our residents and visitors. To achieve this goal, we will:



Provide citywide sewer services to ensure sanitation and environmental protection, upgrade our city parks and leisure facilities to meet the diverse needs and preferences of our community, improve mobility and connectivity in North Miami Beach and the surrounding region by enhancing public transportation, bike lanes, and pedestrian paths, resurface our roadways to improve safety and comfort for drivers, cyclists, and walkers, beautify our streetscapes, waterways, tree canopy, and landscaping throughout the city to create a pleasant and attractive environment, and maintain a safe community.

We aim to *elevate the quality of life for residents by improving resilience, sustainable, and affordable placemaking*. To achieve this goal, we will:



Maintain our existing parks at high service levels to provide green spaces and recreational opportunities for our community, improve our city infrastructure to fortify against climate change occurrences such as flooding, storm surges, and heat waves, maintain a safe community by supporting our police, fire, and emergency services and fostering a culture of respect and inclusion, add new housing inventory to NMB to provide housing options for residents of different income levels and household sizes.

We strive to provide *innovative digital services* that enhance the convenience, efficiency, and transparency of our city operations. To achieve this goal, we will:



Streamline our city processes and systems focusing on service outcomes and customer satisfaction, evaluate our operations continuously and explore ways to increase productivity, reduce the cost-of-service delivery and enhance customer service, leverage technology to improve communication, collaboration, and data-driven decision making within our city organization and with our stakeholders.

Our objective is to *maintain a high performing city organization that is focused on excellent customer service* for our residents and businesses. To achieve this goal, we will:



Maintain a top quality and engaged city workforce dedicated to serving the North Miami Beach community by providing competitive compensation, professional development, and recognition opportunities, enhance communications with residents and businesses by using various channels, formats, and languages to inform, educate, and engage them on city issues and initiatives, listen to and understand the service needs of residents and families by soliciting feedback, conducting surveys, and hosting forums, invest in the maintenance and upgrade of NMB infrastructure, technology, facilities, and buildings to ensure their functionality, reliability, and accessibility, foster a sense of pride in NMB services and facilities by showcasing their achievements, impacts, and benefits for our community, respond timely to calls for services by setting clear standards, tracking performance, and resolving issues promptly, provide easy access to city services and staff to answer inquiries by creating user-friendly websites, portals, and phone systems.

We desire to *advance culture and the arts* in our city by supporting diverse forms of creative expression and entertainment. To achieve this goal, we will:



Attract more quality restaurants, entertainment venues, and expand Arts District including breweries and distillers to offer a variety of dining, cultural, and social experiences for our community, attract entertainment and special events that expose diversity and celebrate the rich heritage and identity of our community, activate entertainment districts by providing incentives, support, and infrastructure for businesses and artists to thrive and collaborate.

We endeavor to *revitalize our downtown and major corridors* by promoting mixed-use development, rehabilitation, and beautification. To achieve this goal, we will:



Upgrade West Dixie Highway corridor by improving streetscape design, safety features, and business attraction, encourage transit-oriented development (TOD) around transportation hubs by providing density bonuses, zoning flexibility, and parking reductions for developers who incorporate public transit access, housing diversity, and pedestrian amenities in their projects, revitalize the NE 19th Avenue corridor by enhancing landscaping, bike lanes, sidewalks, and lighting along the street and modernizing the gateway feature at the entrance of the city, widen and enhance NE 159th Street by adding lanes, sidewalks, bike paths, and landscaping along the street and improving traffic flow and signalization at intersections, revitalize Miami Gardens Drive Corridor by improving roadway design, safety features, and business attraction along the street and modernizing the gateway feature at the entrance of the city.

Our purpose is to *maintain a financially sound government* that is accountable, responsible, and sustainable. To achieve this goal, we will:



Deliver city services in the most cost-effective manner by implementing best practices, budget controls and performance measures. Maintain or improve our bond rating, AA- or better, by demonstrating sound financial management, strong fiscal policies, and healthy reserves. Explore revenue options to leverage city resources by pursuing grants, sponsorships, and partnerships with other entities. Use debt in a financially responsible manner and reduce debt liability wherever possible by prioritizing capital projects, paying off existing debts and refinancing when appropriate. We will also maintain effective financial planning and reporting systems by using modern technology, data analysis, and auditing tools. We will invest in well planned, well maintained, and upgraded city infrastructure, facilities, and buildings by allocating adequate funds, maintaining asset inventories, and conducting regular inspections and repairs. Lastly, we will build reserves and provide sufficient resources for City services at the desired standards.

## ACCOMPLISHMENTS AND INITIATIVES

The City of North Miami Beach's accomplishments and initiatives during FY21-22 met all seven pillars and have had a significant impact on the city.



The Division of Information Technology (IT) aims to provide the most affordable and relevant technology as well as provide online access to as many processes as possible. During the previous fiscal year, IT implemented Tyler Cashiering and DocuSign eSignature systems citywide. Tyler Cashiering standardized collections and improved payment processing efficiencies by reducing customer wait times and increasing accounting accuracy. DocuSign eSignature paved the way to electronic document signage, streamlined efficiency for approvals, Agreements, and transactions, reduced paper usage, and promotes remediation and ADA compliance. The rollout of firewall and intrusion detection systems at City Hall and other facilities improved security and aided in the protection of sensitive data from cyber-attacks. The citywide, cyclical replacement of outdated computers eliminated the use of old equipment, subsequently replaced by more modern technology, which resulted in increased productivity and faster processing times.

Information Technology, in collaboration with the Building Division, launched eDMS (Electronic Data Management System), a new online permitting and land management customer service portal. The portal is designed to automate project review for building, planning, zoning, public works permits, inspections, code enforcement, and citizen requests. eDMS handles permitting and licensing processes, payments, as well as citizen self-service. Users can track projects from start to finish, request inspections, and make online payments. By moving permitting online, we can better serve



our community and allow residents to interact with our city in a more efficient and timely manner.

The implementation of Executime Time and Attendance System, preferred solution for timekeeping and payroll processes, automated employee time tracking and streamlined the payroll process, ensuring greater accuracy, compliance, and efficiency. Finally, the installation of the new backend system for Channel 77, the city's cable tv channel, improved communications to residents regarding city events and services, public service announcements, and provides a continuous electronic calendar of city-sponsored events.

## Parks and Recreation



The Parks and Recreation Division provides recreational opportunities and beautiful parks and facilities that enhance the quality of life to all who live, work, and play in our diverse, vibrant, and historic community. Our Parks and Recreation Summer Camp Program registered 430 participants, an increase of 51% from the previous year, and continued to offer a variety of educational and fun activities for youth of all diverse backgrounds and abilities. Our Parks and Recreation After-School Program registered 196 participants, an increase of 4% from the previous year. Both programs provided a safe and supportive environment for participants during the summer and after-school hours.

The Milton Littman Park was upgraded with a new walking path and outdoor exercise equipment cluster. The DeLeonardis Youth Center at Allen Park was upgraded with new indoor fitness room equipment. Victory Park and Uleta Park playgrounds received a new poured in place safety surface. Victory Park basketball courts had their backboards and rims replaced. Uleta Park Community Center's indoor basketball gymnasium floor was replaced, and new backboards and rims were added.

All the above-mentioned accomplishments provide for an improved recreational and wellness space for the community, quality equipment and facilities, a safer environment for children to play, an improved quality of life, and an opportunity for residents and visitors to stay active.



North Miami Beach Police Department (NMBPD) is committed to providing safety and security for the community. This past fiscal year, NMBPD hired eleven (11) new police officers, which has helped to improve public safety throughout the city. The officers' presence on the streets has helped to deter crime and increase the sense of security among our residents. Detectives Ingrid Ruiz and Zoila Simmons were awarded Officer of the Month by Miami-Dade County for solving a Human Trafficking Case. Their hard work and dedication helped to bring perpetrators to justice. This effort helped to raise awareness about human trafficking and has shown that the division is committed to rescuing and protecting victims of human trafficking and fighting this worldwide crime. NMBPD provided security for 89 events, including signature events such as Snowfest, Monster Mash Bash, Bike305, and Heart Walk, without any incidents. These events are important for our community as they bring people together and provide opportunities for fun and entertainment. NMBPD ensured events were safe and enjoyable for all in attendance.

NMBPD reinstated Police and Community Together (PACT) meetings to provide a forum for residents to voice their concerns, present ideas, and improve communication between the police and the community. PACT meetings also afford NMBPD an opportunity to discuss crime trends and how to avoid being victims of property and personal crimes, and keep residents informed about safety initiatives for the community. NMBPD also purchased Axon Body Cameras to record interactions between officers and members of the public. This purchase provides an objective record of occurrences, improves trust, accountability, transparency, and reduces potential liability claims.

Additionally, NMBPD became the first agency to receive the "Excelsior" award through the Commission for Florida Law Enforcement Accreditation (CFA), for a fourth consecutive time, which recognizes agencies that have demonstrated the highest standards of professionalism and excellence in public safety.



Human Resources recruits and retains talented workforce, ensures optimal performance, and keeps human capital highly engaged by providing services in the areas of Talent and Organizational Development, Labor & Employee Relations, Compensation and Benefits, Wellness, and Risk Management.

The City of North Miami Beach hosted a job fair featuring employers across multiple industries including healthcare, technology, government, education, and more. Human Resources and participating employers conducted interviews, attracted new job opportunities, and extended job offers on site. Over time, the job fair is estimated to have resulted in at least a \$600,000 economic benefit. During FY21-22, Human Resources hired 141 full and part-time employees to fill critical positions throughout the city, on-boarded a new medical, dental, and vision insurer to provide better coverage for employees, dependents, and retirees, hosted wellness fairs to aid in promoting and reinforcing healthy behaviors and lead to a healthier workforce. Human Resources also offered training and development courses to afford employees with opportunities to develop new skills.

Human Resources ratified the Collective Bargaining Agreement between the City of North Miami Beach and the International Union of Police Associations (AFL-CIO, Local 6005), which recognizes the services provided by public servants of the bargaining unit while ensuring the continued delivery of quality service to North Miami Beach residents in a fiscally responsible manner, fostering positive labor relations and employee engagement. The ratification resulted in a three-year (3) negotiated contract renewal.

### Community Development



The Department of Community Development includes three divisions: Planning & Zoning, Code Compliance, and Business Tax Receipts. These divisions work together to ensure compliance with planning and zoning codes, administer the business tax receipt program, and provide code enforcement citywide. The Community Development Department organizes and manages development and improvement of the City's neighborhoods, engaging in planning efforts to shape, preserve, and enhance the existing urban fabric of the area while protecting the health, safety, and welfare of its citizens through the enforcement of City codes, policies, and ordinances.



Community Development processed eight (8) major site plans for approval, facilitating the development and growth of the city's economy and infrastructure. Significant approvals included NMB Venus, NMB Place, BH-164th, Biscayne Office Complex, 168 Professional Office Building, etc., which once constructed will aid in enhancing the economics of the City by creating mixed-use developments with offices, retail space, and dwelling units. Eleven (11) additional site plans were reviewed that remain either active or pending approval. Other applications completed the pre-application process. The Comprehensive Plan was amended to include a property rights element in accordance with Florida Statutes, requiring government entities respect judicially acknowledged and constitutionally protected private property rights.



An Affordable Housing Resources and Needs Analysis was conducted with the goal of proposing recommendations and justifications for changes to the City's Comprehensive Plan and Land Development Regulations (LDR). Such work included collecting information to gain a greater understanding of market data, completing an Existing-conditions-and-Supply Analysis that inventories employment rates, supply data, age of existing housing stock, levels of density, vacant land, land utilization, and economic data to assist in making projections for housing inventory. Additional work included conducting a Housing Needs Assessment using householder rates provided by the U.S. Census, among other resources. Finally, work also included assessing market conditions and impacts on the production and availability of affordable housing in North Miami Beach.

The Community Rating System was recertified and provides homeowners, who are in the special flood hazard areas, with insurance cost savings.

Tracking metrics for site plan applications were updated to ensure transparency and to better assist applicants with completeness checks for all applications.



The NMB Water Division provides reliable, high-quality water to more than 175,000 customers while protecting and preserving the environment for future generations. NMB Water successfully maintained its water production, distribution, and wastewater collection without interruption despite challenges of industry-wide supply chain

shortages.

NMB Water collected \$2.285 million in implant fees to help fund Renewal & Replacement and fire flow projects in our distribution system. This initiative supports the efficacy of the system's water quality, reduces possible service interruptions, and increases firefighting capabilities when new construction projects come online.

NMB Water's largest capital improvement project, a \$34.4 million Progressive Design Build for the Norwood Water Treatment Plant Phase 2 Improvements, received notice to proceed. Key project benefits include improved functionality and resiliency, rehabilitated components in the lime softening process, reduced water treatment cost, extended life cycle, additional storage capacity, and electrical and instrumentation system improvements.



NMB Water automated sodium hydroxide meter pumps, built a variable frequency drive controller system, designed a new phosphate system to address issues of primary tank overfilling, relocated and labeled primary pump controls to facilitate accessibility, installed a new mag-style transfer pump to avoid chemical failure of the pumps, and designed an automatic shutoff system to avoid accidental tank overflows. Additionally, NMB Water successfully completed the Microbiology Laboratory Accreditation

Assessment, allowing the city to continue performing in-house bacteriological testing.

## Public Works

The Public Works Division takes pride in providing essential services to the residents of the City of North Miami Beach. Public Works is responsible for the maintenance of streets, roadways and alleys, public right of ways, sewer and drainage, and public facilities. Public Works is also responsible for the management of citywide beautification projects and Capital Improvement Projects (CIP).

Public Works transitioned the City's solid waste service provider to Coastal Waste & Recycling, resulting in improved customer satisfaction, reduced environmental impact, and increased savings to residents and businesses. Public Works milled and resurfaced major thoroughfares creating safer streets and roads for travel throughout the city, and in partnership with the Florida Department of Transportation (FDOT), Public Works revitalized a major corridor that leads into the city, i.e., State Road 860 from NE 6<sup>th</sup> Avenue to NE 10<sup>th</sup> Avenue. This revitalization serves a dual purpose 1) Creates a barrier between our residents and high-speed traffic, and 2) Imparts an aesthetically pleasing landscape and scenery for drivers.

Public Works also developed an education campaign called "Keep NMB Beautiful". This initiative will be aligned with the national Keep America Beautiful campaign. The goal is to provide a comprehensive response to illegal dumping, code issues, garbage collection, and beautification at large.



## Capital Improvement Projects (CIP)

Our CIP Division provides a road map as well as a monitoring tool for all capital projects. A robust and well-planned CIP Plan is critical to ensure a safe, beautiful, and ultimately livable place in which to reside, visit and conduct business. Some of the major CIP projects either executed or completed during FY21-22 were:



**Senior Center:** The City is in the process of finalizing the conceptual design and planning a groundbreaking ceremony for October 2022. Project will include renovation and expansion of an existing senior center to increase capacity and services, enhance the quality of life for our seniors, create a haven for free, fun, and fulfilling programming, as well as include ADA compliance and a modernized aesthetic design. The \$3 million project is funded by the Community Development Block Grant (CDBG).



**Washington Park Community Center:** The City completed a pre-application plan with Miami-Dade County which is essential to the progress and permitting of the project. Updated conceptual plans and renderings are currently under review.

**Washington Park Roundabout:** Constructed a roundabout at a major intersection to improve traffic flow and safety, and mitigate dangers on the intersection, which has reduced congestion and accidents within the area.

**Miami Gardens Drive Beautification:** This project involved landscaping, irrigation, lighting, and signage improvements along Miami Gardens Drive from NE 6th Avenue to NE 19th Avenue. The project cost was \$2.5 million and was funded by the General Obligation Bond. The project was completed in October 2021 and has enhanced the aesthetics and functionality of one of

the main corridors in the city.

**NMB Water - CIP Dashboard:** This project involved creating an online platform that displays the status and progress of all NMB Water CIP projects, such as water main replacements, sewer rehabilitation, pump station upgrades, etc. The project cost was \$500,000 and was funded by the Water Enterprise Fund. The project has improved transparency and accountability for the City of North Miami Beach NMB Water customers.



The NMB Discovery Library welcomes approximately 900 visitors daily and up to 506K annually during special events. Its mission is to inspire lifelong learning and advance knowledge by providing dynamic educational opportunities that strengthen various aspects of the community, including education, culture, history, finance, technology, health, democracy, entrepreneurship, intergenerational relationships, and diversity.

About 50% of graduates from the library's early literacy education programs have received scholarships or been accepted to reputable schools. The library has also collaborated with Miami-Dade College to offer classes on site, making education more accessible and reducing travel time and costs for student residents. The library offers a range of certification classes such as Entrepreneurial Small Business, Social Media Marketing, English as a Second Language (ESL), Resume Writing, Microsoft, and Computer Aided-Design (CAD), providing residents with the skills and knowledge to succeed in a diverse job market.

The NMB Discovery Library fosters community engagement and supports educational advancement and professional development. Additionally, it strengthens partnerships and delivers programs that promote sustained growth and prosperity for the community while remaining fiscally responsible.

These achievements, which are merely a subset of our successes during FY21-22, have had a significant impact on the City of North Miami Beach. We are proud of the collective effort that our NMB Team, and partners, undertook to realize exemplary outcomes in investing in our infrastructure and enhancing the quality of life for our residents and businesses. We look forward to continuing these efforts in the coming fiscal year.

## RELEVANT FINANCIAL POLICIES

### Fund Balance Policy

Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* establishes various classifications of fund balances based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances can be classified as non-spendable, restricted, committed, assigned and unassigned. Committed fund balances can only be used for specific purposes determined by formal action of the City Commission through an ordinance or a resolution and may be changed or lifted only by the City Commission through formal action. Assigned fund balances are amounts that the City intends to use for a specific purpose but are neither restricted nor committed. Unassigned fund balance can be viewed as the net resources available at the end of the fiscal year.

The City's fund balance policy requires a minimum unassigned general fund balance of at least 10% of budgeted revenues. It is the City's policy to consistently add to the fund reserves each year and in Fiscal Year 2022 that policy continued.

### Investment Policy

The City administers a comprehensive cash management and investment program. The primary goals of the program are to maximize the amount of cash available to meet daily cash requirements and to obtain the highest possible yields consistent with restraints imposed by Florida Statutes and the City's adopted investment policy for capital protection.

### Millage Rate Policy

During fiscal year 2018, the City adopted a comprehensive millage rate policy to establish parameters whereby the operating millage rate may increase or decrease during the annual budget process. The policy is designed to ensure that the City remains in compliance with the Fund Balance Policy to provide rate stability and to avoid conditions of fiscal constraint and provides options for reducing excess unassigned fund balance in the General Fund.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Miami Beach for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. This was the thirty-third consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire Finance Staff. A special note of thanks and appreciation is also extended to our auditors, Caballero Fierman Llerena + Garcia, LLP, for their professional approach and high standards in the conduct of their independent audit of the City's financial records. In closing, the City Commission's guidance, leadership, cooperation, and support in planning and conducting the financial affairs of the City in a responsible and progressive manner is prominently appreciated.

Respectfully submitted,



Mario Diaz, City Manager



Marcia Fennell, Chief Financial Officer



17011 NE 19<sup>th</sup> Avenue □ North Miami Beach, Florida 33162 □ (305) 787-6000 □ Fax (305) 948-2996  
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Presented to

**City of North Miami Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**CITY OF NORTH MIAMI BEACH, FLORIDA**

CITY OFFICIALS

SEPTEMBER 30, 2022

**CITY COMMISSION**

Jay R. Chernoff

Daniela Jean

Fotuna Smukler

McKenzie Fleurimond

Phyllis Smith

Michael Joseph, Esq.

**CITY MANAGER**

Mario Diaz

**CITY ATTORNEY**

Hans Ottinot, Ottinot Law, P.A.

**CITY CLERK**

Andrise Bernard, CMC

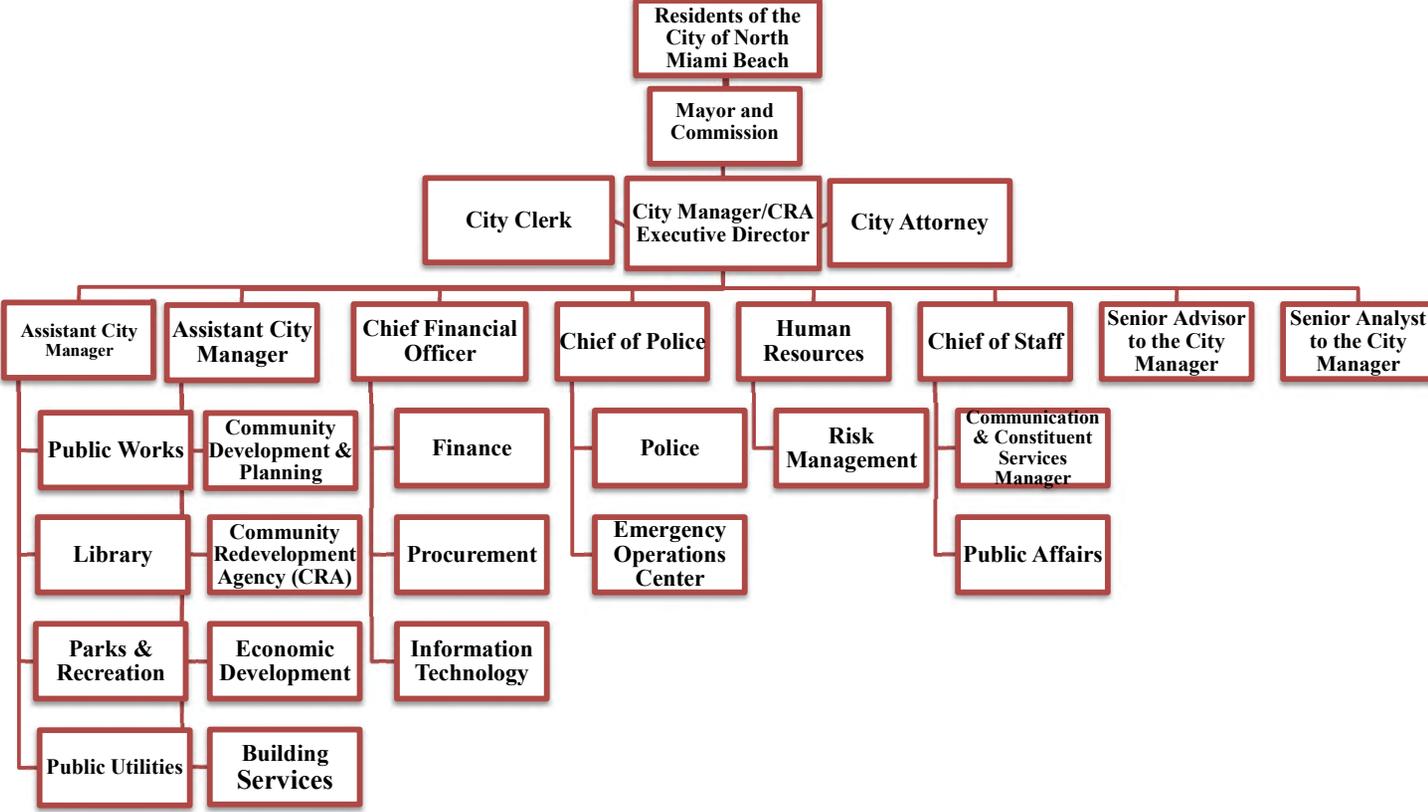
**CHIEF FINANCIAL OFFICER**

Marcia Fennell

**INDEPENDENT AUDITORS**

Caballero Fierman Llerena & Garcia, LLP

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**ORGANIZATIONAL CHART**  
 SEPTEMBER 30, 2022



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## **II. FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the City) as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report from other auditors the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matters**

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the basic financial statements, the City reported a prior period adjustment to the opening balances of net position for the Government-wide Governmental Activities. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We did not audit the financial statements of the Retirement Plan for the General Employees of the City of North Miami Beach, which represent 20 percent, 43 percent, and 12 percent, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Also we did not audit the financial statements of the Retirement Plan for the Police Officers and Firefighters of the City of North Miami Beach, which represent 25 percent, 43 percent, and 17 percent, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Retirement Plan for the General Employees of the City of North Miami Beach and the Retirement Plan for the Police Officers and Firefighters of the City of North Miami Beach, are based solely on the report of the other auditors. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues Expenditures and Changes in Fund Balance – Budget to Actual – General Fund and Community Redevelopment Agency Fund, and Pension and Other Post-Employment Benefits schedules as listed in the table of contents on pages 17-32 and 84-96, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June 30, 2023

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

As management of the City of North Miami Beach, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages 1 to 10 of this report.

**Financial Highlights**

*Total net position* of the City of North Miami Beach increased by \$43.9 million or 25.0% more than the prior fiscal year net position to \$175.7 million. The increase noted was primarily as a result of current year operations in the business-type funds, as discussed in more detail below.

*Total deferred outflows of resources* decreased by \$4.6 million or 21.0%. Deferred outflows of resources, as it relates to the pension plans, are a function of various factors, inclusive of investment income, plan experience and changes in assumptions between fiscal years as determined through the actuarial valuation. Refer to Note 9 for additional information.

*Total liabilities* decreased by \$19.6 million or 7.8% primarily as a result of the satisfaction of debt service requirements for the City's General Obligations bonds and notes, as well as refinancing of the City's General obligation Bonds. Refer to Note 10 for additional information.

*Total Deferred inflows of resources* increased by \$7.2 million or 69.9%. Deferred inflows of resources, as it relates to the pension plans, are a function of various factors, inclusive of investment income, plan experience and changes in assumptions between fiscal years as determined through the actuarial valuation. Refer to Note 9 for additional information.

*Total governmental activities revenues* increased by approximately \$26.1 million, or 42.7%.

- Capital Grants and Contributions increased by \$24 million over the prior year. This significant increase is due primarily to the City receiving the first and second tranches of the American Rescue Plan Act (ARPA) funding, totaling \$21.6 million.
- Compared to the prior fiscal year, there was an increase of \$3.6 million in Operating Grants and Contributions attributed to an overall increase in grant and intergovernmental revenue.
- Property taxes revenue increased by \$0.8 million or 3.5% as a result of an increase in ad valorem taxes receipts, compared to the prior fiscal year. Ad valorem revenue is a function of assessed property values, new construction, changes in personal incomes and the City's operating millage rates.
- Intergovernmental revenues decreased \$4.4 million lower in comparison to the prior year due to a reclassification to operating grants and contributions during the fiscal year 2022. Both sources are a function of sales and the City's population compared to other jurisdictions which participate in these State of Florida revenue sources.
- Other taxes were \$1.2 million lower compared to the prior year due to a decrease in user surcharges and franchise fees. The surcharges are a function of user consumption for various services. The franchise fee for solid waste is a function of the amounts billed by Waste Management which increased significantly in comparison to the prior year.
- *Total business-type activities revenues* increased by approximately \$3.9 million or 5.6%. The increase is primarily due to an increase in charges for services related to solid waste and building permits. The increase in building permit revenues is due to an increase in the number of permits issued, as well as the construction value associated with those permits.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Financial Highlights (Continued)**

- *Total business-type activities expenses* decreased by \$3.1 million or 5.7% primarily due to decreased operating costs in the Water Utility Fund due to insourcing costs, as well as the Solid Waste Fund due to a decrease in the cost of contractual services.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$68.1 million, an increase of \$19.5 million above the prior fiscal year. Approximately 28% or \$19.9 million of this amount is available for spending at the City's discretion (*unassigned fund balance*).
- The City's Water Utility Fund had a positive change in net position of \$10.8 million. The Wastewater Utility Fund had a positive change in net position of \$2.6 million. The Solid Waste Fund had a positive change in net position of \$.2 million; at the end of the fiscal net position was negative 3.8 million. The other enterprise funds had a positive change in net position of approximately \$2.6 million.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of North Miami Beach's basic financial statements. The components of the basic financial statements include:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements.

Other supplementary information is also included in this report. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB).

**Government-wide financial statements:**

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

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

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety, public services, parks and recreation services, code compliance, planning and zoning, economic development, and general and administrative services. The business-type activities of the City include water, sewer, and stormwater operations, sanitation services and building permitting.

The government-wide financial statements include not only the City of North Miami Beach (known as the *primary government*), but also a legally separate community redevelopment agency for which the City is financially accountable. This *component unit* functions for all practicable purposes as a department and special revenue fund of the City and has been included as an integral part of the primary government.

*The government-wide financial statements can be found on pages 33-34 of this report.*

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Overview of the Financial Statements (Continued)**

**Fund financial statements:**

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

**Governmental funds:**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered as a major fund. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

*The basic governmental fund financial statements can be found on pages 35-38 of this report.*

**Proprietary funds:**

Proprietary funds are used when fees are charged to customers for the use of specific goods or services. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds:

*Enterprise funds* provide separate information for the water and wastewater operations and solid waste services, which are considered as major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in this report.

*Internal service funds* are used to accumulate and allocate costs for goods and services provided internally among the City's various funds and functions. Any net increase or deficiency in net position in the internal service fund is allocated back to the participating funds.

*The basic proprietary fund financial statements can be found on pages 39-41 of this report.*

**Fiduciary funds:**

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary funds are accounted for in the same manner as the proprietary funds.

*The basic fiduciary fund financial statements can be found on pages 42-43 of this report.*

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Overview of the Financial Statements (Continued)**

**Notes to the financial statements:**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Note 15 includes information regarding the Community Redevelopment Agency.

*The notes to the basic financial statements can be found on pages 44-83 of this report.*

**Other information:**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI). The City adopts an annual appropriated budget for its General Fund and Community Redevelopment Agency. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget. Additional RSI displays the City's changes in net pension and OPEB liabilities and employer contributions to the various plans.

*Required supplementary information can be found on pages 84-96 of this report.*

The combining statements referred to earlier in connection with non-major funds are presented immediately following the required supplementary information. Budgetary comparison schedules are included for non-major governmental funds that legally adopt budgets.

*Combining statements and budgetary schedules can be found on pages 97-118 of this report.*

**Government-Wide Financial Analysis**

*Net investment in capital assets* - The largest portion of the City's net position (87.5%) reflects its investment in capital assets (e.g., land, buildings, and equipment) less any outstanding debt used to acquire those assets. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

*Restricted net position* - Some of the City's net position (22.1%) is subject to external restrictions on how it may be used. These resources have been set aside for capital projects, debt service payments, and other contractual obligations.

*Unrestricted net position* - At the end of the fiscal year, September 30, 2022, the City's governmental activities reported a negative balance in the unrestricted category primarily due to the Net pension liability for the City's General Employees and Police Officers and Firefighters Pension Plans. The City reports negative balances in the remaining categories of net position for its Governmental activities and Business-type activities.

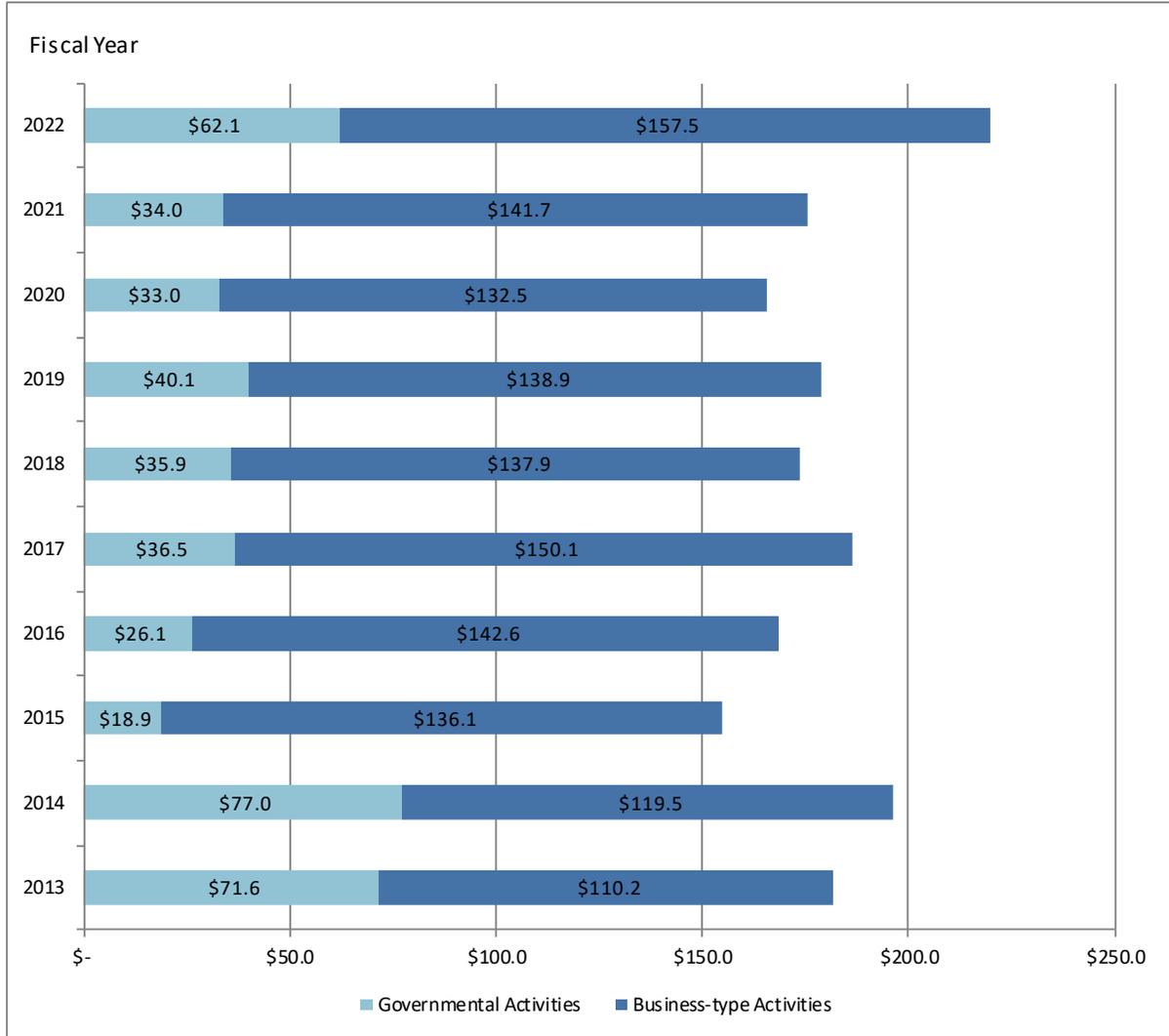
**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Government-Wide Financial Analysis (Continued)**

The following chart displays the City's **total net position** over the last ten fiscal years (in millions).

**Condensed Government-wide Statement of Net Position**

The following chart provides a condensed statement of government-wide net position with comparative balances between the current and last fiscal year (in millions).



**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Government-Wide Financial Analysis (Continued)**

|                                     | 2022                       |                             |                | 2021                       |                             |                |
|-------------------------------------|----------------------------|-----------------------------|----------------|----------------------------|-----------------------------|----------------|
|                                     | Governmental<br>Activities | Business-type<br>Activities | Total          | Governmental<br>Activities | Business-type<br>Activities | Total          |
| <b>Assets and Deferred</b>          |                            |                             |                |                            |                             |                |
| <b><u>Outflows of Resources</u></b> |                            |                             |                |                            |                             |                |
| Current                             | \$ 76.3                    | \$ 52.6                     | \$128.9        | \$ 56.0                    | \$ 50.5                     | \$106.5        |
| Non-current                         | -                          | 0.2                         | 0.2            | -                          | 0.2                         | 0.2            |
| Restricted assets                   | -                          | 67.4                        | 67.4           | -                          | 61.7                        | 61.7           |
| Capital assets, net                 | 77.7                       | 176.6                       | 254.3          | 74.4                       | 172.0                       | 246.4          |
| Total assets                        | <u>\$ 154.0</u>            | <u>\$ 296.8</u>             | <u>\$450.8</u> | <u>\$ 130.4</u>            | <u>\$ 284.4</u>             | <u>\$414.8</u> |
| Deferred outflow s of resources     | <u>\$ 12.3</u>             | <u>\$ 5.0</u>               | <u>\$ 17.3</u> | <u>\$ 19.6</u>             | <u>\$ 2.2</u>               | <u>\$ 21.8</u> |
| <b>Liabilities and Deferred</b>     |                            |                             |                |                            |                             |                |
| <b><u>Inflows of Resources</u></b>  |                            |                             |                |                            |                             |                |
| Long-term liabilities               | \$ 79.8                    | \$ 116.1                    | \$196.0        | \$ 100.6                   | \$ 120.4                    | \$221.0        |
| Other liabilities                   | 9.8                        | 25.3                        | 35.1           | 7.6                        | 22.2                        | 29.8           |
| Total liabilities                   | <u>\$ 89.6</u>             | <u>\$ 141.4</u>             | <u>\$231.1</u> | <u>\$ 108.2</u>            | <u>\$ 142.6</u>             | <u>\$250.8</u> |
| Deferred inflow s of resources      | <u>\$ 14.6</u>             | <u>\$ 2.9</u>               | <u>\$ 17.5</u> | <u>\$ 7.8</u>              | <u>\$ 2.5</u>               | <u>\$ 10.3</u> |
| <b>Net Position</b>                 |                            |                             |                |                            |                             |                |
| Net investment in capital assets    | \$ 66.1                    | \$ 126.0                    | \$192.1        | \$ 61.2                    | \$ 109.2                    | \$170.4        |
| Restricted                          | 25.6                       | 23.0                        | 48.6           | 10.4                       | 20.8                        | 31.2           |
| Unrestricted                        | (29.6)                     | 8.5                         | (21.1)         | (37.6)                     | 11.7                        | (25.9)         |
| Total net position                  | <u>\$ 62.1</u>             | <u>\$ 157.5</u>             | <u>\$219.6</u> | <u>\$ 34.0</u>             | <u>\$ 141.7</u>             | <u>\$175.7</u> |

**Governmental activities:**

Net position of the City's governmental activities increased by \$28.1 million resulting in a balance of \$62.1 million at the end of the current fiscal year. The increase is primarily due to the net effect of the following:

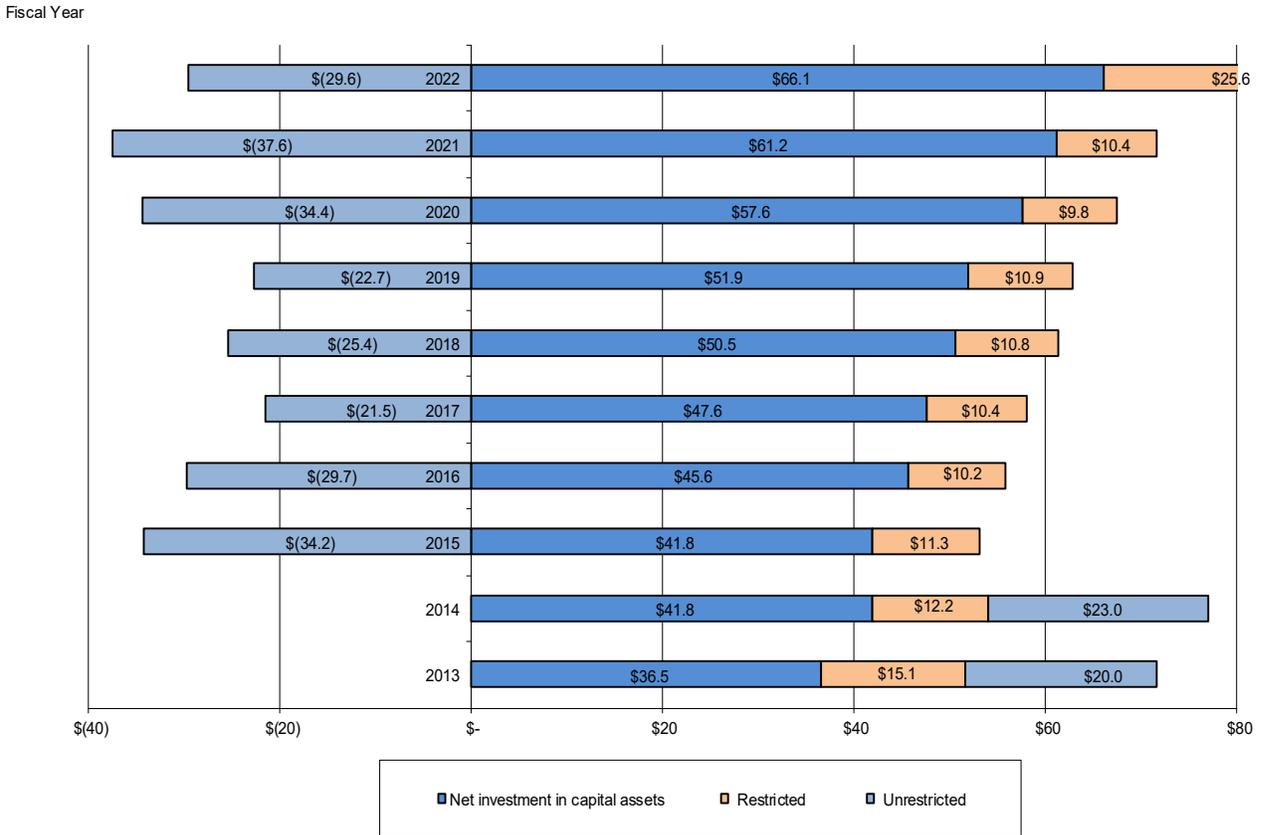
- Favorable results from operations for the General Fund. See budgetary comparison schedule on page 84 and 85 for more information.
- Timing of capital outlays for the Community Redevelopment Agency that were budgeted but not expended as of September 30, 2022. See budgetary comparison schedule on page 86 for more information.
- Grant Revenue totaling \$21.6 million in American Rescue Plan Act (ARPA) funding. See budgetary comparison schedule on page 87 for more information.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Government-Wide Financial Analysis (Continued)**

**Governmental activities: (Continued)**

**Governmental activities  
Net Position (in millions)**



**Business-type activities:**

The City's net position of the business-type activities increased by approximately \$16.0 million or (11.3%) above the prior fiscal year amount. The increase is primarily due to the net effect of the following:

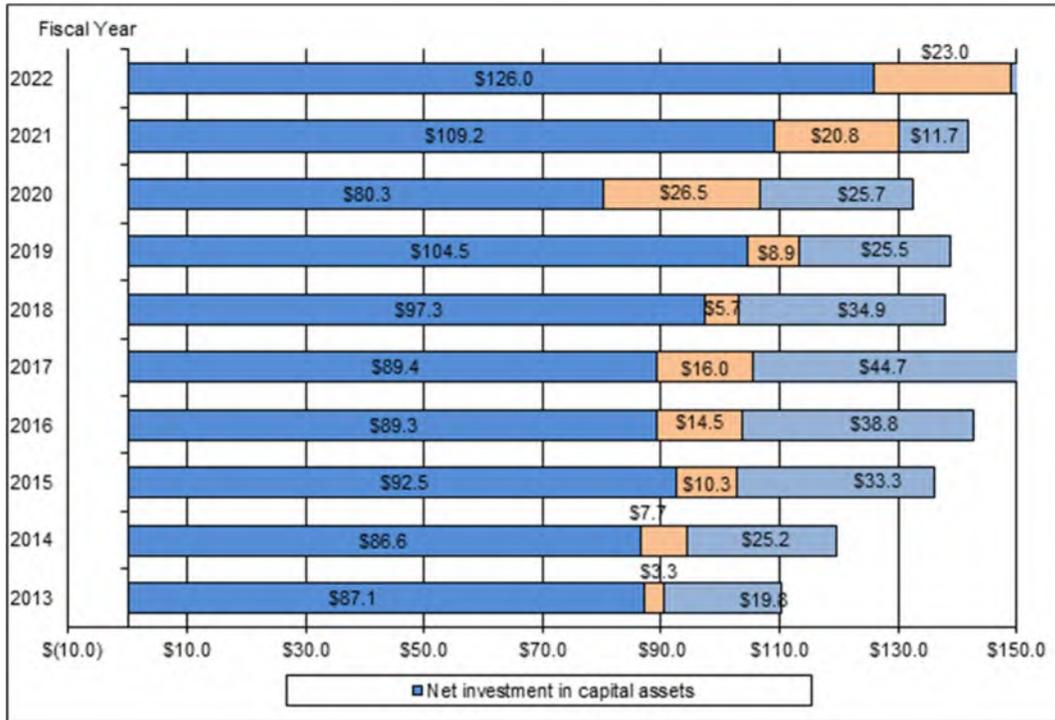
- Decreased operating costs in the Water Utility Fund & Wastewater Utility funds due to the insourcing of operations, maintenance and capital improvement programming costs as discussed earlier.
- Decreased operating costs in the Solid Waste fund due to lower amounts billed by Coastal Waste and Recycling for solid waste and recycling services.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Government-Wide Financial Analysis (Continued)**

**Business-type activities: (Continued)**

**Business-type Activities**  
**Net Position (in millions)**



**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Government-Wide Financial Analysis (Continued)**

**Government-wide Statement of Changes in Net Position**

The following table provides a summary comparison of the government-wide statement of changes in net position between the current and last fiscal year as restated (in millions).

|  | 2022                       |                                 |                 | 2021                       |                                 |                |
|--|----------------------------|---------------------------------|-----------------|----------------------------|---------------------------------|----------------|
|  | Governmental<br>Activities | Business-<br>type<br>Activities | Total           | Governmental<br>Activities | Business-<br>type<br>Activities | Total          |
| Revenues:  |                            |                                 |                 |                            |                                 |                |
| Program Revenues:                                    |                            |                                 |                 |                            |                                 |                |
| Charges for Services                                 | \$ 6.9                     | \$ 71.6                         | \$ 78.5         | \$ 3.5                     | \$ 66.5                         | \$ 70.0        |
| Operating grants & contributions                     | 4.6                        | -                               | 4.6             | 1.0                        | -                               | 1.0            |
| Capital grants & contributions                       | 24.4                       | -                               | 24.4            | 0.4                        | -                               | 0.4            |
| General Revenues:                                    |                            |                                 |                 |                            |                                 |                |
| Property taxes                                       | 23.7                       | -                               | 23.7            | 22.9                       | -                               | 22.9           |
| Other taxes  | 23.7                       | 2.2                             | 25.9            | 25.0                       | 1.7                             | 26.7           |
| Intergovernmental                                    | 3.1                        | -                               | 3.1             | 7.5                        | -                               | 7.5            |
| Other miscellaneous                                  | 0.8                        | (0.5)                           | 0.3             | 0.9                        | 1.2                             | 2.1            |
| Total revenues                                       | <u>87.2</u>                | <u>73.3</u>                     | <u>160.5</u>    | <u>61.2</u>                | <u>69.4</u>                     | <u>130.6</u>   |
| Expenses:  |                            |                                 |                 |                            |                                 |                |
| General government                                   | 24.5                       | -                               | 24.5            | 24.0                       | -                               | 24.0           |
| Public safety  | 25.8                       | -                               | 25.8            | 28.6                       | -                               | 28.6           |
| Parks and Recreation                                 | 6.8                        | -                               | 6.8             | 5.7                        | -                               | 5.7            |
| Public services                                      | 7.5                        | -                               | 7.5             | 6.4                        | -                               | 6.4            |
| Interest on long-term debt                           | 0.5                        | -                               | 0.5             | 0.6                        | -                               | 0.6            |
| Water  | -                          | 30.4                            | 30.4            | -                          | 30.5                            | 30.5           |
| Sewer  | -                          | 7.5                             | 7.5             | -                          | 7.4                             | 7.4            |
| Solid Waste  | -                          | 11.1                            | 11.1            | -                          | 13.8                            | 13.8           |
| Stormwater   | -                          | 0.9                             | 0.9             | -                          | 1.0                             | 1.0            |
| Building permits                                     | -                          | 1.4                             | 1.4             | -                          | 1.7                             | 1.7            |
| Total Expenses                                       | <u>65.1</u>                | <u>51.3</u>                     | <u>116.4</u>    | <u>65.3</u>                | <u>54.4</u>                     | <u>119.7</u>   |
| Increase (decrease) in net position before transfers | 22.1                       | 22.0                            | 44.1            | (4.1)                      | 15.0                            | 10.9           |
| Transfers  | 6.0                        | (6.0)                           | -               | 6.6                        | (6.6)                           | -              |
| Change in net position                               | 28.1                       | 16.0                            | 44.1            | 2.5                        | 8.4                             | 10.9           |
| Net position - beginning, as previously stated       | 34.0                       | 141.5                           | 175.5           | 32.9                       | 132.5                           | 165.4          |
| Restatement of net position                          | -                          | -                               | -               | (1.4)                      | 0.6                             | (0.8)          |
| Net position - beginning, as restated                | <u>34.0</u>                | <u>141.5</u>                    | <u>175.5</u>    | <u>31.5</u>                | <u>133.1</u>                    | <u>164.6</u>   |
| Net position - ending                                | <u>\$ 62.1</u>             | <u>\$ 157.5</u>                 | <u>\$ 219.6</u> | <u>34.0</u>                | <u>\$ 141.5</u>                 | <u>\$175.5</u> |

**Financial Analysis of the City's Funds**

The City of North Miami Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the fund financial statements is on major funds, rather than fund types. Traditional users of the fund financial statements will find the fund financial statements presentation more familiar.

**Governmental funds:** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. The Governmental Funds presentation is designed to show the sources and uses of liquid resources. This is the way the budget is typically developed. Such information is useful in assessing the City's financing requirements. The Unassigned *fund balance* may serve as a useful measure of the City's current financial resources available for discretionary spending.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Financial Analysis of the City's Funds**

**Governmental funds:**

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances (nonspendable, restricted, committed, assigned, and unassigned) of \$68.1 million, an increase of \$19.5 million above the prior year. Approximately 0.4% of the fund balance of the governmental funds was in nonspendable form. In other words, the assets are not cash and will not be converted into cash. This classification includes items such as prepaid costs and inventory. The use of 37.5% of fund balance is restricted by third parties such as grantors, creditors, or other governmental entities for specific types of expenditures and for mitigation of the effect of development on parks and public safety. The City Commission through ordinance or resolution has committed 4.7% of the fund balance to be used for the specific purposes of alley restoration and disaster recovery. The City Manager has assigned approximately 19.0% of the fund balance to be used for capital projects and equipment, land acquisition, liability and workers' compensation claims and expenditures for the next fiscal year. *Unassigned fund balance* is the portion of fund balance that is available for spending at the City's discretion 29.2% of fund balance (\$19.9 million) constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City. All revenues and other receipts and expenditures, fixed charges and capital improvement costs that are not required by law or contractual agreement to be accounted for in another fund are accounted for in this fund. At the end of the current fiscal year, the fund balance in the general fund is \$44.0 million. The unassigned fund balance of \$19.9 million constitutes 45.2% of total general fund balance which represents an increase of \$4.3 million or 11.1% above the prior year.

The increase is attributed to an overall increase in operating revenues over the prior year, as well delays in capital projects expenditure.

*Total General Fund revenues* increased \$1.7 million above last fiscal year due to higher receipts for Ad valorem revenue, Intergovernmental revenue, and Other Taxes revenue. The following graphics display (in millions) the classifications of revenues relative to the total fiscal year 2022 general fund revenues and relative to the fiscal year 2021 General Fund revenues.

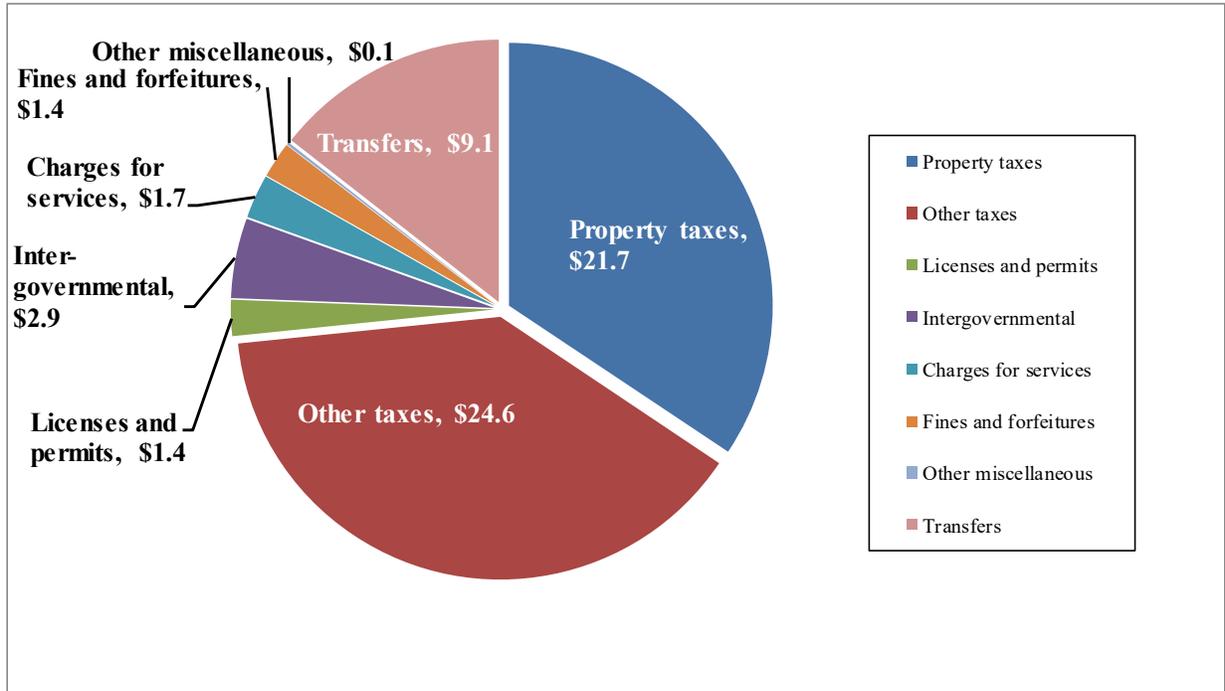
The CRA is a blended component unit. Its fund balance decreased by \$.8 million as a result of increased expenditures for capital outlay.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Financial Analysis of the City's Funds (Continued)**

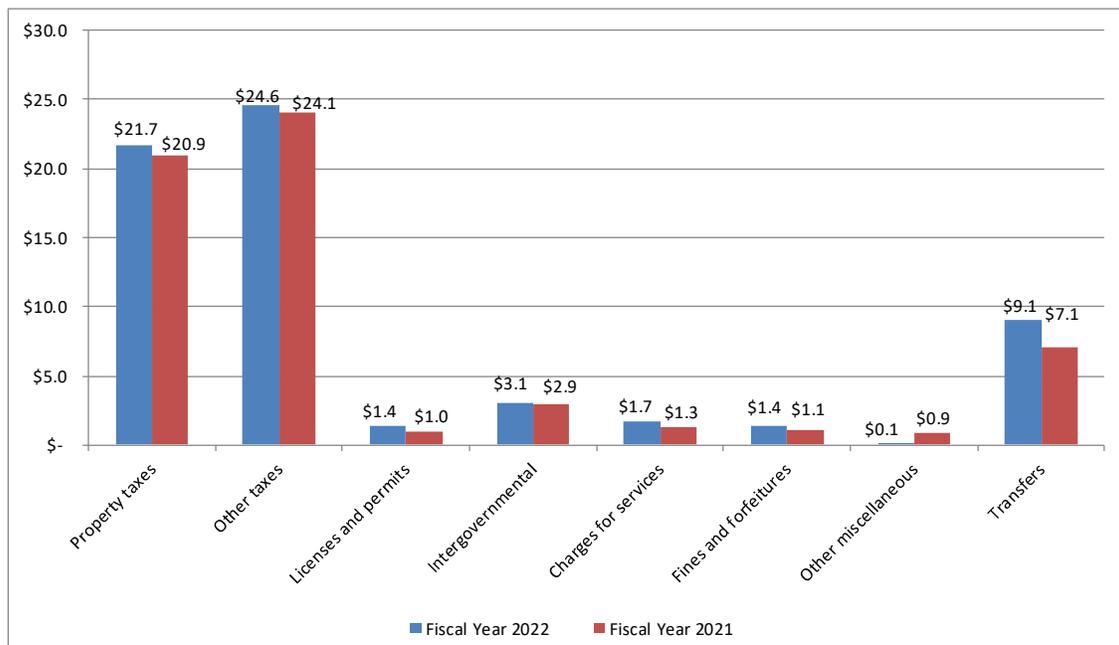
**Governmental funds: (Continued)**

**General Fund Revenues by Source (in millions)**



**Current Year vs. Prior Year General Fund Revenues (in millions)**

Total General Fund expenditures increased by \$1.6 million or 3.0% as compared to the prior year. The following graphic displays (in millions) the classifications of expenditures relative to the total fiscal year 2022 general fund expenditures.

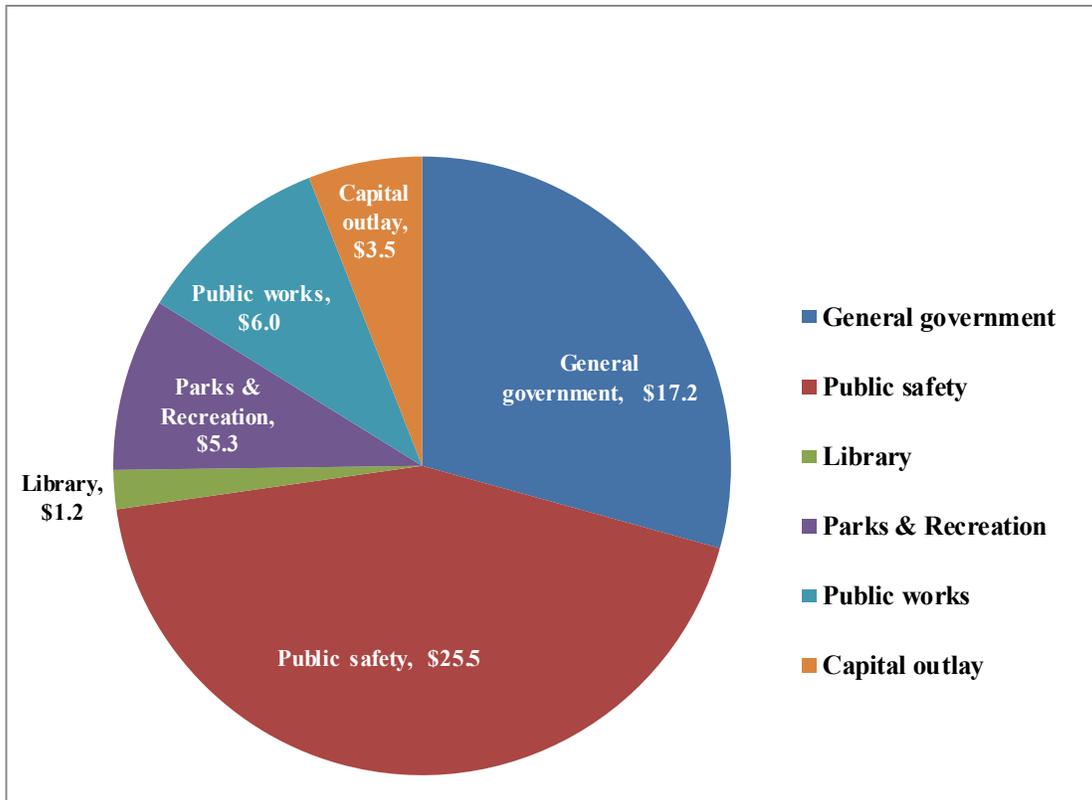


**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Financial Analysis of the City's Funds (Continued)**

**Governmental funds: (Continued)**

**General Fund Expenditures (in millions)**



**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds account for services that are generally supported by user fees charged to customers. Proprietary funds are presented on a total economic resource basis. Proprietary fund statements, like government-wide statements, provide both short- and long-term financial information.

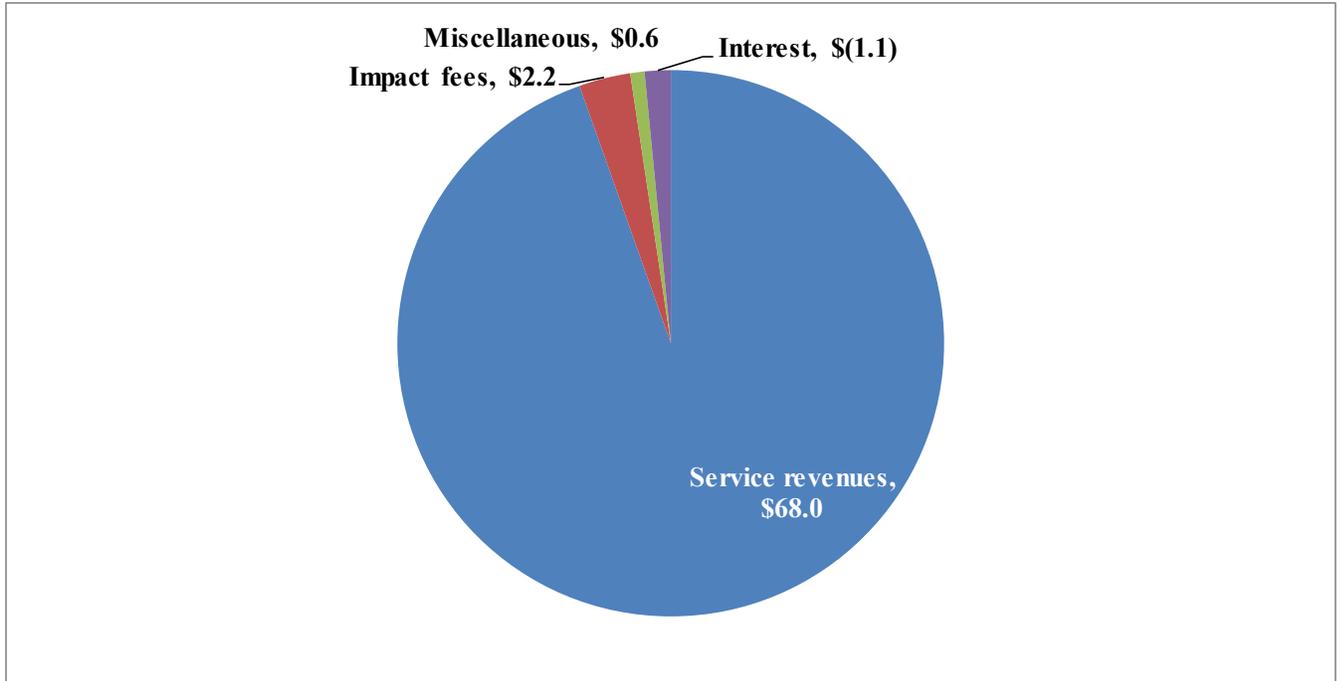
**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Financial Analysis of the City's Funds (Continued)**

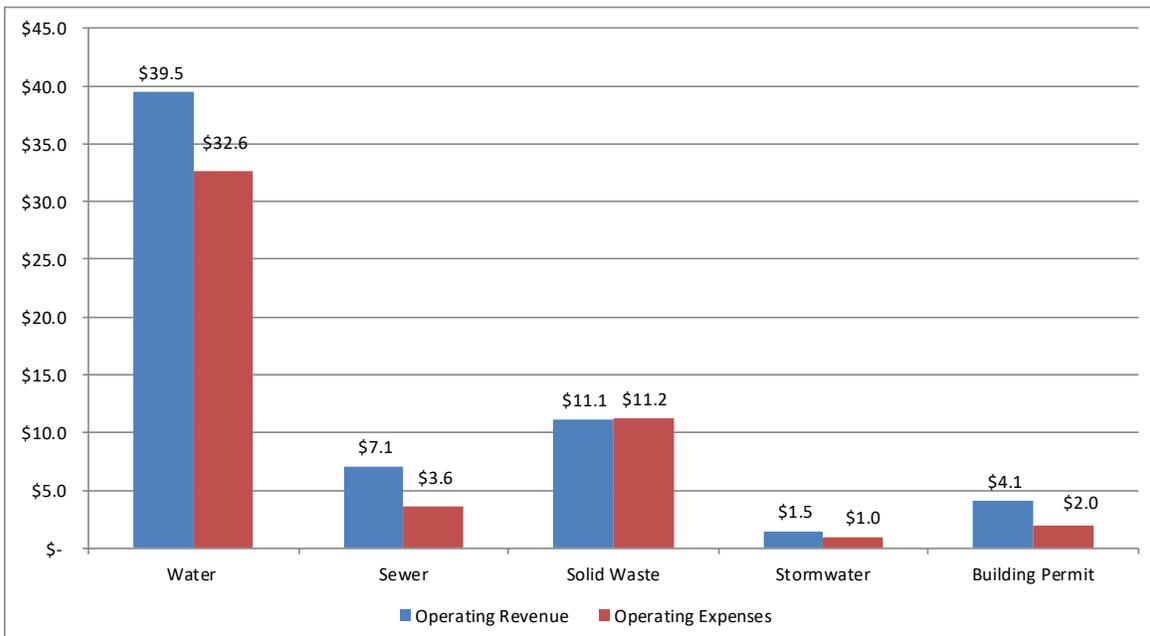
**Proprietary funds: (Continued)**

The following graphics display (in millions) the sources of proprietary fund revenues relative to the total fiscal year 2022 proprietary fund revenue and a comparison between the operating revenues and expenses of each proprietary fund for the current fiscal year.

**Proprietary Fund Revenues by Source (in millions)**



**Proprietary Fund Operating Revenues and Expenses (in millions)**



**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Financial Analysis of the City's Funds (Continued)**

**Proprietary funds: (Continued)**

Water Utility Fund and Wastewater Utility Fund (Sewer) operating costs decreased over the prior year due to lower maintenance and overall operating costs.

The Solid Waste Fund decreased operating costs due to lower contractual services costs billed by Coastal Recycling.

**General Fund Budgetary Highlights**

A budgetary comparison schedule for the General Fund is part of the required supplementary information and can be found on pages 79-80 of this report.

Differences between the *original budget* and the *final amended budget* amounted to an increase of approximately \$4.6 million during the current fiscal year. The difference was primarily due to an increase in the original budget to provide for amounts encumbered for capital projects at the end of the prior fiscal year.

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

- Fuel taxes and Intergovernmental revenues were higher than the final budget. These are a function of current consumer spending patterns which were significantly higher than we had conservatively budgeted.
- User surcharges and Franchise fees were higher than the final budget. These are also a function of current consumer spending. In addition, these amounts are affected by rate increases.
- Parks & Recreation fees were lower than the final budget. This is primarily due to the continued closure of many of the City's parks and recreation facilities for a portion of the fiscal year due to the impact of COVID-19.
- Fines and forfeitures were lower in the final budget primarily due to a decrease in fines related to red light cameras and parking fines.
- Sales taxes were higher than the final budget primarily due to an increase in consumer spending during the fiscal year.
- Miscellaneous revenues were lower than the final budget; in the prior fiscal year, the City received COVID-19 related revenue from FEMA, this was not the case for the current fiscal year.
- All expenditures exhibited positive variances except operating expenditures for the Public Safety Department. The negative variance was the result of increased costs for personnel and overall operations.
- The positive variance in Capital Outlay is primarily due to the timing of expenditure relating to projects. A significant portion of this amount has been appropriated for next year's budget.

**Community Redevelopment Agency Budgetary Highlights**

- The positive variance in Capital Outlay is primarily due to the timing of expenditures relating to land acquisition. A significant portion of this amount has been appropriated for next year's budget.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**  
**SEPTEMBER 30, 2022**

**Capital Assets and Debt Administration**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$254.3 million (net of accumulated depreciation).

This investment in capital assets includes land, buildings, improvements other than buildings, and machinery and equipment. The City's investment in capital assets for the current fiscal year increased by \$7.9 million or 3.2%.

A significant amount of construction projects was in progress during the fiscal year in both the business-type and governmental activities resulting in an increase in the construction in progress category. All other categories have declined as a result of depreciation, except land, which does not depreciate and furniture, fixtures, machinery, and equipment that saw a slight uptick.

The following chart provides a condensed schedule of government-wide capital assets with comparative balances between the current and last fiscal year.

**Capital Assets, net of accumulated depreciation**  
**(in millions)**

|  | Governmental<br>Activities |                | Business-type<br>Activities |                 | Total           |                 |
|--|----------------------------|----------------|-----------------------------|-----------------|-----------------|-----------------|
|  | 2022                       | 2021           | 2022                        | 2021            | 2022            | 2021            |
| Land   | \$ 6.3                     | \$ 4.3         | \$ 5.9                      | \$ 5.9          | \$ 12.2         | \$ 10.2         |
| Buildings and plant                          | 1.0                        | 1.0            | 109.7                       | 116.3           | 110.7           | 117.3           |
| Improvements other than buildings            | 9.9                        | 11.1           | -                           | -               | 9.9             | 11.1            |
| Furniture, fixtures, machinery and equipment | 6.4                        | 7.3            | 2.6                         | 2.7             | 9.0             | 10.0            |
| Infrastructure                               | 13.8                       | 14.6           | -                           | -               | 13.8            | 14.6            |
| Construction in progress                     | 40.3                       | 36.1           | 58.4                        | 47.1            | 98.7            | 83.2            |
| Total capital assets                         | <u>\$ 77.7</u>             | <u>\$ 74.4</u> | <u>\$ 176.6</u>             | <u>\$ 172.0</u> | <u>\$ 254.3</u> | <u>\$ 246.4</u> |

Additional information on the City's capital assets can be found in Note 8 of this report.

**Long-term Debt**

At the end of the current fiscal year, the City had total bonded debt outstanding, net of bond premiums of \$107.5 million, total notes payable of \$.7 million, and State Revolving loans outstanding of \$16.6 million. Of this amount, \$10.7 million was approved by referendum of the City's voters. The remaining \$96.8 million of the bonds, notes and loans has been secured by specified revenue sources of the water and sewer utility operating income. Tax Increment Financing revenues have been pledged for the CRA debt totaling \$.7 million.

The following chart provides information on the City's outstanding long-term debt with comparative balances between the current and last fiscal year. This chart indicates that the City continues to make steady progress in paying down its debt obligations. Additional information on the City's long-term debt can be found in Note 10 of this report.

**Denominated Long-Term Debt Outstanding**  
**(in millions)**

|                          | Governmental<br>activities |                | Business-type<br>activities |                 | Total           |                 |
|--------------------------|----------------------------|----------------|-----------------------------|-----------------|-----------------|-----------------|
|                          | 2022                       | 2021           | 2022                        | 2021            | 2022            | 2021            |
| General obligation bonds | \$ 10.7                    | \$ 12.0        | \$ -                        | \$ -            | \$ 10.7         | \$ 12.0         |
| Revenue bonds            | -                          | -              | 96.8                        | 101.4           | 96.8            | 101.4           |
| Notes payable            | 0.7                        | 0.9            | -                           | -               | 0.7             | 0.9             |
| State Revolving Loans    | -                          | -              | 16.6                        | 17.8            | 16.6            | 17.8            |
| Total                    | <u>\$ 11.4</u>             | <u>\$ 12.9</u> | <u>\$ 113.4</u>             | <u>\$ 119.2</u> | <u>\$ 124.8</u> | <u>\$ 132.1</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)  
SEPTEMBER 30, 2022

**Capital Assets and Debt Administration (Continued)**

**Economic Factors and Next Year's Budgets and Rates**

The City's property tax is levied every October 1st, on the assessed value listed as of the prior January 1, for all real and personal property located in the City. Property taxes are based on a millage rate (one mil is the equivalent of \$1 per \$1,000 of assessed value or 0.001), which is applied to the total taxable value of all real property and certain tangible personal property. The Miami-Dade County Property Appraiser establishes assessed values and delivers the Certified Taxable Value of each property to the City on or before July 1st of each year. The gross taxable value on January 1, 2022, upon which the 2022-2023 levy was based, is approximately \$4.11 billion.

Depending upon policies established by the City Commission, revenue from Ad Valorem taxes may be used to fund both operating costs and capital projects. The City is permitted by state law to levy taxes up to 10 mils of assessed valuation for the General Fund. State constitutional provisions exist for raising the millage rate above the 10-mil cap by local referendum and for debt service or provision of municipal-type services within the City. The adopted operating millage rate for Fiscal Year 2023 is 6.2000 per \$1,000 of taxable value which is the same as the prior fiscal year's operating millage rate. The adopted debt service millage rate is 0.4743 per \$1,000 of taxable value which is a reduction of 0.0997 from Fiscal Year 2022 debt service millage rate of 0.5740.

The City was allocated a total of \$21.56 million from the American Rescue Plan Act (ARPA) and in September 2021, the City Commission approved staff's ARPA allocation, which laid out the proposed major expenditure categories of the projected ARPA funding. The first tranche of the proceeds in the amount of \$10.78 million was received in October 2021 and the second tranche in the amount of \$10.78 was received in August 2022. As of the end of the fiscal year, allocation for the second tranche of ARPA funding, totaling \$10.78 million, has been allocated by the City Commission.

**Requests for Information**

This financial report is designed to provide a general overview of the City of North Miami Beach's finances for all those with an interest in the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Marcia Fennell**  
**Chief Financial Officer**  
**City of North Miami Beach**  
**17011 NE 19<sup>th</sup> Avenue**  
**North Miami Beach, Florida 33162**

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

| ASSETS   | Governmental<br>Activities | Business-<br>type<br>Activities | Total                 |
|--|----------------------------|---------------------------------|-----------------------|
| <b>Current assets</b>                                      |                            |                                 |                       |
| Pooled cash and investments                                | \$ 68,941,056              | \$ 44,480,280                   | \$ 113,421,336        |
| Receivables  | 6,567,922                  | 8,029,371                       | 14,597,293            |
| Internal balances  | 290,616                    | (290,616)                       | -                     |
| Prepaid costs  | 324,559                    | 39,185                          | 363,744               |
| Inventory  | 144,717                    | 332,765                         | 477,482               |
| Other assets   | 99                         | -                               | 99                    |
| <b>Restricted assets</b>                                   |                            |                                 |                       |
| Pooled cash and investments                                | -                          | 4,635,833                       | 4,635,833             |
| Revenue bond proceeds                                      | -                          | 62,796,552                      | 62,796,552            |
| <b>Total current assets</b>                                | <b>76,268,969</b>          | <b>120,023,370</b>              | <b>196,292,339</b>    |
| <b>Non-Current assets</b>                                  |                            |                                 |                       |
| Loans receivable   | -                          | 230,029                         | 230,029               |
| Capital assets, non-depreciable                            | 46,597,819                 | 64,256,635                      | 110,854,454           |
| Capital assets, net of accumulated depreciation            | 31,138,869                 | 112,380,991                     | 143,519,860           |
| <b>Total non-current assets</b>                            | <b>77,736,688</b>          | <b>176,867,655</b>              | <b>254,604,343</b>    |
| <b>TOTAL ASSETS</b>  | <b>154,005,657</b>         | <b>296,891,025</b>              | <b>450,896,682</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                            |                                 |                       |
| <b>Deferred outflows of resources</b>                      |                            |                                 |                       |
| Pension  | 10,478,298                 | 4,622,658                       | 15,100,956            |
| Other post employment benefits                             | 1,890,029                  | 360,005                         | 2,250,034             |
| <b>Total deferred outflows of resources</b>                | <b>12,368,327</b>          | <b>4,982,663</b>                | <b>17,350,990</b>     |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>     | <b>\$ 166,373,984</b>      | <b>\$ 301,873,688</b>           | <b>\$ 468,247,672</b> |
| <b>LIABILITIES</b>   |                            |                                 |                       |
| <b>Current Liabilities</b>                                 |                            |                                 |                       |
| Accounts payable and accrued liabilities                   | \$ 5,473,462               | \$ 14,624,548                   | \$ 20,098,010         |
| Customer/vendor deposits                                   | 617,762                    | 4,635,833                       | 5,253,595             |
| Accrued interest payable                                   | 83,359                     | -                               | 83,359                |
| Debt due within one year                                   | 3,661,004                  | 6,007,366                       | 9,668,370             |
| <b>Total current liabilities</b>                           | <b>9,835,587</b>           | <b>25,267,747</b>               | <b>35,103,334</b>     |
| <b>Non-Current liabilities</b>                             |                            |                                 |                       |
| Net pension liability                                      | 61,817,692                 | 7,360,548                       | 69,178,240            |
| Other non-current liabilities                              | 18,007,822                 | 108,766,150                     | 126,773,972           |
| <b>Total non-current liabilities</b>                       | <b>79,825,514</b>          | <b>116,126,698</b>              | <b>195,952,212</b>    |
| <b>TOTAL LIABILITIES</b>                                   | <b>89,661,101</b>          | <b>141,394,445</b>              | <b>231,055,546</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                            |                                 |                       |
| <b>Deferred inflows of resources</b>                       |                            |                                 |                       |
| Taxes received in advance                                  | 983,719                    | -                               | 983,719               |
| Pension  | 11,253,169                 | 2,443,436                       | 13,696,605            |
| Other post employment benefits                             | 2,390,877                  | 455,406                         | 2,846,283             |
| Capital leases   | -                          | 31,515                          | 31,515                |
| <b>Total deferred inflows of resources</b>                 | <b>14,627,765</b>          | <b>2,930,357</b>                | <b>17,558,122</b>     |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b> | <b>\$ 104,288,866</b>      | <b>\$ 144,324,802</b>           | <b>\$ 248,613,668</b> |
| <b>NET POSITION</b>  |                            |                                 |                       |
| Net investment in capital assets                           | \$ 66,097,806              | \$ 126,035,697                  | \$ 192,133,503        |
| <b>Restricted for:</b>                                     |                            |                                 |                       |
| Debt service   | 192,947                    | -                               | 192,947               |
| Community Redevelopment                                    | 20,127,899                 | -                               | 20,127,899            |
| Interlocal agreements                                      | 987,736                    | -                               | 987,736               |
| Special taxing district                                    | 191,918                    | -                               | 191,918               |
| Public safety  | 2,361,185                  | -                               | 2,361,185             |
| Impact fees  | 1,711,730                  | 23,040,257                      | 24,751,987            |
| Unrestricted   | (29,586,103)               | 8,472,932                       | (21,113,171)          |
| <b>Total net position</b>                                  | <b>\$ 62,085,118</b>       | <b>\$ 157,548,886</b>           | <b>\$ 219,634,004</b> |

See notes to basic financial statements

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

| Functions/Programs               | Expenses              | Program Revenues        |  |  | Net (Expense) Revenue and Changes in<br>Net Position - Primary Government |                                 |                     |
|----------------------------------|-----------------------|-------------------------|--|--|---|---------------------------------|---------------------|
|                                  |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities  | Business-<br>type<br>Activities | Total               |
| <b>Primary government:</b>       |                       |                         |  |  |   |                                 |                     |
| <b>Governmental activities:</b>  |                       |                         |  |  |   |                                 |                     |
| General government               | \$ 26,384,310         | \$ 3,686,538            | \$ 3,160,161                             | \$ 21,557,242                          | \$ 2,019,631  | \$ -                            | \$ 2,019,631        |
| Public safety                    | 25,721,383            | 3,174,965               | 114,775                                  | -                                      | (22,431,643)  | -                               | (22,431,643)        |
| Parks & Recreation               | 6,745,684             | -                       | 475,606                                  | -                                      | (6,270,078)   | -                               | (6,270,078)         |
| Public works                     | 7,535,651             | -                       | 849,272                                  | 2,806,640                              | (3,879,739)   | -                               | (3,879,739)         |
| Interest on long-term debt       | 360,743               | -                       | -  | -                                      | (360,743)   | -                               | (360,743)           |
| Total governmental activities    | <u>66,747,771</u>     | <u>6,861,503</u>        | <u>4,599,814</u>                         | <u>24,363,882</u>                      | <u>(30,922,572)</u>   | <u>-</u>                        | <u>(30,922,572)</u> |
| <b>Business-type activities:</b> |                       |                         |  |  |   |                                 |                     |
| Water                            | 30,382,466            | 43,094,273              | -  | -                                      | -   | 12,711,807                      | 12,711,807          |
| Wastewater                       | 7,538,564             | 11,108,363              | -  | -                                      | -   | 3,569,799                       | 3,569,799           |
| Solid waste                      | 11,116,332            | 11,747,564              | -  | -                                      | -   | 631,232                         | 631,232             |
| Stormwater                       | 951,076               | 1,547,393               | -  | -                                      | -   | 596,317                         | 596,317             |
| Building permits                 | 1,355,737             | 4,105,998               | -  | -                                      | -   | 2,750,261                       | 2,750,261           |
| Total business-type activities   | <u>51,344,175</u>     | <u>71,603,591</u>       | <u>-</u>                                 | <u>-</u>                               | <u>-</u>  | <u>20,259,416</u>               | <u>20,259,416</u>   |
| Total                            | <u>\$ 118,091,946</u> | <u>\$ 78,465,094</u>    | <u>\$ 4,599,814</u>                      | <u>\$ 24,363,882</u>                   | <u>(30,922,572)</u>   | <u>20,259,416</u>               | <u>(10,663,156)</u> |

**General revenues:**

|  |                      |                       |                       |
|--|----------------------|-----------------------|-----------------------|
| Property taxes                         | 23,747,540           | -                     | 23,747,540            |
| Utility taxes                          | 3,963,565            | -                     | 3,963,565             |
| Communication service taxes            | 1,614,171            | -                     | 1,614,171             |
| Franchise fees on gross receipts       | 4,013,950            | -                     | 4,013,950             |
| Sales taxes                            | 4,757,902            | -                     | 4,757,902             |
| State revenue sharing and other        |                      |                       |                       |
| unrestricted intergovernmental revenue | 3,137,464            | -                     | 3,137,464             |
| Investment income (loss)               | (611,641)            | (1,076,565)           | (1,688,206)           |
| User surcharges                        | 9,363,776            | 2,277,696             | 11,641,472            |
| Miscellaneous                          | 1,369,953            | 571,582               | 1,941,535             |
| Transfers                              | 6,018,831            | (6,018,831)           | -                     |
| Total general revenues and transfers   | <u>57,375,511</u>    | <u>(4,246,118)</u>    | <u>53,129,393</u>     |
| Change in net position                 | 26,452,939           | 16,013,298            | 42,466,237            |
| Net position beginning                 | <u>34,010,179</u>    | <u>141,535,588</u>    | <u>175,545,767</u>    |
| Prior period adjustment (Note 15)      | <u>1,622,000</u>     | <u>-</u>              | <u>1,622,000</u>      |
| Net position beginning, as restated    | <u>35,632,179</u>    | <u>141,535,588</u>    | <u>177,167,767</u>    |
| Net position, ending                   | <u>\$ 62,085,118</u> | <u>\$ 157,548,886</u> | <u>\$ 219,634,004</u> |

See notes to basic financial statements

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

|   | General<br>Fund      | Community<br>Redevelopment<br>Agency | ARPA<br>Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|--------------------------------------|----------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                                      |                      |                                |                                |
| Pooled cash and investments   | \$ 42,932,205        | \$ 4,812,383                         | \$ 15,709,214        | \$ 4,283,818                   | \$ 67,737,620                  |
| Accounts receivable   | 5,851,856            | -                                    | -                    | 716,066                        | 6,567,922                      |
| Due from other funds  | 645,087              | -                                    | -                    | -                              | 645,087                        |
| Prepaid costs   | 246,454              | 8,879                                | 4,800                | -                              | 260,133                        |
| Inventory   | 144,717              | -                                    | -                    | -                              | 144,717                        |
| Other assets  | 99                   | -                                    | -                    | -                              | 99                             |
| <b>TOTAL ASSETS</b>   | <b>\$ 49,820,418</b> | <b>\$ 4,821,262</b>                  | <b>\$ 15,714,014</b> | <b>\$ 4,999,884</b>            | <b>\$ 75,355,578</b>           |
| <b>LIABILITIES</b>  |                      |                                      |                      |                                |                                |
| Accounts payable and accrued liabilities                                      | \$ 4,595,504         | \$ 36,951                            | 356,747              | \$ 292,050                     | \$ 5,281,252                   |
| Vendor deposits   | 617,762              | -                                    | -                    | -                              | 617,762                        |
| Due to other funds  | -                    | -                                    | -                    | 354,471                        | 354,471                        |
| <b>TOTAL LIABILITIES</b>  | <b>5,213,266</b>     | <b>36,951</b>                        | <b>356,747</b>       | <b>646,521</b>                 | <b>6,253,485</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                                      |                      |                                |                                |
| Taxes received in advance   | 585,103              | -                                    | -                    | 398,616                        | 983,719                        |
| Total liabilities and deferred inflows of resources                           | 5,798,369            | 36,951                               | 356,747              | 1,045,137                      | 7,237,204                      |
| <b>FUND BALANCES</b>  |                      |                                      |                      |                                |                                |
| Nonspendable:   |                      |                                      |                      |                                |                                |
| Inventory   | 144,717              | -                                    | -                    | -                              | 144,717                        |
| Prepaid costs   | 246,454              | 8,879                                | 4,800                | -                              | 260,133                        |
| Restricted:   |                      |                                      |                      |                                |                                |
| Debt service  | -                    | -                                    | -                    | 192,947                        | 192,947                        |
| Community redevelopment   | -                    | 4,775,432                            | 15,352,467           | -                              | 20,127,899                     |
| Interlocal agreements   | -                    | -                                    | -                    | 987,736                        | 987,736                        |
| Special Taxing districts  | -                    | -                                    | -                    | 191,918                        | 191,918                        |
| Public safety   | -                    | -                                    | -                    | 2,361,185                      | 2,361,185                      |
| Impact fees   | 1,711,730            | -                                    | -                    | -                              | 1,711,730                      |
| Committed:  |                      |                                      |                      |                                |                                |
| Alley restoration   | -                    | -                                    | -                    | 220,961                        | 220,961                        |
| Disaster recovery   | 3,000,000            | -                                    | -                    | -                              | 3,000,000                      |
| Assigned:   |                      |                                      |                      |                                |                                |
| Appropriated for next year's budget   | 7,627,992            | -                                    | -                    | -                              | 7,627,992                      |
| Capital projects and equipment  | 7,532,094            | -                                    | -                    | -                              | 7,532,094                      |
| Liability claims  | 1,464,285            | -                                    | -                    | -                              | 1,464,285                      |
| Workers' compensation claims  | 2,322,437            | -                                    | -                    | -                              | 2,322,437                      |
| Land acquisition  | 68,574               | -                                    | -                    | -                              | 68,574                         |
| Unassigned:   |                      |                                      |                      |                                |                                |
| General fund  | 19,903,766           | -                                    | -                    | -                              | 19,903,766                     |
| Total fund balances   | <u>44,022,049</u>    | <u>4,784,311</u>                     | <u>15,357,267</u>    | <u>3,954,747</u>               | <u>68,118,374</u>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> | <b>\$ 49,820,418</b> | <b>\$ 4,821,262</b>                  | <b>\$ 15,714,014</b> | <b>\$ 4,999,884</b>            | <b>\$ 75,355,578</b>           |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

Total governmental fund balances (page 39) \$ 68,118,374

Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because:

Capital assets, (excluding those reported in the internal service funds) used in governmental activities are not current financial resources and therefore are not reported in the funds 77,073,239

Long-term liabilities, (excluding those reported in the internal service funds) including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (21,618,248)

Deferred outflows of resources 11,932,045  
 Deferred inflows of resources (13,148,469)  
 Net pension liability (59,209,312)  
 Accrued interest on long term debt (83,359)

The internal service funds are used by management to charge the cost of information technology to other funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-wide Statement of Net Position. (979,152)

Net position of governmental activities (page 37) \$ 62,085,118

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|  | General<br>Fund      | Community<br>Redevelopment<br>Agency | ARPA<br>Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|--------------------------------------|----------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                      |                                      |                      |                                |                                |
| Property taxes   | \$ 21,746,050        | \$ -                                 | \$ -                 | \$ 2,001,490                   | \$ 23,747,540                  |
| User surcharges  | 9,363,776            | -                                    | -                    | -                              | 9,363,776                      |
| Franchise fees   | 4,013,950            | -                                    | -                    | -                              | 4,013,950                      |
| Utility taxes  | 3,963,565            | -                                    | -                    | -                              | 3,963,565                      |
| Communication service taxes                              | 1,614,171            | -                                    | -                    | -                              | 1,614,171                      |
| Other taxes  | 5,607,174            | -                                    | -                    | -                              | 5,607,174                      |
| Licenses and permits                                     | 1,366,354            | -                                    | -                    | -                              | 1,366,354                      |
| Intergovernmental revenue                                | 3,137,464            | 3,160,161                            | 21,557,242           | 2,687,720                      | 30,542,587                     |
| Charges for services                                     | 1,671,955            | -                                    | -                    | -                              | 1,671,955                      |
| Fines and forfeitures                                    | 1,402,112            | -                                    | -                    | 406,499                        | 1,808,611                      |
| Non-Ad valorem assessments                               | -                    | -                                    | -                    | 650,840                        | 650,840                        |
| Grant revenue  | -                    | -                                    | -                    | 737,317                        | 737,317                        |
| Investment income (loss)                                 | (608,356)            | (3,285)                              | -                    | -                              | (611,641)                      |
| Miscellaneous revenue                                    | 717,536              | -                                    | -                    | 1,174                          | 718,710                        |
| <b>Total revenues</b>                                    | <b>53,995,751</b>    | <b>3,156,876</b>                     | <b>21,557,242</b>    | <b>6,485,040</b>               | <b>85,194,909</b>              |
| <b>Expenditures:</b>                                     |                      |                                      |                      |                                |                                |
| <b>Current operating:</b>                                |                      |                                      |                      |                                |                                |
| General government                                       | 17,242,969           | 1,822,809                            | 1,127,469            | -                              | 20,193,247                     |
| Public safety  | 25,515,629           | -                                    | -                    | 1,363,535                      | 26,879,164                     |
| Library  | 1,211,221            | -                                    | -                    | 164,942                        | 1,376,163                      |
| Parks & recreation                                       | 5,281,071            | -                                    | -                    | 246,648                        | 5,527,719                      |
| Public works   | 6,038,847            | -                                    | -                    | 1,323,532                      | 7,362,379                      |
| Capital outlay   | 3,448,353            | 1,380,641                            | 2,796,885            | 872,237                        | 8,498,116                      |
| <b>Debt service:</b>                                     |                      |                                      |                      |                                |                                |
| Principal  | 37,756               | 195,172                              | -                    | 1,490,000                      | 1,722,928                      |
| Interest and other fiscal charges                        | 229                  | 15,814                               | -                    | 454,337                        | 470,380                        |
| Debt issuance costs                                      | -                    | -                                    | -                    | 44,794                         | 44,794                         |
| <b>Total expenditures</b>                                | <b>58,776,075</b>    | <b>3,414,436</b>                     | <b>3,924,354</b>     | <b>5,960,025</b>               | <b>72,074,890</b>              |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>(4,780,324)</b>   | <b>(257,560)</b>                     | <b>17,632,888</b>    | <b>525,015</b>                 | <b>13,120,019</b>              |
| <b>Other financing sources (uses)</b>                    |                      |                                      |                      |                                |                                |
| Issuance of debt - lease                                 | 12,060               | 170,640                              | -                    | -                              | 182,700                        |
| Issuance of refunding debt                               | -                    | -                                    | -                    | 9,190,000                      | 9,190,000                      |
| Payments to escrow agent on debt refunding               | -                    | -                                    | -                    | (9,000,000)                    | (9,000,000)                    |
| Transfers in   | 9,161,343            | -                                    | -                    | -                              | 9,161,343                      |
| Transfers out  | -                    | (738,693)                            | (2,275,621)          | (126,964)                      | (3,141,278)                    |
| <b>Total other financing sources (uses)</b>              | <b>9,173,403</b>     | <b>(568,053)</b>                     | <b>(2,275,621)</b>   | <b>63,036</b>                  | <b>6,392,765</b>               |
| <b>Net change in fund balance</b>                        | <b>4,393,079</b>     | <b>(825,613)</b>                     | <b>15,357,267</b>    | <b>588,051</b>                 | <b>19,512,784</b>              |
| Fund balances, beginning                                 | 39,628,970           | 5,609,924                            | -                    | 3,366,696                      | 48,605,590                     |
| Fund balances, ending                                    | <b>\$ 44,022,049</b> | <b>\$ 4,784,311</b>                  | <b>\$ 15,357,267</b> | <b>\$ 3,954,747</b>            | <b>\$ 68,118,374</b>           |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net change in fund balances - total governmental funds (page 37) \$ 19,512,784

Amounts reported for governmental activities in the Government-wide Statement of Activities (page 38) are different because:

Governmental funds report capital outlays as expenditures while the Statement of Activities reports depreciation expense on capital assets. This is the amount by which capital outlays exceeded depreciation in the current period. The details of the difference (excluding the internal service fund) are as follows:

|                                |                    |           |
|--------------------------------|--------------------|-----------|
| Capital outlay                 | \$ 8,498,116       |           |
| Capital outlay not capitalized | (1,388,356)        |           |
| Depreciation expense           | <u>(3,784,970)</u> |           |
| Net adjustment                 |                    | 3,324,790 |

The issuance of long-term debt provides current financial resources to governmental funds. Repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of the difference (excluding the internal service fund) are as follows:

|  |                |           |
|--|----------------|-----------|
| Debt issued                                      | (9,190,000)    |           |
| Debt issued - leases                             | (182,700)      |           |
| Principal payments:                              |                |           |
| General obligation and capital improvement bonds | 10,490,000     |           |
| Lease liability                                  | 66,261         |           |
| Notes payable                                    | <u>166,667</u> |           |
| Net adjustment                                   |                | 1,350,228 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Changes in:

|                                |                   |           |
|--------------------------------|-------------------|-----------|
| Compensated absences           | (61,648)          |           |
| Estimated claims               | (287,000)         |           |
| OPEB liability                 | (383,969)         |           |
| Accrued interest               | 109,655           |           |
| Deferred outflows of resources | (7,334,927)       |           |
| Deferred inflows of resources  | (6,551,142)       |           |
| Net pension liability          | <u>18,013,037</u> |           |
|                                |                   | 3,504,006 |

The internal service funds are used by management to charge the costs of customer service and information technology to other funds. The net revenue is reported with governmental activities.

(1,238,869)

Change in net position of governmental activities (page 34)

\$ 26,452,939

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2022**

|   | Business-type Activities |                      |                       |                        |                       | Governmental           |
|---|--------------------------|----------------------|-----------------------|------------------------|-----------------------|------------------------|
|   | Enterprise Funds         |                      |                       |                        | Total                 | Activities             |
|   | Major Funds              |                      | Solid Waste           | Other Enterprise Funds |                       | Internal Service Funds |
| Water Utility   | Wastewater Utility       |                      |                       |                        |                       |                        |
| <b>ASSETS</b>   |                          |                      |                       |                        |                       |                        |
| <b>Current assets:</b>  |                          |                      |                       |                        |                       |                        |
| Pooled cash and investments   | \$ 16,510,649            | \$ 12,721,622        | \$ 36,099             | \$ 14,443,723          | \$ 43,712,093         | \$ 1,971,623           |
| Accounts receivable, net  | 5,886,951                | 1,367,011            | 602,319               | 173,090                | 8,029,371             | -                      |
| Due from other funds  | -                        | -                    | -                     | 20,198                 | 20,198                | -                      |
| Prepaid expenses  | -                        | -                    | 591                   | 4,781                  | 5,372                 | 98,239                 |
| Inventory   | 332,765                  | -                    | -                     | -                      | 332,765               | -                      |
| <b>Restricted assets:</b>   |                          |                      |                       |                        |                       |                        |
| Customer deposits   | 4,137,808                | 498,025              | -                     | -                      | 4,635,833             | -                      |
| Revenue bond proceeds   | 51,562,935               | 11,233,617           | -                     | -                      | 62,796,552            | -                      |
| Total current assets  | <u>78,431,108</u>        | <u>25,820,275</u>    | <u>639,009</u>        | <u>14,641,792</u>      | <u>119,532,184</u>    | <u>2,069,862</u>       |
| <b>Non-current assets</b>   |                          |                      |                       |                        |                       |                        |
| Loans receivable  | -                        | 230,029              | -                     | -                      | 230,029               | -                      |
| Right-of-use asset  | -                        | -                    | -                     | -                      | -                     | 1,813                  |
| Capital assets, non-depreciable   | 54,954,726               | 7,859,547            | -                     | 1,442,362              | 64,256,635            | 452,166                |
| Capital assets - net of accumulated depreciation  | <u>92,216,577</u>        | <u>16,803,472</u>    | <u>541,539</u>        | <u>2,670,774</u>       | <u>112,232,362</u>    | <u>358,099</u>         |
| Total non-current assets  | <u>147,171,303</u>       | <u>24,893,048</u>    | <u>541,539</u>        | <u>4,113,136</u>       | <u>176,719,026</u>    | <u>812,078</u>         |
| Total assets  | <u>\$ 225,602,411</u>    | <u>\$ 50,713,323</u> | <u>\$ 1,180,548</u>   | <u>\$ 18,754,928</u>   | <u>\$ 296,251,210</u> | <u>\$ 2,881,940</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                          |                      |                       |                        |                       |                        |
| Pension   | \$ 2,505,754             | \$ 130,086           | \$ 608,887            | \$ 1,229,411           | \$ 4,474,138          | \$ 584,802             |
| Other post employment benefits  | 180,003                  | 22,500               | 45,001                | 112,501                | 360,005               | -                      |
| Total deferred outflows of resources  | <u>\$ 2,685,757</u>      | <u>\$ 152,586</u>    | <u>\$ 653,888</u>     | <u>\$ 1,341,912</u>    | <u>\$ 4,834,143</u>   | <u>\$ 584,802</u>      |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES   | <u>\$ 228,288,168</u>    | <u>\$ 50,865,909</u> | <u>\$ 1,834,436</u>   | <u>\$ 20,096,840</u>   | <u>\$ 301,085,353</u> | <u>\$ 3,466,742</u>    |
| <b>LIABILITIES</b>  |                          |                      |                       |                        |                       |                        |
| <b>Current liabilities:</b>   |                          |                      |                       |                        |                       |                        |
| Accounts payable and accrued liabilities  | \$ 10,376,141            | \$ 1,596,124         | \$ 2,200,134          | \$ 336,112             | \$ 14,508,511         | \$ 308,247             |
| Customer deposits   | 4,137,808                | 498,025              | -                     | -                      | 4,635,833             | -                      |
| Due to other funds  | -                        | -                    | 310,814               | -                      | 310,814               | -                      |
| <b>Current portions of:</b>   |                          |                      |                       |                        |                       |                        |
| Revenue bonds payable   | 4,090,000                | 507,850              | -                     | -                      | 4,597,850             | -                      |
| Notes payable   | 836,016                  | 418,217              | -                     | -                      | 1,254,233             | -                      |
| Capital lease payable   | 31,161                   | -                    | 2,015                 | 884                    | 34,060                | 1,631                  |
| Compensated absences  | 77,368                   | -                    | -                     | 24,443                 | 101,811               | 29,191                 |
| Total current liabilities   | <u>19,548,494</u>        | <u>3,020,216</u>     | <u>2,512,963</u>      | <u>361,439</u>         | <u>25,443,112</u>     | <u>339,069</u>         |
| <b>Non-current liabilities:</b>   |                          |                      |                       |                        |                       |                        |
| Revenue bonds payable   | 82,894,291               | 9,277,150            | -                     | -                      | 92,171,441            | -                      |
| Notes payable   | 10,740,060               | 4,600,837            | -                     | -                      | 15,340,897            | -                      |
| Net pension liability   | 2,285,576                | 535,429              | 2,416,975             | 2,122,568              | 7,360,548             | 2,608,380              |
| Compensated absences  | 319,216                  | -                    | 3,786                 | 101,594                | 424,596               | 78,308                 |
| Other post-employment benefits  | 395,038                  | 49,380               | 98,759                | 246,899                | 790,076               | -                      |
| Total non-current liabilities   | <u>96,634,181</u>        | <u>14,462,796</u>    | <u>2,519,520</u>      | <u>2,471,061</u>       | <u>116,087,558</u>    | <u>2,686,688</u>       |
| Total liabilities   | <u>\$ 116,182,675</u>    | <u>\$ 17,483,012</u> | <u>\$ 5,032,483</u>   | <u>\$ 2,832,500</u>    | <u>\$ 141,530,670</u> | <u>\$ 3,025,757</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                          |                      |                       |                        |                       |                        |
| Pension   | \$ 1,050,047             | \$ 117,265           | \$ 537,652            | \$ 738,472             | \$ 2,443,436          | \$ 495,577             |
| Other post employment benefits  | 227,703                  | 28,463               | 56,926                | 142,314                | 455,406               | -                      |
| Capital leases  | 31,515                   | -                    | -                     | -                      | 31,515                | -                      |
| Total deferred inflows of resources   | <u>\$ 1,309,265</u>      | <u>\$ 145,728</u>    | <u>\$ 594,578</u>     | <u>\$ 880,786</u>      | <u>\$ 2,930,357</u>   | <u>\$ 495,577</u>      |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES   | <u>\$ 117,491,940</u>    | <u>\$ 17,628,740</u> | <u>\$ 5,627,061</u>   | <u>\$ 3,713,286</u>    | <u>\$ 144,461,027</u> | <u>\$ 3,521,334</u>    |
| <b>NET POSITION</b>   |                          |                      |                       |                        |                       |                        |
| Net investment in capital assets  | \$ 100,142,710           | \$ 21,092,582        | \$ 539,524            | \$ 4,112,252           | \$ 125,887,068        | \$ 808,634             |
| <b>Restricted:</b>  |                          |                      |                       |                        |                       |                        |
| Capital improvements  | 21,002,813               | 2,037,444            | -                     | -                      | 23,040,257            | -                      |
| Unrestricted  | <u>(10,349,295)</u>      | <u>10,107,143</u>    | <u>(4,332,149)</u>    | <u>12,271,302</u>      | <u>7,697,001</u>      | <u>(866,670)</u>       |
| Total net position  | <u>\$ 110,796,228</u>    | <u>\$ 33,237,169</u> | <u>\$ (3,792,625)</u> | <u>\$ 16,383,554</u>   | <u>\$ 156,624,326</u> | <u>\$ (54,592)</u>     |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                      |                       |                        | <u>924,560</u>        |                        |
| Net position of business-type activities  |                          |                      |                       |                        | <u>\$ 157,548,886</u> |                        |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Business-type Activities |                |                |                              |               | Governmental<br>Activities |
|---|--------------------------|----------------|----------------|------------------------------|---------------|----------------------------|
|   | Enterprise Funds         |                |                |                              |               |                            |
|   | Major Funds              |                |                | Other<br>Enterprise<br>Funds | Total         |                            |
| Water<br>Utility  | Wastewater<br>Utility    | Solid<br>Waste |                |                              |               |                            |
| Operating revenues:   |                          |                |                |                              |               |                            |
| Service revenues  | \$ 39,548,253            | \$ 11,108,363  | \$ 11,747,564  | \$ 5,653,391                 | \$ 68,057,571 | \$ 5,532,587               |
| Total operating revenues  | 39,548,253               | 11,108,363     | 11,747,564     | 5,653,391                    | 68,057,571    | 5,532,587                  |
| Operating expenses:   |                          |                |                |                              |               |                            |
| Personnel services  | 6,276,078                | 945,139        | 497,276        | 1,515,433                    | 9,233,926     | 3,767,934                  |
| Other operating costs   | 11,593,296               | 5,241,320      | 10,510,298     | 573,881                      | 27,918,795    | 3,052,946                  |
| Depreciation  | 5,938,891                | 952,426        | 108,722        | 217,494                      | 7,217,533     | 134,914                    |
| Total operating expenses  | 23,808,265               | 7,138,885      | 11,116,296     | 2,306,808                    | 44,370,254    | 6,955,794                  |
| Operating revenue (loss)  | 15,739,988               | 3,969,478      | 631,268        | 3,346,583                    | 23,687,317    | (1,423,207)                |
| Non-operating revenue (expense):  |                          |                |                |                              |               |                            |
| Impact fees   | 2,262,320                | 15,376         | -              | -                            | 2,277,696     | -                          |
| Investment income (losses)  | (242,981)                | (320,684)      | 469            | (513,369)                    | (1,076,565)   | -                          |
| Miscellaneous income  | 223,673                  | 9,475          | 579            | 337,855                      | 571,582       | 403                        |
| Interest and other fiscal charges   | (2,842,994)              | (399,679)      | (36)           | (5)                          | (3,242,714)   | (18)                       |
| Total non-operating revenue (loss)  | (599,982)                | (695,512)      | 1,012          | (175,519)                    | (1,470,001)   | 385                        |
| Income (loss) before transfers  | 15,140,006               | 3,273,966      | 632,280        | 3,171,064                    | 22,217,316    | (1,422,822)                |
| Transfers out   | (4,331,240)              | (1,085,714)    | (1,572,227)    | (569,834)                    | (7,559,015)   | (10,671)                   |
| Change in net position  | 10,808,766               | 2,563,252      | 234,674        | 2,601,230                    | 16,207,922    | (1,433,493)                |
| Net position beginning  | 99,987,462               | 30,673,917     | (4,027,299)    | 13,782,324                   |               | 1,378,901                  |
| Net position, ending  | \$ 110,796,228           | \$ 33,237,169  | \$ (3,792,625) | \$ 16,383,554                |               | \$ (54,592)                |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                |                |                              | (194,624)     |                            |
| Net position of business-type activities  |                          |                |                |                              | \$ 16,013,298 |                            |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Business-type Activities |                     |                   |                              |                              | Governmental<br>Activities |
|---|--------------------------|---------------------|-------------------|------------------------------|------------------------------|----------------------------|
|   | Enterprise Funds         |                     |                   |                              |                              |                            |
|   | Major Funds              |                     |                   | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |                            |
| Water<br>Utility  | Wastewater<br>Utility    | Solid<br>Waste      |                   |                              |                              |                            |
| <b>Cash flows from operating activities:</b>  |                          |                     |                   |                              |                              |                            |
| Cash received from customers  | \$ 39,556,715            | \$ 11,214,567       | \$ 12,632,130     | \$ 5,967,742                 | \$ 69,371,154                | \$ -                       |
| Cash received from other funds  | -                        | -                   | (2,328,762)       | -                            | (2,328,762)                  | 5,532,990                  |
| Cash payments to internal service funds   | -                        | -                   | (19,866)          | (178,791)                    | (198,657)                    | -                          |
| Cash payments to suppliers  | (9,789,662)              | (4,769,050)         | (9,339,513)       | (633,927)                    | (24,532,152)                 | (3,124,028)                |
| Cash payments to employees  | (6,847,399)              | (586,635)           | (564,316)         | (2,023,652)                  | (10,022,002)                 | (2,751,314)                |
| Net cash provided by (used in) operating activities   | <u>22,919,654</u>        | <u>5,858,882</u>    | <u>379,673</u>    | <u>3,131,372</u>             | <u>32,289,581</u>            | <u>(342,352)</u>           |
| <b>Cash flows used in noncapital financing activities:</b>  |                          |                     |                   |                              |                              |                            |
| Transfers from other funds  | -                        | 375,000             | 1,174,621         | -                            | 1,549,621                    | -                          |
| Transfers to other funds  | (4,331,240)              | (1,085,714)         | (1,572,227)       | (569,834)                    | (7,559,015)                  | (10,671)                   |
| Net cash used in noncapital financing activities:   | <u>(4,331,240)</u>       | <u>(710,714)</u>    | <u>(397,606)</u>  | <u>(569,834)</u>             | <u>(6,009,394)</u>           | <u>(10,671)</u>            |
| <b>Cash flows from capital and related financing activities:</b>                                      |                          |                     |                   |                              |                              |                            |
| Acquisition and construction of capital assets  | (8,305,180)              | (3,115,436)         | -                 | (126,795)                    | (11,547,411)                 | (82,001)                   |
| Impact fees   | 2,262,320                | 15,376              | -                 | -                            | 2,277,696                    | -                          |
| Capital lease acquisition   | 31,515                   | -                   | -                 | -                            | 31,515                       | -                          |
| Principal paid on long-term debt  | (5,151,885)              | (1,024,966)         | (1,507)           | (2,650)                      | (6,181,008)                  | (3,911)                    |
| Interest paid on long-term debt   | (2,842,994)              | (399,679)           | (36)              | (5)                          | (3,242,714)                  | (18)                       |
| Net cash used in capital and related financing activities   | <u>(14,006,224)</u>      | <u>(4,524,705)</u>  | <u>(1,543)</u>    | <u>(129,450)</u>             | <u>(18,661,922)</u>          | <u>(85,930)</u>            |
| <b>Cash flows from investing activities:</b>  |                          |                     |                   |                              |                              |                            |
| Investment income   | (242,981)                | (320,684)           | 469               | (513,369)                    | (1,076,565)                  | -                          |
| Net cash provided by (used in) investing activities   | <u>(242,981)</u>         | <u>(320,684)</u>    | <u>469</u>        | <u>(513,369)</u>             | <u>(1,076,565)</u>           | <u>-</u>                   |
| Net increase (decrease) in pooled cash and investments  | 4,339,209                | 302,779             | (19,007)          | 1,918,719                    | 6,541,700                    | (438,953)                  |
| Pooled cash and investments, beginning  | <u>67,872,183</u>        | <u>24,150,485</u>   | <u>55,106</u>     | <u>12,525,004</u>            | <u>104,602,778</u>           | <u>2,410,576</u>           |
| Pooled cash and investments, ending   | <u>72,211,392</u>        | <u>24,453,264</u>   | <u>36,099</u>     | <u>14,443,723</u>            | <u>111,144,478</u>           | <u>1,971,623</u>           |
| <b>Reconciliation of operating income to net cash provided<br/>by (used in) operating activities:</b> |                          |                     |                   |                              |                              |                            |
| Operating revenue (loss)  | 15,739,988               | 3,969,478           | 631,268           | 3,346,583                    | 23,687,317                   | (1,423,207)                |
| <b>Adjustments to reconcile operating income to net cash<br/>provided by operating activities:</b>    |                          |                     |                   |                              |                              |                            |
| Depreciation  | 5,938,891                | 952,426             | 108,722           | 217,494                      | 7,217,533                    | 134,914                    |
| Other income  | 223,673                  | 9,475               | 579               | 337,855                      | 571,582                      | 403                        |
| <b>(Increase) decrease in assets:</b>   |                          |                     |                   |                              |                              |                            |
| Accounts receivable   | (253,924)                | 82,529              | 905,624           | (3,306)                      | 730,923                      | -                          |
| Due from other funds  | -                        | -                   | -                 | (20,198)                     | (20,198)                     | -                          |
| Inventories   | (108,969)                | -                   | -                 | -                            | (108,969)                    | -                          |
| Prepaid costs   | 142,469                  | -                   | 592               | 1,576                        | 144,637                      | 34,736                     |
| Deferred outflows of pension resources  | 17,670                   | (5,210)             | (21,298)          | 191,650                      | 182,812                      | 388,847                    |
| Deferred outflows of OPEB resources   | (1,905,680)              | (31,225)            | 279,855           | 172,099                      | (1,484,951)                  | -                          |
| <b>Increase (decrease) in liabilities:</b>  |                          |                     |                   |                              |                              |                            |
| Vouchers payable and accrued liabilities  | 1,882,116                | 472,270             | 1,092,633         | (224,913)                    | 3,222,106                    | (77,787)                   |
| Customer deposits   | 38,713                   | 14,200              | (21,637)          | -                            | 31,276                       | -                          |
| Due to other funds  | -                        | -                   | (2,328,762)       | -                            | (2,328,762)                  | -                          |
| Pension and OPEB liabilities  | 1,204,707                | 394,939             | (267,903)         | (887,468)                    | 444,275                      | 599,742                    |
| Total adjustments   | <u>7,179,666</u>         | <u>1,889,404</u>    | <u>(251,595)</u>  | <u>(215,211)</u>             | <u>8,602,264</u>             | <u>1,080,855</u>           |
| Net cash provided by (used in) operating activities   | <u>\$ 22,919,654</u>     | <u>\$ 5,858,882</u> | <u>\$ 379,673</u> | <u>\$ 3,131,372</u>          | <u>\$ 32,289,581</u>         | <u>\$ (342,352)</u>        |
| <b>Non-cash investing, capital and financing activities:</b>  |                          |                     |                   |                              |                              |                            |
| Leasing   | 308,252                  | -                   | 3,522             | -                            | 311,774                      | 5,542                      |
| Decrease in fair value of investments   | \$ (736,162)             | \$ (504,947)        | \$ -              | \$ (627,327)                 | \$ (1,868,436)               | \$ -                       |

See notes to basic financial statements

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2022**

|  | Trust<br>Funds | Police Holding<br>Account<br>Custodial Fund |
|--|----------------|---|
| <u>ASSETS</u>                            |                |   |
| Cash                                     | \$ 47,493      | \$ 649,666                                  |
| Investments:                             |                |   |
| Equity securities                        | 137,188,364    | -   |
| Money market funds                       | 30,580,384     | -   |
| Government securities                    | 37,261,746     | -   |
| Corporate bonds                          | 10,395,627     | -   |
| Real estate                              | 16,674,525     | -   |
| Mutual funds                             | 2,240,028      | -   |
| Hedge funds                              | 296,740        | -   |
| Total Investments                        | 234,637,414    | -   |
| Accrued interest receivable              | 223,141        | -   |
| Other receivables                        | 956,365        | -   |
| Total assets                             | \$ 235,864,413 | \$ 649,666                                  |
| <u>LIABILITIES</u>                       |                |   |
| Accounts payable and accrued liabilities | \$ 2,108,725   | \$ -  |
| Deposits awaiting adjudication           | -              | 649,666                                     |
| Total liabilities                        | \$ 2,108,725   | \$ 649,666                                  |
| <u>NET POSITION</u>                      |                |   |
| Net position restricted for pensions     | 229,210,305    | -   |
| Net position restricted for OPEB         | 4,545,383      | -   |
| Total net position                       | \$ 233,755,688 | \$ -  |

See notes to basic financial statements

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Trust<br>Funds        | Police Holding<br>Account<br>Custodial Fund |
|---|-----------------------|---|
| <u>ADDITIONS</u>                                |                       |   |
| Contributions:                                  |                       |   |
| Employer  | \$ 10,433,707         | \$ -  |
| Employee  | 1,600,279             | -   |
| State of Florida                                | 683,706               | -   |
| Seizures  | -                     | <u>248,970</u>                              |
| Total contributions                             | <u>12,717,692</u>     | <u>248,970</u>                              |
| Investment income (expense):                    |                       |   |
| Net appreciation in fair value of investments   | 27,077,538            | -   |
| Interest and dividends                          | 3,552,886             | -   |
| Investment expenses                             | <u>(1,068,864)</u>    | <u>-</u>                                    |
|   | 29,561,560            | -   |
| Other income                                    | <u>38,037</u>         | <u>-</u>                                    |
| Net investment income                           | <u>29,599,597</u>     | <u>-</u>                                    |
| Total additions                                 | <u>42,317,289</u>     | <u>248,970</u>                              |
| <u>DEDUCTIONS</u>                               |                       |   |
| Pension benefit payments                        | 22,719,924            | -   |
| Administrative expenses                         | 534,871               | -   |
| Police holding distributions                    | -                     | <u>417,442</u>                              |
| Total deductions                                | <u>23,254,795</u>     | <u>417,442</u>                              |
| Change in net position                          | 19,062,494            | (168,472)                                   |
| Net position restricted for pensions, beginning | <u>214,693,194</u>    | <u>168,472</u>                              |
| Net position restricted for pensions, ending    | <u>\$ 233,755,688</u> | <u>\$ -</u>                                 |

See notes to basic financial statements

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

The City of North Miami Beach (the City) was incorporated in 1926. The City operates under a Commission-Manager form of government. In addition to general government services including police, library, parks and recreation, code compliance and public works provided to its residents, the City operates water, sewer, stormwater and solid waste utilities, provides building permitting and inspection services and maintains various trust, agency, and custodial funds in a fiduciary capacity. The City does not provide educational, fire or hospital facilities. Those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

***Financial Reporting Entity***

The financial statements were prepared in accordance with Governmental Accounting Standards. Those standards establish definitions for reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

The North Miami Beach Community Redevelopment Agency (the CRA) was created by the Mayor and City Commission on December 21, 2004 by adoption of Resolution R2004-86 accepting a delegation of powers from the Miami-Dade Board of County Commissioners and declaring the Mayor and City Commission to be the Agency in accordance with Section 163.357 of the Florida Statutes under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. Miami-Dade County retains the final authority to approve the annual CRA budget, redevelopment plan and amendments, and the issuance of long-term debt. The purpose of the CRA is the elimination and prevention of blight conditions within the designated community redevelopment area. Since the CRA area is entirely within City limits, CRA activities benefit the City almost exclusively. The City Commission acts as the CRA's Board of Directors, the Mayor is the Chairman and the City Manager is the Executive Director. The governance structure allows the City to exert significant influence over the activities of the CRA. Considering these parameters, the CRA meets the criteria of a blended component unit and has been included as an integral part of the attached financial statements as a special revenue fund of the City of North Miami Beach. Additional information on the CRA can be found in Note 15 to the financial statements.

***Government-wide and Fund Financial Statements***

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The basic financial statements consist of the government-wide and fund financial statements. Each set of statements distinguish between the governmental and business-type activities of the City. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the non-fiduciary activities of the primary government and its component units. The statement of net position reports financial and capital resources of the City's governmental and business-type activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services provided. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The primary exception is charges between the City's various utility functions and administrative functions of the City.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

**Government-wide and Fund Financial Statements**

Elimination of these charges would distort the costs reported for the business-type activities and incurred by the administrative departments.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major funds are aggregated and reported as other governmental or other enterprise funds.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds are fiduciary funds that are also reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements**

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

Certain taxes, and franchise fees are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Revenue for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for separately.
- The *Community Redevelopment Agency* is used to account for the operations of the North Miami Beach Community Redevelopment Agency (CRA) as a blended component unit. The agency is funded by tax increment financing from the City and Miami-Dade County.

The *ARPA Fund* is used to account for restricted revenues and expenditures for capital projects associated with funds received from American Recovery Plan Act.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** (continued)

**Fund Financial Statements** (continued)

The City reports the following major proprietary funds:

- The *Water Utility System Fund* accounts for the activities of providing water treatment and distribution service to the utility's customers.
- The *Wastewater Utility System Fund* accounts for the operation of the sewage pumping stations and collection systems to customers both inside and outside the City's boundaries.
- The *Solid Waste Fund* accounts for providing sanitation services within the City.

Additionally, the City reports the following fund types:

Internal Service Funds – The *Information Technology Fund* is classified as a governmental activity because it provides City-wide services on a cost reimbursement basis. The *Customer Service Fund* provides services specifically for the Enterprise Funds and is therefore included with the Business-type activities for reporting purposes.

Fiduciary Funds – The City acts in a fiduciary capacity with regard to the *Pension Trust Funds, OPEB Trust Fund and Police Holding Account Custodial Fund* which is used to segregate, and hold seized assets until adjudication orders are received and distribution is determined by the courts.

**Assets, Deferred outflows of resources, Liabilities and Deferred inflows of resources**

**1. Pooled Cash and Investments**

Resources of all funds, with the exception of the fiduciary funds and certain other investment accounts, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based upon equity balances of the participating funds. Cash and cash equivalents include pooled cash and investments and are defined as short-term, highly liquid investments with original maturities of three months or less. Restricted assets include resources subject to externally imposed restrictions such as creditors, grantors, laws and regulations. Assets are restricted for customer deposits and funds provided by debt issuance to finance the cost of capital equipment and improvement projects.

Surplus funds are invested in accordance with the provisions of the City's adopted investment policy. City investments are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are based on quoted prices in active markets for identical assets; Level 2 inputs are based on significant other observable inputs; Level 3 inputs are based on unobservable inputs. As of September 30, 2022, all of the City's, OPEB Trust Fund's and General Management Employee Pension Plan's government securities and corporate bonds have fair value measurements using level 2 valuation inputs using pricing models maximizing the use of observable inputs for similar securities. There are no assets valued using non-recurring fair value measurements.

**2. Receivables and Payables**

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

**3. Inventories and Prepaid Items**

Inventories are stated at average cost on a specific identification basis and are recorded as an asset when purchased and as an expense when consumed (consumption method). Prepaid costs are payments that are applicable to future accounting periods and are recorded as an asset when purchased and as an expense when consumed (consumption method) in both government-wide and fund financial statements.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

**Assets and Liabilities** (continued)

**4. Capital Assets**

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks) are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 for tangible capital assets, \$30,000 for software, and \$75,000 for easements, and an estimated useful life in excess of one year.

Outlays for capital assets and improvements, including design, engineering, installation and similar costs are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

| Asset  | Years |
|--|-------|
| Buildings and utility plant                  | 30-50 |
| Improvements other than buildings            | 20    |
| Furniture, fixtures, machinery and equipment | 5-10  |
| Infrastructure                               | 30    |

**5. Revenue Received in Advance, Deferred Inflows and Deferred Outflows of Resources**

Grants received in advance are recorded as a liability in the Statement of Net Position and the Governmental Funds Balance Sheet until the eligibility criteria required to recognize the revenue has been completed. Business tax receipts collected in advance, and deferred pension and OPEB income represent acquisition of net position that applies to future periods and are recorded as deferred inflows of resources. Deferred pension and OPEB expense represent the consumption of net assets applicable to future periods and is recorded as deferred outflows of resources. Because of their long-term attributes, deferred pension inflows and outflows are not included in the governmental fund financial statements.

**6. Compensated Absences**

It is the City's policy to permit full-time employees to accumulate limited amounts of earned vacation and sick leave. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The fund in which the employee's payroll expense has been recorded is used to liquidate such amounts. Typically, the General Fund, Transit Surtax Fund and the Community Redevelopment Agency are used for liquidation of the liability in the governmental funds.

**7. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies** (continued)

**Assets and Liabilities** (continued)

**8. Pensions**

Net pension liability, deferred outflows and inflows of resources, pension expense, fiduciary net position and changes to fiduciary net position have been determined and reported on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Liability liquidation occurs in the CRA, Transit Surtax and General Fund.

**Fund Equity**

The City reports the following fund equity classifications:

*Nonspendable fund balance.* Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form—such as inventory or prepaid amounts or (b) legally or contractually required to be maintained intact—such as a perpetual trust.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. For example, governmental and proprietary funds collect impact fees as imposed under local ordinances 2005-16, 2005-17 and 2006-20. The intent of these ordinances is to assist in the implementation of the City's state-required comprehensive plan and to assure that new development bears a proportionate share of the cost of capital expenditures necessary to provide improvements to infrastructure.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Commission (which are both equal and the government's highest level of decision-making authority). Committed amounts cannot be used for any other purpose unless the City Commission removes the specified use by taking the same type of action (resolution or ordinance) imposing the commitment. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* reflects the amounts constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Commission and City Manager have the authority to assign amounts to be used for specific purposes at will.

*Unassigned fund balance* is the residual classification for the General Fund. It is the City's policy to maintain an amount equal to at least ten percent of total budgeted revenues of the General Fund as originally adopted as unassigned fund balance. This fund balance classification is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources, committed, assigned, and unassigned, in order as needed.

**Property Taxes**

Under Florida law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. Property taxes (ad valorem taxes) are assessed on January 1 (the lien date) and are billed and payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 and accrue interest charges from April 1 until June 1, when tax certificates are sold at auction.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$10 (10 mills) per \$1,000 of assessed valuation for governmental operations. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The millage rate to finance general governmental services for the year ended September 30, 2022, was 6.2000 mills per \$1,000 of assessed valuation; the millage rate for bonded debt service was 0.5740 mills.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 2 – Change in Accounting Principle and Restatement**

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements and had no effect on the beginning net position to the City. The City recognized \$396,663 in net book value for the intangible right to use and a lease liability of \$396,663 for equipment and infrastructure leases. The City recognized \$63,255 in lease receivable at October 1, 2021, due to the implementation of GASB No. 87; however, this entire amount was offset by deferred inflows of resources for leases.

**Note 3 – Stewardship, Compliance and Accountability**

The City's contractual agreement with Waste Management officially ended on December 1, 2020. Due to unforeseen circumstances, the City entered into an extended month-to-month service agreement with them. For the first three (3) months, the Residential and Commercial billing monthly costs increased by 75%. An additional increase of 5% per month was imposed for the remaining seven (7) months of the 2021 fiscal year. As a result of the added costs, the City's Solid Waste Fund for FY2022 showed a deficit of 3.8 million.

In order to recoup and provide additional revenue, the city imposed a rate increase in May 2021 of 25% for Residential and approximately 140% for Commercial customers.

For FY2022, the City received ARPA funds and will allocate \$1.175 million to offset some of the deficit. In addition, Solid Waste fees for multi-family and commercial customers will be increased by 10% over the next 7 years and franchise fees will be increased by a nominal amount.

**Note 4 – Deposits and Investments**

GASB Statement No. 40 *Deposit and Investment Risk Disclosure* (GASB Statement No. 40) is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meets its obligations as they become due. GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires that deposit and investment policies related to the risks be disclosed, as applicable.

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

The State Board of Administration (SBA) administers the Florida PRIME Fund which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant NAV of \$1 per share. The Florida PRIME is a Local Governmental Investment Pool (LGIP), and therefore considered an external investment pool for GASB reporting purposes.

The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 4 – Deposits and Investments** (continued)

The investment policies of the Retirement Plans for the General Employees and for Police Officers and Firefighters have been adopted by their respective Boards of Trustees. The policies have been designed to maximize Plan asset values while assuming risk levels that are consistent with the respective Board's risk tolerance and diversifying risk across various asset classes including bonds, debentures and other corporate obligations, equity securities and domestic real estate.

The OPEB Trust and the Retirement Plan and Trust for General Management Employees are invested in the Florida Municipal Investment Trust (FMIvT). The FMIvT operates as a fiduciary trust fund under governmental accounting rules that require preparation of financial statements. The FMIvT is a Local Governmental Investment Pool (LGIP), and therefore considered an external investment pool for GASB reporting purposes. The Board of Trustees is designated as having oversight authority and official custody of the funds, which are invested by the purchase of shares of beneficial interest in the trust, not the individual securities held by the trust. The fair value of the positions in the FMIvT is equal to the value of the portfolio shares. The investments in the FMIvT are not insured by FDIC or any other governmental agency.

Deposit and investment balances as of September 30, 2022 are as follows:

| <u>Investment Type</u>                           | <u>Credit Quality Rating</u> | <u>Fair Value</u>     |
|--|------------------------------|-----------------------|
| <b>Governmental and business-type activities</b> |                              |                       |
| Bank deposits and cash on hand                   | Not rated                    | \$ 41,677,595         |
| SBA Florida Prime                                | AAAm                         | 5,457,742             |
| FMIvT Broad Market High Quality Bond Fund        | AAAf/S2                      | 50,980                |
| Money market funds                               | Not rated                    | 274,222               |
| Certificates of deposit                          | Not rated                    | -                     |
| US agencies                                      | AAA/AA+                      | 48,914,769            |
| Corporate bonds                                  | Aaa/AAA                      | 12,945,290            |
| Municipal bonds                                  | Aaa/AAA                      | 5,386,456             |
| Commercial paper                                 | A1/P1                        | 66,115,866            |
| Total governmental and business-type investments |                              | <u>\$ 180,822,920</u> |

|   |        |                      |
|---|--------|----------------------|
| <b>Retirement Plan and Trust for General Management Employees</b> |        |                      |
| FMIvT Broad Market High Quality Bond Fund                         | AAf/S4 | <u>\$ 19,315,757</u> |

|   |        |                     |
|---|--------|---------------------|
| <b>OPEB Trust</b>                         |        |                     |
| FMIvT Broad Market High Quality Bond Fund | AAf/S4 | <u>\$ 4,545,383</u> |

| <u>Investment Type</u>                       | <u>Credit Quality Rating</u> | <u>Fair Value</u>    |
|--|------------------------------|----------------------|
| <b>Retirement Plan for General Employees</b> |                              |                      |
|  | Aaa                          | \$ 12,242,790        |
|  | Aa2                          | 199                  |
|  | A2                           | 3,784                |
|  | A3                           | 535,691              |
|  | Baa1                         | 1,671,262            |
|  | Baa2                         | 316,078              |
|  | Ba2                          | 378,219              |
|  | B2                           | 545,121              |
|  | Ccc                          | 103,567              |
|  | Not rated                    | 1,980,760            |
| Total debt securities                        |                              | <u>\$ 17,777,471</u> |

|   |           |                      |
|---|-----------|----------------------|
| <b>Retirement Plan for Police Officers and Firefighters</b> |           |                      |
|   | Aaa       | \$ 20,071,924        |
|   | A3        | 1,362,047            |
|   | Baa1      | 3,127,038            |
|   | Not rated | 2,245,469            |
| Total debt securities                                       |           | <u>\$ 26,806,478</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 4 – Deposits and Investments** (continued)

**Risk Disclosures**

**Credit Risk** is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. A credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations. The City's, the OPEB Trust's and the Retirement Plan and Trust for General Management Employees' investment policy limits the quality and quantity of investments and requires pre-qualification of the financial institutions, broker/dealers, intermediaries, and advisors with which the City conducts investment transactions. These policy requirements are intended to mitigate the effects of credit risk.

**Custodial Credit Risk** is the risk that, in the event of the failure of the counterparty, the City or Pension Trust Plans will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the investment policies of the City, the Retirement Plans for General Employees and for Police Officers and Firefighters, the investments are held by each entity's custodial bank and registered in each entity's name.

**Foreign Currency Risk** is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than U.S. dollars and the carrying value of foreign investments. The City, the OPEB Trust nor the Retirement Plan and Trust for General Management Employees invests in securities denominated in foreign currencies. The value of investments of the Retirement Plan for General Employees subject to foreign currency risk at September 30, 2022 is approximately 9.2% of total investments. The Plan's investment policy limit is 25% of any manager's total Plan portfolio. The value of investments of the Retirement Plan for Police Officers and Firefighters subject to foreign currency risk at September 30, 2022 is approximately 17.4% of total investments. The Plan's investment policy limit is 25% of any manager's total Plan portfolio.

**Concentration Credit Risk** - The City's investment policy and the investment policies of the Retirement Plans for the General Employees and for Police Officers and Firefighters have limitations on the amount that can be invested in any one issuer other than the U.S. Government and its agencies. Neither the City nor either Retirement Plan held investments of any one issuer of more than 5% of Fiduciary Net Position as of September 30, 2022. The following were the Boards' adopted asset allocation policies as of September 30, 2022:

| <u>Retirement Plan</u>    | <u>Asset Class</u>     | <u>Target Allocation</u> |
|---------------------------|------------------------|--------------------------|
| General Employees         | Domestic equities      | 20% to 80%               |
|                           | International equities | 0% to 25%                |
|                           | Fixed income           | 15% to 50%               |
|                           | Infrastructure         | 0% to 10%                |
|                           | Hedge funds            | 0% to 10%                |
|                           | Real estate            | 0% to 12.5%              |
|                           | Cash and equivalents   | Minimal                  |
| Police and Firefighters   | Domestic equities      | 20% to 75%               |
|                           | International equities | 5% to 25%                |
|                           | Fixed income           | 20% to 50%               |
|                           | Hedge funds            | 0% to 10.0%              |
|                           | Real estate            | 0% to 10.0%              |
|                           | Cash and equivalents   | Minimal                  |
| General Management & OPEB | Core bonds             | 30%                      |
|                           | Domestic equities      | 39%                      |
|                           | Non-US equity          | 21%                      |
|                           | Real estate            | 10%                      |
| FRS                       | Cash equivalents       | 1.0%                     |
|                           | Fixed income           | 20.0%                    |
|                           | Global equity          | 54.2%                    |
|                           | Real estate            | 10.3%                    |
|                           | Private equity         | 10.8%                    |
|                           | Strategic investments  | 3.7%                     |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 4 – Deposits and Investments** (continued)

**Risk Disclosures** (continued)

**Concentration Credit Risk** (continued)

**Interest Rate Risk** is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Interest rate risk disclosures are required for all debt instruments as well as investments in mutual funds, external investment pools and other pooled investments that do not meet the definition of a "2a-7 like" pool.

The City's investment policy is structured to mitigate the effects of interest rate risk by placing limits on the maturity and duration of specific investment vehicles. The objective is to structure the portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities on the open market prior to maturity. The City has approximately 7.2% of its portfolio invested in securities that are at risk due to the portfolio's exposure to fair value losses arising from increasing interest rates. At September 30, 2022 the City's investments had the following distribution of maturities:

| Investment Type  | Fair Value            | Investment Maturities (in years) |                      |             |              |
|------------------|-----------------------|----------------------------------|----------------------|-------------|--------------|
|                  |                       | Less than 1                      | 1 to 5               | 6 to 10     | More than 10 |
| US agencies      | \$ 48,914,769         | \$ 25,159,747                    | \$ 23,755,022        | \$ -        | \$ -         |
| Corporate bonds  | 12,945,290            | 11,476,160                       | 1,469,130            | -           | -            |
| Commercial paper | 66,115,866            | 66,115,866                       | -                    | -           | -            |
| FMLvT            | 50,980                | -                                | 50,980               | -           | -            |
| Municipal bonds  | 5,386,456             | 4,216,129                        | 1,170,327            | -           | -            |
| <b>Total</b>     | <b>\$ 133,413,361</b> | <b>\$ 106,967,902</b>            | <b>\$ 26,445,459</b> | <b>\$ -</b> | <b>\$ -</b>  |

The OPEB Trust Fund's and the General Management Employees Pension Plan's investments are all mutual funds which do not meet the definition of a 2a-7 like pool. The Plans use the weighted average maturity method (WAM) for the FMLvT Broad Market High Quality Bond Fund which results in a modified duration of 5.46 years and a weighted average maturity of 6.70 years.

The investment policy for the Retirement Plan for General Employees does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments in government securities and corporate bonds totaled 20.0% of the portfolio and had the following distribution of maturities at September 30, 2022:

| Investment Type          | Fair Value           | Investment Maturities (in years) |                     |                     |                     |
|--------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------|
|                          |                      | Less than 1                      | 1 to 5              | 6 to 10             | More than 10        |
| Corporate bonds          | \$ 2,206,952         | \$ -                             | \$ -                | \$ 2,206,952        | \$ -                |
| Fixed income mutual fund | 1,991,673            | 473,421                          | 714,413             | 342,169             | 461,670             |
| US agencies              | 1,377,483            | -                                | -                   | -                   | 1,377,483           |
| US treasuries            | 12,201,363           | -                                | 7,952,550           | 3,367,579           | 881,234             |
| <b>Total</b>             | <b>\$ 17,777,471</b> | <b>\$ 473,421</b>                | <b>\$ 8,666,963</b> | <b>\$ 5,916,700</b> | <b>\$ 2,720,387</b> |

The investment policy for the Retirement Plan for Police Officers and Firefighters does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments in government securities and corporate bonds totaled 28.1% of the portfolio and had the following distribution of maturities at September 30, 2022:

| Investment Type | Fair Value           | Investment Maturities (in years) |                      |                      |                     |
|-----------------|----------------------|----------------------------------|----------------------|----------------------|---------------------|
|                 |                      | Less than 1                      | 1 to 5               | 6 to 10              | More than 10        |
| US treasuries   | \$ 20,071,924        | \$ -                             | \$ 11,872,749        | \$ 8,199,175         | \$ -                |
| US agencies     | 2,245,469            | -                                | -                    | -                    | 2,245,469           |
| Corporate bonds | 4,489,085            | -                                | 632,582              | 3,856,503            | -                   |
| <b>Total</b>    | <b>\$ 26,806,478</b> | <b>\$ -</b>                      | <b>\$ 12,505,331</b> | <b>\$ 12,055,678</b> | <b>\$ 2,245,469</b> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 5 – Receivables**

**Accounts Receivable**

Accounts receivable at September 30, 2022 for the City's individual major funds and non-major funds in the aggregate, are as follows:

|                                   | Non-major                  |                          |                            |                            | Non-major                |                          | Total                       |
|-----------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|--------------------------|-----------------------------|
|                                   | General                    | Governmental             | Water                      | Sewer                      | Solid Waste              | Enterprise               |                             |
| <b>Account Receivable</b>         |                            |                          |                            |                            |                          |                          |                             |
| Billed                            | \$ 2,766,971               | \$ -                     | 11,940,817                 | \$ 2,718,422               | \$ 1,822,176             | 355,110                  | \$ 19,603,496               |
| Taxes                             | 1,753,980                  | -                        | -                          | -                          | -                        | -                        | 1,753,980                   |
| Franchise fees                    | 734,319                    | -                        | -                          | -                          | -                        | -                        | 734,319                     |
| Intergovernmental                 | -                          | 453,910                  | 13,690                     | -                          | -                        | -                        | 467,600                     |
| Grants                            | -                          | 262,156                  | -                          | -                          | -                        | -                        | 262,156                     |
| Other                             | <u>1,637,842</u>           | -                        | <u>62,414</u>              | <u>93,526</u>              | -                        | <u>115</u>               | <u>1,793,897</u>            |
| Gross receivables                 | 6,893,112                  | 716,066                  | 12,016,921                 | 2,811,948                  | 1,822,176                | 355,225                  | 24,615,448                  |
| Less allowance for uncollectibles | <u>1,041,256</u>           | -                        | <u>6,129,970</u>           | <u>1,444,937</u>           | <u>1,219,857</u>         | <u>182,135</u>           | <u>10,018,155</u>           |
| <b>Total accounts receivable</b>  | <b><u>\$ 5,851,856</u></b> | <b><u>\$ 716,066</u></b> | <b><u>\$ 5,886,951</u></b> | <b><u>\$ 1,367,011</u></b> | <b><u>\$ 602,319</u></b> | <b><u>\$ 173,090</u></b> | <b><u>\$ 14,597,293</u></b> |

Receivables at September 30, 2022, consist primarily of billed and unbilled charges for services in the enterprise funds. The governmental funds' receivables consist of grants, taxes and intergovernmental receivables mostly due from the state and county pursuant to shared revenue agreements; franchise fees and utility taxes paid in arrears. Other receivables include business tax receipts and fees charged to other municipalities for utility bill processing and collection.

**Notes Receivable**

The sewer utility reports a long-term loan receivable totaling \$230,029 in association with the State Revolving Loan program for the Highland Village Sewer Connection Project whereby the City has paid for sewer connections to certain properties within Highland Village and the participants will repay the cost over time.

**Lessor Receivable**

The City as lessor has entered into one non-cancelable lease agreements for the use of City buildings and land. The initial lease receivable, deferred inflow of resources and lease are as of the GASB 87 implementation date, October 1, 2021. The lease had an initial term of 3 years and contained a renewal option of two (2) extensions, each for 60 months. The lease has an interest rate of 0.3280%. The deferred inflow of resources is amortized straight line over the lease term. The lessees are required to make monthly fixed payments of \$2,645. The City recognized lease revenue of \$38,619 during 2022, comprised of \$38,740 in lease receivable payments and \$121 in interest income.

The future annual lease receipts are as follows:

| Year ending          | Principal | Interest | Total     |
|----------------------|-----------|----------|-----------|
| <u>September 30,</u> |           |          |           |
| 2023                 | \$ 31,636 | \$ 104   | \$ 31,740 |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 6 – Restricted Assets**

Restricted assets are cash and investments held by the City that are likely to require repayment. These resources are classified as restricted cash with offsetting liabilities on the balance sheet. Revenue bond proceeds are required to be expended for the capital improvement projects for which the bonds were issued. Customer deposits are collected in the water, sewer, and solid waste funds and are repaid to the customer at the time the account is closed or applied to the customer's final bill in the case of non-payment. The restricted assets balances at year end are as follows:

|                                       | <b>Revenue<br/>Bond Proceeds</b> | <b>Customer<br/>Deposits</b> | <b>Total</b>         |
|---------------------------------------|----------------------------------|------------------------------|----------------------|
| <b>Business-type activities:</b>      |                                  |                              |                      |
| Water                                 | \$ 51,562,935                    | \$ 4,137,808                 | \$ 55,700,743        |
| Wastewater                            | 11,233,617                       | 498,025                      | 11,731,642           |
| <b>Total business-type activities</b> | <b>\$ 62,796,552</b>             | <b>\$ 4,635,833</b>          | <b>\$ 67,432,385</b> |

**Note 7 – Interfund Receivables, Payables and Transfers**

***Interfund Receivables***

The purpose of all interfund receivables is to eliminate credit cash balances for financial statement presentation. Interfund receivables as of September 30, 2022 are as follows:

| <b>Fund</b>                                | <b>Due to<br/>Other Funds</b> | <b>Due from<br/>Other Funds</b> |
|--|-------------------------------|---------------------------------|
| <b><u>Governmental Activities</u></b>      |                               |                                 |
| General Fund                               | \$ -                          | \$ 645,087                      |
| <b><u>Non-major Governmental Funds</u></b> |                               |                                 |
| Grants Fund                                | 334,273                       | -                               |
| Alley Restoration Program Fund             | 20,198                        | -                               |
| Series 2011 Bond Debt Service Fund         | -                             | -                               |
| Total Non-major Governmental Funds         | 354,471                       | -                               |
| <b><u>Business-type Activities</u></b>     |                               |                                 |
| Solid Waste Fund                           | 310,814                       | -                               |
| <b><u>Non-major Enterprise Funds</u></b>   |                               |                                 |
| Stormwater Utility Fund                    | -                             | 20,198                          |
| Total Non-major Enterprise Funds           | -                             | 20,198                          |
| <b>Total due to/from other funds</b>       | <b>\$ 665,285</b>             | <b>\$ 665,285</b>               |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 7 – Interfund Receivables, Payables and Transfers (continued)**

**Interfund transfers**

Interfund transfers into the general fund are used to allocate expenses to other operating funds. Allocated costs include general liability and worker's compensation insurances as well as administrative expenses. Interfund transfers into the non-major governmental funds are to provide for debt service payments and grant matching requirements. Interfund transfers made during fiscal year 2022 are as follows:

| Transfers In                   |                            |                          |                            |                             |
|--------------------------------|----------------------------|--------------------------|----------------------------|-----------------------------|
| Transfers out                  | General<br>Fund            | Sewer<br>Fund            | Solid Waste<br>Fund        | Total                       |
| Community Redevelopment Agency | \$ 363,693                 | \$ 375,000               | \$ -                       | \$ 738,693                  |
| ARPA Fund                      | 1,101,000                  | -                        | 1,174,621                  | 2,275,621                   |
| Non-major governmental funds   | 126,964                    | -                        | -                          | 126,964                     |
| Water utility                  | 4,331,240                  | -                        | -                          | 4,331,240                   |
| Sewer utility                  | 1,085,714                  | -                        | -                          | 1,085,714                   |
| Solid waste                    | 1,572,227                  | -                        | -                          | 1,572,227                   |
| Non-major enterprise funds     | 569,834                    | -                        | -                          | 569,834                     |
| Information technology         | 1,234                      | -                        | -                          | 1,234                       |
| Customer service               | 9,437                      | -                        | -                          | 9,437                       |
| <b>Total transfers out</b>     | <b><u>\$ 9,161,343</u></b> | <b><u>\$ 375,000</u></b> | <b><u>\$ 1,174,621</u></b> | <b><u>\$ 10,710,964</u></b> |

**Note 8 – Capital Assets**

Capital assets activity for the year ended September 30, 2022 was as follows:

|  | Beginning<br>Balance *      | Additions                  | Deletions          | Ending<br>Balance           |
|--|-----------------------------|----------------------------|--------------------|-----------------------------|
| <b><u>Governmental Activities</u></b>              |                             |                            |                    |                             |
| Capital assets not being depreciated               |                             |                            |                    |                             |
| Land   | \$ 4,345,595                | \$ 1,983,224               | \$ -               | \$ 6,328,819                |
| Construction in progress                           | 36,147,870                  | 4,121,130                  | -                  | 40,269,000                  |
| Total capital assets not being depreciated         | <u>40,493,465</u>           | <u>6,104,354</u>           | <u>-</u>           | <u>46,597,819</u>           |
| Capital assets being depreciated                   |                             |                            |                    |                             |
| Buildings  | 29,762,240                  | -                          | -                  | 29,762,240                  |
| Improvement other than buildings                   | 33,512,835                  | -                          | -                  | 33,512,835                  |
| Infrastructure                                     | 23,985,263                  | -                          | -                  | 23,985,263                  |
| Lease assets - buildings                           | -                           | 170,640                    | -                  | 170,640                     |
| Lease assets - equipment                           | 81,354                      | 12,060                     | -                  | 93,414                      |
| Furniture, fixtures, machinery and equipment       | 34,792,780                  | 904,707                    | -                  | 35,697,487                  |
| Total capital assets being depreciated             | <u>122,134,472</u>          | <u>1,087,407</u>           | <u>-</u>           | <u>123,221,879</u>          |
| Less accumulated depreciation                      |                             |                            |                    |                             |
| Buildings  | (28,789,119)                | (108,377)                  | -                  | (28,897,496)                |
| Improvement other than building                    | (22,484,326)                | (1,153,973)                | -                  | (23,638,299)                |
| Infrastructure                                     | (9,391,666)                 | (744,223)                  | -                  | (10,135,889)                |
| Lease assets - buildings                           | -                           | (23,700)                   | -                  | (23,700)                    |
| Lease assets - equipment                           | -                           | (40,252)                   | -                  | (40,252)                    |
| Furniture, fixture machinery and equipment         | (27,515,851)                | (1,831,523)                | -                  | (29,347,374)                |
| Total accumulated depreciation                     | <u>(88,180,962)</u>         | <u>(3,902,048)</u>         | <u>-</u>           | <u>(92,083,010)</u>         |
| Total capital assets being depreciated, net        | <u>33,953,510</u>           | <u>(2,814,641)</u>         | <u>-</u>           | <u>31,138,869</u>           |
| <b>Governmental activities capital assets, net</b> | <b><u>\$ 74,446,975</u></b> | <b><u>\$ 3,289,713</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 77,736,688</u></b> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 8 – Capital Assets** (continued)

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>           | <u>Deletions</u>   | <u>Ending<br/>Balance</u>    |
|---|------------------------------|----------------------------|--------------------|------------------------------|
| <b><u>Business-type Activities</u></b>              |                              |                            |                    |                              |
| Capital assets not being depreciated                |                              |                            |                    |                              |
| Land  | \$ 5,871,556                 | \$ -                       | \$ -               | \$ 5,871,556                 |
| Construction in progress                            | 47,159,737                   | 11,225,342                 | -                  | 58,385,079                   |
| Total capital assets not being depreciated          | <u>53,031,293</u>            | <u>11,225,342</u>          | <u>-</u>           | <u>64,256,635</u>            |
| Capital assets being depreciated                    |                              |                            |                    |                              |
| Buildings and utility plant                         | 236,970,610                  | -                          | -                  | 236,970,610                  |
| Lease assets - equipment                            | 300,592 *                    | -                          | -                  | 300,592                      |
| Lease assets - infrastructure                       | 14,717 *                     | -                          | -                  | 14,717                       |
| Machinery and equipment                             | 19,181,058 **                | 322,067                    | -                  | 19,503,125                   |
| Total capital assets being depreciated              | <u>256,466,977</u>           | <u>322,067</u>             | <u>-</u>           | <u>256,789,044</u>           |
| Less accumulated depreciation                       |                              |                            |                    |                              |
| Buildings and utility plant                         | (120,656,699)                | (6,566,627)                | -                  | (127,223,326)                |
| Lease assets - equipment                            | -                            | (153,857)                  | -                  | (153,857)                    |
| Lease assets - infrastructure                       | -                            | (13,585)                   | -                  | (13,585)                     |
| Machinery and equipment                             | (16,515,985) **              | (501,300)                  | -                  | (17,017,285)                 |
| Total accumulated depreciation                      | <u>(137,172,684)</u>         | <u>(7,235,369)</u>         | <u>-</u>           | <u>(144,408,053)</u>         |
| Total capital assets being depreciated, net         | <u>119,294,293</u>           | <u>(6,913,302)</u>         | <u>-</u>           | <u>112,380,991</u>           |
| <b>Business-type activities capital assets, net</b> | <b><u>\$ 172,325,586</u></b> | <b><u>\$ 4,312,040</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 176,637,626</u></b> |

\* Beginning balances restated, refer to Note XX

\*\* Beginning balances restated, refer to Note XX

**Depreciation**

Depreciation expense for fiscal year 2022 was charged to the following functions of the City:

|  |                            |
|--|----------------------------|
| <b>Governmental Activities:</b>                              |                            |
| General government   | \$ 2,192,439               |
| Public safety  | 1,005,379                  |
| Parks & Recreation   | 212,080                    |
| Library  | 65,225                     |
| Public works   | 309,847                    |
| Information Technology                                       | 117,078                    |
| <b>Total depreciation expense - governmental activities</b>  | <b><u>\$ 3,902,048</u></b> |
| <b>Business-type activities:</b>                             |                            |
| Water  | \$ 5,938,891               |
| Sewer  | 952,426                    |
| Stormwater   | 193,000                    |
| Solid Waste  | 108,722                    |
| Building permit  | 24,494                     |
| Customer Service   | 17,836                     |
| <b>Total depreciation expense - business-type activities</b> | <b><u>\$ 7,235,369</u></b> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 8 – Capital Assets** (continued)

**Construction Commitments**

Beginning in fiscal year 2009, the City received funding for various capital projects from the Florida Department of Environmental Protection State Revolving Loan Fund. These loans are considered grants from the U.S. Environmental Protection Agency passed-through the State of Florida and include \$5.5 million of principal forgiveness. The awards include \$10.0 million for the removal of volatile organic chemicals from drinking water produced by the City's utility plant, \$10.3 million for the installation of an automated meter reading system for the City's water meters, \$1.6 million to facilitate sewer connections to City facilities in the Highland Village neighborhood, \$3.8 million for the inflow and infiltration reduction program, \$3.6 million for the design and construction of a major sewer rehabilitation project. As of fiscal year 2020, all of the City has met its commitments with regard to all of the projects.

**Encumbrances**

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2022 are as follows:

Major Funds:

|                          |                      |
|--------------------------|----------------------|
| General Fund             | \$ 7,532,094         |
| Other governmental funds | <u>3,097,048</u>     |
| Total encumbrances       | <u>\$ 10,629,142</u> |

**Note 9 – Deferred Outflow/Inflows of Resources**

In addition to assets, the Statement of Net Position includes separate sections for the financial statement elements *deferred outflows of resources* and *deferred inflows of resources* that represent consumption of net assets and acquisition of net assets, respectively that applies to a future period and will be recognized as expenditures or revenues in the future period to which it applies. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources in the amounts of \$15,100,956 and \$13,696,605, respectively from Pensions. The City reported deferred outflows of resources and deferred inflows of resources in the amounts of \$541,611 and \$1,317,369, respectively from Other Post-employment Benefits. The City also reported Deferred inflows of resources consist of business tax receipts (taxes received in advance) that were billed at the end of the fiscal year but are not due until the following fiscal year totaling \$983,719.

**Note 10 – Long-term Debt**

The following schedule provides a summary of the changes in long-term debt for the fiscal year.

|  | <u>Beginning<br/>Balance*</u> | <u>Additions</u>            | <u>Reductions</u>             | <u>Ending<br/>Balance</u>   | <u>Due Within<br/>One Year</u> |
|--|-------------------------------|-----------------------------|-------------------------------|-----------------------------|--------------------------------|
| <b>Governmental activities:</b>                          |                               |                             |                               |                             |                                |
| Bonds and notes payable:                                 |                               |                             |                               |                             |                                |
| General obligation bonds and notes                       | \$ 11,995,000                 | \$ 9,190,000                | \$ (10,490,000)               | \$ 10,695,000               | \$ 1,685,000                   |
| Notes payable CRA - Nontaxable                           | 916,666                       | -                           | (166,667)                     | 749,999                     | 166,667                        |
| Total bonds and notes payable                            | <u>12,911,666</u>             | <u>9,190,000</u>            | <u>(10,656,667)</u>           | <u>11,444,999</u>           | <u>1,851,667</u>               |
| Lease Liability  | 81,354                        | 182,700                     | (70,171)                      | 193,883                     | 112,437                        |
| Net pension liability                                    | 79,230,987                    | 23,107,869                  | (40,521,164)                  | 61,817,692                  | -                              |
| Estimated claims   | 2,525,000                     | 959,000                     | (672,000)                     | 2,812,000                   | 1,115,000                      |
| Compensated absences                                     | 2,995,447                     | 3,160,093                   | (3,085,489)                   | 3,070,051                   | 581,900                        |
| Other post employment benefit liability                  | <u>3,763,925</u>              | <u>1,359,228</u>            | <u>(975,260)</u>              | <u>4,147,893</u>            | <u>-</u>                       |
| <b>Governmental activities<br/>long-term liabilities</b> | <b><u>\$ 101,508,379</u></b>  | <b><u>\$ 37,958,890</u></b> | <b><u>\$ (55,980,751)</u></b> | <b><u>\$ 83,486,518</u></b> | <b><u>\$ 3,661,004</u></b>     |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

|   | <b>Beginning<br/>Balance*</b> | <b>Additions</b>    | <b>Reductions</b>     | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|---|-------------------------------|---------------------|-----------------------|---------------------------|--------------------------------|
| <b>Business-type activities:</b>                          |                               |                     |                       |                           |                                |
| Revenue bonds   | \$ 91,720,000                 | \$ -                | \$ (4,150,000)        | \$ 87,570,000             | \$ 4,090,000                   |
| Premium on Revenue bonds                                  | 9,724,321                     | -                   | (525,030)             | 9,199,291                 | 507,850                        |
| Total revenue bonds payable                               | 101,444,321                   | -                   | (4,675,030)           | 96,769,291                | 4,597,850                      |
| Notes payable - Stormwater                                | 12,390,839                    | -                   | (814,763)             | 11,576,076                | 836,016                        |
| State Revolving Loans - Water                             | 5,429,018                     | -                   | (409,964)             | 5,019,054                 | 418,217                        |
| Total bonds and loans                                     | 119,264,178                   | -                   | (5,899,757)           | 113,364,421               | 5,852,083                      |
| Lease Liability   | 320,851                       | -                   | (285,158)             | 35,693                    | 15,496                         |
| Net pension liability                                     | 5,892,556                     | 1,701,575           | (233,583)             | 7,360,548                 | -                              |
| Compensated absences                                      | 500,097                       | 568,231             | (483,369)             | 584,959                   | 121,223                        |
| Other post employment benefit liability                   | 802,815                       | 562,427             | (575,166)             | 790,076                   | -                              |
| <b>Business-type activities<br/>long-term liabilities</b> | <b>\$ 126,780,497</b>         | <b>\$ 2,832,233</b> | <b>\$ (7,477,033)</b> | <b>\$ 122,135,697</b>     | <b>\$ 5,988,802</b>            |

There are a number of limitations and restrictions contained in the various bond indentures. At September 30, 2022 the City is in compliance, in all material respects, with significant covenants and restrictions. Interest and principal payments have been made timely on all debt obligations.

**Leases Payable**

During the fiscal year ended September 30, 2022, the City entered into three equipment leases for copiers and one building. Total leases and related assets are valued at \$258,511 at an imputed rate ranging from .21% to 2.18% and require monthly payments amounting to \$12,421. Latest maturity of the leases is September 30, 2026.

During the fiscal year ended September 30, 2022, the enterprise funds did not enter into any new leases. Total leases and related assets are valued at \$320,851 at an imputed rate ranging from .21% to 2.18% and require monthly payments amounting to \$2,696. Latest maturity of the leases is December 31, 2025.

Annual debt service requirements to maturity for these leases are as follows:

| <u>Year Ending<br/>September 30,</u> | <u>Principal<br/>Due</u> | <u>Interest Due</u> | <u>Total Debt<br/>Service</u> |
|--------------------------------------|--------------------------|---------------------|-------------------------------|
| <b>Governmental activities:</b>      |                          |                     |                               |
| 2023                                 | \$ 112,437               | \$ 2,248            | \$ 114,685                    |
| 2024                                 | 69,955                   | 542                 | 70,497                        |
| 2025                                 | 7,678                    | 23                  | 7,701                         |
| 2026                                 | 2,181                    | 5                   | 2,186                         |
| Total                                | <u>\$ 192,251</u>        | <u>\$ 2,818</u>     | <u>\$ 195,069</u>             |
| <b>Business-type activities:</b>     |                          |                     |                               |
| 2023                                 | \$ 15,496                | \$ 117              | \$ 15,613                     |
| 2024                                 | 10,883                   | 68                  | 10,951                        |
| 2025                                 | 8,091                    | 25                  | 8,116                         |
| 2026                                 | 1,223                    | 1                   | 1,224                         |
| Total                                | <u>\$ 35,693</u>         | <u>\$ 211</u>       | <u>\$ 35,904</u>              |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**Bonds Payable**

On January 29, 2020, the Water Utility issued \$40,030,000 par amount of Water Revenue Bonds, Series 2020A at a premium of \$10,267,112 and \$39,945,000 par amount of Taxable Water Revenue Refunding Bonds, Series 2020B at coupon rates of 5%. The proceeds of Series A will be used to invest in the Utility's five-year Capital Improvement Plan. The proceeds of Series B were transferred to TD Bank, N.A. to provide for the escrow requirements for the partial redemption of the Water Revenue Refunding Bonds, Series 2012. The unrefunded portion of the Series 2012 bonds total \$7,730,000 and will be fully redeemed on August 1, 2022. The refinancing resulted in an economic gain of approximately \$2.7 million and a decrease of approximately \$316,000 in annual debt service payments. The outstanding amount of escrow bonds total \$37,130,000 which is due and payable in full on August 1, 2022.

On June 25, 2020, the Water Utility was awarded a loan from the United States Government under the Water Infrastructure and Finance Innovation Act (WIFIA) administered by the Environmental Protection Agency. The loan was issued at an amount not to exceed \$44,204,486 and will be used for the Norwood Water Treatment Plant Upgrade and Transmission Main Improvements and Replacement Projects. The loan is secured by the Water Utility operating revenues, requires a 51% match and carries an interest rate of 1.36%. Interest becomes payable upon the first drawdown. The principal payback period begins five years after completion of the project which is estimated to be August 1, 2025. The first of 30 annual installments is due on August 1, 2031.

On February 22, 2022, the City issued a \$9,190,000 General Obligation Refunding Note, Series 2022 for the current refunding of the Series 2021 Bond. The Note bears interest at a fixed rate of 1.52% and matures on September 30, 2030. The refunding transaction resulted in an economic gain of \$1,379,165.

Bond issues authorized and outstanding at September 30, 2022 are summarized as follows:

| <u>General Obligation Bonds and Notes</u>   | <u>Principal<br/>Outstanding</u> |
|---|----------------------------------|
| \$8,190,000 General Obligation Refunding Bond, Series 2012 Capital Appreciation and term bonds; secured by revenues pledged from voted debt millage; due in annual installments of \$585,000 to \$760,000 from May 1, 2013 to May 1, 2024; interest at 2.08%. The bond agreement includes a provision that in an event of default all amounts will immediately due and payable including interest to the bondholders. | \$ 1,505,000                     |
| \$9,190,000 TD Bank, N.A., General Obligation Refunding Note, Series 2022, secured by revenues pledged from voted debt millage; due in annual installments of \$940,000 to \$1,100,000 from September 30, 2023 to September 30, 2030; interest at 1.520%. The note agreement includes a provision that in an event of default all amounts will immediately due and payable including interest and the Default Rate.   | 9,190,000                        |
| <b>Total General Obligation Bonds and Notes</b>   | <b>\$ 10,695,000</b>             |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**Bonds Payable** (continued)

**Revenue Bonds and Notes**

**Water Utility System**

\$40,030,000 Water Revenue Bonds, Series 2020A; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$220,000 to \$3,345,000 beginning August 1, 2021 to August 1, 2049; coupon interest at 5.0%; issued at a premium of \$10,267,112.55. The bond agreement includes a provision that in an event of default all amounts will immediately due and payable including interest to the bondholders. 39,575,000

\$39,945,000 Water Revenue Refunding Bonds, Series 2020B; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$980,000 to \$4,250,000 beginning August 1, 2020 to August 1, 2032; interest at 1.816% to 2.656%. The bond agreement includes a provision that in an event of default all amounts will immediately due and payable including interest to the bondholders. 38,210,000

**Total Water Utility System Revenue Bonds** 77,785,000

**Sewer Utility System**

\$11,000,000 Sewer Utility Revenue Note, Series 2020; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$600,000 to \$885,000 beginning August 1, 2021 to August 1, 2035; interest at 2.820%. The note agreement includes a provision that in an event of default all amounts will immediately due and payable including interest and the Default Rate. 9,785,000

**Total Revenue Bonds and Notes** \$ 87,570,000

**Debt Service Requirements**

Debt service requirements to maturity for each bond series at September 30, 2022 are as follows:

|                                     | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-------------------------------------|---------------------|-------------------|---------------------|
| <b>General Obligation Refunding</b> |                     |                   |                     |
| <b>Bond, Series 2012</b>            |                     |                   |                     |
| 2023                                | \$ 745,000          | \$ 38,046         | \$ 783,046          |
| 2024                                | <u>760,000</u>      | <u>19,212</u>     | <u>779,212</u>      |
|                                     | <u>\$ 1,505,000</u> | <u>\$ 57,258</u>  | <u>\$ 1,562,258</u> |
| <b>Chase Bank, N.A.</b>             |                     |                   |                     |
| <b>Promissory Note Series 2022</b>  |                     |                   |                     |
| 2023                                | \$ 940,000          | \$ 132,544        | \$ 1,072,544        |
| 2024                                | 960,000             | 118,104           | 1,078,104           |
| 2025                                | 985,000             | 103,322           | 1,088,322           |
| 2026                                | 1,000,000           | 88,236            | 1,088,236           |
| 2027                                | 1,025,000           | 72,846            | 1,097,846           |
| 2028-2031                           | <u>4,280,000</u>    | <u>131,632</u>    | <u>4,411,632</u>    |
|                                     | <u>\$ 9,190,000</u> | <u>\$ 646,684</u> | <u>\$ 9,836,684</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**Bonds Payable** (continued)

**Debt Service Requirements** (continued)

|                                      | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|--------------------------------------|----------------------|----------------------|----------------------|
| <b>General Obligation Refunding</b>  |                      |                      |                      |
| <b>Bond, Series 2012</b>             |                      |                      |                      |
| 2023                                 | \$ 745,000           | \$ 38,046            | \$ 783,046           |
| 2024                                 | 760,000              | 19,212               | 779,212              |
|                                      | <u>\$ 1,505,000</u>  | <u>\$ 57,258</u>     | <u>\$ 1,562,258</u>  |
| <b>Chase Bank, N.A.</b>              |                      |                      |                      |
| Promissory Note Series 2022          |                      |                      |                      |
| 2023                                 | \$ 940,000           | \$ 132,544           | \$ 1,072,544         |
| 2024                                 | 960,000              | 118,104              | 1,078,104            |
| 2025                                 | 985,000              | 103,322              | 1,088,322            |
| 2026                                 | 1,000,000            | 88,236               | 1,088,236            |
| 2027                                 | 1,025,000            | 72,846               | 1,097,846            |
| 2028-2031                            | 4,280,000            | 131,632              | 4,411,632            |
|                                      | <u>\$ 9,190,000</u>  | <u>\$ 646,684</u>    | <u>\$ 9,836,684</u>  |
| <b>Water Revenue Bonds</b>           |                      |                      |                      |
| 2020A Series:                        |                      |                      |                      |
| 2023                                 | \$ -                 | \$ 1,978,750         | \$ 1,978,750         |
| 2024                                 | -                    | 1,978,750            | 1,978,750            |
| 2025                                 | -                    | 1,978,750            | 1,978,750            |
| 2026                                 | -                    | 1,978,750            | 1,978,750            |
| 2027                                 | -                    | 1,978,750            | 1,978,750            |
| 2028-2032                            | -                    | 9,893,750            | 9,893,750            |
| 2033-2037                            | 8,465,000            | 9,088,500            | 17,553,500           |
| 2038-2042                            | 10,795,000           | 6,750,500            | 17,545,500           |
| 2043-2047                            | 13,785,000           | 3,767,250            | 17,552,250           |
| 2048-2049                            | 6,530,000            | 493,750              | 7,023,750            |
|                                      | <u>\$ 39,575,000</u> | <u>\$ 39,887,500</u> | <u>\$ 79,462,500</u> |
| <b>Water Revenue Refunding Bonds</b> |                      |                      |                      |
| 2020B Series:                        |                      |                      |                      |
| 2023                                 | \$ 3,455,000         | \$ 896,456           | \$ 4,351,456         |
| 2024                                 | 3,520,000            | 829,947              | 4,349,947            |
| 2025                                 | 3,595,000            | 758,808              | 4,353,808            |
| 2026                                 | 3,670,000            | 684,356              | 4,354,356            |
| 2027                                 | 3,755,000            | 603,212              | 4,358,212            |
| 2028-2032                            | 20,215,000           | 1,597,016            | 21,812,016           |
|                                      | <u>\$ 38,210,000</u> | <u>\$ 5,369,795</u>  | <u>\$ 43,579,795</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**Bonds Payable** (continued)

**Debt Service Requirements** (continued)

|                            | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>         |
|----------------------------|---------------------|---------------------|----------------------|
| <b>Sewer Revenue Bonds</b> |                     |                     |                      |
| 2020 Series:               |                     |                     |                      |
| 2023                       | \$ 635,000          | \$ 275,937          | \$ 910,937           |
| 2024                       | 650,000             | 258,030             | 908,030              |
| 2025                       | 670,000             | 239,700             | 909,700              |
| 2026                       | 690,000             | 220,806             | 910,806              |
| 2027                       | 710,000             | 201,348             | 911,348              |
| 2028-2032                  | 3,850,000           | 695,694             | 4,545,694            |
| 2033-2035                  | 2,580,000           | 146,922             | 2,726,922            |
|                            | <u>\$ 9,785,000</u> | <u>\$ 2,038,437</u> | <u>\$ 11,823,437</u> |

**State Revolving Loan - Program**

In 2009, the City began participating in the Revolving Loan Program administered by the State of Florida. This program provides funding for local governments from the Department of Environmental Protection for the construction of wastewater pollution control facilities and public water systems. The loans require semi-annual principal and interest payments and have repayment terms of 20 years with fixed interest rates. Capitalized interest has been included in the loan amount. Primary terms of each agreement are provided as follows:

|   | <u>Principal<br/>Outstanding</u> |
|---|----------------------------------|
| <b>State Revolving Loans - Sewer</b>  |                                  |
| \$1,195,062 State Revolving Fund Loan Agreement, Number WW130100; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$35,977 from May 15, 2011 through November 15, 2030; interest at 1.94%.                  | \$ 561,350                       |
| \$366,668 State Revolving Fund Loan Agreement, Number WW130101; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$11,046 from May 15, 2011 through November 15, 2030; interest at a combined rate of 1.86%. | 172,983                          |
| \$3,752,982 State Revolving Fund Loan Agreement, Number WW130110; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$103,762 from March 15, 2013 through September 15, 2032; interest at 2.10%.              | 1,863,053                        |
| \$365,234 State Revolving Fund Loan Agreement, Number WW745080; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$11,385 from March 15, 2014 to September 15, 2033; interest at 2.05%.                      | 223,213                          |
| \$3,247,685 State Revolving Loan Agreement, Number WW 745081; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$96,012 from November 15, 2015 through May 15, 2035.   | 2,198,455                        |
| <b>Total Sewer State Revolving Loans</b>  | <u>\$ 5,019,054</u>              |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**Bonds Payable** (continued)

**Debt Service Requirements** (continued)

Debt service requirements to maturity for each state revolving loan for sewer at September 30, 2022 are as follows:

|                          | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|--------------------------|---------------------|-------------------|---------------------|
| <b>WW 130100 (Sewer)</b> |                     |                   |                     |
| 2023                     | \$ 61,361           | \$ 10,594         | \$ 71,955           |
| 2024                     | 62,557              | 9,398             | 71,955              |
| 2025                     | 63,776              | 8,178             | 71,954              |
| 2026                     | 65,020              | 6,935             | 71,955              |
| 2027                     | 66,287              | 5,668             | 71,955              |
| 2028-2031                | 242,349             | 9,494             | 251,843             |
|                          | <u>\$ 561,350</u>   | <u>\$ 50,267</u>  | <u>\$ 611,617</u>   |
| <b>WW 130101 (Sewer)</b> |                     |                   |                     |
| 2023                     | \$ 18,969           | \$ 3,123          | \$ 22,092           |
| 2024                     | 19,323              | 2,769             | 22,092              |
| 2025                     | 19,683              | 2,409             | 22,092              |
| 2026                     | 20,051              | 2,042             | 22,093              |
| 2027                     | 20,425              | 1,668             | 22,093              |
| 2028-2031                | 74,532              | 2,793             | 77,325              |
|                          | <u>\$ 172,983</u>   | <u>\$ 14,804</u>  | <u>\$ 187,787</u>   |
| <b>WW 130110 (Sewer)</b> |                     |                   |                     |
| 2023                     | \$ 169,284          | \$ 38,240         | \$ 207,524          |
| 2024                     | 172,858             | 34,666            | 207,524             |
| 2025                     | 176,507             | 31,017            | 207,524             |
| 2026                     | 180,233             | 27,291            | 207,524             |
| 2027                     | 184,038             | 23,486            | 207,524             |
| 2028-2031                | 980,133             | 57,490            | 1,037,623           |
|                          | <u>\$ 1,863,053</u> | <u>\$ 212,190</u> | <u>\$ 2,075,243</u> |
| <b>WW 745080 (Sewer)</b> |                     |                   |                     |
| 2023                     | \$ 18,287           | \$ 4,483          | \$ 22,770           |
| 2024                     | 18,663              | 4,106             | 22,769              |
| 2025                     | 19,048              | 3,721             | 22,769              |
| 2026                     | 19,441              | 3,329             | 22,770              |
| 2027                     | 19,841              | 2,928             | 22,769              |
| 2028-2032                | 105,508             | 8,337             | 113,845             |
| 2033                     | 22,425              | 345               | 22,770              |
|                          | <u>\$ 223,213</u>   | <u>\$ 27,249</u>  | <u>\$ 250,462</u>   |
| <b>WW 745081 (Sewer)</b> |                     |                   |                     |
| 2023                     | \$ 150,316          | \$ 41,708         | \$ 192,024          |
| 2024                     | 153,230             | 38,794            | 192,024             |
| 2025                     | 156,202             | 35,822            | 192,024             |
| 2026                     | 159,231             | 32,793            | 192,024             |
| 2027                     | 162,319             | 29,705            | 192,024             |
| 2028-2032                | 860,053             | 100,067           | 960,120             |
| 2033-2035                | 557,104             | 18,965            | 576,069             |
|                          | <u>\$ 2,198,455</u> | <u>\$ 297,854</u> | <u>\$ 2,496,309</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**State Revolving Loans - Program** (continued)

**Debt Service Requirements** (continued)

| <b>State Revolving Loans - Water</b>   | <b>Principal<br/>Outstanding</b> |
|--|----------------------------------|
| \$450,226 State Revolving Fund Loan Agreement, Number DW130102; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Water System; due in semi-annual installments of \$14,592 from February 15, 2011 to August 15, 2031; interest at 2.71%.   | \$ 208,637                       |
| \$9,575,484 State Revolving Fund Loan Agreement, Number DW130103; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Water System; due in semi-annual installments of \$216,745 from October 15, 2012 to April 15, 2032; interest at 2.58%.  | 3,800,641                        |
| \$10,343,267 State Revolving Fund Loan Agreement, Number DW130130; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Water System; due in semi-annual installments of \$334,210 from April 15, 2016 to October 15, 2035; interest at 3.06%. | 7,566,791                        |
| <b>Total Water State Revolving Loans</b>   | <b>\$ 11,576,069</b>             |

**Debt Service Requirements**

Debt service requirements to maturity for each state revolving loan for water at September 30, 2022 are as follows:

| <b>DW 130102 (Water)</b> |              |              |              |
|--------------------------|--------------|--------------|--------------|
| 2023                     | \$ 23,689    | \$ 5,495     | \$ 29,184    |
| 2024                     | 24,335       | 4,848        | 29,183       |
| 2025                     | 24,999       | 4,184        | 29,183       |
| 2026                     | 25,681       | 3,502        | 29,183       |
| 2027                     | 26,382       | 2,801        | 29,183       |
| 2028-2030                | 83,551       | 4,007        | 87,558       |
|                          | \$ 208,637   | \$ 24,837    | \$ 233,474   |
| <b>DW 130103 (Water)</b> |              |              |              |
| 2023                     | \$ 337,846   | \$ 95,644    | \$ 433,490   |
| 2024                     | 346,595      | 86,895       | 433,490      |
| 2025                     | 355,570      | 77,920       | 433,490      |
| 2026                     | 364,778      | 68,712       | 433,490      |
| 2027                     | 374,224      | 59,266       | 433,490      |
| 2028-2032                | 2,021,628    | 145,823      | 2,167,451    |
|                          | \$ 3,800,641 | \$ 534,260   | \$ 4,334,901 |
| <b>DW 130130 (Water)</b> |              |              |              |
| 2023                     | \$ 474,481   | \$ 193,940   | \$ 668,421   |
| 2024                     | 486,896      | 181,525      | 668,421      |
| 2025                     | 499,637      | 168,784      | 668,421      |
| 2026                     | 512,714      | 155,707      | 668,421      |
| 2027                     | 526,138      | 142,283      | 668,421      |
| 2028-2032                | 2,844,808    | 497,297      | 3,342,105    |
| 2033-2036                | 2,222,117    | 117,357      | 2,339,474    |
|                          | \$ 7,566,791 | \$ 1,456,893 | \$ 9,023,684 |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Long-term Debt** (continued)

**Notes Payable**

Note issues authorized and outstanding at September 30, 2022 are summarized as follows:

|  | <b>Principal<br/>Outstanding</b> |
|--|----------------------------------|
| <b>Community Redevelopment</b>   |                                  |
| \$3,000,000 Bank of America, Community Redevelopment Agency, Non-taxable, Series 2007A, secured by Tax Increment Financing revenues; principal and interest payments are due quarterly from May 1, 2009 to February 1, 2027; interest is paid at a variable rate | \$ 749,999                       |
| <b>Total Notes Payable</b>   | <b>\$ 749,999</b>                |

**Debt Service Requirements**

Debt service requirements to maturity for each note series at September 30, 2022 are as follows:

|   | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|---|------------------|-----------------|--------------|
| <b>Bank of America, CRA Non-taxable</b> |                  |                 |              |
| Series 2007A                            |                  |                 |              |
| 2023                                    | \$ 166,667       | \$ 25,279       | \$ 191,946   |
| 2024                                    | 166,667          | 20,346          | 187,013      |
| 2025                                    | 166,667          | 15,414          | 182,081      |
| 2026                                    | 166,667          | 3,699           | 170,366      |
| 2027                                    | 83,331           | 2,775           | 86,106       |
|   | \$ 749,999       | \$ 67,513       | \$ 817,512   |

**Pledged Revenues**

An evaluation of the sufficiency of pledged revenues for all of the City's long-term debt for fiscal year ending September 30, 2022 follows:

|                                    | <b>Issue</b>   | <b>Revenue Source</b> | <b>Ratio</b> |
|------------------------------------|--|-----------------------|--------------|
| General Obligation Bonds and Notes |  |                       |              |
| Series 2011                        | Voted debt millage   |                       | 1.00         |
| Series 2012                        | Voted debt millage   |                       | 1.00         |
| Revenue Bonds                      |  |                       |              |
| Series 2012                        | Gross revenue less operating expenses                                |                       | 3.63         |
| Series 2020A*                      | Gross revenue less operating expenses                                |                       | 5.00         |
| Series 2020B                       | Gross revenue less operating expenses                                |                       | 8.64         |
| Sewer Revenue 2020                 | Gross revenue less operating expenses                                |                       | 4.49         |
| Notes issues:                      |  |                       |              |
| Series 2007B                       | TIF revenue and interest earnings                                    |                       | 15.47        |
| State Revolving Loans:             |  |                       |              |
| DW Series                          | Gross revenue less operating expenses<br>and senior debt obligations |                       | 4.01         |
| WW Series                          | Gross revenue less operating expenses<br>and senior debt obligations |                       | 2.85         |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 11 – Risk Management**

**Self-Insurance**

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. The City established a risk management program for workers' compensation and general liabilities. Premiums are paid into the self-insurance funds, which are reported with the General Fund. Florida law limits the liability in negligence matters to \$200,000 per person up to \$300,000 per occurrence. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic factors.

There were no reductions in insurance coverages from the prior years, however, the deductible on property insurance changed from \$50,000 to \$100,000 in order to contain costs. The City did not settle any claims that exceeded this coverage within the last three fiscal years. Additional coverage was obtained to protect the City from employment practices liability, after a careful market review. Finally, in order to ensure that an effective, comprehensive risk management program is in place, careful analysis of all coverage and related activity is monitored on a regular basis.

Balances and changes in the balances of claims liabilities during the past two fiscal years are as follows (in thousands):

|                          | <u>2022</u>     | <u>2021</u>     |
|--------------------------|-----------------|-----------------|
| Unpaid claims, beginning | \$ 2,525        | \$ 2,187        |
| IBNR claims              | 959             | 338             |
| Claim payments           | (672)           | -               |
| Unpaid claims, ending    | <u>\$ 2,812</u> | <u>\$ 2,525</u> |

**Contingent Liabilities**

Federal and State programs were audited in accordance with the provisions of the Single Audit Act, the U.S. Office of Management and Budget Uniform Guidance, and the Rules of the Auditor General of the State of Florida. Pursuant to those provisions, financial assistance programs were tested for compliance with applicable grant requirements. Grantor agencies may subject grant programs to additional compliance tests, which could result in disallowed expenditures. Future disallowances of grant program expenditures, while not expected, could be material.

**Litigation**

The City is the defendant in several lawsuits incidental to its operations. Based upon the City Attorney's evaluation of pending cases, the estimated liability to which the City might be exposed is below \$1.0 million. The self-insurance funds, which are included in the General Fund, have assigned fund balances of approximately \$3.8 million at September 30, 2022.

**Note 12 – Employee Retirement Systems**

The City, as a single employer, maintains the following three public employee retirement system defined benefit pension plans covering substantially all full-time employees and certain former City firemen: the Retirement Plan for General Employees of the City of North Miami Beach, the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach and the Retirement Plan and Trust for General Management Employees of the City of North Miami Beach. These Plans are recorded as Pension Trust Funds. The Plans are administered by separate Boards of Trustees. In accordance with various provisions of State statutes and the City Charter, the City is obligated to fund the liabilities of the Plans based upon actuarial valuations performed at least every two years.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

The Retirement Plan for General Employees of the City of North Miami Beach and the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach issue a publicly available report that includes financial statements and required supplementary information for the Plans. These reports may be obtained by writing to: City of North Miami Beach Employees' Retirement System, 17011 NE 19<sup>th</sup> Ave., North Miami Beach, Florida 33162.

**Plan Membership**

Membership in each of the City's pension plans is included in the following schedule.

|   | <b>General<br/>Employees</b> | <b>Police &amp;<br/>Firefighters</b> | <b>General<br/>Management<br/>Employees</b> | <b>OPEB</b>   |
|---|------------------------------|--------------------------------------|---|---------------|
| Covered Payroll                                     | \$ 7,203,137                 | \$ 7,246,268                         | \$ 913,318                                  | \$ 26,053,434 |
| <b>Plan members:</b>                                |                              |                                      |   |               |
| Currently receiving or entitled to receive benefits | 333                          | 148                                  | 42  | 340           |
| Active employees                                    |                              |                                      |   | 392           |
| Vested  | 60                           | 25                                   | 8   |               |
| Non-vested  | 68                           | 74                                   |   |               |
| <b>Total members</b>                                | <b>461</b>                   | <b>247</b>                           | <b>50</b>                                   | <b>732</b>    |

**Summary of Significant Accounting Policies**

**Basis of Accounting**

Public Employee Retirement Systems (PERS) financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Method Used to Value Investments**

The investment portfolios of the Retirement Plan for General Employees and the Retirement Plan for Police Officers and Firefighters are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are based on quoted prices in active markets for identical assets; Level 2 inputs are based on significant other observable inputs; Level 3 inputs are based on unobservable inputs. A description of valuation methodologies follows.

Common stock: closing price reported on the New York Stock Exchange

Government securities: pricing models maximizing observable inputs for similar securities

Corporate bonds: pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Hedge funds: net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

Real estate: net asset value of shares held by the Plan at year end. The Plans have investments in a private market real estate investment for which no liquid public market exists.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Method Used to Value Investments** (continued)

The following tables present the Plans' fair value hierarchy for investments at fair value at September 30, 2022:

| <b>Retirement Plan for General Employees</b>                         | Total                | Fair Value Measurement Using  |  |
|--|----------------------|---|--|
|  |                      | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) |
| <u>Investment by fair value level</u>                                |                      |   |  |
| Equity securities:   |                      |   |  |
| Common stocks  | \$ 44,499,944        | \$ 44,499,944   | \$ -   |
| Infrastructure mutual fund   | 4,775,387            | 4,775,387   | -  |
| RET  | 19,824               | 19,824  | -  |
| Total equity securities  | <u>49,295,155</u>    | <u>49,295,155</u>   | <u>-</u>   |
| Debt securities:   |                      |   |  |
| U.S. treasury securities   | 12,201,363           | 12,201,363  | -  |
| U.S. agency securities   | 1,377,483            | -   | 1,377,483  |
| Fixed income mutual fund   | 1,991,673            | 1,991,673   | -  |
| Corporate bonds  | 2,206,952            | -   | 2,206,952  |
| Total debt securities  | <u>17,777,471</u>    | <u>14,193,036</u>   | <u>3,584,435</u>                                       |
| Total assets at fair value   | <u>\$ 67,072,626</u> | <u>\$ 63,488,191</u>  | <u>\$ 3,584,435</u>                                    |
| <u>Investments measured at the net asset value (NAV)<sup>1</sup></u> |                      |   |  |
| Real estate  | <u>10,153,009</u>    |   |  |
| Total investments measured at the NAV                                | <u>10,153,009</u>    |   |  |
| Money market funds (exempt)  | <u>1,869,866</u>     |   |  |
| Total investments  | <u>\$ 79,095,501</u> |   |  |

<sup>1</sup> As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Method Used to Value Investments** (continued)

| <b>Retirement Plan for Police Officers and Firefighters</b>          | Total                | Fair Value Measurement Using  |  |
|--|----------------------|---|--|
|  |                      | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) |
| <u>Investment by fair value level</u>                                |                      |   |  |
| Equity securities:   |                      |   |  |
| Common stocks  | \$ 49,955,873        | \$ 49,955,873   | \$ -   |
| Infrastructure mutual fund   | 5,761,367            | 5,761,367   | -  |
| REIT   | 24,050               | 24,050  | -  |
| Total equity securities  | <u>55,741,290</u>    | <u>55,741,290</u>   | <u>-</u>   |
| Debt securities:   |                      |   |  |
| U.S. treasury securities   | 20,071,924           | 20,071,924  | -  |
| U.S. agency securities   | 2,245,469            | -   | 2,245,469  |
| Corporate bonds  | 4,489,085            | -   | 4,489,085  |
| Total debt securities  | <u>26,806,478</u>    | <u>20,071,924</u>   | <u>6,734,554</u>                                       |
| Total assets at fair value   | <u>\$ 82,547,768</u> | <u>\$ 75,813,214</u>  | <u>\$ 6,734,554</u>                                    |
| <u>Investments measured at the net asset value (NAV)<sup>1</sup></u> |                      |   |  |
| Real estate  | 9,275,105            |   |  |
| Hedge funds  | 294,368              |   |  |
| Total investments measured at the NAV                                | <u>9,569,473</u>     |   |  |
| Money market funds (exempt)  | <u>3,153,069</u>     |   |  |
| Total investments  | <u>\$ 95,270,310</u> |   |  |

<sup>1</sup> As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

**Plan Descriptions**

The following brief descriptions of the Retirement Plans are provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

**Retirement Plan for General Employees**

The benefit provisions and all other requirements of the Retirement Plan for General Employees are established by City Ordinance and are summarized as follows:

*Vesting*

Benefits are fully vested after 6 years of credited service if attained prior to September 30, 2013 and 10 years thereafter.

*Eligibility for Retirement*

Attainment of age 62 or age 55 with 20 years of credited service; or attainment of age 55 with 15 years of credited service, or completion of 20 years of credited service; or attainment of age 62 with 10 years of credited service, or age 60 with 25 years of credited service depending on bargaining unit and hire date.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Plan Descriptions** (continued)

**Retirement Plan for General Employees** (continued)

*Annual Retirement Benefit*

Normal retirement benefits are based upon 3.0% of "final monthly compensation" ("FMC"), as defined by the pension plan, times years of credited service through December 31, 2013 and 2.5% of "FMC" times credited service after December 31, 2013.

*Other Benefits*

The Plan provides for optional retirement benefits, early retirement, deferred retirement, deferred retirement option program (DROP) disability retirement and death benefits to some members.

*Employee Contributions*

Employees contribute 7% of their basic annual compensation beginning after two years of service. If any employee leaves covered employment before vesting, accumulated employee contributions plus interest are refunded to the employee.

*City Contributions*

City contributions are based upon actuarially determined amounts, which together with employee contributions and fund earnings, are sufficient to fund the plan. The City's actuarially determined and actual contribution amount for the current year was \$3,577,337, or 47.27% of covered payroll.

*Actuarial methods and assumptions*

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the October 1, 2021 actuarial valuation using the entry age normal cost method. Additional information as of the latest actuarial valuation follows:

|                               |                              |
|-------------------------------|------------------------------|
| Valuation Date                | October 1, 2021              |
| Actuarial cost method         | Entry age normal             |
| Amortization method           | Level percent of pay, closed |
| Remaining amortization period | 30 years                     |
| Asset valuation method        | Smoothed market value        |

**Actuarial Assumptions**

|                            |                  |
|----------------------------|------------------|
| Investment rate of return  | 7.45%            |
| Projected salary increases | 3.5% to 5.0%     |
| Cost of living adjustments | 0%, 0.75%, 2.25% |
| Inflation                  | 2.75%            |

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Plan Descriptions** (continued)

***Retirement Plan for Police Officers and Firefighters***

The benefit provisions and all other requirements of the Retirement Plan for Police Officers and Firefighters are established by City Ordinance and are summarized as follows:

*Vesting*

Benefits are fully vested after ten years of credited service.

*Eligibility for Retirement*

Normal retirement is the earlier of age 52 or 22 years of service for firefighters and the earlier of age 52 or 20 years of credited service for police officers.

*Annual Retirement Benefit*

Normal retirement benefits are based upon 3.3% for firefighters and 3% for police officers of "final monthly compensation", as defined by the pension plan, times years of credited service.

*Other Benefits*

The Plan also provides for optional retirement benefits, early retirement, deferred retirement, deferred retirement option program (DROP) disability retirement and death benefits.

*Employee Contributions*

7% of pretax earnings

*City Contributions*

City contributions are based upon actuarially determined amounts, which together with employee and state contributions and fund earnings are sufficient to fund the Plan. The City's actuarially determined and actual contribution amounts for the current year were \$5,912,124 or 87.57% of covered payroll.

*Actuarial methods and assumptions*

Pursuant to Florida Statutes Section 185 and Section 175, the State of Florida makes contributions to fund police and firefighter benefits. These State contributions were recognized as revenue and expenditures by the City. During fiscal year 2022, the amounts were \$371,696 and \$187,517 for police and firefighters, respectively. Information related to the latest actuarial valuation, follows:

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Plan Descriptions** (continued)

**Retirement Plan for Police Officers and Firefighters** (continued)

|                               |   |
|-------------------------------|---|
| Valuation Date                | October 1, 2021                                     |
| Actuarial cost method         | Entry age normal                                    |
| Amortization method           | Level percent closed                                |
| Remaining amortization period | 30 years  |
| Asset valuation method        | Smoothed market value                               |
| Investment rate of return     | 7.50%   |
| Projected salary increases    | 3.00%   |
| Cost of living adjustments    | 2.5% on or before 1/31/2016<br>1.5% after 1/31/2016 |
| Inflation                     | 3.00%   |

Mortality: For active male - Pub-2010 Safety Employees, headcount weighted, below median, set forward one year, projected with Scale MP-2018. For female - Pub-2010, Safety Employees, headcount weighted, set forward one year, projected with Scale MP-2018. For health inactive male - Pub-2010, Safety Retirees, headcount weighted, below median, set forward one year, projected with Scale MP-2018. For healthy inactive female - Pub-2010, Safety Retirees, headcount weighted, set forward one year, projected with Scale MP-2018. For disabled participants - Blend of 80% headcount weighted Pub-2010 General Disabled Retiree rates and 20% headcount weighted Pub-2010 Safety Disabled Retiree rates, no projection scale.

**Retirement Plan and Trust for General Management Employees**

On January 7, 2003, the City Commission approved the creation of the General Management Employees Pension Plan. The Plan includes all full-time employees not eligible for inclusion in the General Employees or Police and Firefighters Plans. The creation of this plan allowed employees previously in the City's defined contribution 401(a) plan the option of transferring their holdings and join this Plan. During fiscal year 2013, the Plan was amended to reduce the cost of providing retirement benefits to the City's management.

The Florida Municipal Pension Trust Fund, a division of the Florida League of Cities, administers the Plan. The benefit provisions and all other requirements of the Plan are established by City ordinance and are summarized as follows:

*Vesting*

Benefits are fully vested after six years of credited service, 50% after four years.

*Eligibility for Retirement*

Normal retirement is the attainment of the age at which normal social security benefits may be collected with four years of service.

*Annual Retirement Benefit*

Normal retirement benefits are based upon 3% of "average final compensation", as defined by the pension plan, times the number of years of credited service prior to February 1, 2013 and 2% thereafter.

*Employee Contributions*

Management personnel contribute 8% of their basic annual compensation.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Plan Descriptions** (continued)

**Retirement Plan and Trust for General Management Employees** (continued)

*City Contributions*

City contributions are based upon actuarially determined amounts, which together with employee contributions and fund earnings are sufficient to fund the Plan. The City's actuarially determined contribution amount and actual contributions for the current year were \$54,558 or 9.28% of covered payroll.

*Actuarial methods and assumptions*

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the October 1, 2021 actuarial valuation using the aggregate actuarial cost method.

Additional information related to the actuarial valuation follows:

|                               |                     |
|-------------------------------|---------------------|
| Valuation Date                | October 1, 2021     |
| Actuarial cost method         | Aggregate           |
| Amortization method           | Level dollar, fixed |
| Remaining amortization period | 18 years            |
| Asset valuation method        | Market value        |

**Actuarial Assumptions**

|   |       |
|---|-------|
| Investment rate of return                                 | 7.50% |
| Inflation   | 2.76% |
| Projected salary increases                                | 4.00% |
| Cost of living adjustments<br>(prior to February 1, 2013) | 2.25% |

Mortality: Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

**Florida Retirement System (FRS) and Retiree Health Subsidy Program (HIS)**

The City contributes to the FRS and HIS on behalf of its elected officials. FRS is a cost-sharing multiple employer defined benefit pension plan established by and administered in accordance with Chapter 121, Florida Statutes. HIS is a cost-sharing multiple employer defined benefit pension plan established by and administered in accordance with section 112.363, Florida Statutes. The City's covered payroll for the 7 elected officials covered by the FRS and HIS for the year ended September 30, 2022 was \$21,599.

*Vesting*

Benefits are fully vested after eight years of credited service.

*Eligibility for Retirement*

Normal retirement is the attainment of the age 65 or after 33 years of creditable service.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Plan Descriptions** (continued)

**Florida Retirement System (FRS) and Retiree Health Subsidy Program (HIS)** (continued)

*Annual Retirement Benefit*

Normal retirement benefits are based upon 3% of "average final compensation", as defined by the pension plan, times the number of years of credited service.

*Employee Contributions*

Elected officials contribute 3% of their basic annual compensation.

*City Contributions*

City contributions are established by the Florida Legislature. The City's proportionate share of pension contributions and allocated contributions were as follows:

| Contribution Period           | Florida Retirement System |              |
|-------------------------------|---------------------------|--------------|
|                               | Proportion                | Contribution |
| July 1, 2019 to June 30, 2020 | 0.000289141%              | \$ 9,607     |
| July 1, 2020 to June 30, 2021 | 0.000249570%              | 9,508        |
| July 1, 2021 to June 30, 2022 | 0.000234014%              | 9,986        |
|                               |                           |              |
| Contribution Period           | Health Insurance Subsidy  |              |
|                               | Proportion                | Contribution |
| July 1, 2019 to June 30, 2020 | 0.000063441%              | \$ 366       |
| July 1, 2020 to June 30, 2021 | 0.000061052%              | 359          |
| July 1, 2021 to June 30, 2022 | 0.000059277%              | 359          |

*Actuarial methods and assumptions*

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the July 1, 2022 actuarial valuation using the individual entry age method. Additional information related to the actuarial valuation follows:

|                               |   |
|-------------------------------|---|
| Valuation Date                | July 1, 2022  |
| Actuarial cost method         | Individual Entry Age                                      |
| Amortization method           | Level percent, closed                                     |
| Remaining amortization period | Amortized over 30 years as level percentage of Tier 1 pay |
| Asset valuation method        | 5 years smoothed  |

**Actuarial Assumptions**

|                            |   |
|----------------------------|---|
| Investment rate of return  | FRS - 6.70%; HIS - 3.54%                            |
| Inflation                  | 2.40%   |
| Projected salary increases | 3.25%   |
| Cost of living adjustments | 3% for pre-July 2011 benefit service; 0% thereafter |

Mortality: PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2018

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Plan Descriptions** (continued)

**Florida Retirement System (FRS) and Retiree Health Subsidy Program (HIS)** (continued)

Additional audited financial information, Annual Comprehensive Financial Report and actuarial reports may be obtained by contacting the Division of Retirement at:

Department of Management Services  
 Division of Retirement  
 Research and Education Section  
 PO Box 9000  
 Tallahassee, FL 32315-9000

**Net Pension Liability**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.35% for the Retirement Plan for the General Employees, 7.50% for the Retirement Plan for Police Officers and Firefighters, 7.50% for the Retirement Plan and Trust for General Management Employees, 6.70% for the FRS and 3.54% for the HIS Program. These rates were based on the expected rate of return on Plan investments. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City's net pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates to indicate the sensitivity of the net pension liability to changes in discount rate assumptions.

| <b>Retirement Plan</b>            | <b>1% Decrease</b> | <b>Current<br/>Discount Rate</b> | <b>1% Increase</b> |
|-----------------------------------|--------------------|----------------------------------|--------------------|
| General Employees (7.35%)         | \$ 39,713,569      | \$ 26,083,800                    | \$ 14,745,851      |
| Police and Firefighters (7.50%)   | 60,176,598         | 41,594,671                       | 26,157,336         |
| General Management (7.50%)        | 3,418,643          | 1,406,419                        | (302,143)          |
| Florida Retirement System (6.70%) | 150,585            | 87,072                           | 33,968             |
| Health Insurance Subsidy (3.25%)  | 7,183              | 6,278                            | 5,530              |

*Long-term Expected Rate of Return*

Long-term expected rates of return on the Plans' investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Net Pension Liability** (continued)

*Long-term Expected Rate of Return* (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the General Employees, the Police and Firefighters and the General Management Employees Plans' target asset allocations as of October 1, 2021 and the Florida Retirement System Plan as of July 1, 2022 are summarized in the following table:

| <b>Retirement Plan</b>    | <b>Asset Class</b>    | <b>Long-Term Expected<br/>Real Rate of Return</b> |
|---------------------------|-----------------------|---|
| General Employees         | Large Cap Value       | 6.84%   |
|                           | Large Cap Growth      | 7.04%   |
|                           | Small/Mid Cap Value   | 7.49%   |
|                           | Mid Cap Growth        | 7.34%   |
|                           | International Value   | 5.94%   |
|                           | International Growth  | 5.94%   |
|                           | Long/Short Credit     | 4.04%   |
|                           | Infrastructure        | 4.14%   |
|                           | Real Estate           | 5.54%   |
|                           | Fixed Income          | 1.64%   |
| Police and Firefighters   | Large Cap Value       | 6.84%   |
|                           | Large Cap Growth      | 7.04%   |
|                           | Small/Mid Cap Value   | 7.49%   |
|                           | Mid Cap Growth        | 7.34%   |
|                           | International Value   | 5.94%   |
|                           | International Growth  | 5.94%   |
|                           | Infrastructure        | 4.14%   |
|                           | Real Estate           | 5.54%   |
|                           | Fixed Income          | 1.64%   |
|                           | General Management    | Core Bonds  |
| Core Plus                 |                       | 2.10%   |
| US Large Cap Equity       |                       | 4.60%   |
| US Small Cap Equity       |                       | 5.50%   |
| Non-US Equity             |                       | 6.70%   |
| Core Real Estate          |                       | 5.00%   |
| Florida Retirement System | Cash                  | 2.60%   |
|                           | Fixed Income          | 4.40%   |
|                           | Global Equity         | 8.80%   |
|                           | Real Estate           | 7.40%   |
|                           | Private Equity        | 12.00%  |
|                           | Strategic Investments | 6.20%   |

The Health Insurance Subsidy plan is not pre-funded and therefore uses the municipal bond rate of 3.25% to calculate the total pension liability of the plan.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Changes in the Net Pension Liability**

The Schedule of Changes in the City’s Net Pension Liability and Related Ratios and Schedule of Contributions presented as Required Supplementary Information following the Notes to the Financial Statements present multiyear trend information about the City’s pension liability and its progress toward funding that liability over time.

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

Deferred outflows and inflows of resources and pension costs related to pensions are as follows:

|  | Retirement Plan       |                            |                                    |                                 |                                | Total                 |
|--|-----------------------|----------------------------|------------------------------------|---------------------------------|--------------------------------|-----------------------|
|  | General<br>Employees  | Police and<br>Firefighters | General<br>Management<br>Employees | Florida<br>Retirement<br>System | Health<br>Insurance<br>Subsidy |                       |
| Total pension liability - beginning                  | \$ 116,054,913        | \$ 157,932,363             | \$ 20,515,780                      | \$ 523,190                      | \$ 7,764                       | \$ 295,034,010        |
| Changes for the year                                 |                       |                            |                                    |                                 |                                |                       |
| Service cost   | 676,443               | 1,931,450                  | 66,733                             | 6,168                           | 172                            | 2,680,966             |
| Interest   | 8,434,177             | 11,502,269                 | 1,482,742                          | 32,790                          | 163                            | 21,452,141            |
| Difference between expected and<br>actual experience | 532,757               | (182,265)                  | 268,200                            | 232                             | 48                             | 618,972               |
| Change of assumptions                                | 1,234,581             | -                          | -                                  | -                               | (58)                           | 1,234,523             |
| Adjustment for Chapter 175/185 reserves              | -                     | 203,628                    | -                                  | -                               | -                              | 203,628               |
| Benefit payments                                     | (7,507,481)           | (13,239,816)               | (1,611,279)                        | (53,552)                        | (1,494)                        | (22,413,622)          |
| Net change in total pension liability                | <u>3,370,477</u>      | <u>215,266</u>             | <u>206,396</u>                     | <u>(14,362)</u>                 | <u>(1,169)</u>                 | <u>3,776,608</u>      |
| Total pension liability - ending (a)                 | <u>\$ 119,425,390</u> | <u>\$ 158,147,629</u>      | <u>\$ 20,722,176</u>               | <u>\$ 508,828</u>               | <u>\$ 6,595</u>                | <u>\$ 298,810,618</u> |
| Plan fiduciary net position - beginning              | \$ 82,103,986         | \$ 103,213,261             | \$ (24,088,606)                    | \$ 504,338                      | \$ 276                         | \$ 161,733,255        |
| Employer contributions                               | 3,371,110             | 6,646,690                  | 54,558                             | 9,986                           | -                              | 10,082,344            |
| Employee contributions                               | 537,247               | 1,018,900                  | 42,961                             | (1,800)                         | -                              | 1,597,308             |
| Other contributions                                  | -                     | 683,706                    | -                                  | -                               | -                              | 683,706               |
| Interest   | -                     | -                          | 1,497,058                          | -                               | -                              | 1,497,058             |
| Net investment income                                | 15,030,146            | 18,490,409                 | 4,678,945                          | (37,163)                        | 1,535                          | 38,163,872            |
| Benefit payments                                     | (7,507,481)           | (13,239,816)               | (1,611,279)                        | (53,552)                        | (1,494)                        | (22,413,622)          |
| Administrative expenses                              | (193,418)             | (260,192)                  | 110,606                            | (53)                            | -                              | (343,057)             |
| Net change in plan fiduciary net position            | <u>11,237,604</u>     | <u>13,339,697</u>          | <u>4,772,849</u>                   | <u>(82,582)</u>                 | <u>41</u>                      | <u>29,267,609</u>     |
| Plan fiduciary net position - ending (b)             | <u>\$ 93,341,590</u>  | <u>\$ 116,552,958</u>      | <u>\$ (19,315,757)</u>             | <u>\$ 421,756</u>               | <u>\$ 317</u>                  | <u>\$ 191,000,864</u> |
| <b>Net pension liability (a-b)</b>                   | <u>\$ 26,083,800</u>  | <u>\$ 41,594,671</u>       | <u>\$ 1,406,419</u>                | <u>\$ 87,072</u>                | <u>\$ 6,278</u>                | <u>\$ 69,178,240</u>  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions** (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows and deferred inflows of resources related to pension expense will be recognized as follows:

| Fiscal Year: | Retirement Plan       |                         |                              |                           |                          |
|--------------|-----------------------|-------------------------|------------------------------|---------------------------|--------------------------|
|              | General Employees     | Police and Firefighters | General Management Employees | Florida Retirement System | Health Insurance Subsidy |
| 2023         | \$ (119,638)          | \$ (1,793,464)          | \$ 719,706                   | \$ 2,315                  | \$ (275)                 |
| 2024         | (737,919)             | (629,410)               | 515,241                      | 173                       | (196)                    |
| 2025         | (1,485,751)           | (1,840,742)             | 353,177                      | (4,420)                   | (75)                     |
| 2026         | (1,826,975)           | (2,187,814)             | 935,789                      | 12,349                    | (134)                    |
| 2027         | -                     | -                       | -                            | 392                       | (184)                    |
| After        | -                     | -                       | -                            | -                         | (75)                     |
|              | <u>\$ (4,170,283)</u> | <u>\$ (6,451,430)</u>   | <u>\$ 2,523,913</u>          | <u>\$ 10,809</u>          | <u>\$ (939)</u>          |

**Management Employees Excess Benefits Plan**

*Plan Description*

On January 7, 2003, the City established the Management Employees Excess Benefit Plan as part of the General Management Employees Pension Plan to be an unfunded, nonqualified excess benefit plan, containing the terms and provisions set forth in the subpart (Sec. 15-341) and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code.

*Excess Benefit Participants*

Any member of the Retirement Plan and Trust for General Management Employees whose retirement benefit exceeds the maximum benefit under Section 415 of the Code is a participant.

*Benefits Provided*

A participant shall be eligible to receive benefits after termination of employment, as an unrestricted monthly benefit that otherwise would have been received under the terms of the Retirement Plan and Trust for General Management Employees in the absence of IRS Code Section 415 limits.

*Funding Policy*

The City cannot advance fund assets, or any benefit payable under the Plan, and any assets held by the Plan during any period can only pay benefits coming due or the expenses of the plan during the period. The City cannot restrict any assets to provide funding for these benefits. The City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan. An actuarial valuation has not been performed because the plan costs must be paid on an annual basis. A schedule of changes in net pension liability has not been provided as the plan does not maintain assets. Accordingly, the plan held no assets at September 30, 2022. The City's annual pension cost at September 30, 2022 is as follows:

|  |                |
|--|----------------|
| Annual required contribution             | \$ 332,967     |
| Annual pension cost                      | 332,967        |
| Contributions made                       | <u>332,967</u> |
| Change in net pension liability          | -              |
| Net pension liability, beginning of year | -              |
| Net pension liability, end of year       | <u>\$ -</u>    |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Employee Retirement Systems** (continued)

**Retirement Plan and Trust for General Management Employees**

On July 18, 2017, City Commission approved Ordinance 2017-8 to close the Retirement Plan and Trust for General Management Employees to new members and provided for the option of existing non-vested plan members to transfer to the Management Employee Defined Contribution Money Purchase Plan. As part of that ordinance, the Money Purchase Plan was also amended to reduce the City's contribution from 17% of members' salary to 10%.

Separate stand-alone financial statements are not issued for the Retirement Plan and Trust for General Management Employees. Therefore, presented below are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position for the current year:

**Statement of Fiduciary Net Position**

Retirement Plan and Trust for General Management Employees  
As of September 30, 2022

|                                      |               |
|--------------------------------------|---------------|
| <b>Assets</b>                        |               |
| Investments at fair value            | \$ 19,315,757 |
| <b>Net Position</b>                  |               |
| Net position restricted for pensions | \$ 19,315,757 |

**Statement of Changes in Fiduciary Net Position**

Retirement Plan and Trust for General Management Employees  
For the Year Ended September 30, 2022

|   |               |
|---|---------------|
| <b>Additions</b>                              |               |
| Contributions:                                |               |
| Employer                                      | \$ 415,907    |
| Employees                                     | 44,132        |
| Investment income:                            |               |
| Net appreciation in fair value of investments | (3,181,887)   |
| Investment expenses                           | (33,938)      |
| <b>Total additions</b>                        | (2,755,786)   |
| <b>Deductions</b>                             |               |
| Pension benefit payments                      | 1,972,627     |
| Administrative expenses                       | 43,265        |
| <b>Total deductions</b>                       | 2,015,892     |
| <b>Increase in net position</b>               | (4,771,678)   |
| <b>Net position - beginning</b>               | 24,087,435    |
| <b>Net position - ending</b>                  | \$ 19,315,757 |

**Note 13 – Defined Contribution Plan**

The City is a single employer that contributes to two Money Purchase Plans, which are defined contribution pension plans created in accordance with Internal Revenue Code 401(a). The City contributes 10% of annual covered payroll and the employee is required to contribute 5% for the Management Plan. The City contributes 20% of annual covered payroll and the employee is not required to contribute to the Charter Officer Plan. During the fiscal year ending September 30, 2022, the City made \$50,627 contributions to the Charter Officer Plan and approximately \$369,720 to the Management Plan. Plan provisions and contribution requirements are established and may be amended by the City Manager.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 14 – Other Post-Employment Benefits (OPEB)**

*Description of Benefits*

In addition to providing the pension benefits described, the City provides optional post-employment healthcare coverage to eligible individuals, as well as dental and vision benefits. In addition, all retirees are covered by a group life insurance policy under a single-employer plan. The plan does not issue a separate stand-alone financial report.

*Eligibility*

Eligible individuals include certain regular employees of the City of North Miami Beach who retire from active service and are eligible for retirement or disability benefits under one of the pension plans sponsored by the City. Elected officials elected prior to October 1, 2008 are eligible after serving at least four terms. In most cases, eligibility for healthcare coverage also includes spouses and dependent children. Spousal coverage generally ends at age 65 or after the employee's death.

Membership of the plan consisted of the following:

|  |     |
|--|-----|
| Active plan members                                | 400 |
| Inactive plan members currently receiving benefits | 345 |
| Total  | 745 |

*Healthcare Plans*

Eligible individuals may choose healthcare coverage under three plans from the City's current health insurance provider. Options include a Health Maintenance Organization (HMO) plan, a Preferred Provider Organization (PPO) plan or a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) partially funded by the City. Medicare-eligible individuals may choose any of the three plans or choose coverage under a Medicare supplement plan. Retirees must pay a monthly premium as determined by the insurance carrier, less any applicable subsidies provided by the City. The premiums vary depending on the chosen plan and the type of coverage.

The City subsidizes 100% of the premium for single coverage under the PPO plan for eligible elected officials. In addition, the City subsidizes a portion of the premium for single coverage under the PPO plan for retired management-level personnel (and some currently employed) hired prior to October 1, 2008 depending on age and length of service at retirement.

*Post-employment Life Insurance Coverage*

The City provides \$ 10,000 of life insurance coverage to all retirees. Management-level personnel receive an additional \$10,000 of coverage if they have earned at least 15 years of service at retirement or an additional \$20,000 of coverage if they have earned at least 20 years of service.

*Actuarial methods and assumptions*

During fiscal year 2011, the City established an OPEB Trust to accumulate the assets necessary to fund the OPEB liability and to pay future benefits. The fund in which the employee's payroll expense has been recorded is typically used to liquidate OPEB liabilities. The annual required contributions for the Plan were determined as part of the October 1, 2021 actuarial valuation using the projected unit credit cost method. Information related to the actuarial valuation follows:

|   |                  |
|---|------------------|
| Valuation Date  | October 1, 2021  |
| Actuarial cost method   | Entry age normal |
| Investment rate of return   | 7.00%            |
| Healthcare cost trend rate  | 7.50%            |
| Inflation   | 2.62%            |
| Mortality: Sex distinct rates set forth in the PUB-2010 mortality table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2018. |                  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 14 – Other Post-Employment Benefits** (continued)

**Net OPEB Liability**

*Target Allocation and Long-term Expected Rate of Return*

| <u>Asset Class</u>  | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------|--------------------------|---|
| Core Bonds          | 15.00%                   | 1.60%   |
| Core Plus           | 15.00%                   | 2.10%   |
| US Large Cap Equity | 25.00%                   | 4.60%   |
| US Small Cap Equity | 14.00%                   | 5.50%   |
| Non-US Equity       | 21.00%                   | 6.70%   |
| Core Real Estate    | 10.00%                   | 5.00%   |

**Changes in the Net OPEB Liability**

*Discount Rate*

The rate of 5.27% per annum was used to discount all future benefit payments and is based on the expected long-term return on assets, which was determined as of the valuation date by the Asset Consulting Group.

*Sensitivity of the Net OPEB Liability to the Discount & Healthcare Cost Trend Rate Assumptions*

The following tables present the City's net OPEB liability calculated using the current discount and healthcare cost trend rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates to indicate the sensitivity of the net OPEB liability to changes in rate assumptions.

| <u>Rate</u>   | <u>1% Decrease</u>          | <u>Current Rate</u>           | <u>1% Increase</u>        |
|---|-----------------------------|-------------------------------|---------------------------|
| Discount Rate (5.27%)   | \$ 5,991,460                | \$ 4,937,969                  | \$ 4,058,884              |
| Healthcare Cost Trend Rate (7.50%)                                  | 4,232,003                   | 4,937,969                     | 5,777,125                 |
|   | <u>Total OPEB Liability</u> | <u>Fiduciary Net Position</u> | <u>Net OPEB Liability</u> |
| Balance as of September 30, 2021                                    | \$ 9,855,251                | \$ (5,288,512)                | \$ 4,566,739              |
| Change due to:  |                             |                               |                           |
| Service cost  | 585,174                     | -                             | 585,174                   |
| Expected interest growth  | 534,466                     | (369,535)                     | 164,931                   |
| Unexpected investment income  | -                           | 1,093,463                     | 1,093,463                 |
| Demographic experience  | 801,457                     | -                             | 801,457                   |
| Employer contributions  | -                           | (605,279)                     | (605,279)                 |
| Benefit payments & refunds  | (605,279)                   | 605,279                       | -                         |
| Administrative expenses   | -                           | 19,201                        | 19,201                    |
| Assumption changes  | <u>(1,687,717)</u>          | <u>-</u>                      | <u>(1,687,717)</u>        |
| Balance as of September 30, 2022                                    | <u>\$ 9,483,352</u>         | <u>\$ (4,545,383)</u>         | <u>\$ 4,937,969</u>       |
| Plan fiduciary net position as a percentage of total OPEB liability | 47.93%                      |                               |                           |

OPEB expense recognized for fiscal year ended September 30, 2022 totaled \$1,656,866.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 14 – Other Post-Employment Benefits** (continued)

**OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

| Summary of Deferred Outflows and Inflows |                      |                     |
|--|----------------------|---------------------|
|  | Deferred<br>Outflows | Deferred<br>Inflows |
| Unexpected investment income             | \$ 885,802           | \$ 334,687          |
| Demographic experience                   | 678,204              | 1,044,413           |
| Assumption changes                       | 686,028              | 1,467,183           |
| Total                                    | \$ 2,250,034         | \$ 2,846,283        |

| Fiscal Year:                     | OPEB<br>Amortization |
|----------------------------------|----------------------|
| 2023                             | \$ 162,071           |
| 2024                             | (297,756)            |
| 2025                             | (378,234)            |
| 2026                             | (38,525)             |
| 2027                             | (43,805)             |
| After                            | -                    |
|                                  | \$ (596,249)         |
| Balance as of September 30, 2022 | \$ 2,968,771         |

**Note 15 – Community Redevelopment Agency**

The North Miami Beach Community Redevelopment Agency (NMB CRA) Component Unit incurred the following expenditures during the fiscal year ended September 30, 2022:

**Source of deposits:**

|   |              |
|---|--------------|
| Tax increment financing - Miami-Dade County | \$ 1,346,643 |
| Tax increment financing - City              | 1,813,518    |
| Interest earnings                           | 74,186       |
| Loss on investments                         | (77,471)     |
| Other revenues                              | -            |
| Total sources                               | \$ 3,156,876 |

**Purpose of withdrawals:**

|                                     |              |
|-------------------------------------|--------------|
| Dedicated personnel allocation      | \$ 393,525   |
| City administrative cost allocation | 362,704      |
| Debt service                        | 182,481      |
| Grants to private organizations     | 474,157      |
| Capital outlay                      | 1,210,001    |
| Operating                           | 1,360,365    |
| Total withdrawals                   | \$ 3,983,233 |

**Tax Abatements**

During fiscal year 2015, the CRA created a new redevelopment program aimed at spurring the redevelopment of properties within the redevelopment area via CRA Policy Resolution 2015-4. Applicants whose projects are deemed acceptable to the CRA Board may receive a partial return of the property taxes that were paid. The rebate is calculated based on the increment by which the development increases in property value. A total of 75% of the taxes paid on the increment will be rebated if the total real estate taxes are paid prior to delinquency. If the taxes are not paid timely, there is no rebate of the property tax increment. This rebate program has no effect on the revenues of the primary government, the City of North Miami Beach.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 15 – Community Redevelopment Agency** (continued)

One award was granted in January 2016 to the NoMa project, a 249 residential unit mixed use development located at 2145 NE 164<sup>th</sup> Street and West Dixie Highway. As part of the TIF Recapture program, the recipient has agreed to install certain Waterfront Improvements and Art in Public Places as defined in the agreement. The project was completed during early 2018, which is considered the base year for increment measurement. The amount rebated in fiscal year 2021 was \$474,157 and none for fiscal year 2022. Individual financial statements for the NMBCRA are available through the finance department of the City at 17011 NE 19<sup>th</sup> Avenue, North Miami Beach, Florida 33162.

**Note 16 – Leases**

*Lessor*

On October 1 2021, the City entered into a 31 month lease as Lessor for the use of Communication Site - 19150 NW 8th Ave.. An initial lease receivable was recorded in the amount of \$63,255. As of September 30, 2022, the value of the lease receivable is \$31,636. The lessee is required to make annual fixed payments of \$31,740. The lease has an interest rate of 0.3280%. The Land estimated useful life was 31 months as of the contract commencement. The value of the deferred inflow of resources as of 09/30/2022 was \$38,769, and North Miami Beach, FL recognized lease revenue of \$24,486 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

**Note 17 – Prior Period Adjustment**

During the fiscal year ended September 30, 2022, the opening net position of the Government-Wide Governmental Activities was adjusted due to a correction to the opening balance of estimated claims liability.

|   | Government-Wide<br>Financial Statements<br>Governmental Activities |
|---|--|
| Net position, beginning, as previously reported | \$ 9,812,202   |
| Correction of estimated claims liability        | (614,124)  |
| Net position, beginning, as restated            | \$ 9,198,078   |

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**III. REQUIRED SUPPLEMENTARY  
INFORMATION (Other Than MD&A)**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

| <u>REVENUES</u>                 | Budgeted Amounts     |                      | Actual<br>Amounts    | Variance<br>with Final<br>Budget -<br>Positive/<br>(Negative) |
|---------------------------------|----------------------|----------------------|----------------------|---|
|                                 | Original             | Final                |                      |   |
| <b>Taxes:</b>                   |                      |                      |                      |   |
| Property taxes                  | \$ 21,589,688        | \$ 21,589,688        | \$ 21,746,050        | \$ 156,362  |
| User surcharges                 | 8,831,000            | 8,831,000            | 9,358,579            | 527,579   |
| Utility taxes                   | 3,983,550            | 3,983,550            | 3,963,565            | (19,985)  |
| Communication service taxes     | 1,576,097            | 1,576,097            | 1,614,171            | 38,074  |
| Sales taxes                     | 3,587,973            | 3,587,973            | 4,757,902            | 1,169,929   |
| Franchise fees                  | 3,098,700            | 3,098,700            | 4,013,950            | 915,250   |
| Fuel taxes                      | <u>787,000</u>       | <u>787,000</u>       | <u>849,272</u>       | <u>62,272</u>   |
| Total taxes                     | 43,454,008           | 43,454,008           | 46,303,489           | 2,849,481   |
| <b>Intergovernmental:</b>       |                      |                      |                      |   |
| State shared revenue            | 1,858,253            | 1,858,253            | 2,326,848            | 468,595   |
| State insurance premium taxes   | 500,000              | 500,000              | 554,459              | 54,459  |
| Other state and county revenues | <u>160,200</u>       | <u>160,200</u>       | <u>256,157</u>       | <u>95,957</u>   |
| Total intergovernmental         | 2,518,453            | 2,518,453            | 3,137,464            | 619,011   |
| <b>Charges for services:</b>    |                      |                      |                      |   |
| General services fees           | 784,056              | 784,056              | 947,786              | 163,730   |
| Parks & recreation fees         | 968,400              | 968,400              | 515,998              | (452,402)   |
| Police services fees            | <u>203,050</u>       | <u>203,050</u>       | <u>208,171</u>       | <u>5,121</u>  |
| Total charges for services      | 1,955,506            | 1,955,506            | 1,671,955            | (283,551)   |
| Fines and forfeitures           | 1,463,000            | 1,463,000            | 1,402,112            | (60,888)  |
| Licenses and permits            | 957,950              | 957,950              | 1,366,354            | 408,404   |
| <b>Other income:</b>            |                      |                      |                      |   |
| Investment income (loss)        | 300,500              | 300,500              | (608,356)            | (908,856)   |
| Impact fees                     | 5,500                | 117,358              | 5,197                | (112,161)   |
| Miscellaneous                   | <u>(8,700,000)</u>   | <u>(8,590,918)</u>   | <u>717,536</u>       | <u>9,308,454</u>  |
| Total other income              | (8,394,000)          | (8,173,060)          | 114,377              | 8,287,437   |
| Total revenues                  | <u>\$ 41,954,917</u> | <u>\$ 42,175,857</u> | <u>\$ 53,995,751</u> | <u>\$ 11,819,894</u>  |

(Continued)

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
(Continued)  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Budgeted Amounts      |                       | Actual<br>Amounts    | Variance<br>with Final<br>Budget -<br>Positive/<br>(Negative) |
|---|-----------------------|-----------------------|----------------------|---|
|   | Original              | Final                 |                      |   |
| <b>EXPENDITURES</b>                       |                       |                       |                      |   |
| Operating expenditures:                   |                       |                       |                      |   |
| General government:                       |                       |                       |                      |   |
| Administrative                            | \$ 1,614,420          | \$ 1,988,739          | \$ 1,807,351         | \$ 181,388  |
| Legislative                               | 7,184,194             | 7,184,194             | 6,309,746            | 874,448   |
| Executive                                 | 4,944,270             | 4,746,208             | 3,908,478            | 837,730   |
| Human resources                           | 3,938,743             | 3,854,535             | 3,646,075            | 208,460   |
| Financial services                        | <u>1,752,042</u>      | <u>1,702,102</u>      | <u>1,571,319</u>     | <u>130,783</u>  |
| Total general government                  | 19,433,669            | 19,475,778            | 17,242,969           | 2,232,809   |
| Public safety                             | 24,504,768            | 25,353,809            | 25,515,629           | (161,820)   |
| Library                                   | 1,297,612             | 1,291,062             | 1,211,221            | 79,841  |
| Parks & recreation                        | 5,741,788             | 5,959,870             | 5,281,071            | 678,799   |
| Public services                           | <u>6,266,102</u>      | <u>6,269,637</u>      | <u>6,038,847</u>     | <u>230,790</u>  |
| Total operating expenditures              | 57,243,939            | 58,350,156            | 55,289,737           | 3,060,419   |
| Capital Outlay:                           |                       |                       |                      |   |
| General government                        | -                     | 183,639               | 145,759              | 37,880  |
| Public safety                             | 930,213               | 1,433,789             | 607,903              | 825,886   |
| Library                                   | 192,000               | 198,550               | 56,601               | 141,949   |
| Parks & recreation                        | 2,567,500             | 4,362,555             | 590,128              | 3,772,427   |
| Public works                              | <u>10,769,208</u>     | <u>11,732,672</u>     | <u>2,047,962</u>     | <u>9,684,710</u>  |
| Total capital outlay                      | <u>14,458,921</u>     | <u>17,911,205</u>     | <u>3,448,353</u>     | <u>14,462,852</u>   |
| Debt service:                             |                       |                       |                      |   |
| Principal                                 | -                     | -                     | 37,756               | (37,756)  |
| Interest and other fiscal charges         | -                     | -                     | 229                  | (229)   |
| Total debt service                        | -                     | -                     | <u>37,985</u>        | <u>(37,985)</u>   |
| Total expenditures                        | 71,702,860            | 76,261,361            | 58,776,075           | 17,485,286  |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |                       |                      |   |
| Issuance of debt - leases                 | -                     | -                     | 12,060               | 12,060  |
| Transfers in                              | 8,051,413             | 9,152,413             | 9,161,343            | 8,930   |
| Appropriations of prior year fund balance | <u>12,865,530</u>     | <u>16,102,091</u>     | <u>-</u>             | <u>(16,102,091)</u>   |
| Total other financing sources (uses)      | <u>20,916,943</u>     | <u>25,254,504</u>     | <u>9,173,403</u>     | <u>(16,081,101)</u>   |
| Net change in fund balance                | <u>\$ (8,831,000)</u> | <u>\$ (8,831,000)</u> | <u>\$ 4,393,079</u>  | <u>\$ 13,224,079</u>  |
| Fund balance, beginning                   |                       |                       | <u>39,628,970</u>    |   |
| Fund balance, ending                      |                       |                       | <u>\$ 44,022,049</u> |   |

See notes to budgetary comparison schedules

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Budgeted Amounts |                  | Actual              | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|---|------------------|------------------|---------------------|--|
|   | Original         | Final            |                     |  |
| Revenues:   |                  |                  |                     |  |
| Intergovernmental                                 | \$ 3,160,372     | \$ 3,160,372     | \$ 3,160,161        | \$ (211)   |
| Other income (loss)                               | 45,000           | 45,000           | (3,285)             | (48,285)   |
| Total revenues                                    | <u>3,205,372</u> | <u>3,205,372</u> | 3,156,876           | (48,496)   |
| Expenditures:                                     |                  |                  |                     |  |
| Operating:  |                  |                  |                     |  |
| General government                                | 2,152,349        | 2,484,069        | 1,822,809           | 661,260  |
| Capital outlay                                    | 3,900,000        | 3,915,700        | 1,380,641           | 2,535,059  |
| Debt service:                                     |                  |                  |                     |  |
| Principal   | 166,700          | 166,700          | 195,172             | (28,472)   |
| Interest and other fiscal charges                 | 33,300           | 33,300           | 15,814              | 17,486   |
| Total expenditures                                | <u>6,252,349</u> | <u>6,599,769</u> | <u>3,414,436</u>    | <u>3,185,333</u>   |
| Excess (deficiency) of revenues over expenditures | (3,046,977)      | (3,394,397)      | (257,560)           | 3,136,837  |
| Other financing sources (uses):                   |                  |                  |                     |  |
| Issuance of debt - leases                         | -                | -                | 170,640             | 170,640  |
| Transfers out                                     | (2,772,193)      | (2,434,773)      | (738,693)           | 1,696,080  |
| Appropriations of prior year fund balance         | 5,819,170        | 5,829,170        | -                   | (5,829,170)  |
| Total other financing sources (uses)              | <u>3,046,977</u> | <u>3,394,397</u> | <u>(568,053)</u>    | <u>(3,962,450)</u>   |
| Net changes in fund balance                       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ (825,613)</u> | <u>\$ (825,613)</u>  |
| Fund balance, beginning                           |                  |                  | 5,609,924           |  |
| Fund balance, ending                              |                  |                  | <u>\$ 4,784,311</u> |  |

See notes to budgetary comparison schedules

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ARPA FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Budgeted Amounts   |                    | Actual               | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|---|--------------------|--------------------|----------------------|--|
|   | Original           | Final              |                      |  |
| Revenues:   |                    |                    |                      |  |
| Intergovernmental                                 | \$ 10,778,621      | \$ 10,778,621      | \$ 21,557,242        | \$ 10,778,621  |
| Total revenues                                    | <u>10,778,621</u>  | <u>10,778,621</u>  | <u>21,557,242</u>    | <u>10,778,621</u>  |
| Expenditures:                                     |                    |                    |                      |  |
| Operating:  |                    |                    |                      |  |
| General government                                | 1,837,043          | 3,075,900          | 1,127,469            | 1,948,431  |
| Capital outlay                                    | <u>3,455,834</u>   | <u>5,427,100</u>   | <u>2,796,885</u>     | <u>2,630,215</u>   |
| Total expenditures                                | <u>5,292,877</u>   | <u>8,503,000</u>   | <u>3,924,354</u>     | <u>4,578,646</u>   |
| Excess (deficiency) of revenues over expenditures | 5,485,744          | 2,275,621          | 17,632,888           | 15,357,267   |
| Other financing sources (uses):                   |                    |                    |                      |  |
| Transfers out                                     | (2,275,621)        | (2,275,621)        | (2,275,621)          | -  |
| Appropriations of prior year fund balance         | <u>(3,210,123)</u> | <u>-</u>           | <u>-</u>             | <u>-</u>   |
| Total other financing sources (uses)              | <u>(5,485,744)</u> | <u>(2,275,621)</u> | <u>(2,275,621)</u>   | <u>-</u>   |
| Net changes in fund balance                       | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 15,357,267</u> | <u>\$ 15,357,267</u>   |
| Fund balance, beginning                           |                    |                    | <u>-</u>             |  |
| Fund balance, ending                              |                    |                    | <u>\$ 15,357,267</u> |  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**SEPTEMBER 30, 2022**

**Note 1 – Budgets and Budgetary Accounting**

Annual budgets are adopted for the General Fund, the Transit Surtax Fund, the Community Redevelopment Agency, the Eastern Shores Special Taxing Districts, the debt service funds and the Alley Restoration Program on a basis consistent with generally accepted accounting principles.

1. Prior to July 1, the City Manager submits a budget estimate of revenues and expenditures for all City departments for the fiscal year commencing October 1 to the City Commission.
2. The City Commission holds budget workshops to review and amend the proposed budget.
3. Two public hearings are conducted to obtain taxpayers' comments.
4. Prior to October 1, the budget is legally enacted through passage of a resolution.
5. No department may legally expend or contract to expend amounts in excess of amounts appropriated for any department within an individual fund. Budget appropriations for salary and related costs and for operating costs lapse at year end. Appropriations for capital outlay expenditures carry forward to the next fiscal year for open purchase orders.
6. The resolution authorizes the City Manager to amend, modify, or otherwise adjust the City's annual budget in accordance with the spending limitations as established by Chapter 3, Purchasing, of the North Miami Beach Code of Ordinances (\$50,000). The City Commission approves all other budget amendments.
7. Encumbrance accounting is used in governmental funds. Encumbered purchase orders outstanding at year-end are reported as assignments of fund balances to indicate that they are not available for appropriation and are not expendable available financial resources.

**Note 2 – Negative Variances**

The negative revenue variances in the General Fund are a result of lower revenues related to parks and recreation services and police service fees. In addition, the General Fund had lower than budgeted returns on investments for the fiscal year. The negative variance in the General Fund Public Safety expenditures is the result of increased costs for part-time personnel and insurance costs incurred during the fiscal year.

The negative variance in the Community Redevelopment Agency Fund is a result of the funding from transfers less than budgeted due to differences in principal and interest payments. The principal and interest variance is due to the implementation of GASB 87 related to operating lease expenditure.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST EIGHT FISCAL YEARS**

| Measurement date September 30,   | Retirement Plan for General Employees   |                      |                      |                      |                      |                      |                      |                      |
|--|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2014  | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
| Total pension liability - beginning                                    | \$ 98,072,000   | \$ 102,007,534       | \$ 104,972,279       | \$ 106,569,038       | \$ 110,816,042       | \$ 112,557,540       | \$ 115,447,319       | \$ 116,054,913       |
| Changes for the year:  |   |                      |                      |                      |                      |                      |                      |                      |
| Service cost   | 1,258,325   | 1,151,136            | 1,156,065            | 953,146              | 520,878              | 551,760              | 611,266              | 676,443              |
| Interest   | 7,539,274   | 7,805,702            | 7,928,162            | 8,273,928            | 8,254,998            | 8,371,153            | 8,298,157            | 8,434,177            |
| Difference between expected and actual experience                      | 515,726   | 867,625              | (350,213)            | 458,125              | (1,239,946)          | 328,330              | (358,942)            | 532,757              |
| Change of assumptions  | -   | -                    | -                    | 2,910,146            | 1,375,883            | 1,205,340            | (697,129)            | 1,234,581            |
| Benefit payments   | (5,377,791)   | (6,859,718)          | (7,137,255)          | (8,348,341)          | (7,170,315)          | (7,566,804)          | (7,245,758)          | (7,507,481)          |
| Net change in total pension liability                                  | 3,935,534   | 2,964,745            | 1,596,759            | 4,247,004            | 1,741,498            | 2,889,779            | 607,594              | 3,370,477            |
| Total pension liability - ending (a)                                   | \$ 102,007,534  | \$ 104,972,279       | \$ 106,569,038       | \$ 110,816,042       | \$ 112,557,540       | \$ 115,447,319       | \$ 116,054,913       | \$ 119,425,390       |
| Plan fiduciary net position - beginning                                | \$ 71,776,351   | \$ 77,890,314        | \$ 74,770,502        | \$ 76,555,716        | \$ 79,944,967        | \$ 83,212,413        | \$ 81,473,712        | \$ 82,103,986        |
| Employer contributions   | 3,545,108   | 3,528,201            | 3,285,155            | 3,249,182            | 3,453,684            | 3,205,197            | 3,375,895            | 3,371,110            |
| Employee contributions   | 643,099   | 632,868              | 708,318              | 551,371              | 387,959              | 416,359              | 456,079              | 537,247              |
| Net investment income (loss)   | 7,469,081   | (261,263)            | 5,109,744            | 8,115,172            | 6,816,079            | 2,387,615            | 4,229,584            | 15,030,146           |
| Benefit payments   | (5,377,791)   | (6,859,718)          | (7,137,255)          | (8,348,341)          | (7,170,315)          | (7,566,804)          | (7,245,758)          | (7,507,481)          |
| Administrative expenses  | (165,534)   | (159,900)            | (180,748)            | (178,133)            | (219,961)            | (181,068)            | (185,526)            | (193,418)            |
| Net change in plan fiduciary position                                  | 6,113,963   | (3,119,812)          | 1,785,214            | 3,389,251            | 3,267,446            | (1,738,701)          | 630,274              | 11,237,604           |
| Plan fiduciary net position - ending (b)                               | \$ 77,890,314   | \$ 74,770,502        | \$ 76,555,716        | \$ 79,944,967        | \$ 83,212,413        | \$ 81,473,712        | \$ 82,103,986        | \$ 93,341,590        |
| <b>Net pension liability (a-b)</b>                                     | <b>\$ 24,117,220</b>  | <b>\$ 30,201,777</b> | <b>\$ 30,013,322</b> | <b>\$ 30,871,075</b> | <b>\$ 29,345,127</b> | <b>\$ 33,973,607</b> | <b>\$ 33,950,927</b> | <b>\$ 26,083,800</b> |
| Plan fiduciary net position as a percentage of total pension liability | 76.36%  | 71.23%               | 71.84%               | 72.14%               | 73.93%               | 70.57%               | 70.75%               | 78.16%               |
| Covered payroll  | \$ 8,935,213  | \$ 8,438,765         | \$ 7,937,439         | \$ 6,934,420         | \$ 5,137,361         | \$ 5,695,108         | \$ 6,465,047         | \$ 7,203,137         |
| Net pension liability as a percentage of covered payroll               | 269.91%   | 357.89%              | 378.12%              | 445.19%              | 571.21%              | 596.54%              | 525.15%              | 362.12%              |
| Note:  | This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available. |                      |                      |                      |                      |                      |                      |                      |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST EIGHT FISCAL YEARS**

| Measurement date September 30,   | Retirement Plan for Police Officers and Firefighters |                |                |                |                |                |                |                |
|--|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2014   | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
| Total pension liability - beginning                                    | \$ 127,462,645                                       | \$ 130,231,957 | \$ 136,441,317 | \$ 137,871,599 | \$ 144,160,147 | \$ 155,311,581 | \$ 159,910,289 | \$ 157,932,363 |
| Changes for the year:  |  |                |                |                |                |                |                |                |
| Service cost   | 1,616,907  | 1,839,411      | 1,601,153      | 1,577,364      | 1,481,104      | 1,696,546      | 1,587,890      | 1,931,450      |
| Interest   | 9,980,051  | 10,286,023     | 10,661,632     | 10,759,761     | 11,191,959     | 11,420,764     | 11,690,703     | 11,502,269     |
| Difference between expected and actual experience                      | -  | 780,939        | (1,344,143)    | 469,201        | 1,905,934      | 1,037,755      | 1,338,857      | (182,265)      |
| Change of assumptions  | -  | -              | -              | 3,429,737      | 8,186,842      | -              | (5,241,735)    | -              |
| Adjustment for Chapter 175/185 reserves                                | -  | 432,298        | 242,987        | 150,662        | 94,373         | 80,401         | 97,651         | 203,628        |
| Benefit payments   | (8,827,646)  | (7,129,311)    | (9,731,347)    | (10,098,177)   | (11,708,778)   | (9,636,758)    | (11,451,292)   | (13,239,816)   |
| Net change in total pension liability                                  | 2,769,312  | 6,209,360      | 1,430,282      | 6,288,548      | 11,151,434     | 4,598,708      | (1,977,926)    | 215,266        |
| Total pension liability - ending (a)                                   | \$ 130,231,957                                       | \$ 136,441,317 | \$ 137,871,599 | \$ 144,160,147 | \$ 155,311,581 | \$ 159,910,289 | \$ 157,932,363 | \$ 158,147,629 |
| Plan fiduciary net position - beginning                                | \$ 86,242,705  | \$ 93,283,466  | \$ 91,342,471  | \$ 94,164,922  | \$ 100,384,375 | \$ 102,904,629 | \$ 101,578,737 | \$ 103,213,261 |
| Employer contributions   | 6,357,669  | 6,498,316      | 6,254,492      | 5,589,783      | 5,550,473      | 5,843,206      | 6,273,855      | 6,646,690      |
| Employee contributions   | 775,749  | 669,356        | 692,487        | 765,541        | 792,489        | 781,702        | 874,725        | 1,018,900      |
| Other contributions  | 790,839  | 690,234        | 605,857        | 508,655        | 490,173        | 490,173        | 509,062        | 683,706        |
| Net investment income (loss)   | 8,534,464  | (2,917,644)    | 5,238,367      | 9,698,773      | 7,595,714      | 1,399,995      | 5,628,745      | 18,490,409     |
| Benefit payments   | (8,827,646)  | (7,129,311)    | (9,731,347)    | (10,098,177)   | (11,708,778)   | (9,636,758)    | (11,451,292)   | (13,239,816)   |
| Administrative expenses  | (179,329)  | (227,726)      | (237,405)      | (257,983)      | (226,568)      | (204,210)      | (217,285)      | (278,986)      |
| Other changes  | (410,985)  | 475,780        | -              | 12,861         | 26,751         | -              | 16,714         | 18,794         |
| Net change in plan fiduciary position                                  | 7,040,761  | (1,940,995)    | 2,822,451      | 6,219,453      | 2,520,254      | (1,325,892)    | 1,634,524      | 13,339,697     |
| Plan fiduciary net position - ending (b)                               | \$ 93,283,466  | \$ 91,342,471  | \$ 94,164,922  | \$ 100,384,375 | \$ 102,904,629 | \$ 101,578,737 | \$ 103,213,261 | \$ 116,552,958 |
| <b>Net pension liability (a-b)</b>                                     | \$ 36,948,491  | \$ 45,098,846  | \$ 43,706,677  | \$ 43,775,772  | \$ 52,406,952  | \$ 58,331,552  | \$ 54,719,102  | \$ 41,594,671  |
| Plan fiduciary net position as a percentage of total pension liability | 71.63%   | 66.95%         | 68.30%         | 69.63%         | 66.26%         | 63.52%         | 65.35%         | 73.70%         |
| Covered payroll  | \$ 5,597,265   | \$ 5,127,475   | \$ 6,586,705   | \$ 6,573,350   | \$ 6,128,138   | \$ 6,532,396   | \$ 6,087,500   | \$ 7,246,268   |
| Net pension liability as a percentage of covered payroll               | 660.12%  | 879.55%        | 663.56%        | 665.96%        | 855.19%        | 892.96%        | 898.88%        | 574.02%        |

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST EIGHT FISCAL YEARS**

| Measurement date September 30,   | Retirement Plan and Trust for General Management Employees |                      |                      |                      |                      |                      |                       |                      |
|--|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
|  | 2014   | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                  | 2021                 |
| Total pension liability - beginning                                    | \$ 19,734,068  | \$ 22,100,505        | \$ 24,218,726        | \$ 22,462,768        | \$ 22,211,243        | \$ 22,424,045        | \$ 22,495,204         | \$ 20,515,780        |
| Changes for the year:  |  |                      |                      |                      |                      |                      |                       |                      |
| Service cost   | 335,056  | 406,730              | 435,918              | 179,639              | 197,173              | 185,385              | 94,420                | 66,733               |
| Interest   | 1,356,133  | 1,523,007            | 1,794,281            | 1,642,670            | 1,625,817            | 1,640,739            | 1,635,596             | 1,482,742            |
| Difference between expected and actual experience                      | (182,852)  | (10,542)             | (1,003,172)          | (30,202)             | (206,572)            | (336,013)            | (9,478)               | 268,200              |
| Change of assumptions  | 2,237,444  | 1,598,203            | (1,244,447)          | (627,869)            | -                    | -                    | (2,246,808)           | -                    |
| Benefit payments   | (1,379,344)  | (1,399,177)          | (1,738,538)          | (1,415,763)          | (1,403,616)          | (1,418,952)          | (1,453,154)           | (1,611,279)          |
| Net change in total pension liability                                  | <u>2,366,437</u>   | <u>2,118,221</u>     | <u>(1,755,958)</u>   | <u>(251,525)</u>     | <u>212,802</u>       | <u>71,159</u>        | <u>(1,979,424)</u>    | <u>206,396</u>       |
| Total pension liability - ending (a)                                   | <u>\$ 22,100,505</u>                                       | <u>\$ 24,218,726</u> | <u>\$ 22,462,768</u> | <u>\$ 22,211,243</u> | <u>\$ 22,424,045</u> | <u>\$ 22,495,204</u> | <u>\$ 20,515,780</u>  | <u>\$ 20,722,176</u> |
| Plan fiduciary net position - beginning                                | \$ 16,711,216  | \$ 16,121,723        | \$ 16,894,185        | \$ 18,923,591        | \$ 20,204,084        | \$ 20,391,182        | \$ 20,741,874         | \$ 24,088,606        |
| Employer contributions   | 598,464  | 668,241              | 1,077,364            | 946,609              | 495,292              | 364,641              | 204,221               | 54,558               |
| Employee contributions   | 234,924  | 255,493              | 266,060              | 93,351               | 85,503               | 84,858               | 74,549                | 42,961               |
| Interest   | -  | -                    | -                    | -                    | -                    | -                    | -                     | 1,497,058            |
| Net investment income  | 14,143   | 1,303,799            | 2,485,771            | 1,719,676            | 1,071,912            | 1,380,778            | 4,587,139             | (4,678,945)          |
| Benefit payments   | (1,379,344)  | (1,399,177)          | (1,738,538)          | (1,415,763)          | (1,403,616)          | (1,418,952)          | (1,453,154)           | (1,611,279)          |
| Administrative expenses  | (57,680)   | (55,894)             | (61,251)             | (63,380)             | (61,993)             | (60,633)             | (66,023)              | (77,202)             |
| Net change in plan fiduciary position                                  | <u>(589,493)</u>   | <u>772,462</u>       | <u>2,029,406</u>     | <u>1,280,493</u>     | <u>187,098</u>       | <u>350,692</u>       | <u>3,346,732</u>      | <u>(4,772,849)</u>   |
| Plan fiduciary net position - ending (b)                               | <u>\$ 16,121,723</u>                                       | <u>\$ 16,894,185</u> | <u>\$ 18,923,591</u> | <u>\$ 20,204,084</u> | <u>\$ 20,391,182</u> | <u>\$ 20,741,874</u> | <u>\$ 24,088,606</u>  | <u>\$ 19,315,757</u> |
| <b>Net pension liability (a-b)</b>                                     | <u>\$ 5,978,782</u>  | <u>\$ 7,324,541</u>  | <u>\$ 3,539,177</u>  | <u>\$ 2,007,159</u>  | <u>\$ 2,032,863</u>  | <u>\$ 1,753,330</u>  | <u>\$ (3,572,826)</u> | <u>\$ 1,406,419</u>  |
| Plan fiduciary net position as a percentage of total pension liability | 72.95%   | 69.76%               | 84.24%               | 90.96%               | 90.93%               | 92.21%               | 117.42%               | 93.21%               |
| Covered payroll  | \$ 2,398,885   | \$ 2,027,135         | \$ 2,391,509         | \$ 2,957,285         | \$ 966,946           | \$ 1,064,113         | 812,928               | 913,318              |
| Net pension liability as a percentage of covered payroll               | 249.23%  | 361.32%              | 147.99%              | 67.87%               | 210.24%              | 164.77%              | -439.50%              | 153.99%              |

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST FIVE FISCAL YEARS**

| Measurement date September 30,                                      | Other Post Employment Benefits |                     |                      |                     |                     |
|---|--------------------------------|---------------------|----------------------|---------------------|---------------------|
|   | 2018                           | 2019                | 2020                 | 2021                | 2022                |
| Total OPEB liability - beginning                                    | \$ 4,415,393                   | \$ 5,393,355        | \$ 8,898,289         | \$ 11,053,626       | \$ 9,855,251        |
| Changes for the year:   |                                |                     |                      |                     |                     |
| Service cost  | 119,959                        | 328,548             | 548,507              | 523,258             | 585,174             |
| Expected interest growth  | 305,541                        | 276,509             | 341,008              | 522,930             | 534,466             |
| Demographic experience  | (109,329)                      | 924,911             | (373,348)            | (1,511,591)         | 801,457             |
| Benefit payments & refunds  | (346,834)                      | (499,106)           | (515,128)            | (571,473)           | (605,279)           |
| Assumption changes  | 1,008,625                      | 2,474,072           | 2,154,298            | (161,499)           | (1,687,717)         |
| Net change in total OPEB liability                                  | <u>977,962</u>                 | <u>3,504,934</u>    | <u>2,155,337</u>     | <u>(1,198,375)</u>  | <u>(371,899)</u>    |
| Total OPEB liability - ending (a)                                   | <u>\$ 5,393,355</u>            | <u>\$ 8,898,289</u> | <u>\$ 11,053,626</u> | <u>\$ 9,855,251</u> | <u>\$ 9,483,352</u> |
| Plan fiduciary net position - beginning                             | \$ 2,804,689                   | \$ 3,262,860        | \$ 3,716,349         | \$ 4,197,792        | \$ 5,288,512        |
| Expected interest growth  | 204,405                        | 236,464             | 268,135              | 859,609             | 369,535             |
| Unexpected investment income (loss)                                 | 19,035                         | (17,334)            | (18,915)             | -                   | (1,093,463)         |
| Employer contributions  | 250,000                        | 250,000             | 250,000              | 250,000             | -                   |
| Administrative expenses   | (15,269)                       | (15,641)            | (17,777)             | (18,889)            | (19,201)            |
| Net change in plan fiduciary position                               | <u>458,171</u>                 | <u>453,489</u>      | <u>481,443</u>       | <u>1,090,720</u>    | <u>(743,129)</u>    |
| Plan fiduciary net position - ending (b)                            | <u>\$ 3,262,860</u>            | <u>\$ 3,716,349</u> | <u>\$ 4,197,792</u>  | <u>\$ 5,288,512</u> | <u>\$ 4,545,383</u> |
| <b>Net OPEB liability (a-b)</b>                                     | <u>\$ 2,130,495</u>            | <u>\$ 5,181,940</u> | <u>\$ 6,855,834</u>  | <u>\$ 4,566,739</u> | <u>\$ 4,937,969</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 60.50%                         | 41.76%              | 37.98%               | 53.66%              | 47.93%              |
| Covered payroll   | \$ 16,684,762                  | \$ 18,905,504       | \$ 20,537,603        | \$ 26,053,434       | \$ 27,846,111       |
| Net OPEB liability as a percentage of covered payroll               | 12.77%                         | 27.41%              | 33.38%               | 17.53%              | 17.73%              |

Note: This schedule is intended to have ten years of data.  
Implementation of GASB No. 75 occurred in fiscal year 2018.  
Additional data to be compiled as information becomes available.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST NINE FISCAL YEARS**

| Fiscal Year Ended  | Employer Contributions | Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as percentage of covered payroll | Actuarial Assumptions   |
|--|------------------------|-------------------------------------|----------------------------------|-----------------|--|---|
| <b>Retirement Plan for General Employees</b>   |                        |                                     |                                  |                 |  |   |
| 9/30/2014  | \$ 3,545,108           | \$ 3,545,108                        | \$ -                             | \$ 8,935,213    | 39.68%   | Actuarial cost method   |
| 9/30/2015  | 3,528,201              | 3,528,201                           | -                                | 8,438,765       | 41.81%   | Amortization method   |
| 9/30/2016  | 3,285,155              | 3,285,155                           | -                                | 7,937,439       | 41.39%   | Remaining amortization period   |
| 9/30/2017  | 3,249,182              | 3,249,182                           | -                                | 6,934,420       | 46.86%   | Asset valuation method  |
| 9/30/2018  | 3,453,684              | 3,453,684                           | -                                | 5,137,361       | 67.23%   | Investment rate of return   |
| 9/30/2019  | 3,205,197              | 3,205,197                           | -                                | 5,695,108       | 56.28%   | Projected salary increases  |
| 9/30/2020  | 3,375,895              | 3,375,895                           | -                                | 6,465,047       | 52.22%   | Cost of living adjustments  |
| 9/30/2021  | 3,371,110              | 3,371,110                           | -                                | 6,544,276       | 51.51%   | Inflation   |
| 9/30/2022  | 3,577,337              | 3,577,337                           | -                                | 7,192,868       | 49.73%   | For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.<br>For disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements. |
| <b>Retirement Plan for Police Officers and Firefighters</b>  |                        |                                     |                                  |                 |  |   |
| 9/30/2014  | \$ 6,357,669           | \$ 6,357,669                        | \$ -                             | \$ 5,597,265    | 113.59%  | Actuarial cost method   |
| 9/30/2015  | 6,498,316              | 6,337,328                           | (160,988)                        | 5,127,475       | 126.74%  | Amortization method   |
| 9/30/2016  | 6,254,492              | 6,254,492                           | -                                | 6,586,705       | 94.96%   | Remaining amortization period   |
| 9/30/2017  | 5,578,590              | 5,578,590                           | -                                | 6,573,350       | 84.87%   | Asset valuation method  |
| 9/30/2018  | 5,560,258              | 5,560,258                           | -                                | 6,128,138       | 90.73%   | Investment rate of return   |
| 9/30/2019  | 5,843,206              | 5,843,206                           | -                                | 6,532,396       | 89.45%   | Projected salary increases  |
| 9/30/2020  | 6,273,855              | 6,273,855                           | -                                | 6,500,834       | 96.51%   | Cost of living adjustments - on or before January 31, 2016  |
| 9/30/2021  | 6,646,690              | 6,646,690                           | -                                | 7,246,268       | 91.73%   | - after January 31, 2016  |
| 9/30/2022  | 5,912,124              | 5,912,124                           | -                                | 7,081,787       | 83.48%   | Inflation   |
| For active male - Pub-2010 Safety Employees, headcount weighted, below median, set forward one year, projected with Scale MP-2018. For female - Pub-2010, Safety Employees, headcount weighted, set forward one year, projected with Scale MP-2018. For health inactive male - Pub-2010, Safety Retirees, headcount weighted, below median, set forward one year, projected with Scale MP-2018. For healthy inactive female - Pub-2010, Safety Retirees, headcount weighted, set forward one year, projected with Scale MP-2018. For disabled participants - Blend of 80% headcount weighted Pub-2010 General Disabled Retiree rates and 20% headcount weighted Pub-2010 Safety Disabled Retiree rates, no projection scale. |                        |                                     |                                  |                 |  |   |
| <b>Retirement Plan and Trust for General Management Employees</b>  |                        |                                     |                                  |                 |  |   |
| 9/30/2014  | \$ 594,082             | \$ 598,464                          | \$ (4,382)                       | \$ 2,398,885    | 24.76%   | Actuarial cost method   |
| 9/30/2015  | 598,464                | 598,464                             | -                                | 2,027,135       | 29.52%   | Amortization method   |
| 9/30/2016  | 668,241                | 693,932                             | (25,691)                         | 2,391,509       | 27.94%   | Remaining amortization period   |
| 9/30/2017  | 1,077,364              | 1,095,074                           | (17,710)                         | 2,957,285       | 36.43%   | Asset valuation method  |
| 9/30/2018  | 946,609                | 946,609                             | -                                | 966,946         | 97.90%   | Investment rate of return   |
| 9/30/2019  | 520,715                | 499,428                             | 21,287                           | 1,064,113       | 48.93%   | Projected salary increases  |
| 9/30/2020  | 364,641                | 364,641                             | -                                | 812,928         | 44.86%   | Cost of living adjustments  |
| 9/30/2021  | 204,221                | 204,221                             | -                                | 913,318         | 22.36%   | Inflation   |
| 9/30/2022  | 54,558                 | 54,558                              | -                                | 588,093         | 9.28%  | Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.   |
| <b>Other Post Employment Benefits</b>  |                        |                                     |                                  |                 |  |   |
| 9/30/2018  | 250,000                | -                                   | 250,000                          | 16,684,762      | 1.50%  | Actuarial cost method   |
| 9/30/2019  | 250,000                | -                                   | 250,000                          | 18,905,504      | 1.32%  | Investment rate of return   |
| 9/30/2020  | 250,000                | -                                   | 250,000                          | 20,537,603      | 1.22%  | Projected salary increases  |
| 9/30/2021  | 821,473                | -                                   | 821,473                          | 26,053,434      | 3.15%  | Healthcare cost trend rate  |
| 9/30/2022  | 605,279                | -                                   | 605,279                          | 27,846,111      | 2.17%  | Inflation   |
| PUB-2010 with generational improvements using Scale MP-2018  |                        |                                     |                                  |                 |  |   |

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Implementation of GASB No. 75 occurred in fiscal year 2018. Additional data to be compiled as information becomes available.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST EIGHT FISCAL YEARS**

| <b>Measurement date June 30,</b>   | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>  | <u>2022</u>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Florida Retirement System</u>   |              |              |              |              |              |              |              |              |
| City's proportion of the net pension liability   | 0.000312830% | 0.000295834% | 0.000268619% | 0.000226949% | 0.000310992% | 0.000289141% | 0.000249570% | 0.000234014% |
| City's proportionate share of the net pension liability                                    | \$ 48,034    | \$ 74,698    | \$ 79,456    | \$ 68,358    | \$ 107,102   | \$ 125,318   | \$ 18,852    | \$ 87,072    |
| Covered payroll  | \$ 21,291    | \$ 21,692    | \$ 21,769    | \$ 19,804    | \$ 21,759    | \$ 21,765    | \$ 21,611    | \$ 21,599    |
| City's proportionate share of the net pension liability as a percentage of covered payroll | 221.51%      | 349.82%      | 365.00%      | 345.17%      | 492.22%      | 575.78%      | 87.23%       | 403.13%      |
| Plan fiduciary net position as a percentage of the total pension liability                 | 90.48%       | 84.88%       | 83.89%       | 84.26%       | 82.61%       | 78.85%       | 96.40%       | 82.89%       |
| <u>Health Insurance Subsidy</u>  |              |              |              |              |              |              |              |              |
| City's proportion of the net pension liability   | 0.000072633% | 0.000069977% | 0.000067773% | 0.000060319% | 0.000065452% | 0.000063441% | 0.000061052% | 0.000059277% |
| City's proportionate share of the net pension liability                                    | \$ 7,406     | \$ 8,154     | \$ 7,247     | \$ 6,384     | \$ 7,221     | \$ 7,746     | \$ 7,489     | \$ 6,281     |
| Covered payroll  | \$ 21,685    | \$ 21,353    | \$ 21,769    | \$ 19,804    | \$ 21,759    | \$ 21,765    | \$ 21,611    | \$ 21,599    |
| City's proportionate share of the net pension liability as a percentage of covered payroll | 34.15%       | 38.19%       | 33.29%       | 32.24%       | 33.19%       | 35.59%       | 34.65%       | 29.08%       |
| Plan fiduciary net position as a percentage of the total pension liability                 | 0.50%        | 0.97%        | 1.64%        | 2.16%        | 2.63%        | 3.01%        | 3.56%        | 4.81%        |

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST EIGHT FISCAL YEARS**

| <b>Fiscal year ended September 30,</b>                               | <u>2015</u>     | <u>2016</u>     | <u>2017</u>     | <u>2018</u>       | <u>2019</u>     | <u>2020</u>  | <u>2021</u>  | <u>2022</u>  |
|--|-----------------|-----------------|-----------------|-------------------|-----------------|--------------|--------------|--------------|
| <u>Florida Retirement System</u>                                     |                 |                 |                 |                   |                 |              |              |              |
| Contractually required contribution                                  | \$ 7,627        | \$ 7,214        | \$ 6,993        | \$ 6,468          | \$ 9,643        | \$ 9,607     | \$ 9,508     | \$ 9,986     |
| Contributions in relation to the contractually required contribution | <u>7,947</u>    | <u>7,745</u>    | <u>7,373</u>    | <u>7,539</u>      | <u>10,408</u>   | <u>9,607</u> | <u>9,508</u> | <u>9,986</u> |
| Contribution deficiency (excess)                                     | <u>\$ (320)</u> | <u>\$ (531)</u> | <u>\$ (380)</u> | <u>\$ (1,071)</u> | <u>\$ (765)</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered payroll  | \$ 21,685       | \$ 21,353       | \$ 21,769       | \$ 19,804         | \$ 21,759       | \$ 21,765    | \$ 21,611    | \$ 21,599    |
| Contributions as a percentage of covered payroll                     | 36.65%          | 36.27%          | 33.87%          | 38.07%            | 47.83%          | 44.14%       | 44.00%       | 46.23%       |
| <u>Health Insurance Subsidy</u>                                      |                 |                 |                 |                   |                 |              |              |              |
| Contractually required contribution                                  | \$ 278          | \$ 359          | \$ 359          | \$ 327            | \$ 358          | \$ 366       | \$ 359       | \$ 359       |
| Contributions in relation to the contractually required contribution | <u>278</u>      | <u>359</u>      | <u>359</u>      | <u>327</u>        | <u>358</u>      | <u>366</u>   | <u>359</u>   | <u>359</u>   |
| Contribution deficiency (excess)                                     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>       | <u>\$ -</u>     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered payroll  | \$ 21,685       | \$ 21,353       | \$ 21,769       | \$ 19,804         | \$ 21,759       | \$ 21,765    | \$ 21,611    | \$ 21,599    |
| Contributions as a percentage of covered payroll                     | 1.28%           | 1.68%           | 1.65%           | 1.65%             | 1.65%           | 1.68%        | 1.66%        | 1.66%        |

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
(in thousands)  
**SEPTEMBER 30, 2022**

| Fiscal<br>Year             | Annual<br>Required<br>Contribution | Employer<br>Contribution | Total<br>Contributions | Percentage<br>Contributed |
|----------------------------|------------------------------------|--------------------------|------------------------|---------------------------|
| <b>Excess Benefit Plan</b> |                                    |                          |                        |                           |
| 2013                       | \$ 211                             | \$ 211                   | \$ 211                 | 100%                      |
| 2014                       | 223                                | 223                      | 223                    | 100%                      |
| 2015                       | 257                                | 257                      | 257                    | 100%                      |
| 2016                       | 278                                | 278                      | 278                    | 100%                      |
| 2017                       | 290                                | 290                      | 290                    | 100%                      |
| 2018                       | 299                                | 299                      | 299                    | 100%                      |
| 2019                       | 308                                | 308                      | 308                    | 100%                      |
| 2020                       | 318                                | 318                      | 318                    | 100%                      |
| 2021                       | 285                                | 285                      | 285                    | 100%                      |
| 2022                       | 333                                | 333                      | 333                    | 100%                      |

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**COMBINING, INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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**NON-MAJOR GOVERNMENTAL FUNDS**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**FUND DESCRIPTIONS – NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

**Special Revenue Funds**

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

**Grants** – This fund is used to account for the various federal, state and local grants awarded to the City.

**Transit Surtax** – This fund is used to account for the City's portion of the Miami-Dade County one-half percent sales surtax approved by voters in November 2002.

**Confiscated Property** – This fund is used to account for confiscated and forfeited property received from the federal and state government. The uses of the property are governed by State of Florida Statutes, Chapter 932; the United States Department of Justice publication, *A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies*; and the United States Treasury Department publication, *Guide to Equitable Sharing for Foreign Countries and Federal, State and Local Law Enforcement Agencies*.

**Eastern Shores Security Special Taxing District** – This fund is used to account for the activities related to the guard house located at the 35<sup>th</sup> Avenue entrance to the Eastern Shores subdivision. The Special Taxing District was created on November 21, 1995 for the purpose of providing security for the area. The administration of the district was transferred from Miami-Dade County to the City of North Miami Beach on February 2, 2018.

**Eastern Shores First Addition Security Guard Special Taxing District** – This fund is used to account for the activities related to the guard house located at the 164<sup>th</sup> Street entrance to the Eastern Shores subdivision. The Special Taxing District was created on April 7, 1994 for the purpose of providing security for the area. The administration of the district was transferred from Miami-Dade County to the City of North Miami Beach on February 2, 2018.

**Debt Service Funds**

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

**Series 2011** – This fund is used to account for the principal and interest payments relating to the \$14,835,000 promissory note issued to defease the Series 2000B bonds originally issued to fund improvements related to the Proud Neighborhood plan.

**Series 2012** – This fund is used to account for the debt service of the \$8,190,000 promissory note issued to defease the Series 2002A Series Capital Appreciation and Term Bonds. The 2002A bond proceeds were used to defease the Series 1994 bonds originally issued to fund the expansion of the police station and various neighborhood improvements.

**Series 2013** – This fund is used to account for the principal and interest payments relating to the \$3,635,000 Revenue Bonds, Series 2013. The proceeds were used to refund Florida Municipal Loan Council Revenue Bonds, Series 2003B. The original issue was used to fund various transit/transportation related projects.

**Series 2015** – This fund is used to account for the principal and interest payments relating to the City's portion of the Series 2015 Revenue Refunding bonds issued to refund the Florida Municipal Loan Council Revenue Bonds, Series 2005C. The bond proceeds were used to defease the Series 2000A bonds originally issued to fund the bike path and street improvements, including lighting and traffic calming devices.

**Capital Projects Fund**

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

**Alley Restoration Program** – This fund accounts for improvements to the City's alley infrastructure in order to facilitate traffic flow of solid waste equipment, stormwater run-off and trash collection.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

Special Revenue Funds

|   | Grants<br>Funds   | Transit<br>Surtax   | Confiscated<br>Property | Eastern Shores<br>Security Special<br>Taxing District | Eastern Shores<br>First Addition<br>Security Guard<br>Special Taxing District | Total<br>Special<br>Revenue |
|---|-------------------|---------------------|-------------------------|---|---|-----------------------------|
| <u>ASSETS</u>                                       |                   |                     |                         |   |   |                             |
| Pooled cash and investments                         | \$ 137,738        | \$ 1,082,292        | \$ 2,370,706            | \$ 79,246   | \$ 176,043  | \$ 3,846,025                |
| Accounts receivable:                                |                   |                     |                         |   |   |                             |
| Intergovernmental                                   | -                 | 453,414             | -                       | 496   | -   | 453,910                     |
| Grants  | 262,156           | -                   | -                       | -   | -   | 262,156                     |
| Total assets  | <u>\$ 399,894</u> | <u>\$ 1,535,706</u> | <u>\$ 2,370,706</u>     | <u>\$ 79,742</u>                                      | <u>\$ 176,043</u>   | <u>\$ 4,562,091</u>         |
| <u>LIABILITIES AND FUND BALANCES</u>                |                   |                     |                         |   |   |                             |
| Liabilities:  |                   |                     |                         |   |   |                             |
| Accounts payable and accrued liabilities            | \$ 40,590         | \$ 174,385          | \$ 9,521                | \$ 21,170   | \$ 42,697   | \$ 288,363                  |
| Due to other funds                                  | 334,273           | -                   | -                       | -   | -   | 334,273                     |
| Total liabilities                                   | <u>374,863</u>    | <u>174,385</u>      | <u>9,521</u>            | <u>21,170</u>   | <u>42,697</u>   | <u>622,636</u>              |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                |                   |                     |                         |   |   |                             |
| Taxes received in advance                           | -                 | 398,616             | -                       | -   | -   | 398,616                     |
| Total liabilities and deferred inflows of resources | <u>374,863</u>    | <u>573,001</u>      | <u>9,521</u>            | <u>21,170</u>   | <u>42,697</u>   | <u>1,021,252</u>            |
| Fund balances:                                      |                   |                     |                         |   |   |                             |
| Restricted:   |                   |                     |                         |   |   |                             |
| Interlocal agreements                               | 25,031            | 962,705             | -                       | -   | -   | 987,736                     |
| Special Taxing Districts                            | -                 | -                   | -                       | 58,572  | 133,346   | 191,918                     |
| Public Safety                                       | -                 | -                   | 2,361,185               | -   | -   | 2,361,185                   |
| Total fund balances                                 | <u>25,031</u>     | <u>962,705</u>      | <u>2,361,185</u>        | <u>58,572</u>   | <u>133,346</u>  | <u>3,540,839</u>            |
| Total liabilities and fund balances                 | <u>\$ 399,894</u> | <u>\$ 1,535,706</u> | <u>\$ 2,370,706</u>     | <u>\$ 79,742</u>                                      | <u>\$ 176,043</u>   | <u>\$ 4,562,091</u>         |

(Continued)

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
(Continued)  
**SEPTEMBER 30, 2022**

|                                    | Debt Service Funds |                |                |                | Total<br>Debt<br>Service |
|------------------------------------|--------------------|----------------|----------------|----------------|--------------------------|
|                                    | Series<br>2011     | Series<br>2012 | Series<br>2013 | Series<br>2015 |                          |
| <u>ASSETS</u>                      |                    |                |                |                |                          |
| Pooled cash and investments        | \$ 185,804         | \$ 6,492       | \$ -           | \$ 651         | \$ 192,947               |
| Total assets                       | \$ 185,804         | \$ 6,492       | \$ -           | \$ 651         | \$ 192,947               |
| Fund balances:                     |                    |                |                |                |                          |
| Restricted:                        |                    |                |                |                |                          |
| Debt service                       | 185,804            | 6,492          | -              | 651            | 192,947                  |
| Total fund balance                 | 185,804            | 6,492          | -              | 651            | 192,947                  |
| Total liabilities and fund balance | \$ 185,804         | \$ 6,492       | \$ -           | \$ 651         | \$ 192,947               |

(Continued)

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
(Continued)  
**SEPTEMBER 30, 2022**

|   | Capital Projects<br>Fund        |  | Total<br>Capital<br>Projects |  | Total<br>Non-major<br>Governmental<br>Funds |
|---|---------------------------------|--|------------------------------|--|---|
| <u>ASSETS</u>                                       | Alley<br>Restoration<br>Program |  |                              |  |   |
| Pooled cash and investments                         | \$ 244,846                      |  | \$ 244,846                   |  | \$ 4,283,818                                |
| Accounts receivable:                                |                                 |  |                              |  |   |
| Intergovernmental                                   | -                               |  | -                            |  | 453,910                                     |
| Grants  | -                               |  | -                            |  | 262,156                                     |
| Total assets  | \$ 244,846                      |  | \$ 244,846                   |  | \$ 4,999,884                                |
| <u>LIABILITIES AND FUND BALANCES</u>                |                                 |  |                              |  |   |
| Liabilities:  |                                 |  |                              |  |   |
| Accounts payable and accrued liabilities            | \$ 3,687                        |  | \$ 3,687                     |  | \$ 292,050                                  |
| Due to other funds                                  | 20,198                          |  | 20,198                       |  | 354,471                                     |
| Total liabilities                                   | 23,885                          |  | 23,885                       |  | 646,521                                     |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                |                                 |  |                              |  |   |
| Taxes received in advance                           | -                               |  | -                            |  | 398,616                                     |
| Total liabilities and deferred inflows of resources | 23,885                          |  | 23,885                       |  | 398,616                                     |
| Fund balances:                                      |                                 |  |                              |  |   |
| Restricted:   |                                 |  |                              |  |   |
| Interlocal agreements                               | -                               |  | -                            |  | 987,736                                     |
| Special Taxing Districts                            | -                               |  | -                            |  | 191,918                                     |
| Debt service  | -                               |  | -                            |  | 192,947                                     |
| Public Safety                                       | -                               |  | -                            |  | 2,361,185                                   |
| Committed:  |                                 |  |                              |  |   |
| Alley restoration                                   | 220,961                         |  | 220,961                      |  | 220,961                                     |
| Total fund balances                                 | 220,961                         |  | 220,961                      |  | 3,954,747                                   |
| Total fund balances and liabilities                 | \$ 244,846                      |  | \$ 244,846                   |  | \$ 4,999,884                                |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Special Revenue Funds |                   |                         |   |   | Total<br>Special<br>Revenue |
|---|-----------------------|-------------------|-------------------------|---|---|-----------------------------|
|   | Grants<br>Funds       | Transit<br>Surtax | Confiscated<br>Property | Eastern Shores<br>Security Special<br>Taxing District | Eastern Shores<br>First Addition<br>Security Guard<br>Special Taxing District |                             |
| <b>Revenues:</b>                                  |                       |                   |                         |   |   |                             |
| Intergovernmental                                 | \$ -                  | \$ 2,687,720      | \$ -                    | \$ -  | \$ -  | \$ 2,687,720                |
| Grant revenue                                     | 737,317               | -                 | -                       | -   | -   | 737,317                     |
| Non-Ad valorem assessments                        | -                     | -                 | -                       | 445,755   | 205,085   | 650,840                     |
| Fines and forfeitures                             | -                     | -                 | 406,499                 | -   | -   | 406,499                     |
| Miscellaneous                                     | -                     | -                 | 1,174                   | -   | -   | 1,174                       |
| <b>Total revenues</b>                             | <u>737,317</u>        | <u>2,687,720</u>  | <u>407,673</u>          | <u>445,755</u>  | <u>205,085</u>  | <u>4,483,550</u>            |
| <b>Expenditures:</b>                              |                       |                   |                         |   |   |                             |
| <b>Operating expenditures:</b>                    |                       |                   |                         |   |   |                             |
| Public safety                                     | 138,843               | -                 | 412,299                 | 596,164   | 216,229   | 1,363,535                   |
| Library   | 164,942               | -                 | -                       | -   | -   | 164,942                     |
| Parks & Recreation                                | 246,648               | -                 | -                       | -   | -   | 246,648                     |
| Public works                                      | 19,825                | 1,303,707         | -                       | -   | -   | 1,323,532                   |
| Capital outlay                                    | 99,095                | 582,572           | 99,500                  | -   | 18,648  | 799,815                     |
| <b>Total expenditures</b>                         | <u>669,353</u>        | <u>1,886,279</u>  | <u>511,799</u>          | <u>596,164</u>  | <u>234,877</u>  | <u>3,898,472</u>            |
| Excess (deficiency) of revenues over expenditures | 67,964                | 801,441           | (104,126)               | (150,409)   | (29,792)  | 585,078                     |
| <b>Other financing sources (uses):</b>            |                       |                   |                         |   |   |                             |
| Transfers out                                     | (28,294)              | (13,280)          | -                       | -   | -   | (41,574)                    |
| <b>Total other financing uses</b>                 | <u>(28,294)</u>       | <u>(13,280)</u>   | <u>-</u>                | <u>-</u>  | <u>-</u>  | <u>(41,574)</u>             |
| Net change in fund balances                       | 39,670                | 788,161           | (104,126)               | (150,409)   | (29,792)  | 543,504                     |
| Fund balances, beginning                          | (14,639)              | 174,544           | 2,465,311               | 208,981   | 163,138   | 2,997,335                   |
| Fund balances, ending                             | <u>\$ 25,031</u>      | <u>\$ 962,705</u> | <u>\$ 2,361,185</u>     | <u>\$ 58,572</u>                                      | <u>\$ 133,346</u>   | <u>\$ 3,540,839</u>         |

(Continued)

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
(Continued)  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Debt Service Funds |                |                |                |                          |
|---|--------------------|----------------|----------------|----------------|--------------------------|
|   | Series<br>2011     | Series<br>2012 | Series<br>2013 | Series<br>2015 | Total<br>Debt<br>Service |
| Revenues:   |                    |                |                |                |                          |
| Property taxes                                    | \$ 1,214,931       | \$ 786,559     | \$ -           | \$ -           | \$ 2,001,490             |
| Total revenues                                    | 1,214,931          | 786,559        | -              | -              | 2,001,490                |
| Expenditures:                                     |                    |                |                |                |                          |
| Debt service:                                     |                    |                |                |                |                          |
| Principal   | 760,000            | 730,000        | -              | -              | 1,490,000                |
| Interest and other fiscal charges                 | 397,993            | 56,344         | -              | -              | 454,337                  |
| Debt issuance costs                               | 44,794             | -              | -              | -              | 44,794                   |
| Total expenditures                                | 1,202,787          | 786,344        | -              | -              | 1,989,131                |
| Excess (deficiency) of revenues over expenditures | 12,144             | 215            | -              | -              | 12,359                   |
| Other financing sources (uses):                   |                    |                |                |                |                          |
| Issuance of refunding debt                        | 9,190,000          | -              | -              | -              | 9,190,000                |
| Payments to escrow agent on debt refunding        | (9,000,000)        | -              | -              | -              | (9,000,000)              |
| Transfers out                                     | -                  | -              | (85,390)       | -              | (85,390)                 |
| Total other financing uses                        | 190,000            | -              | (85,390)       | -              | 104,610                  |
| Net change in fund balances                       | 202,144            | 215            | (85,390)       | -              | 116,969                  |
| Fund balances, beginning                          | (16,340)           | 6,277          | 85,390         | 651            | 75,978                   |
| Fund balances, ending                             | \$ 185,804         | \$ 6,492       | \$ -           | \$ 651         | \$ 192,947               |

(Continued)

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
(Continued)  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Capital Projects<br>Fund        | Total<br>Capital<br>Projects | Total<br>Non-major<br>Governmental<br>Funds |
|---|---------------------------------|------------------------------|---|
|   | Alley<br>Restoration<br>Program |                              |   |
| Revenues:   |                                 |                              |   |
| Property taxes                                    | \$ -                            | \$ -                         | \$ 2,001,490                                |
| Intergovernmental                                 | -                               | -                            | 2,687,720                                   |
| Grant revenue                                     | -                               | -                            | 737,317                                     |
| Non-Ad valorem assessments                        | -                               | -                            | 650,840                                     |
| Fines and forfeitures                             | -                               | -                            | 406,499                                     |
| Miscellaneous                                     | -                               | -                            | 1,174                                       |
| Total revenues                                    | -                               | -                            | 6,485,040                                   |
| Expenditures:                                     |                                 |                              |   |
| Operating expenditures:                           |                                 |                              |   |
| Public safety                                     | -                               | -                            | 1,363,535                                   |
| Library   | -                               | -                            | 164,942                                     |
| Parks & Recreation                                | -                               | -                            | 246,648                                     |
| Public works                                      | -                               | -                            | 1,323,532                                   |
| Capital outlay                                    | 72,422                          | 72,422                       | 872,237                                     |
| Debt service:                                     |                                 |                              |   |
| Principal   | -                               | -                            | 1,490,000                                   |
| Interest and other fiscal charges                 | -                               | -                            | 454,337                                     |
| Debt issuance costs                               | -                               | -                            | 44,794                                      |
| Total expenditures                                | 72,422                          | 72,422                       | 5,960,025                                   |
| Excess (deficiency) of revenues over expenditures | (72,422)                        | (72,422)                     | 525,015                                     |
| Other financing sources (uses):                   |                                 |                              |   |
| Issuance of refunding debt                        | -                               | -                            | 9,190,000                                   |
| Payments to escrow agent on debt refunding        | -                               | -                            | (9,000,000)                                 |
| Transfers out                                     | -                               | -                            | (126,964)                                   |
| Total other financing uses                        | -                               | -                            | 63,036                                      |
| Net change in fund balances                       | (72,422)                        | (72,422)                     | 588,051                                     |
| Fund balances, beginning                          | 293,383                         | 293,383                      | 3,366,696                                   |
| Fund balances, ending                             | \$ 220,961                      | \$ 220,961                   | \$ 3,954,747                                |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

| TRANSIT SURTAX FUND                       |                  |                  |                   |  |
|---|------------------|------------------|-------------------|--|
|   | Budgeted Amounts |                  | Actual            | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|   | Original         | Final            |                   |  |
| Revenues:                                 |                  |                  |                   |  |
| Intergovernmental                         | \$ 1,925,120     | \$ 1,925,120     | \$ 2,687,720      | \$ 762,600   |
| Expenditures:                             |                  |                  |                   |  |
| Operating expenditures:                   |                  |                  |                   |  |
| Public works                              | 1,402,904        | 1,468,253        | 1,303,707         | 164,546  |
| Capital outlay                            | <u>1,293,546</u> | <u>1,445,172</u> | <u>582,572</u>    | <u>862,600</u>   |
| Total expenditures                        | <u>2,696,450</u> | <u>2,913,425</u> | <u>1,886,279</u>  | <u>1,027,146</u>   |
| Deficiency of revenues over expenditures  | (771,330)        | (988,305)        | 801,441           | 1,789,746  |
| Other financing sources (uses):           |                  |                  |                   |  |
| Transfers out                             | (98,670)         | (98,670)         | (13,280)          | 85,390   |
| Appropriations of prior year fund balance | <u>870,000</u>   | <u>1,086,975</u> | <u>-</u>          | <u>(1,086,975)</u>   |
| Total other financing sources (uses)      | <u>771,330</u>   | <u>988,305</u>   | <u>(13,280)</u>   | <u>(1,001,585)</u>   |
| Net changes in fund balance               | <u>\$ -</u>      | <u>\$ -</u>      | 788,161           | <u>\$ 788,161</u>  |
| Fund balance, beginning                   |                  |                  | <u>174,544</u>    |  |
| Fund balance, ending                      |                  |                  | <u>\$ 962,705</u> |  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Eastern Shores Security Special Taxing District |                  |                     |  | Eastern Shores First Addition Security Guard Special Taxing District |                 |                    |  |
|---|---|------------------|---------------------|--|--|-----------------|--------------------|--|
|   | Budgeted Amounts                                |                  | Actual              | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) | Budgeted Amounts   |                 | Actual             | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|   | Original  | Final            |                     |  | Original   | Final           |                    |  |
| Revenues:                                 |   |                  |                     |  |  |                 |                    |  |
| Non-Ad valorem Assessments                | \$ 445,348                                      | \$ 445,348       | \$ 445,755          | \$ 407   | \$ 289,418   | \$ 318,443      | \$ 205,085         | \$ (113,358)   |
| Other revenue                             | <u>5,000</u>                                    | <u>5,000</u>     | <u>(684)</u>        | <u>(5,684)</u>   | <u>2,500</u>   | <u>2,500</u>    | <u>(4,871)</u>     | <u>(7,371)</u>   |
| Total revenues                            | <u>450,348</u>                                  | <u>450,348</u>   | <u>445,071</u>      | <u>(5,277)</u>   | <u>291,918</u>   | <u>320,943</u>  | <u>200,214</u>     | <u>(120,729)</u>   |
| Expenditures:                             |   |                  |                     |  |  |                 |                    |  |
| Operating expenditures:                   |   |                  |                     |  |  |                 |                    |  |
| Public Safety                             | 600,191   | 586,401          | 595,480             | (9,079)  | 283,324  | 321,770         | 211,358            | 110,412  |
| Capital outlay                            | <u>35,000</u>                                   | <u>48,790</u>    | <u>-</u>            | <u>48,790</u>  | <u>-</u>   | <u>18,650</u>   | <u>18,648</u>      | <u>2</u>   |
| Total expenditures                        | <u>635,191</u>                                  | <u>635,191</u>   | <u>595,480</u>      | <u>39,711</u>  | <u>283,324</u>   | <u>340,420</u>  | <u>230,006</u>     | <u>110,414</u>   |
| Excess of revenues over expenditures      | <u>(184,843)</u>                                | <u>(184,843)</u> | <u>(150,409)</u>    | <u>34,434</u>  | <u>8,594</u>   | <u>(19,477)</u> | <u>(29,792)</u>    | <u>(10,315)</u>  |
| Other financing sources (uses):           |   |                  |                     |  |  |                 |                    |  |
| Transfers in                              | -   | -                | -                   | -  | -  | 10,071          | -                  | (10,071)   |
| Transfers out                             | -   | -                | -                   | -  | -  | (14,076)        | -                  | 14,076   |
| Appropriations of prior year fund balance | <u>(184,843)</u>                                | <u>(184,843)</u> | <u>-</u>            | <u>184,843</u>   | <u>8,594</u>   | <u>23,482</u>   | <u>-</u>           | <u>(23,482)</u>  |
| Total other financing sources (uses)      | <u>(184,843)</u>                                | <u>(184,843)</u> | <u>-</u>            | <u>184,843</u>   | <u>8,594</u>   | <u>19,477</u>   | <u>-</u>           | <u>(19,477)</u>  |
| Net changes in fund balance               | <u>\$ -</u>                                     | <u>\$ -</u>      | <u>\$ (150,409)</u> | <u>\$ (150,409)</u>  | <u>\$ -</u>  | <u>\$ -</u>     | <u>\$ (29,792)</u> | <u>\$ 13,167</u>   |
| Fund balance, beginning                   |   |                  | <u>208,981</u>      |  |  |                 | <u>163,138</u>     |  |
| Fund balance, ending                      |   |                  | <u>\$ 58,572</u>    |  |  |                 | <u>\$ 133,346</u>  | (continued)  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | SERIES 2011      |                  |                   |  | SERIES 2012      |                |                 |  |
|---|------------------|------------------|-------------------|--|------------------|----------------|-----------------|--|
|   | Budgeted Amounts |                  | Actual            | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) | Budgeted Amounts |                | Actual          | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|   | Original         | Final            |                   |  | Original         | Final          |                 |  |
| Revenues:                               |                  |                  |                   |  |                  |                |                 |  |
| Property taxes                          | \$ 1,214,931     | \$ 1,214,931     | \$ 1,214,931      | \$ -   | \$ 786,559       | \$ 786,559     | \$ 786,559      | \$ -   |
| Total revenues                          | <u>1,214,931</u> | <u>1,214,931</u> | <u>1,214,931</u>  | <u>-</u>   | <u>786,559</u>   | <u>786,559</u> | <u>786,559</u>  | <u>-</u>   |
| Expenditures:                           |                  |                  |                   |  |                  |                |                 |  |
| Debt service:                           |                  |                  |                   |  |                  |                |                 |  |
| Principal                               | 760,000          | 760,000          | 760,000           | -  | 730,000          | 730,000        | 730,000         | -  |
| Interest                                | 454,931          | 454,931          | 397,993           | 56,938   | 56,559           | 56,559         | 56,344          | 215  |
| Debt issuance costs                     | -                | -                | 44,794            | (44,794)   | -                | -              | -               | -  |
| Total expenditures                      | <u>1,214,931</u> | <u>1,214,931</u> | <u>1,202,787</u>  | <u>12,144</u>  | <u>786,559</u>   | <u>786,559</u> | <u>786,344</u>  | <u>215</u>   |
| Other financing sources (uses):         |                  |                  |                   |  |                  |                |                 |  |
| Issuance of refunding debt              | -                | -                | 9,190,000         | (9,190,000)  | -                | -              | -               | -  |
| Payments to escrow agent on debt refunc | -                | -                | (9,000,000)       | 9,000,000  | -                | -              | -               | -  |
| Total other financing sources (uses)    | <u>-</u>         | <u>-</u>         | <u>190,000</u>    | <u>(190,000)</u>   | <u>-</u>         | <u>-</u>       | <u>-</u>        | <u>-</u>   |
| Net changes in fund balance             | \$ -             | \$ -             | 202,144           | \$ 202,144   | \$ -             | \$ -           | 215             | \$ 215   |
| Fund balance, beginning                 |                  |                  | (16,340)          |  |                  |                | 6,277           |  |
| Fund balance, ending                    |                  |                  | <u>\$ 185,804</u> |  |                  |                | <u>\$ 6,492</u> | (continued)  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUNDS (continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                               | SERIES 2013      |       |             |  | SERIES 2015      |       |        |  |
|-------------------------------|------------------|-------|-------------|--|------------------|-------|--------|--|
|                               | Budgeted Amounts |       | Actual      | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) | Budgeted Amounts |       | Actual | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|                               | Original         | Final |             |  | Original         | Final |        |  |
| Other financing sources:      |                  |       |             |  |                  |       |        |  |
| Transfers out                 | \$ -             | \$ -  | \$ (85,390) | \$ (85,390)  | \$ -             | \$ -  | \$ -   | \$ -   |
| Total other financing sources | -                | -     | (85,390)    | (85,390)   | -                | -     | -      | -  |
| Net changes in fund balance   | \$ -             | \$ -  | (85,390)    | \$ (85,390)  | \$ -             | \$ -  | -      | \$ -   |
| Fund balance, beginning       |                  |       | 85,390      |  |                  |       | 651    |  |
| Fund balance, ending          |                  |       | \$ -        |  |                  |       | \$ 651 | (continued)  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

ALLEY RESTORATION PROGRAM

|   | Budgeted Amounts |            | Actual     | Variance<br>from Final<br>Budget -<br>Favorable<br>(Unfavorable) |
|---|------------------|------------|------------|--|
|   | Original         | Final      |            |  |
| Expenditures:                             |                  |            |            |  |
| Capital outlay                            | \$ 293,383       | \$ 293,383 | \$ 72,422  | \$ 220,961   |
| Total expenditures                        | 293,383          | 293,383    | 72,422     | 220,961  |
| Other financing sources:                  |                  |            |            |  |
| Appropriations of prior year fund balance | 293,383          | 293,383    | -          | (293,383)  |
| Total other financing sources             | 293,383          | 293,383    | -          | (293,383)  |
| Net changes in fund balance               | \$ -             | \$ -       | (72,422)   | \$ (72,422)  |
| Fund balance, beginning                   |                  |            | 293,383    |  |
| Fund balance, ending                      |                  |            | \$ 220,961 |  |

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**NON-MAJOR ENTERPRISE FUNDS**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**FUND DESCRIPTIONS – NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2022**

**Non-major Enterprise Funds**

**Stormwater Fund** – accounts for providing stormwater services within City limits.

**Building Permit Fund** – accounts for activities as they relate to the issuance of building permits to residences and businesses within the City.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2022**

|  | Stormwater<br>Utility | Building<br>Fund     | Total                |
|--|-----------------------|----------------------|----------------------|
| <u>ASSETS</u>  |                       |                      |                      |
| Current assets:  |                       |                      |                      |
| Pooled cash and investments                                | \$ 1,844,432          | \$ 12,599,291        | \$ 14,443,723        |
| Accounts receivable, net                                   | 172,975               | 115                  | 173,090              |
| Due from other funds                                       | 20,198                | -                    | 20,198               |
| Prepaid expenses   | -                     | 4,781                | 4,781                |
| Total current assets                                       | 2,037,605             | 12,604,187           | 14,641,792           |
| Non-current assets   |                       |                      |                      |
| Capital assets, non-depreciable                            | 1,402,741             | 39,621               | 1,442,362            |
| Capital assets - net of accumulated depreciation           | 2,602,109             | 68,665               | 2,670,774            |
| Total assets   | 6,042,455             | 12,712,473           | 18,754,928           |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>                      |                       |                      |                      |
| Pension  | 130,885               | 1,098,526            | 1,229,411            |
| Other post employment benefits                             | 22,500                | 90,001               | 112,501              |
| Total deferred outflows of resources                       | 153,385               | 1,188,527            | 1,341,912            |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b> | <b>\$ 6,195,840</b>   | <b>\$ 13,901,000</b> | <b>\$ 20,096,840</b> |
| <u>LIABILITIES</u>   |                       |                      |                      |
| Current liabilities:                                       |                       |                      |                      |
| Accounts payable and accrued liabilities                   | \$ 16,227             | \$ 319,885           | \$ 336,112           |
| Current portions of:                                       |                       |                      |                      |
| Master lease payable                                       | -                     | 884                  | 884                  |
| Compensated absences                                       | 9,733                 | 14,710               | 24,443               |
| Total current liabilities                                  | 25,960                | 335,479              | 361,439              |
| Non-current liabilities:                                   |                       |                      |                      |
| Net pension liability                                      | 782,514               | 1,340,054            | 2,122,568            |
| Compensated absences                                       | 11,164                | 90,430               | 101,594              |
| Other post-employment benefits                             | 49,380                | 197,519              | 246,899              |
| Total non-current liabilities                              | 843,058               | 1,628,003            | 2,471,061            |
| Total liabilities  | 869,018               | 1,963,482            | 2,832,500            |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                       |                       |                      |                      |
| Pension  | 148,673               | 589,799              | 738,472              |
| Other post employment benefits                             | 28,463                | 113,851              | 142,314              |
| Total deferred inflows of resources                        | 177,136               | 703,650              | 880,786              |
| <u>NET POSITION</u>  |                       |                      |                      |
| Net investment in capital assets                           | 4,004,850             | 107,402              | 4,112,252            |
| Unrestricted   | 1,144,836             | 11,126,466           | 12,271,302           |
| Total net position   | \$ 5,149,686          | \$ 11,233,868        | \$ 16,383,554        |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                   | Stormwater<br>Utility | Building<br>Fund     | Total                |
|-----------------------------------|-----------------------|----------------------|----------------------|
| Operating revenues:               |                       |                      |                      |
| Service revenues                  | \$ 1,547,393          | \$ 4,105,998         | \$ 5,653,391         |
| Total operating revenues          | <u>1,547,393</u>      | <u>4,105,998</u>     | <u>5,653,391</u>     |
| Operating expenses:               |                       |                      |                      |
| Personnel services                | 527,798               | 987,635              | 1,515,433            |
| Other operating costs             | 230,278               | 343,603              | 573,881              |
| Depreciation                      | <u>193,000</u>        | <u>24,494</u>        | <u>217,494</u>       |
| Total operating expenses          | <u>951,076</u>        | <u>1,355,732</u>     | <u>2,306,808</u>     |
| Operating income (loss)           | 596,317               | 2,750,266            | 3,346,583            |
| Non-operating revenue (expense):  |                       |                      |                      |
| Investment income (loss)          | (75,154)              | (438,215)            | (513,369)            |
| Miscellaneous income              | -                     | 337,855              | 337,855              |
| Interest and other fiscal charges | <u>-</u>              | <u>(5)</u>           | <u>(5)</u>           |
| Total non-operating revenue       | <u>(75,154)</u>       | <u>(100,365)</u>     | <u>(175,519)</u>     |
| Income before transfers           | 521,163               | 2,649,901            | 3,171,064            |
| Transfers out                     | <u>(163,990)</u>      | <u>(405,844)</u>     | <u>(569,834)</u>     |
| Change in net position            | 357,173               | 2,244,057            | 2,601,230            |
| Net position beginning            | <u>4,792,513</u>      | <u>8,989,811</u>     | <u>13,782,324</u>    |
| Net position, ending              | <u>\$ 5,149,686</u>   | <u>\$ 11,233,868</u> | <u>\$ 16,383,554</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|  | Stormwater<br>Utility | Building<br>Fund | Total         |
|--|-----------------------|------------------|---------------|
| Cash flows from operating activities:  |                       |                  |               |
| Cash received from customers   | \$ 1,524,004          | \$ 4,443,738     | \$ 5,967,742  |
| Cash payments to internal service funds  | (19,866)              | (158,925)        | (178,791)     |
| Cash payments to suppliers   | (462,390)             | (171,537)        | (633,927)     |
| Cash payments to and on behalf of employees  | (441,663)             | (1,581,989)      | (2,023,652)   |
| Net cash provided by operating activities  | 600,085               | 2,531,287        | 3,131,372     |
| Cash flows from noncapital financing activities:   |                       |                  |               |
| Transfers to other funds   | (163,990)             | (405,844)        | (569,834)     |
| Cash flows from capital and related financing activities:                                  |                       |                  |               |
| Acquisition and construction of capital assets   | (126,795)             | -                | (126,795)     |
| Principal paid on long-term debt   | -                     | (2,650)          | (2,650)       |
| Interest paid on long-term debt  | -                     | (5)              | (5)           |
| Net cash used in capital and related financing activities                                  | (126,795)             | (2,655)          | (129,450)     |
| Cash flows from investing activities:  |                       |                  |               |
| Investment income  | (75,154)              | (438,215)        | (513,369)     |
| Net cash provided by investing activities  | (75,154)              | (438,215)        | (513,369)     |
| Net increase in pooled cash and investments:   |                       |                  |               |
| Pooled cash and investments, beginning   | 234,146               | 1,684,573        | 1,918,719     |
| Pooled cash and investments, ending  | 1,610,286             | 10,914,718       | 12,525,004    |
| Pooled cash and investments, ending  | \$ 1,844,432          | \$ 12,599,291    | \$ 14,443,723 |
| Reconciliation of operating income to net cash provided<br>by operating activities:        |                       |                  |               |
| Operating income   | \$ 596,317            | \$ 2,750,266     | \$ 3,346,583  |
| Adjustments to reconcile operating income to net cash<br>provided by operating activities: |                       |                  |               |
| Depreciation   | 193,000               | 24,494           | 217,494       |
| Other income   | -                     | 337,855          | 337,855       |
| Changes in operating assets and liabilities:   |                       |                  |               |
| (Increase) decrease :  |                       |                  |               |
| Accounts receivable  | (3,191)               | (115)            | (3,306)       |
| Due from other funds   | (20,198)              | -                | (20,198)      |
| Prepaid  | -                     | 1,576            | 1,576         |
| Deferred outflows of pension resources   | (4,147)               | 195,797          | 191,650       |
| Deferred outflows of OPEB resources  | 163,494               | 8,605            | 172,099       |
| Increase (decrease) in:  |                       |                  |               |
| Vouchers payable and accrued liabilities   | (252,903)             | 27,990           | (224,913)     |
| Pension and OPEB liabilities   | (72,287)              | (815,181)        | (887,468)     |
| Total adjustments  | 3,768                 | (218,979)        | (215,211)     |
| Net cash provided by operating activities  | \$ 600,085            | \$ 2,531,287     | \$ 3,131,372  |
| Non-cash investing, capital and financing activities:                                      |                       |                  |               |
| Decrease in fair value of investments  | \$ (90,174)           | \$ (537,153)     | \$ (627,327)  |

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**INTERNAL SERVICE FUNDS**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**FUND DESCRIPTIONS – INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2022**

**Internal Service Funds**

**Customer Service Fund** – The Customer Service Fund provides services specifically for the Enterprise Funds and is therefore included with the Business-type activities for reporting purposes.

**Information Technology Fund** – The Information Technology Fund activities are allocated between Governmental activities and Business-type activities for reporting purposes.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2022**

|  | <u>Customer<br/>Service</u> | <u>Information<br/>Technology</u> | <u>Total</u>        |
|--|-----------------------------|-----------------------------------|---------------------|
| <b><u>ASSETS</u></b>                                       |                             |                                   |                     |
| Current assets:  |                             |                                   |                     |
| Pooled cash and investments                                | \$ 768,187                  | \$ 1,203,436                      | \$ 1,971,623        |
| Prepaid expenses   | 33,813                      | 64,426                            | 98,239              |
| Total current assets                                       | <u>802,000</u>              | <u>1,267,862</u>                  | <u>2,069,862</u>    |
| Non-current assets   |                             |                                   |                     |
| Right-of-use asset   | -                           | 1,813                             | 1,813               |
| Capital assets, non-depreciable                            | -                           | 452,166                           | 452,166             |
| Capital assets - net of accumulated depreciation           | 148,629                     | 209,470                           | 358,099             |
| Total non-current assets                                   | <u>148,629</u>              | <u>663,449</u>                    | <u>812,078</u>      |
| Total assets   | <u>\$ 950,629</u>           | <u>\$ 1,931,311</u>               | <u>\$ 2,881,940</u> |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>               |                             |                                   |                     |
| Pension  | \$ 148,520                  | \$ 436,282                        | \$ 584,802          |
| Total deferred outflows of resources                       | <u>148,520</u>              | <u>436,282</u>                    | <u>584,802</u>      |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b> | <u>\$ 1,099,149</u>         | <u>\$ 2,367,593</u>               | <u>\$ 3,466,742</u> |
| <b><u>LIABILITIES</u></b>                                  |                             |                                   |                     |
| Current liabilities:                                       |                             |                                   |                     |
| Accounts payable and accrued liabilities                   | \$ 116,037                  | \$ 192,210                        | \$ 308,247          |
| Current portions of:                                       |                             |                                   |                     |
| Capital lease payable                                      | -                           | 1,631                             | 1,631               |
| Compensated absences                                       | 19,412                      | 9,779                             | 29,191              |
| Total current liabilities                                  | <u>135,449</u>              | <u>203,620</u>                    | <u>339,069</u>      |
| Non-current liabilities:                                   |                             |                                   |                     |
| Net pension liability                                      | -                           | 2,608,380                         | 2,608,380           |
| Compensated absences                                       | 39,140                      | 39,168                            | 78,308              |
| Total non-current liabilities                              | <u>39,140</u>               | <u>2,647,548</u>                  | <u>2,686,688</u>    |
| Total liabilities  | <u>174,589</u>              | <u>2,851,168</u>                  | <u>3,025,757</u>    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                |                             |                                   |                     |
| Pension  | \$ -                        | \$ 495,577                        | 495,577             |
| Total deferred inflows of resources                        | <u>-</u>                    | <u>495,577</u>                    | <u>495,577</u>      |
| <b><u>NET POSITION</u></b>                                 |                             |                                   |                     |
| Net investment in capital assets                           | 148,629                     | 661,818                           | 810,447             |
| Unrestricted   | 775,931                     | (1,640,970)                       | (865,039)           |
| Total net position   | <u>\$ 924,560</u>           | <u>\$ (979,152)</u>               | <u>\$ (54,592)</u>  |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                  | <u>Customer<br/>Service</u> | <u>Information<br/>Technology</u> | <u>Total</u>       |
|----------------------------------|-----------------------------|-----------------------------------|--------------------|
| Operating revenues:              |                             |                                   |                    |
| Service revenues                 | \$ 3,546,020                | \$ 1,986,567                      | \$ 5,532,587       |
| Total operating revenues         | <u>3,546,020</u>            | <u>1,986,567</u>                  | <u>5,532,587</u>   |
| Operating expenses:              |                             |                                   |                    |
| Personnel services               | 2,701,001                   | 1,066,933                         | 3,767,934          |
| Other operating costs            | 1,012,370                   | 2,040,576                         | 3,052,946          |
| Depreciation                     | <u>17,836</u>               | <u>117,078</u>                    | <u>134,914</u>     |
| Total operating expenses         | <u>3,731,207</u>            | <u>3,224,587</u>                  | <u>6,955,794</u>   |
| Operating income (loss)          | (185,187)                   | (1,238,020)                       | (1,423,207)        |
| Non-operating revenue (expense): |                             |                                   |                    |
| Investment income (loss)         | -                           | -                                 | -                  |
| Miscellaneous income             | -                           | 403                               | 403                |
| Interest                         | <u>-</u>                    | <u>(18)</u>                       | <u>(18)</u>        |
| Total non-operating revenue      | <u>-</u>                    | <u>385</u>                        | <u>385</u>         |
| Income before transfers          | (185,187)                   | (1,237,635)                       | (1,422,822)        |
| Transfers out                    | <u>(9,437)</u>              | <u>(1,234)</u>                    | <u>(10,671)</u>    |
| Change in net position           | (194,624)                   | (1,238,869)                       | (1,433,493)        |
| Net position beginning           | <u>1,119,184</u>            | <u>259,717</u>                    | <u>1,378,901</u>   |
| Net position, ending             | <u>\$ 924,560</u>           | <u>\$ (979,152)</u>               | <u>\$ (54,592)</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|  | Customer<br>Service | Information<br>Technology | Total          |
|--|---------------------|---------------------------|----------------|
| Cash flows from operating activities:  |                     |                           |                |
| Cash received from other funds   | 3,546,020           | 1,986,970                 | 5,532,990      |
| Cash payments to suppliers   | (1,157,406)         | (1,966,622)               | (3,124,028)    |
| Cash payments to employees   | (2,685,926)         | (65,388)                  | (2,751,314)    |
| Net cash provided by operating activities  | (297,312)           | (45,040)                  | (342,352)      |
| Cash flows from noncapital financing activities:   |                     |                           |                |
| Transfers to other funds   | (9,437)             | (1,234)                   | (10,671)       |
| Net cash used in noncapital financing activities:  | (9,437)             | (1,234)                   | (10,671)       |
| Cash flows from capital and related financing activities:                                  |                     |                           |                |
| Acquisition and construction of capital assets   | -                   | (82,001)                  | (82,001)       |
| Principal paid on long-term debt   | -                   | (3,911)                   | (3,911)        |
| Interest paid on long-term debt  | -                   | (18)                      | (18)           |
| Net cash used in capital and related financing activities                                  | -                   | (85,930)                  | (85,930)       |
| Net increase in pooled cash and investments:   | (306,749)           | (132,204)                 | (438,953)      |
| Pooled cash and investments, beginning   | 1,074,936           | 1,335,640                 | 2,410,576      |
| Pooled cash and investments, ending  | \$ 768,187          | \$ 1,203,436              | \$ 1,971,623   |
| Reconciliation of operating income to net cash provided<br>by operating activities:        |                     |                           |                |
| Operating revenue (loss)   | \$ (185,187)        | \$ (1,238,020)            | \$ (1,423,207) |
| Adjustments to reconcile operating income to net cash<br>provided by operating activities: |                     |                           |                |
| Depreciation   | 17,836              | 117,078                   | 134,914        |
| Other income   | -                   | 403                       | 403            |
| Changes in operating assets and liabilities:   |                     |                           |                |
| (Increase) decrease :  |                     |                           |                |
| Prepaid costs  | (6,313)             | 41,049                    | 34,736         |
| Deferred outflows of pension resources   | -                   | 599,742                   | 599,742        |
| Increase (decrease) in:  |                     |                           |                |
| Vouchers payable and accrued liabilities   | (123,648)           | 45,861                    | (77,787)       |
| Pension and OPEB liabilities   | -                   | 388,847                   | 388,847        |
| Total adjustments  | (112,125)           | 1,192,980                 | 1,080,855      |
| Net cash provided by operating activities  | \$ (297,312)        | \$ (45,040)               | \$ (342,352)   |
| Non-cash investing, capital and financing activities:                                      |                     |                           |                |
| Leasing  | -                   | 5,542                     | 5,542          |

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# **FIDUCIARY FUNDS**

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**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2022**

|                                      | Pension Trust Funds  |  |                                    |               | Total          |
|--------------------------------------|----------------------|--|------------------------------------|---------------|----------------|
|                                      | General<br>Employees | Police<br>Officers and<br>Firefighters | General<br>Management<br>Employees | OPEB<br>Trust |                |
| <u>ASSETS</u>                        |                      |  |                                    |               |                |
| Cash                                 | \$ 28,582            | \$ 18,911                              | \$ -                               | \$ -          | \$ 47,493      |
| Investments:                         |                      |  |                                    |               |                |
| Equity securities                    | 63,091,218           | 74,097,146                             | -                                  | -             | 137,188,364    |
| Money market funds                   | 2,503,403            | 4,215,841                              | 19,315,757                         | 4,545,383     | 30,580,384     |
| Government securities                | 13,528,769           | 23,732,977                             | -                                  | -             | 37,261,746     |
| Corporate bonds                      | 3,747,483            | 6,648,144                              | -                                  | -             | 10,395,627     |
| Real estate                          | 8,713,475            | 7,961,050                              | -                                  | -             | 16,674,525     |
| Mutual funds                         | 2,240,028            | -                                      | -                                  | -             | 2,240,028      |
| Hedge funds                          | -                    | 296,740                                | -                                  | -             | 296,740        |
| Total investments                    | 93,824,376           | 116,951,898                            | 19,315,757                         | 4,545,383     | 234,637,414    |
| Accrued interest receivable          | 89,058               | 134,083                                | -                                  | -             | 223,141        |
| Other receivables                    | 189,090              | 767,275                                | -                                  | -             | 956,365        |
| Total assets                         | \$ 94,131,106        | \$ 117,872,167                         | \$ 19,315,757                      | \$ 4,545,383  | \$ 235,864,413 |
| <u>LIABILITIES</u>                   |                      |  |                                    |               |                |
| Accounts payable                     | \$ 789,516           | \$ 1,319,209                           | \$ -                               | \$ -          | \$ 2,108,725   |
| <u>NET POSITION</u>                  |                      |  |                                    |               |                |
| Net position restricted for pensions | 93,341,590           | 116,552,958                            | 19,315,757                         | -             | 229,210,305    |
| Net position restricted for OPEB     | -                    | -                                      | -                                  | 4,545,383     | 4,545,383      |
| Total net position                   | 93,341,590           | 116,552,958                            | 19,315,757                         | 4,545,383     | 233,755,688    |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|   | Pension Trust Funds  |  |                                    |               | Total          |
|---|----------------------|--|------------------------------------|---------------|----------------|
|   | General<br>Employees | Police<br>Officers and<br>Firefighters | General<br>Management<br>Employees | OPEB<br>Trust |                |
| <b><u>ADDITIONS</u></b>                         |                      |  |                                    |               |                |
| Contributions:                                  |                      |  |                                    |               |                |
| Employer  | \$ 3,371,110         | \$ 6,646,690                           | \$ 415,907                         | \$ -          | \$ 10,433,707  |
| Employee  | 537,247              | 1,018,900                              | 44,132                             | -             | 1,600,279      |
| State of Florida                                | -                    | 683,706                                | -                                  | -             | 683,706        |
| Total contributions                             | 3,908,357            | 8,349,296                              | 460,039                            | -             | 12,717,692     |
| Investment income (expense):                    |                      |  |                                    |               |                |
| Net appreciation in fair value of investments   | 13,774,173           | 17,209,179                             | (3,181,887)                        | (723,927)     | 27,077,538     |
| Interest and dividends                          | 1,701,488            | 1,851,398                              | -                                  | -             | 3,552,886      |
| Investment expenses                             | (464,758)            | (570,168)                              | (33,938)                           | -             | (1,068,864)    |
| Net investment gain                             | 15,010,903           | 18,490,409                             | (3,215,825)                        | (723,927)     | 29,561,560     |
| Other income                                    | 19,243               | 18,794                                 | -                                  | -             | 38,037         |
| Total additions                                 | 18,938,503           | 26,858,499                             | (2,755,786)                        | (723,927)     | 42,317,289     |
| <b><u>DEDUCTIONS</u></b>                        |                      |  |                                    |               |                |
| Pension benefit payments                        | 7,507,481            | 13,239,816                             | 1,972,627                          | -             | 22,719,924     |
| Administrative expenses                         | 193,418              | 278,986                                | 43,265                             | 19,202        | 534,871        |
| Total deductions                                | 7,700,899            | 13,518,802                             | 2,015,892                          | 19,202        | 23,254,795     |
| Change in net position                          | 11,237,604           | 13,339,697                             | (4,771,678)                        | (743,129)     | 19,062,494     |
| Net position restricted for pensions, beginning | 82,103,986           | 103,213,261                            | 24,087,435                         | 5,288,512     | 214,693,194    |
| Net position restricted for pensions, ending    | \$ 93,341,590        | \$ 116,552,958                         | \$ 19,315,757                      | \$ 4,545,383  | \$ 233,755,688 |

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## **IV. STATISTICAL SECTION**

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## STATISTICAL SECTION

This part of the City of North Miami Beach's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| <u>Contents</u>   | <u>Page</u>    |
|---|----------------|
| <b>Financial Trends</b><br><i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>   | <b>119-122</b> |
| <b>Revenue Capacity</b><br><i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>   | <b>123-129</b> |
| <b>Debt Capacity</b><br><br><i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>                        | <b>130-133</b> |
| <b>Demographic and Economic Information</b><br><i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>                                    | <b>134-136</b> |
| <b>Operating Information</b><br><i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i> | <b>137-138</b> |

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

# CITY OF NORTH MIAMI BEACH, FLORIDA

## NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(AMOUNTS EXPRESSED IN THOUSANDS)

|   | <u>2013</u>       | <u>2014</u>       | <u>2015</u>       | <u>2016</u>       | <u>2017</u>       | <u>2018</u>       | <u>2019</u>       | <u>2020</u>       | <u>2021</u>       | <u>2022</u>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities:                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 36,494         | \$ 41,846         | \$ 41,751         | \$ 45,614         | \$ 47,555         | \$ 50,498         | \$ 51,941         | \$ 57,562         | \$ 61,237         | 66,098            |
| Restricted                                  | 15,054            | 12,186            | 11,326            | 10,202            | 10,412            | 10,826            | 10,941            | 9,836             | 10,364            | 25,387            |
| Unrestricted                                | <u>20,026</u>     | <u>22,992</u>     | <u>(34,160)</u>   | <u>(29,701)</u>   | <u>(21,503)</u>   | <u>(25,448)</u>   | <u>(22,745)</u>   | <u>(34,433)</u>   | <u>(37,727)</u>   | <u>(29,400)</u>   |
| Total governmental activities net position  | <u>\$ 71,574</u>  | <u>\$ 77,024</u>  | <u>\$ 18,917</u>  | <u>\$ 26,115</u>  | <u>\$ 36,464</u>  | <u>\$ 35,876</u>  | <u>\$ 40,137</u>  | <u>\$ 32,965</u>  | <u>\$ 33,874</u>  | <u>\$ 62,085</u>  |
| Business-type activities:                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 87,063         | \$ 86,582         | \$ 92,456         | \$ 89,253         | \$ 89,394         | \$ 97,350         | \$ 104,546        | \$ 80,272         | \$ 109,172        | 126,036           |
| Restricted                                  | 3,380             | 7,691             | 10,256            | 14,524            | 15,990            | 5,651             | 8,880             | 26,519            | 20,762            | 23,040            |
| Unrestricted (deficit)                      | <u>19,780</u>     | <u>25,188</u>     | <u>33,337</u>     | <u>38,801</u>     | <u>44,731</u>     | <u>34,893</u>     | <u>25,448</u>     | <u>25,717</u>     | <u>11,738</u>     | <u>8,473</u>      |
| Total business-type activities net position | <u>\$ 110,223</u> | <u>\$ 119,461</u> | <u>\$ 136,049</u> | <u>\$ 142,578</u> | <u>\$ 150,115</u> | <u>\$ 137,894</u> | <u>\$ 138,874</u> | <u>\$ 132,508</u> | <u>\$ 141,672</u> | <u>\$ 157,549</u> |
| Total government:                           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 123,557        | \$ 128,428        | \$ 134,207        | \$ 134,867        | \$ 136,949        | \$ 147,848        | \$ 156,487        | \$ 137,834        | \$ 170,409        | \$ 192,134        |
| Restricted                                  | 18,434            | 19,877            | 21,582            | 24,726            | 26,402            | 16,477            | 19,821            | 36,355            | 31,126            | 48,427            |
| Unrestricted                                | <u>39,806</u>     | <u>48,180</u>     | <u>(823)</u>      | <u>9,100</u>      | <u>23,228</u>     | <u>9,445</u>      | <u>2,703</u>      | <u>(8,716)</u>    | <u>(25,989)</u>   | <u>(20,927)</u>   |
| Total City net position                     | <u>\$ 181,797</u> | <u>\$ 196,485</u> | <u>\$ 154,966</u> | <u>\$ 168,693</u> | <u>\$ 186,579</u> | <u>\$ 173,770</u> | <u>\$ 179,011</u> | <u>\$ 165,473</u> | <u>\$ 175,546</u> | <u>\$ 219,634</u> |

Source: City of North Miami Beach

**CITY OF NORTH MIAMI BEACH, FLORIDA**

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(AMOUNTS EXPRESSED IN THOUSANDS)

|   | 2013               | 2014               | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               | 2021               | 2022               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Expenses:</b>                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Governmental activities:</b>                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General government                              | \$ 11,018          | \$ 10,493          | \$ 13,752          | \$ 15,009          | \$ 12,378          | \$ 24,627          | \$ 16,665          | \$ 26,284          | \$ 24,173          | \$ 26,384          |
| Public safety                                   | 22,793             | 22,206             | 21,824             | 21,918             | 25,422             | 22,918             | 30,444             | 31,622             | 28,564             | 25,721             |
| Parks and Recreation                            | 4,555              | 4,771              | 4,617              | 5,166              | 5,432              | 5,669              | 5,792              | 5,376              | 5,721              | 6,746              |
| Public works                                    | 4,087              | 4,147              | 4,386              | 3,988              | 4,304              | 4,811              | 5,794              | 5,898              | 6,394              | 7,536              |
| Interest on long-term debt                      | 1,153              | 1,214              | 813                | 736                | 643                | 1,485              | 703                | 633                | 558                | 361                |
| Total governmental activities                   | <u>43,606</u>      | <u>42,831</u>      | <u>45,392</u>      | <u>46,817</u>      | <u>48,179</u>      | <u>59,510</u>      | <u>59,398</u>      | <u>69,813</u>      | <u>65,410</u>      | <u>66,748</u>      |
| <b>Business-type activities:</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Water   | 23,424             | 21,082             | 16,329             | 26,092             | 27,015             | 34,394             | 35,912             | 39,073             | 30,531             | 30,382             |
| Wastewater                                      | 4,156              | 3,929              | 4,033              | 5,306              | 6,057              | 11,993             | 9,451              | 11,867             | 7,438              | 7,539              |
| Solid waste                                     | 6,749              | 7,186              | 6,551              | 8,813              | 8,276              | 10,355             | 8,259              | 11,023             | 13,770             | 11,116             |
| Stormwater                                      | 633                | 645                | 592                | 1,002              | 998                | 1,022              | 1,203              | 1,381              | 899                | 951                |
| Building permits                                | 1,257              | 1,289              | 1,355              | 2,077              | 1,567              | 1,768              | 1,891              | 2,219              | 1,642              | 1,356              |
| Total business-type activities                  | <u>36,219</u>      | <u>34,131</u>      | <u>28,860</u>      | <u>43,290</u>      | <u>43,913</u>      | <u>59,532</u>      | <u>56,716</u>      | <u>65,563</u>      | <u>54,280</u>      | <u>51,344</u>      |
| Total government expenses                       | <u>\$ 79,825</u>   | <u>\$ 76,962</u>   | <u>\$ 74,252</u>   | <u>\$ 90,107</u>   | <u>\$ 92,092</u>   | <u>\$ 119,042</u>  | <u>\$ 116,114</u>  | <u>\$ 135,376</u>  | <u>\$ 119,690</u>  | <u>\$ 118,092</u>  |
| <b>Program revenues:</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Governmental activities:</b>                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Charges for services:                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General government                              | \$ 1,913           | \$ 1,629           | \$ 1,732           | \$ 1,583           | \$ 2,120           | \$ 2,612           | \$ 1,916           | \$ 1,604           | \$ 1,810           | 3,686              |
| Public safety                                   | 2,857              | 1,512              | 177                | 194                | 1,634              | 1,850              | 2,073              | 1,628              | 1,395              | 3,175              |
| Parks and R.E.C.                                | 956                | 823                | 841                | 856                | 783                | 933                | 817                | 274                | 312                | -                  |
| Public works                                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Operating grants and contributions              | 169                | 78                 | 2,209              | 2,439              | 1,438              | 573                | 2,082              | 1,145              | 1,021              | 4,600              |
| Capital grants and contributions                | 1,129              | 706                | 543                | 1,614              | 440                | 938                | 383                | 178                | 378                | 24,364             |
| Total governmental activities program revenues  | <u>7,024</u>       | <u>4,748</u>       | <u>5,502</u>       | <u>6,686</u>       | <u>6,415</u>       | <u>6,906</u>       | <u>7,271</u>       | <u>4,829</u>       | <u>4,916</u>       | <u>35,825</u>      |
| <b>Business-type activities:</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Charges for services:                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Water   | 27,795             | 27,547             | 32,915             | 30,546             | 32,232             | 31,656             | 34,804             | 35,979             | 40,238             | 43,094             |
| Sewer   | 7,487              | 7,532              | 7,036              | 6,956              | 7,451              | 7,029              | 9,878              | 10,040             | 10,694             | 11,108             |
| Solid waste                                     | 8,832              | 8,860              | 8,939              | 9,343              | 10,181             | 9,666              | 8,812              | 9,003              | 11,274             | 11,748             |
| Stormwater                                      | 1,266              | 1,273              | 1,269              | 1,235              | 1,313              | 1,221              | 1,468              | 1,500              | 1,553              | 1,547              |
| Building permits                                | 1,307              | 2,073              | 3,800              | 3,311              | 4,726              | 2,565              | 2,576              | 1,888              | 2,719              | 4,106              |
| Operating grants and contributions              | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Capital grants and contributions                | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Total business-type activities program revenues | <u>46,687</u>      | <u>47,285</u>      | <u>53,959</u>      | <u>51,391</u>      | <u>55,903</u>      | <u>52,137</u>      | <u>57,538</u>      | <u>58,410</u>      | <u>66,478</u>      | <u>71,603</u>      |
| Total program revenues                          | <u>\$ 53,711</u>   | <u>\$ 52,033</u>   | <u>\$ 59,461</u>   | <u>\$ 58,077</u>   | <u>\$ 62,318</u>   | <u>\$ 59,043</u>   | <u>\$ 64,809</u>   | <u>\$ 63,239</u>   | <u>\$ 71,394</u>   | <u>\$ 107,428</u>  |
| <b>Net (expense) revenue:</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities                         | \$ (36,582)        | \$ (38,083)        | \$ (39,890)        | \$ (40,131)        | \$ (41,764)        | \$ (52,604)        | \$ (52,127)        | \$ (64,984)        | \$ (60,494)        | (30,923)           |
| Business-type activities                        | 10,468             | 13,154             | 25,099             | 8,101              | 11,990             | (7,395)            | 822                | (7,153)            | 12,198             | 20,259             |
| Total net expense                               | <u>\$ (26,114)</u> | <u>\$ (24,929)</u> | <u>\$ (14,791)</u> | <u>\$ (32,030)</u> | <u>\$ (29,774)</u> | <u>\$ (59,999)</u> | <u>\$ (51,305)</u> | <u>\$ (72,137)</u> | <u>\$ (48,296)</u> | <u>\$ (10,664)</u> |
| <b>General revenues:</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Governmental activities:</b>                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Taxes:  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property taxes                                  | \$ 12,364          | \$ 12,869          | \$ 13,752          | \$ 14,067          | \$ 16,470          | \$ 17,346          | \$ 19,671          | \$ 21,680          | \$ 22,929          | 23,748             |
| Sales and other taxes                           | 10,021             | 10,081             | 11,124             | 11,399             | 11,464             | 11,776             | 12,919             | 12,293             | 14,349             | 14,350             |
| State and local shared revenue                  | 5,311              | 5,187              | 4,319              | 4,841              | 5,334              | 5,465              | 6,064              | 6,534              | 7,487              | 3,137              |
| Unrestricted investment earnings (losses)       | (389)              | 700                | 382                | 146                | 173                | 295                | 1,112              | 857                | 167                | (612)              |
| User surcharges                                 | -                  | -                  | -                  | 7,163              | 8,571              | 7,164              | 9,330              | 9,649              | 10,384             | 9,364              |
| Miscellaneous                                   | 441                | 7,149              | 7,999              | 962                | 890                | 595                | 894                | 363                | 889                | 1,370              |
| Transfers                                       | 13,386             | 7,546              | 7,946              | 8,750              | 9,210              | 10,605             | 6,398              | 6,436              | 6,587              | 6,019              |
| Total governmental activities                   | <u>41,134</u>      | <u>43,532</u>      | <u>45,522</u>      | <u>47,328</u>      | <u>52,112</u>      | <u>53,246</u>      | <u>56,388</u>      | <u>57,812</u>      | <u>62,792</u>      | <u>57,376</u>      |
| <b>Business-type activities:</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Unrestricted investment earnings (losses)       | (324)              | 956                | 1,202              | 845                | 726                | 859                | 1,700              | 1,471              | 254                | (1,077)            |
| User surcharges                                 | -                  | -                  | -                  | 3,466              | 2,842              | 1,582              | 1,482              | 1,350              | 1,736              | 2,278              |
| Miscellaneous                                   | 9,307              | 2,673              | 5,035              | 2,867              | 1,190              | 3,415              | 3,374              | 4,403              | 933                | 572                |
| Transfers                                       | (13,386)           | (7,546)            | (7,946)            | (8,750)            | (9,210)            | (10,605)           | (6,398)            | (6,436)            | (6,587)            | (6,019)            |
| Total business-type activities                  | <u>(4,403)</u>     | <u>(3,917)</u>     | <u>(1,709)</u>     | <u>(1,572)</u>     | <u>(4,452)</u>     | <u>(4,749)</u>     | <u>158</u>         | <u>788</u>         | <u>(3,664)</u>     | <u>(4,246)</u>     |
| Total general revenues                          | <u>\$ 36,731</u>   | <u>\$ 39,615</u>   | <u>\$ 43,813</u>   | <u>\$ 45,756</u>   | <u>\$ 47,660</u>   | <u>\$ 48,497</u>   | <u>\$ 56,546</u>   | <u>\$ 58,600</u>   | <u>\$ 59,128</u>   | <u>\$ 53,130</u>   |
| <b>Change in net position:</b>                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities                         | \$ 4,552           | \$ 5,449           | \$ 5,632           | \$ 7,197           | \$ 10,348          | \$ 642             | \$ 4,261           | \$ (7,172)         | \$ 2,298           | 26,453             |
| Business-type activities                        | 6,065              | 9,237              | 23,390             | 6,529              | 7,538              | (12,144)           | 980                | (6,365)            | 8,534              | 16,013             |
| Total change in net position                    | <u>\$ 10,617</u>   | <u>\$ 14,686</u>   | <u>\$ 29,022</u>   | <u>\$ 13,726</u>   | <u>\$ 17,886</u>   | <u>\$ (11,502)</u> | <u>\$ 5,241</u>    | <u>\$ (13,537)</u> | <u>\$ 10,832</u>   | <u>\$ 42,466</u>   |

Source: City of North Miami Beach

**CITY OF NORTH MIAMI BEACH, FLORIDA**

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

|                                     | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
| General fund:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Inventories                         | \$ 200,022           | \$ 185,230           | \$ 203,438           | \$ 154,851           | \$ 147,157           | \$ 168,360           | \$ 162,606           | \$ 376,404           | \$ 136,738           | \$ 144,717           |
| Prepaid costs                       | 12,576               | 681                  | 38,731               | 78,553               | 32,852               | 62,268               | 79,145               | 639,496              | 264,201              | 246,454              |
| Restricted:                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Impact fees                         | 188,418              | 199,549              | 629,237              | 554,641              | 316,224              | 1,434,748            | 1,377,798            | 1,341,321            | 1,711,730            | 1,711,730            |
| Committed:                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Disaster recovery                   | -                    | -                    | -                    | -                    | -                    | -                    | 500,000              | 3,000,000            | 3,000,000            | 3,000,000            |
| Assigned:                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Appropriated for next year's budget | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 9,405,392            | 11,699,917           | 7,627,992            |
| Capital projects and equipment      | 1,595,884            | 5,467,664            | 3,428,991            | 2,601,783            | 3,159,394            | 2,337,365            | 2,461,927            | 78,333               | 3,011,280            | 7,532,094            |
| Liability claims                    | 1,595,969            | 1,974,927            | 825,856              | 782,523              | 1,163,957            | 1,597,883            | 2,016,828            | 2,020,104            | 1,789,156            | 1,464,285            |
| Workers' compensation claims        | 1,837,375            | 2,080,125            | 2,436,211            | 2,436,211            | 2,095,339            | 2,169,016            | 2,269,218            | 2,472,538            | 2,342,437            | 2,322,437            |
| Land acquisition                    | 100,000              | 68,574               | 68,574               | 68,574               | 68,574               | 68,574               | 68,574               | 68,574               | 68,574               | 68,574               |
| Unassigned                          | 12,878,350           | 13,972,463           | 17,014,464           | 19,393,802           | 25,013,469           | 27,015,338           | 29,183,119           | 18,045,725           | 15,604,937           | 19,903,766           |
| Total general fund                  | <u>18,408,594</u>    | <u>23,949,213</u>    | <u>24,645,502</u>    | <u>26,070,938</u>    | <u>31,996,966</u>    | <u>34,853,552</u>    | <u>38,119,215</u>    | <u>37,447,887</u>    | <u>39,628,970</u>    | <u>44,022,049</u>    |
| All other governmental funds:       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Prepaid costs                       | 416,053              | -                    | 6,362                | 3,740                | 4,485                | 3,535                | 42,676               | 14,334               | 46,794               | 13,679               |
| Restricted:                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Grant related                       | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Debt service                        | 31,511               | 139,339              | 113,003              | 115,913              | 117,017              | 92,082               | 92,733               | 92,733               | 92,318               | 7,143                |
| Community Redevelopment             | 4,484,008            | 625,845              | 719,620              | 843,322              | 1,311,639            | 2,061,946            | 3,161,884            | 4,347,874            | 5,604,295            | 20,127,899           |
| Interlocal agreements               | 1,302,212            | 580,165              | 1,472,246            | 1,831,817            | 1,916,135            | 1,515,659            | 1,256,820            | 231,157              | 159,905              | 987,736              |
| Special taxing districts            | -                    | -                    | -                    | -                    | -                    | -                    | 241,885              | 344,861              | 372,119              | 191,918              |
| Public safety                       | 9,047,233            | 7,788,345            | 6,547,101            | 6,859,229            | 6,820,599            | 5,738,104            | 5,068,103            | 3,839,173            | 2,424,146            | 2,361,185            |
| Committed:                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Alley restoration                   | 258,102              | 273,623              | 274,175              | 293,382              | 293,382              | 293,383              | 293,383              | 293,383              | 293,383              | 220,961              |
| Assigned:                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital projects and equipment      | 519,442              | 1,069,695            | 997,485              | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unassigned                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Grant related                       | (135,807)            | (71,131)             | (74,483)             | -                    | (66,333)             | -                    | -                    | -                    | -                    | -                    |
| Debt service                        | (281,259)            | -                    | -                    | (3,160)              | (3,336)              | (16,361)             | (16,362)             | (16,360)             | (16,340)             | 185,804              |
| Total all other governmental funds  | <u>15,641,495</u>    | <u>10,405,881</u>    | <u>10,055,509</u>    | <u>9,944,243</u>     | <u>10,393,588</u>    | <u>9,688,348</u>     | <u>10,141,122</u>    | <u>9,147,155</u>     | <u>8,976,620</u>     | <u>24,096,325</u>    |
| Total governmental funds            | <u>\$ 34,050,089</u> | <u>\$ 34,355,094</u> | <u>\$ 34,701,011</u> | <u>\$ 36,015,181</u> | <u>\$ 42,390,554</u> | <u>\$ 44,541,900</u> | <u>\$ 48,260,337</u> | <u>\$ 46,595,042</u> | <u>\$ 48,605,590</u> | <u>\$ 68,118,374</u> |

Source: City of North Miami Beach

**CITY OF NORTH MIAMI BEACH, FLORIDA**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(AMOUNTS EXPRESSED IN THOUSANDS)

|   | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues:</b>  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Property taxes  | \$ 12,364        | \$ 12,869        | \$ 13,752        | \$ 14,067        | \$ 16,470        | \$ 17,346        | \$ 19,671        | \$ 21,680        | \$ 22,929        | \$ 23,748        |
| User surcharges   | -                | -                | -                | 7,164            | 8,571            | 7,164            | 8,626            | 8,993            | 9,729            | 9,363            |
| Franchise fees  | 1,898            | 2,064            | 2,098            | 2,072            | 2,138            | 2,126            | 3,110            | 3,149            | 4,055            | 4,013            |
| Utility taxes   | 2,936            | 3,162            | 3,209            | 3,336            | 3,406            | 3,566            | 3,663            | 3,636            | 3,758            | 3,963            |
| Communication service tax                                   | 2,105            | 1,827            | 1,792            | 1,843            | 1,748            | 1,682            | 1,669            | 1,644            | 1,748            | 1,614            |
| Other taxes   | 3,932            | 3,829            | 4,025            | 4,149            | 4,172            | 4,402            | 4,477            | 3,864            | 4,788            | 5,607            |
| Licenses and permits  | 937              | 829              | 940              | 786              | 939              | 978              | 943              | 829              | 970              | 1,366            |
| Intergovernmental revenue                                   | 4,391            | 4,321            | 4,319            | 4,841            | 5,334            | 5,465            | 6,064            | 6,534            | 7,487            | 30,542           |
| Charges for services  | 2,130            | 1,786            | 1,809            | 1,847            | 1,570            | 1,793            | 1,768            | 1,215            | 1,324            | 1,671            |
| Fines and forfeitures                                       | 2,658            | 1,349            | 2,005            | 3,183            | 2,842            | 3,030            | 3,368            | 1,968            | 1,224            | 1,808            |
| Non-ad valorem assessments                                  | -                | -                | -                | -                | -                | -                | 706              | 657              | 655              | 650              |
| Other   | 1,810            | 7,997            | 8,746            | 1,832            | 1,224            | 957              | 1,848            | 1,017            | 2,181            | 1,461            |
| Investment income (losses)                                  | (389)            | 700              | 382              | 146              | 176              | 295              | 1,112            | 857              | 167              | (611)            |
| <b>Total revenues</b>                                       | <u>34,772</u>    | <u>40,733</u>    | <u>43,077</u>    | <u>45,266</u>    | <u>48,590</u>    | <u>48,804</u>    | <u>57,025</u>    | <u>56,043</u>    | <u>61,015</u>    | <u>85,195</u>    |
| <b>Expenditures:</b>  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Current:</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General government  | 10,052           | 10,384           | 12,873           | 13,179           | 13,300           | 16,506           | 16,037           | 19,246           | 19,771           | 20,193           |
| Public safety   | 22,147           | 21,526           | 21,049           | 21,196           | 22,371           | 23,185           | 24,381           | 25,475           | 26,331           | 26,879           |
| Library   | -                | -                | -                | -                | 839              | 937              | 1,058            | 1,043            | 1,138            | 1,376            |
| Parks and Rereation   | 4,382            | 4,589            | 4,423            | 4,992            | 4,372            | 4,498            | 4,505            | 4,056            | 4,280            | 5,528            |
| Public works  | 3,943            | 4,004            | 4,230            | 3,820            | 4,093            | 4,548            | 5,517            | 5,615            | 6,534            | 7,363            |
| Capital outlay  | 2,754            | 3,864            | 4,985            | 6,055            | 3,708            | 4,018            | 5,323            | 5,952            | 5,354            | 8,498            |
| <b>Debt service:</b>  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Principal   | 2,357            | 5,516            | 2,441            | 2,672            | 2,047            | 2,089            | 2,134            | 2,197            | 1,607            | 1,723            |
| Interest and other fiscal charges                           | 1,154            | 941              | 813              | 771              | 697              | 1,479            | 727              | 652              | 582              | 515              |
| <b>Total expenditures</b>                                   | <u>46,789</u>    | <u>50,824</u>    | <u>50,814</u>    | <u>52,685</u>    | <u>51,427</u>    | <u>57,260</u>    | <u>59,682</u>    | <u>64,236</u>    | <u>65,597</u>    | <u>72,075</u>    |
| Deficiency of revenues over expenditures                    | (12,017)         | (10,091)         | (7,737)          | (7,419)          | (2,837)          | (8,456)          | (2,657)          | (8,193)          | (4,582)          | 13,120           |
| <b>Other financing sources (uses):</b>                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Transfers in  | 15,089           | 8,563            | 9,232            | 9,628            | 10,085           | 11,526           | 7,507            | 7,580            | 7,289            | 9,161            |
| Transfers out   | (1,703)          | (1,017)          | (1,287)          | (878)            | (872)            | (919)            | (1,095)          | (1,138)          | (697)            | (3,141)          |
| Lease proceeds  | -                | 2,851            | -                | -                | -                | -                | -                | -                | -                | 183              |
| Debt issuance   | 3,719            | -                | 120              | -                | -                | -                | -                | -                | -                | 9,190            |
| Payment to escrow agent                                     | (3,719)          | -                | -                | -                | -                | -                | -                | -                | -                | (9,000)          |
| <b>Total other financing sources (uses)</b>                 | <u>13,386</u>    | <u>10,397</u>    | <u>8,065</u>     | <u>8,750</u>     | <u>9,213</u>     | <u>10,607</u>    | <u>6,412</u>     | <u>6,442</u>     | <u>6,592</u>     | <u>6,393</u>     |
| Net change in fund balances                                 | 1,369            | 306              | 328              | 1,331            | 6,376            | 2,150            | 3,755            | (1,751)          | 2,010            | 19,513           |
| Fund balances - beginning                                   | <u>32,681</u>    | <u>34,050</u>    | <u>34,356</u>    | <u>34,684</u>    | <u>36,015</u>    | <u>42,391</u>    | <u>44,505</u>    | <u>48,346</u>    | <u>46,595</u>    | <u>48,605</u>    |
| Fund balances - ending                                      | <u>\$ 34,050</u> | <u>\$ 34,356</u> | <u>\$ 34,684</u> | <u>\$ 36,015</u> | <u>\$ 42,391</u> | <u>\$ 44,541</u> | <u>\$ 48,260</u> | <u>\$ 46,595</u> | <u>\$ 48,605</u> | <u>\$ 68,118</u> |
| Debt service as a percentage<br>of non-capital expenditures | 7.97%            | 13.75%           | 7.10%            | 7.38%            | 5.75%            | 6.70%            | 5.26%            | 4.89%            | 3.63%            | 3.52%            |

Source: City of North Miami Beach

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
NET ASSESSED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)

| <u>Fiscal Year<br/>Ended<br/>September 30,</u> | <u>Real<br/>Property</u> | <u>Personal<br/>Property</u> | <u>Centrally<br/>Assessed</u> | <u>Total Gross<br/>Assessed<br/>Value</u> | <u>Real Estate<br/>Exempt<br/>Properties</u> | <u>Total Net<br/>Assessed<br/>Value</u> | <u>Total Direct<br/>Tax Rate</u> |
|--|--------------------------|------------------------------|-------------------------------|---|--|---|----------------------------------|
| 2013   | 1,608,856                | 128,634                      | 872                           | 1,738,362                                 | (2,974)                                      | 1,741,336                               | 7.6445                           |
| 2014   | 1,612,382                | 127,560                      | 1,056                         | 1,740,998                                 | 6,785  | 1,734,213                               | 7.7052                           |
| 2015   | 1,741,749                | 126,088                      | 1,229                         | 1,869,066                                 | 3,000  | 1,866,066                               | 7.6369                           |
| 2016   | 1,882,680                | 116,515                      | 1,392                         | 2,000,587                                 | 4,444  | 1,996,143                               | 7.5769                           |
| 2017   | 2,216,752                | 112,628                      | 1,540                         | 2,330,920                                 | 178,620                                      | 2,152,300                               | 7.3360                           |
| 2018   | 2,413,847                | 120,213                      | 1,617                         | 2,535,677                                 | 11,046                                       | 2,524,631                               | 7.1752                           |
| 2019   | 2,800,223                | 130,600                      | 1,635                         | 2,932,458                                 | 236,878                                      | 2,695,580                               | 7.0158                           |
| 2020   | 3,266,071                | 129,421                      | 3,546                         | 3,399,038                                 | 300,884                                      | 3,098,154                               | 6.8194                           |
| 2021   | 3,413,851                | 113,089                      | 2,974                         | 3,529,914                                 | 30,312                                       | 3,499,602                               | 6.8021                           |
| 2022   | 3,517,383                | 145,108                      | 2,991                         | 3,665,482                                 | 22,870                                       | 3,642,612                               | 6.7740                           |

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

Source: Miami Dade County Property Appraiser's Office for Certification of Taxable Value for the City of North Miami Beach.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

| Fiscal Year | Overlapping Rates (1)     |                      |                    |                   |                      |                      |                                |                      |                      |  |                                    |
|-------------|---------------------------|----------------------|--------------------|-------------------|----------------------|----------------------|--------------------------------|----------------------|----------------------|--|------------------------------------|
|             | City of North Miami Beach |                      |                    | Miami-Dade County |                      |                      | Miami-Dade County School Board |                      |                      | Other Taxing Authorities & Special Districts | Total Direct and Overlapping Rates |
|             | Operating Millage         | Debt Service Millage | Total City Millage | Operating Millage | Debt Service Millage | Total County Millage | Operating Millage              | Debt Service Millage | Total School Millage |  |                                    |
| 2013        | 6.6036                    | 1.0409               | 7.6445             | 4.7035            | 0.2850               | 4.9885               | 7.7650                         | 0.2330               | 7.9980               | 3.4261                                       | 24.0571                            |
| 2014        | 6.6036                    | 1.1016               | 7.7052             | 4.7035            | 0.4220               | 5.1255               | 7.6440                         | 0.3330               | 7.9770               | 3.4078                                       | 24.2155                            |
| 2015        | 6.6036                    | 1.0333               | 7.6369             | 4.6669            | 0.4500               | 5.1169               | 7.7750                         | 0.1990               | 7.9740               | 3.3508                                       | 24.0786                            |
| 2016        | 6.6036                    | 0.9733               | 7.5769             | 4.6669            | 0.4500               | 5.1169               | 7.4130                         | 0.1990               | 7.6120               | 3.3164                                       | 23.6222                            |
| 2017        | 6.5000                    | 0.8360               | 7.3360             | 4.6669            | 0.4000               | 5.0669               | 7.1380                         | 0.1840               | 7.3220               | 3.2909                                       | 23.0158                            |
| 2018        | 6.4000                    | 0.7752               | 7.1752             | 4.6669            | 0.4000               | 5.0669               | 6.7740                         | 0.2200               | 6.9940               | 3.2375                                       | 22.4736                            |
| 2019        | 6.3000                    | 0.7158               | 7.0158             | 4.6669            | 0.4644               | 5.1313               | 6.5040                         | 0.2290               | 6.7330               | 3.1878                                       | 22.0679                            |
| 2020        | 6.2000                    | 0.6194               | 6.8194             | 4.6669            | 0.4780               | 5.1449               | 7.0250                         | 0.1230               | 7.1480               | 3.2002                                       | 22.3125                            |
| 2021        | 6.2000                    | 0.6021               | 6.8021             | 4.6669            | 0.4780               | 5.1449               | 6.9360                         | 0.1930               | 7.1290               | 3.1709                                       | 22.2469                            |
| 2022        | 6.2000                    | 0.5740               | 6.7740             | 4.6669            | 0.5075               | 5.1744               | 6.8290                         | 0.1800               | 7.0090               | 3.2099                                       | 22.1673                            |

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

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

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

**CITY OF NORTH MIAMI BEACH, FLORIDA**

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(AMOUNTS EXPRESSED IN THOUSANDS)

| Taxpayer                     | Type of Business     | 2022                   |      |   | 2013                   |      |   |
|------------------------------|----------------------|------------------------|------|---|------------------------|------|---|
|                              |                      | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Value |
| Florida Power & Light        | Utility              | 91,519                 | 1    | 2.51%                                   | 45,893                 | 1    | 2.64%                                   |
| North MB Owner LLC           | Multi Family Units   | \$ 59,736              | 2    | 1.64%                                   | \$ -                   | -    | -                                       |
| Dezer Intracoastal Mall LLC  | Retail               | 48,332                 | 3    | 1.33%                                   | -                      | -    | -                                       |
| Biscayne Commons (Edens) LLC | Retail               | 31,380                 | 4    | 0.59%                                   | 23,700                 | 3    | 1.36%                                   |
| CK Prive Group 1800 LLC      | Retail               | 23,664                 | 5    | 0.65%                                   | -                      | -    | -                                       |
| Oleta Partners Biscayne      | Retail               | 21,378                 | 6    | 0.59%                                   | -                      | -    | -                                       |
| 2150 Aventura Realty LLC     | Real Estate          | 21,354                 | 7    | 0.59%                                   | -                      | -    | -                                       |
| Target Corp                  | Retail               | 19,514                 | 8    | 0.54%                                   | -                      | -    | -                                       |
| BKDL LP                      | Commercial Real Esta | 18,583                 | 9    | 0.51%                                   | -                      | -    | -                                       |
| Dezer NMB Campus LLC         | University Campus    | 17,480                 | 10   | 0.48%                                   | -                      | -    | -                                       |
| CJUF III Intracoastal LLC    | Retail               | -                      | -    | -                                       | 36,000                 | 2    | 2.07%                                   |
| Costco Corporation           | Retail               | -                      | -    | -                                       | 15,934                 | 4    | 0.92%                                   |
| Sonic Ward Inc (K-Mart)      | Retail               | -                      | -    | -                                       | 15,415                 | 5    | 0.89%                                   |
| Arena Shops (Edens) LLC      | Retail               | -                      | -    | -                                       | 15,200                 | 6    | 0.87%                                   |
| Dayton Hudson Corp (Target)  | Retail               | -                      | -    | -                                       | 13,500                 | 7    | 0.78%                                   |
| RK Associated XVIII llc      | Retail               | -                      | -    | -                                       | 10,010                 | 8    | 0.57%                                   |
| Coramar Investment Inc.      | Condo                | -                      | -    | -                                       | 8,748                  | 9    | 0.50%                                   |
| Grand Island Place LLC       | Real Estate          | -                      | -    | -                                       | 8,171                  | 10   | 0.47%                                   |
| <b>Total</b>                 |                      | <b>\$ 352,940</b>      |      | <b>9.41%</b>                            | <b>\$ 192,571</b>      |      | <b>11.06%</b>                           |
| Total assessed value         |                      |                        |      | <b>\$ 3,642,612</b>                     |                        |      | <b>\$ 1,741,336</b>                     |

Source: Miami Dade County Property Appraisers Office.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

| Fiscal Year<br>Ended<br><u>September 30,</u> | Total Taxes<br>Levied for<br>Operating<br>Purposes for<br><u>Fiscal Year</u> | Levied Taxes<br>Collected within<br>the Fiscal Year |                            | Delinquent<br>Tax<br>Collections (1) | Total Tax<br>Collections |                            |
|--|--|---|----------------------------|--------------------------------------|--------------------------|----------------------------|
|  |  | <u>Amount</u>                                       | <u>Percent<br/>of Levy</u> |                                      | <u>Amount</u>            | <u>Percent<br/>of Levy</u> |
| 2013   | 11,479   | 10,642  | 93%                        | 2                                    | 10,644                   | 93%                        |
| 2014   | 11,498   | 10,663  | 93%                        | 384                                  | 11,047                   | 96%                        |
| 2015   | 12,343   | 11,918  | 97%                        | -                                    | 11,918                   | 97%                        |
| 2016   | 13,211   | 11,721  | 89%                        | 491                                  | 12,212                   | 92%                        |
| 2017   | 15,159   | 13,923  | 92%                        | 692                                  | 14,615                   | 96%                        |
| 2018   | 16,482   | 14,845  | 90%                        | 633                                  | 15,478                   | 94%                        |
| 2019   | 18,474   | 16,823  | 91%                        | 851                                  | 17,674                   | 96%                        |
| 2020   | 21,414   | 18,315  | 86%                        | 1,363                                | 19,678                   | 92%                        |
| 2021   | 21,885   | 19,886  | 91%                        | 1,038                                | 20,924                   | 96%                        |
| 2022   | 22,726   | 20,944  | 92%                        | 802                                  | 21,746                   | 96%                        |

(1) Property Taxes are levied and collected by Miami-Dade County for all municipalities within the County. Information on delinquent taxes is not distributed by the County. Prior period delinquent real estate taxes are recorded as collections of the current year.

Source: City of North Miami Beach Certificate of Taxable Value.

**CITY OF NORTH MIAMI BEACH, FLORIDA**

WATER PRODUCED AND CONSUMED

LAST TEN FISCAL YEARS

(AMOUNTS EXPRESSED IN THOUSANDS)

| <u>Fiscal Year Ended September 30,</u> | <u>Gallons of Water Produced by City's Norwood Treatment Plant (1)</u> | <u>Gallons of Water Purchased from Miami-Dade County WASA (1)</u> | <u>Gallons of Water Consumed (2)</u> | <u>Water Operating Revenue Collected</u> | <u>Direct Rate (3)</u> |
|--|--|---|--------------------------------------|--|------------------------|
| 2013                                   | 7,278,694  | 233   | 6,471,569                            | 27,775                                   | 23.84                  |
| 2014                                   | 7,586,722  | 237   | 6,368,875                            | 27,547                                   | 26.11                  |
| 2015                                   | 7,375,327  | 3,640   | 6,913,853                            | 33,374                                   | 26.11                  |
| 2016                                   | 7,380,058  | 585   | 6,490,459                            | 31,511                                   | 26.11                  |
| 2017                                   | 7,410,600  | 889   | 6,566,017                            | 32,232                                   | 26.11                  |
| 2018                                   | 7,556,118  | 107   | 6,624,810                            | 31,656                                   | 26.11                  |
| 2019                                   | 7,508,100  | 49  | 6,387,217                            | 34,804                                   | 33.25                  |
| 2020                                   | 7,718,835  | 273   | 6,338,872                            | 35,979                                   | 31.31                  |
| 2021                                   | 8,322,432  | 231   | 6,589,103                            | 36,717                                   | 32.70                  |
| 2022                                   | 8,343,148  | 6,689   | 6,574,519                            | 39,548                                   | 35.85                  |

Notes:

- (1) Gallons are presented in thousands.
- (2) Gallons are presented in thousands and includes bulk sales.
- (3) Direct rate used represents a typical single-family residential customer consuming 7,000 gallons per month. For 2019 Billing went from quarterly to monthly.

Sources:

- (1) & (2) City of North Miami Beach Water Department
- (3) City of North Miami Beach Finance Department

## CITY OF NORTH MIAMI BEACH, FLORIDA

### WATER RATE HISTORY LAST TEN FISCAL YEARS (MONTHLY)

|   | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>(1) Minimum Chg - Single Family:</b>             |             |             |             |             |             |             |             |             |             |             |
| 5/8"  | \$ 9.78     | \$ 10.71    | \$ 10.71    | \$ 10.71    | \$ 10.71    | \$ 10.71    | \$ 10.71    | \$ 13.70    | \$ 14.32    | \$ 14.96    |
| 3/4"  | 9.78        | 10.71       | 10.71       | 10.71       | 10.71       | 10.71       | 10.71       | 13.70       | 14.32       | 14.96       |
| 1"  | 24.45       | 26.78       | 26.78       | 26.78       | 26.78       | 26.78       | 26.78       | 34.25       | 35.79       | 37.40       |
| 1 1/2"  | 48.90       | 53.55       | 53.55       | 53.55       | 53.55       | 53.55       | 53.55       | 68.50       | 71.58       | 74.80       |
| 2"  | 78.24       | 85.68       | 85.68       | 85.68       | 85.68       | 85.68       | 85.68       | 109.60      | 114.53      | 119.68      |
| 3"  | N/A         |
| 4"  | N/A         |
| 6"  | N/A         |
| 8"  | N/A         |
| 10"   | N/A         |
| <b>Minimum Chg - Multi-Fam/Non-Residential:</b>     |             |             |             |             |             |             |             |             |             |             |
| 5/8"  | \$ 11.32    | \$ 12.40    | \$ 12.40    | \$ 12.40    | \$ 12.40    | \$ 12.40    | \$ 12.40    | \$ 12.40    | \$ 12.96    | \$ 13.54    |
| 3/4"  | 11.32       | 12.40       | 12.40       | 12.40       | 12.40       | 12.40       | 12.40       | 12.40       | 12.96       | 13.54       |
| 1"  | 28.30       | 31.00       | 31.00       | 31.00       | 31.00       | 31.00       | 31.00       | 31.00       | 32.40       | 33.86       |
| 1 1/2"  | 56.60       | 62.00       | 62.00       | 62.00       | 62.00       | 62.00       | 62.00       | 62.00       | 64.79       | 67.71       |
| 2"  | 90.56       | 99.20       | 99.20       | 99.20       | 99.20       | 99.20       | 99.20       | 99.20       | 103.66      | 108.32      |
| 3"  | 181.12      | 198.40      | 198.40      | 198.40      | 198.40      | 198.40      | 186.00      | 186.00      | 194.37      | 203.12      |
| 4"  | 283.00      | 310.00      | 310.00      | 310.00      | 310.00      | 310.00      | 310.00      | 310.00      | 323.95      | 338.53      |
| 6"  | 566.00      | 620.00      | 620.00      | 620.00      | 620.00      | 620.00      | 620.00      | 620.00      | 647.90      | 677.06      |
| 8"  | 905.60      | 992.00      | 992.00      | 992.00      | 992.00      | 992.00      | 992.00      | 992.00      | 1,036.64    | 1,083.29    |
| 10"   | 1,301.80    | 1,426.00    | 1,426.00    | 1,426.00    | 1,426.00    | 1,426.00    | 1,426.00    | 1,426.00    | 1,490.17    | 1,557.23    |
| <b><u>(2) Conservation Increments (Blocks):</u></b> |             |             |             |             |             |             |             |             |             |             |
| <b><u>Single Fam/Non-Resi</u></b>                   |             |             |             |             |             |             |             |             |             |             |
| 0 - 7 mgs   | \$ 2.94     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.82     | \$ 3.99     | 4.17        |
| 8 - 12 mgs  | 3.28        | 3.59        | 3.59        | 3.59        | 3.59        | 3.59        | 3.59        | 4.25        | 4.44        | 4.64        |
| over 12 mgs   | 4.08        | 4.47        | 4.47        | 4.47        | 4.47        | 4.47        | 4.47        | 5.30        | 5.54        | 5.79        |
| <b><u>Multi-family</u></b>                          |             |             |             |             |             |             |             |             |             |             |
| 0 - 5 mgs/unit                                      | \$ 2.94     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.22     | \$ 3.82     | \$ 3.99     | 4.17        |
| 6 - 9 mgs/unit                                      | 3.28        | 3.59        | 3.59        | 3.59        | 3.59        | 3.59        | 3.59        | 4.25        | 4.44        | 4.64        |
| over 9 mgs/unit                                     | 4.08        | 4.47        | 4.47        | 4.47        | 4.47        | 4.47        | 4.47        | 5.30        | 5.54        | 5.79        |

(1) Single family customers are charged minimum charge based on the meter size.

(2) Non-Residential customers are charged for all consumption based on the Tier Rates

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**PRINCIPAL WATER CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**

| <u>Customer</u>                  | <u>Type of Business</u>   | <u>2022</u>            |             |                               | <u>2013</u>            |             |                               |
|----------------------------------|---------------------------|------------------------|-------------|-------------------------------|------------------------|-------------|-------------------------------|
|                                  |                           | <u>Water</u>           |             | <u>% of Water Consumption</u> | <u>Water</u>           |             | <u>% of Water Consumption</u> |
|                                  |                           | <u>Units Sold (MG)</u> | <u>Rank</u> |                               | <u>Units Sold (MG)</u> | <u>Rank</u> |                               |
| CITY OF HALLANDALE BEACH         | Municipality              | 109,095                | 1           | 1.74%                         | -                      | -           | -                             |
| INTRACOASTAL YACHT CLUB          | Condominium               | 52,648                 | 2           | 0.84%                         | 54,648                 | 3           | 0.87%                         |
| WILLIAMS ISLAND OCEAN CLUB       | Condominium               | 47,772                 | 3           | 0.76%                         | 53,148                 | 4           | 0.85%                         |
| PLAZA DEL PRADO                  | Condominium               | 45,038                 | 4           | 0.72%                         | 43,104                 | 6           | 0.69%                         |
| COMMODORE PLAZA CONDO ASSOC.     | Condominium               | 44,135                 | 5           | 0.70%                         | 45,828                 | 5           | 0.73%                         |
| PLAZA OF THE AMERICAS CLUB       | Condominium               | 39,862                 | 6           | 0.64%                         | 41,616                 | 7           | 0.66%                         |
| SOUTH FLORIDA STADIUM LLC        | Entertainment             | 38,355                 | 7           | 0.61%                         | 40,008                 | 8           | 0.64%                         |
| ARLEN-BURKE                      | Condominium               | 35,059                 | 8           | 0.56%                         | -                      | -           | -                             |
| THE PENNINSULA CONDO ASSOCIATION | Condominium               | 34,508                 | 8           | 0.6%                          | -                      | -           | -                             |
| BHI SUMMERWINDS LLC              | Condominium               | 33,471                 | 9           | 0.53%                         | -                      | -           | -                             |
| ADMIRALS PORT                    | Condominium               | 32,895                 | 10          | 0.53%                         | 37,464                 | 10          | 0.60%                         |
| ARLEN, HOUSE E CONDO ASSOC       | Condominium               | -                      | -           | -                             | 37,776                 | 9           | 0.60%                         |
| MIAMI-DADE WATER & SEWER         | Water Management District | -                      | 0           | 0.00%                         | 100,248                | 1           | 1.60%                         |
| BAL HARBOUR VILLAGE              | Municipality              | -                      | 0           | 0.00%                         | 86,209                 | 2           | 1.38%                         |
| Total                            |                           | <u>512,838</u>         |             | <u>8.18%</u>                  | <u>540,049</u>         |             | <u>8.62%</u>                  |
| Total Consumption                |                           |                        |             | <u>6,574,519</u>              |                        |             | <u>6,265,594</u>              |

Source: City of North Miami Beach Customer Service

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

| Fiscal Year | Governmental Activities  |                |                     |               | Business-type Activities |                  |                |                       | Total   | Per Capita (1) | Percentage of Personal Income (1) |
|-------------|--------------------------|----------------|---------------------|---------------|--------------------------|------------------|----------------|-----------------------|---------|----------------|-----------------------------------|
|             | General Obligation Bonds | Capital Leases | Redevelopment Notes | Revenue Bonds | Water Revenue Bonds      | Stormwater Notes | Capital Leases | State Revolving Loans |         |                |                                   |
| 2013        | 22,090                   | -              | 6,000               | 3,879         | 65,306                   | 1,444            | -              | 5,996                 | 104,715 | 2,421          | 12.94%                            |
| 2014        | 20,995                   | 2,851          | 2,083               | 3,711         | 62,938                   | 1,276            | 2,725          | 6,204                 | 102,783 | 2,354          | 12.25%                            |
| 2015        | 19,855                   | 2,155          | 1,917               | 3,122         | 60,495                   | 1,106            | 1,790          | 16,567                | 107,007 | 2,434          | 13.10%                            |
| 2016        | 18,660                   | 1,448          | 1,750               | 2,518         | 57,889                   | 931              | 1,384          | 21,996                | 106,576 | 2,394          | 12.07%                            |
| 2017        | 17,430                   | 729            | 1,583               | 1,906         | 55,230                   | 753              | 698            | 20,619                | 98,948  | 2,178          | 10.97%                            |
| 2018        | 16,150                   | -              | 1,417               | 1,283         | 52,470                   | 571              | -              | 20,524                | 92,415  | 2,026          | 9.79%                             |
| 2019        | 14,820                   | -              | 1,250               | 645           | 49,640                   | 385              | -              | 20,184                | 86,924  | 1,894          | 9.16%                             |
| 2020        | 13,435                   | -              | 1,083               | -             | 105,962                  | 194              | -              | 19,016                | 139,690 | 3,246          | 13.97%                            |
| 2021        | 11,995                   | -              | 917                 | -             | 101,444                  | -                | -              | 17,820                | 132,176 | 3,026          | 13.03%                            |
| 2022        | 10,695                   | -              | 750                 | -             | 96,769                   | -                | -              | 16,595                | 132,176 | 3,026          | 13.03%                            |

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

(1) See the Schedule of Demographic and Economic Statistics on page 147 for personal income and population data.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
 (AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

| <u>Fiscal Year</u> | <u>General Bonded Debt Outstanding</u> |                                    |                   | <u>Percentage of Assessed Property Value (1)</u> | <u>Per Capita(2)</u> |
|--------------------|--|------------------------------------|-------------------|--|----------------------|
|                    | <u>General Obligation Bonds</u>        | <u>Less Amount in Debt Service</u> | <u>Net Amount</u> |  |                      |
| 2013               | 22,090                                 | 166                                | 21,924            | 1.26%  | 507                  |
| 2014               | 20,995                                 | 139                                | 20,856            | 1.20%  | 478                  |
| 2015               | 19,855                                 | 31                                 | 19,824            | 1.06%  | 451                  |
| 2016               | 18,660                                 | 31                                 | 18,630            | 0.93%  | 419                  |
| 2017               | 17,430                                 | 31                                 | 17,399            | 0.81%  | 383                  |
| 2018               | 16,150                                 | -                                  | 16,150            | 0.64%  | 354                  |
| 2019               | 14,820                                 | -                                  | 14,820            | 0.55%  | 323                  |
| 2020               | 13,435                                 | -                                  | 13,435            | 0.43%  | 312                  |
| 2021               | 11,995                                 | -                                  | 11,995            | 34.00%   | 275                  |
| 2022               | 10,695                                 | -                                  | 10,695            | 34.00%   | 275                  |

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

- (1) See the Schedule of Net Assessed Value of Taxable Property on Page 136 for net assessed property value data.
- (2) See the Schedule of Demographic and Economic Statistics on Page 147 for population data.

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2022  
(AMOUNTS EXPRESSED IN THOUSANDS)

| <u>Government Unit</u>                | 2022                                |   |   |
|---------------------------------------|-------------------------------------|---|---|
|                                       | <u>Net<br/>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to the<br/>City of North<br/>Miami<br/>Beach (1)</u> | <u>Amount<br/>Applicable<br/>to the<br/>City of North<br/>Miami<br/>Beach</u> |
| Debt repaid with property taxes:      |                                     |   |   |
| Miami-Dade County                     | \$ 2,338,333                        | 1.09%   | \$ 25,544   |
| Miami-Dade County School Board        | 885,286                             | 1.02%   | 9,009   |
| Other debt:                           |                                     |   |   |
| Miami-Dade County                     | 2,571,440                           | 1.09%   | 28,090  |
| Miami-Dade County School Board        | 867                                 | 1.02%   | <u>9</u>  |
| Subtotal, Overlapping Debt            |                                     |   | 62,651  |
| City of North Miami Beach Direct Debt |                                     |   | <u>14,518</u>   |
| Total Direct and Overlapping Debt     |                                     |   | <u>\$ 77,169</u>  |

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using net taxable assessed property values. It is calculated by taking the value that is within the City's boundaries and dividing it by the County's and School Board's total net taxable assessed value. This approach was also used for the other debt.

**CITY OF NORTH MIAMI BEACH, FLORIDA**

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(AMOUNTS EXPRESSED IN THOUSANDS)

| Fiscal Year<br>Ended<br>September 30, | Transit Surtax Bonds - Series 2013 |              |          |          |                           | Community Redevelopment - CRA |          |          |  |  |
|---------------------------------------|------------------------------------|--------------|----------|----------|---------------------------|-------------------------------|----------|----------|--|--|
|                                       | County<br>Transit<br>Surtax        | Debt Service |          | Coverage | TIF + Interest<br>Revenue | Principal                     | Interest | Coverage |  |  |
|                                       |                                    | Principal    | Interest |          |                           |                               |          |          |  |  |
| 2013*                                 | \$ 1,494                           | \$ 465       | \$ 219   | 2.18     | \$ 550                    | \$ 445                        | \$ 122   | 0.97     |  |  |
| 2014                                  | 1,566                              | 485          | 127      | 2.56     | 425                       | 167                           | 35       | 2.10     |  |  |
| 2015                                  | 1,660                              | 569          | 56       | 2.66     | 426                       | 167                           | 34       | 2.12     |  |  |
| 2016                                  | 1,733                              | 582          | 46       | 2.76     | 694                       | 167                           | 32       | 3.49     |  |  |
| 2017                                  | 1,904                              | 588          | 36       | 3.05     | 1,023                     | 167                           | 28       | 5.25     |  |  |
| 2018                                  | 1,725                              | 599          | 27       | 2.76     | 1,340                     | 167                           | 38       | 6.54     |  |  |
| 2019                                  | 1,945                              | 613          | 16       | 3.09     | 1,748                     | 167                           | 41       | 8.40     |  |  |
| 2020                                  | 1,706                              | 620          | 5        | 2.73     | 2,601                     | 167                           | 29       | 13.27    |  |  |
| 2021                                  | -                                  | -            | -        | -        | 2,837                     | 167                           | 16       | 15.50    |  |  |
| 2022                                  | -                                  | -            | -        | -        | 3,159                     | 167                           | 16       | 17.26    |  |  |

| Fiscal Year<br>Ended<br>September 30, | Stormwater - Series 2011A                      |              |          |          |  | Water Utility Bonds - Series 2012, 2015 and 2020B |          |          |  |  |
|---------------------------------------|--|--------------|----------|----------|--|---|----------|----------|--|--|
|                                       | Operating Revenue<br>Less Operating<br>Expense | Debt Service |          | Coverage | Gross Revenue<br>Less Operating<br>Expense | Debt Service                                      |          | Coverage |  |  |
|                                       |  | Principal    | Interest |          |  | Principal   | Interest |          |  |  |
| 2013                                  | \$ 910   | \$ 164       | \$ 35    | 4.57     | \$ 16,925                                  | \$ 1,565  | \$ 2,485 | 4.18     |  |  |
| 2014                                  | 943  | 167          | 31       | 4.76     | 15,610                                     | 2,030   | 2,595    | 3.38     |  |  |
| 2015                                  | 710  | 171          | 28       | 3.57     | 24,439                                     | 2,104   | 2,536    | 5.27     |  |  |
| 2016                                  | 267  | 174          | 24       | 1.35     | 11,656                                     | 2,189   | 2,365    | 2.56     |  |  |
| 2017                                  | 333  | 178          | 20       | 1.68     | 11,621                                     | 2,332   | 2,275    | 2.52     |  |  |
| 2018                                  | 640  | 182          | 16       | 3.22     | 9,401                                      | 2,434   | 2,178    | 2.03     |  |  |
| 2019                                  | 647  | 186          | 12       | 3.26     | 12,297                                     | 2,503   | 2,113    | 2.65     |  |  |
| 2020                                  | 722  | 190          | 8        | 3.64     | 17,789                                     | 3,583   | 1,876    | 3.25     |  |  |
| 2021                                  | 682  | 194          | 4        | 3.43     | 13,138                                     | 3,975   | 2,287    | 2.09     |  |  |
| 2022                                  | -  | -            | -        | -        | 15,684                                     | 3,300   | 3,040    | 2.46     |  |  |

| Fiscal Year<br>Ended<br>September 30, | State Revolving Loan - Water               |              |          |          |  | State Revolving Loan - Sewer |          |          |  |  |
|---------------------------------------|--|--------------|----------|----------|--|------------------------------|----------|----------|--|--|
|                                       | Gross Revenue<br>Less Operating<br>Expense | Debt Service |          | Coverage | Gross Revenue<br>Less Operating<br>Expense | Debt Service                 |          | Coverage |  |  |
|                                       |  | Principal    | Interest |          |  | Principal                    | Interest |          |  |  |
| 2013                                  | \$ 16,925                                  | \$ 364       | \$ 238   | 28.11    | \$ 5,771                                   | \$ 264                       | \$ 84    | 16.58    |  |  |
| 2014                                  | 15,610                                     | 497          | 233      | 21.38    | 4,891                                      | 254                          | 125      | 12.91    |  |  |
| 2015                                  | 24,439                                     | 829          | 443      | 19.21    | 3,454                                      | 425                          | 179      | 5.72     |  |  |
| 2016                                  | 11,656                                     | 829          | 444      | 9.16     | 1,005                                      | 426                          | 179      | 1.66     |  |  |
| 2017                                  | 11,621                                     | 857          | 444      | 8.93     | 1,944                                      | 469                          | 136      | 3.21     |  |  |
| 2018                                  | 3,593                                      | 919          | 383      | 2.76     | (3,308)                                    | 493                          | 111      | (5.48)   |  |  |
| 2019                                  | 12,297                                     | 854          | 267      | 10.97    | 2,651                                      | 322                          | 130      | 5.87     |  |  |
| 2020                                  | 17,789                                     | 774          | 357      | 15.73    | 2,726                                      | 394                          | 110      | 5.41     |  |  |
| 2021                                  | 13,138                                     | 794          | 337      | 11.62    | 2,408                                      | 402                          | 114      | 4.67     |  |  |
| 2022                                  | 15,684                                     | 415          | 316      | 21.46    | 7,818                                      | 410                          | 106      | 15.15    |  |  |

| Fiscal Year<br>Ended<br>September 30, | Sewer Loan - Series 2020                       |              |          |          |  |
|---------------------------------------|--|--------------|----------|----------|--|
|                                       | Operating Revenue<br>Less Operating<br>Expense | Debt Service |          | Coverage |  |
|                                       |  | Principal    | Interest |          |  |
| 2020                                  | \$ 2,726                                       | \$ -         | \$ 15    | 181.73   |  |
| 2021                                  | 2,408  | 600          | 310      | 2.65     |  |
| 2022                                  | 7,818  | 615          | 293      | 8.61     |  |

Note \*: Capital Improvement Bonds 2003B Series was refunded in 2013.

Note \*\*: Stormwater Series 2011A paid off in 2021

Source: City of North Miami Beach

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

| <u>Year</u> | <u>Population (1)</u> | <u>Personal<br/>Income<br/>(in Thousands) (1)</u> | <u>Per Capita<br/>Personal<br/>Income (2)</u> | <u>Median<br/>Age (2)</u> | <u>Unemployment<br/>Rate (3)</u> |
|-------------|-----------------------|---|---|---------------------------|----------------------------------|
| 2013        | 43,250                | 809,251   | 18,711  | 35.6                      | 8.1%                             |
| 2014        | 43,664                | 839,135   | 19,218  | 36.3                      | 6.8%                             |
| 2015        | 43,971                | 817,025   | 18,581  | 37.8                      | 6.6%                             |
| 2016        | 44,512                | 883,341   | 19,845  | 38.1                      | 5.2%                             |
| 2017        | 45,437                | 901,924   | 19,850  | 37.7                      | 4.5%                             |
| 2018        | 45,612                | 943,667   | 20,689  | 36.4                      | 3.8%                             |
| 2019        | 45,887                | 948,943   | 20,680  | 38.5                      | 3.1%                             |
| 2020 (4)    | 43,041                | 999,885   | 23,231  | 37.2                      | 10.9%                            |
| 2021        | 43,645                | 1,013,917   | 23,231  | 37.3                      | 4.9%                             |
| 2022        | 42,507                | 987,480   | 23,231  | 38.9                      | 2.9%                             |

Sources:

(1) Estimated by City of North Miami Beach Economic Development (for years 2008 to 2011). U S Census Bureau 2012 - 2019.

(2) United States Census Bureau.

(3) U.S. Bureau of Labor Statistics.

(4) The drastic increase in the unemployment rate reflects the ramifications of the COVID-19 pandemic.

Note: Population information is based on surveys conducted during the last quarter of the calendar year. Unemployment Personal income information is a total for the year.

# CITY OF NORTH MIAMI BEACH, FLORIDA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

| <u>Employer</u>                  | <u>2022</u>      |             | <u>2013</u>      |             |
|----------------------------------|------------------|-------------|------------------|-------------|
|                                  | <u>Employees</u> | <u>Rank</u> | <u>Employees</u> | <u>Rank</u> |
| Vitas Innovative Hospice Care    | 1,224            | 1           | N/A              | N/A         |
| Jackson North Medical Center     | 1,111            | 2           | 711              | 1           |
| City of North Miami Beach        | 483              | 3           | 537              | 2           |
| Bryant Security Corporation      | 400              | 4           | N/A              | N/A         |
| Publix                           | 318              | 5           | 268              | 3           |
| Target                           | 184              | 6           | 203              | 5           |
| Douglas Gardens A.C.L.F.         | 178              | 7           | N/A              | N/A         |
| P.F. Chang's                     | 125              | 8           | N/A              | N/A         |
| TJ Maxx                          | 86               | 9           | N/A              | N/A         |
| T.G.I.Friday's                   | 80               | 10          | N/A              | N/A         |
| Costco                           | N/A              |             | 226              | 4           |
| Duffy's                          | N/A              |             | 200              | 6           |
| Madison National Life Insurance  | N/A              |             | 140              | 7           |
| Prestige Motor Car Imports, Inc. | N/A              |             | 117              | 8           |
| Houston's Restaurant             | N/A              |             | 106              | 9           |
| Douglas Gardens A.C.L.F.         | N/A              |             | 98               | 10          |
| Total                            | <u>4,265</u>     |             | <u>2,606</u>     |             |

Special Note: The above list includes private and public employers in the Greater North Miami E

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

|                            | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Number of employees:       |             |             |             |             |             |             |             |             |             |             |
| Attorney's office          | 5           | 5           | 6           | 6           | 6           | 6           | 5           | 5           | 0           | 0           |
| Clerk's office             | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Mayor and Council's office | -           | 1           | 1           | 1           | 1           | 0           | 0.3         | 1.5         | 2.3         | 2.3         |
| Executive                  | 18          | 25          | 27          | 27          | 31.5        | 35.5        | 33.7        | 36.5        | 36.45       | 36.45       |
| Human Resources            | 6           | 6           | 6           | 6           | 11          | 8           | 8           | 8           | 8           | 8           |
| Financial Services         | 12          | 12          | 12          | 13          | 11          | 12          | 13          | 14          | 14          | 14          |
| Police:                    |             |             |             |             |             |             |             |             |             |             |
| Police Officers            | 85          | 110         | 106         | 105         | 108         | 113         | 113         | 113         | 113         | 113         |
| Civilians                  | 34          | 20          | 36          | 36          | 34          | 35          | 35          | 38          | 33          | 33          |
| Library                    | 7           | 7           | 7           | 6           | 8           | 8           | 8           | 9           | 9           | 9           |
| Parks and R.E.C.           | 28          | 32          | 28          | 28          | 29          | 29          | 29          | 31          | 30          | 30          |
| Public Works               | 34          | 34          | 36          | 32          | 34          | 35          | 37.5        | 37.5        | 38          | 38          |
| Stormwater                 | 9           | 9           | 6           | 4           | 4           | 5.5         | 5.5         | 5           | 5.5         | 5.5         |
| Water                      | 86          | 90          | 91          | 92          | 84          | 4           | 4           | 9           | 101         | 101         |
| Sewer                      | 11          | 13          | 14          | 14          | 13          | -           | -           | -           | -           | -           |
| Building Permit            | 9           | 12          | 13          | 13          | 14.25       | 14.5        | 14          | 15          | 15.25       | 15.25       |
| Solid Waste                | 53          | 48          | 46          | 18          | 14.25       | 13.5        | 14          | 14.5        | 14.5        | 14.5        |
| Customer Service           | 21          | 21          | 23          | 26          | 22          | -           | -           | -           | 26          | 26          |
| Total number of employees  | 422         | 449         | 462         | 431         | 429         | 323         | 324         | 341         | 450         | 450         |

Source: City of North Miami Beach annual budgets

# CITY OF NORTH MIAMI BEACH, FLORIDA

## OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| <u>Function/Program</u>                               | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public safety:  |             |             |             |             |             |             |             |             |             |             |
| Police (2):   |             |             |             |             |             |             |             |             |             |             |
| Police calls for service                              | 85,839      | 82,997      | 97,366      | 98,684      | 100,883     | 98,304      | 98,809      | 68,669      | 85,744      | 89,125      |
| Parking citations                                     | 986         | 1,256       | 1,474       | 1,316       | 1,332       | 1,351       | 1,368       | 744         | 913         | 1027        |
| Traffic citations                                     | 4,842       | 4,399       | 5,757       | 5,726       | 5,949       | 5,145       | 5,644       | 1,989       | 5,413       | 3,722       |
| Arrests   | 1,322       | 1,562       | 1,561       | 1,600       | 1,453       | 1,351       | 1,491       | 665         | 1,025       | 868         |
| SRT call outs   | 24          | 53          | 52          | 13          | 12          | 27          | 26          | 14          | 15          | 17          |
| Community development:                                |             |             |             |             |             |             |             |             |             |             |
| Building permits issued (3)                           | 3,165       | 2,714       | 2,878       | 3,712       | 3,584       | 3,180       | 3,537       | 769         | 2522        | 2699        |
| Library:  |             |             |             |             |             |             |             |             |             |             |
| Number of registered borrowers (4)                    | 31,572      | 36,955      | 38,410      | 36,410      | 38,541      | 38,828      | 39,299      | 39,336      | 40,989      | 25,461      |
| Total annual circulation                              | 113,935     | 120,741     | 135,487     | 136,532     | 150,773     | 226,347     | 271,320     | 198,743     | 232,597     | 245,648     |
| Total reference transactions                          | 24,960      | 105,574     | 94,210      | 94,241      | 93,632      | 92,928      | 91,837      | 74,055      | 58,133      | 58,345      |
| Annual number of users of public internet computers   | 68,365      | 56,903      | 68,892      | 69,630      | 69,718      | 69,889      | 83,265      | 58,336      | 41,256      | 41,290      |
| Annual WiFi Sessions                                  | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 51,336      | 36,581      | 39,916      | 41,854      |
| Visitors  | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 287,126     | 156,875     | 240,313     | 506,382     |
| Program Attendees                                     | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 59,843      | 56,396      | 58,905      | 54,965      |
| Programs Provided                                     | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 737         | 905         | 972         | 860         |
| Parks and recreation:                                 |             |             |             |             |             |             |             |             |             |             |
| After school program enrollment (3)                   | 300         | 287         | 302         | 300         | 256         | 272         | 349         | 261         | 109         | 196         |
| Summer camp program enrollment (3)                    | 500         | 519         | 588         | 556         | 554         | 442         | 574         | 48          | 285         | 285         |
| Camp No-Mi-Be enrollment (1)                          | 54          | 55          | n/a         |
| Sanitation:   |             |             |             |             |             |             |             |             |             |             |
| Refuse collected (tons / year)                        | 34,639      | 36,285      | 34,718      | 28,788      | 32,559      | 42,644      | 44,954      | 40,698      | 42,899      | 43,723      |
| Water:  |             |             |             |             |             |             |             |             |             |             |
| Number of customers                                   | 34,397      | 32,522      | 32,047      | 32,424      | 34,053      | 39,700      | 32,579      | 32,507      | 34484       | 32806       |
| Average daily water consumption (millions of gallons) | 19.94       | 19.07       | 20.21       | 20.22       | 20.30       | 20.70       | 17.50       | 21.09       | 18.1        | 18.01       |
| Annual water produced (millions of gallons)           | 7,279       | 6,960       | 7,375       | 7,380       | 7,410       | 7,556       | 7,508       | 7,806       | 8322        | 8343        |
| Sewer:  |             |             |             |             |             |             |             |             |             |             |
| Number of customers                                   | 7,627       | 7,662       | 7,645       | 7,754       | 8,003       | 8,058       | 7,804       | 7,783       | 7844        | 7879        |

(1) Camp No-Mi-Be was eliminated in FY15.

(2) Police numbers for FY 19 are based on estimates.

(3) The numbers reflect the impact of COVID-19 due to the worldwide pandemic of 2020

(4) The system was purged, as customary, every 3 years to reduce cost of the ILS upgrade for both registered borrowers and items owned.

Sources: Various city departments

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

| <u>Function/Program</u>                       | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government:                           |             |             |             |             |             |             |             |             |             |             |
| General government buildings                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Public safety:                                |             |             |             |             |             |             |             |             |             |             |
| Police:                                       |             |             |             |             |             |             |             |             |             |             |
| Police stations                               | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Fire:   |             |             |             |             |             |             |             |             |             |             |
| Fire stations (operated by Miami-Dade County) | 2           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Library:                                      |             |             |             |             |             |             |             |             |             |             |
| Libraries                                     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Print materials in catalog                    | 66,366      | 56,567      | 55,563      | 55,091      | 46,227      | 33,642      | 50,960      | 48,587      | 58,762      | 60,932      |
| Number of licensed databases                  | 51          | 50          | 64          | 66          | 74          | 74          | 74          | 55          | 57          | 57          |
| Audio materials volumes                       | 3,266       | 2,415       | 1,405       | 1,162       | 1,290       | 1,300       | 1,396       | 2,841       | 2,705       | 2,147       |
| Video materials volumes                       | 5,743       | 4,156       | 4,269       | 4,230       | 5,748       | 5,758       | 4,405       | 5,424       | 3,405       | 4,278       |
| Non-print Material                            | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 12,203      | 15,145      | 17,029      | 17,674      |
| Total number of outlets (1+ Bookmobile)       | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 1           | 1           | 2           | 1           |
| Library Service Hours                         | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 66          | 48          | 52          | 50          |
| Professional Staff per Capita                 | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 0.2         | 0.13        | 0.04        | 4           |
| Support Staff per Capita                      | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 0.29        | 0.27        | 0.23        | 11          |
| Materials per Capita                          | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 1.4         | 1.4         | 1.6         | 1.7         |
| Total FTE                                     | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 16          | 16          | 13          | 14          |
| Parks and R.E.C.:                             |             |             |             |             |             |             |             |             |             |             |
| Parks   | 26          | 26          | 26          | 27          | 27          | 28          | 28          | 28          | 28          | 28          |
| Senior centers                                | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Municipal swim centers                        | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Tennis centers                                | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Recreational centers                          | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 6           |
| Performing arts centers                       | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Amphitheaters                                 | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Parks acreage                                 | 86.0        | 86.0        | 86.0        | 87.0        | 87.0        | 88.0        | 88.0        | 88.0        | 88.0        | 83.8        |
| Streets:                                      |             |             |             |             |             |             |             |             |             |             |
| Miles of streets and alleys                   | 119.0       | 119.99      | 119.99      | 119.99      | 120.0       | 119.99      | 120.0       | 119.99      | 119.99      | 119.99      |
| Water:  |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)                           | 550         | 550         | 550         | 555         | 603         | 605         | 566         | 565         | 565         | 568         |
| Fire hydrants                                 | 2,900       | 2,930       | 2,945       | 2,959       | 3,052       | 3,052       | 3,062       | 3072        | 3,070       | 3,145       |
| Valves  | 10,350      | 10,425      | 10,705      | 10,996      | 11,000      | 11,627      | 11,682      | 11,331      | 11,380      | 11,740      |
| Sewer:  |             |             |             |             |             |             |             |             |             |             |
| Lift stations                                 | 35          | 33          | 33          | 33          | 35          | 35          | 35          | 35          | 35          | 35          |
| Sewer mains (miles)                           | 113         | 114         | 112         | 113         | 132         | 132         | 132         | 131         | 131         | 117         |
| Sources: Various city departments             |             |             |             |             |             |             |             |             |             |             |

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## **IV. COMPLIANCE SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the Retirement Plan for the General Employees and the Retirement Plan for the Police Officers and Firefighters of the City of North Miami Beach, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, as described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. The matter is presented as item 2022-01.

**Report on Compliance and Other Matters**

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

### **City's Response to Finding**

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

### **Purpose of this Report**

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

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June 30, 2023

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### Report on Compliance for Its Federal Program

#### **Opinion on Its Major Federal Program**

We have audited the City of North Miami Beach, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal program for the fiscal year ended September 30, 2022. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2022.

#### **Basis for Opinion on Its Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal program.

#### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June 30, 2023

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

| <b>Federal Grantor/Program or Cluster Title</b>                         | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass Through Agency &amp; Number</b> | <b>Expenditures</b> |
|---|--|---|---------------------|
| <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>                             |  |   |                     |
| <b>Pass through Florida Division of Emergency Management</b>            |  |   |                     |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036                                   | Z1143                                   | 1,925               |
| <b>Total U.S. Department of Homeland Security</b>                       |  |   | <u>1,925</u>        |
| <b>U.S. DEPARTMENT OF JUSTICE</b>                                       |  |   |                     |
| Equitable Sharing Program   | 16.922                                   | N/A                                     | 299,134             |
| Total Equitable Sharing Program   |  |   | <u>299,134</u>      |
| Edward Byrne Memorial Justice Assistance Grant Program                  | 16.738                                   | 15PBJA-21-GG-01329-JAGX                 | 21,108              |
| Total Edward Byrne Memorial Justice Assistance Grant Program            |  |   | <u>21,108</u>       |
| COVID 19 - Coronavirus Emergency Supplemental Funding                   | 16.034                                   | 2020-VD-BX-1336                         | 6,960               |
| Total Coronavirus Emergency Supplemental Funding                        |  |   | <u>6,960</u>        |
| Public Safety Partnership and Community Policing Grant                  | 16.710                                   | 15COPS-21-GG-02128-SLEM                 | 42,990              |
| Total Public Safety Partnership and Community Policing Grant            |  |   | <u>42,990</u>       |
| Bulletproof Vest Partnership Program                                    |  |   |                     |
| Bulletproof Vest Partnership Grant                                      | 16.607                                   | 2020                                    | 4,893               |
| Bulletproof Vest Partnership Grant                                      | 16.607                                   | 2021                                    | 3,719               |
| Total Bulletproof Vest Partnership Program                              |  |   | <u>8,612</u>        |
| <b>Pass through Office of the Attorney General</b>                      |  |   |                     |
| Crime Victim Assistance   | 16.575                                   | VOCA-2021-CNMB-00664                    | 47,529              |
| Total Crime Victim Assistance   |  |   | <u>47,529</u>       |
| <b>Total U.S. Department of Justice</b>                                 |  |   | <u>426,333</u>      |
| <b>U.S. DEPARTMENT OF TREASURY</b>                                      |  |   |                     |
| Coronavirus State and Local Fiscal Recovery Funds                       | 21.027                                   | Y5233                                   | 6,183,230           |
| <b>Total U.S. Department of Treasury</b>                                |  |   | <u>6,183,230</u>    |
| <b>Total Expenditures of Federal Awards</b>                             |  |   | <u>\$ 6,611,488</u> |

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the City of North Miami Beach (the “City”) for the fiscal year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it’s not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – CONTINGENCY**

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

**NOTE 4 – INDIRECT COST RECOVERY**

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

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**PRIOR YEAR COMMENTS AND STATUS**

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2021 schedule of findings and responses:

Matters that are not repeated in the accompanying schedule of findings and responses:

- 2021-01 Solid Waste Utility Fund Net Position

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: *Unmodified Opinion*

Internal control over financial reporting:  
 Material weakness(es) identified?  yes  no

Significant deficiencies identified not considered to be  
 Material weakness?  yes  None reported

Non-compliance material to financial statements noted?  yes  no

**Federal Awards Programs**

Internal control over major federal awards programs:  
 Material weakness(es) identified?  yes  no

Significant deficiencies identified not considered to be  
 Material weakness?  yes  None reported

Type of auditors' report issued on compliance for major federal awards:  
*Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance  
 with 2 CFR 200.516(a)?  yes  no

Identification of major programs:

| <u>Federal Assistance</u><br><u>Listing Number</u> | <u>Name of Federal Awards Program or Cluster</u>  |
|--|---|
| 21.027   | Coronavirus State and Local Fiscal Recovery Funds |

Dollar threshold used to distinguish between Type A  
 and Type B programs: \$750,000

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

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**SIGNIFICANT DEFICIENCY**

**2022-01 Bank Reconciliations**

**Criteria:**

Best practices dictate that bank reconciliations are preferably prepared and reviewed within 30 days from period end with the appropriate sign off as evidence of the completeness, the accuracy, and timeliness of the reconciliation. Bank reconciliations should be prepared by one individual and reviewed by a separate individual in management. Properly reviewed bank reconciliations reduce the risk of errors, fraud, or possible misappropriations of assets.

**Condition:**

During the performance of our audit planning procedures for the fiscal year ended September 30, 2022, we noted three bank reconciliations were not prepared and reviewed timely evidenced by dated signatures.

**Cause:**

Improper internal controls in place to ensure that bank reconciliations are prepared and reviewed in a timely manner. Additionally, during the year, there was turnover in management in finance.

**Effect:**

Without bank reconciliations being reviewed timely for accuracy and completeness, the City would not know if the cash position at a point in time is accurate and whether or not there were errors, fraud, or misuse of funds. In addition, unreconciled transactions could cause accounts to be over/understated.

**Recommendation:**

We recommend the City implement internal controls associated with the review of bank reconciliations that will ensure reconciliations are prepared and reviewed within 45 days subsequent to the month end to ensure the accuracy and completeness of cash balances reported by the City.

**View of Responsible Officials and Planned Corrective Actions:**

Management accepts the Auditors' recommendation to the City to implement internal controls associated with the review of bank reconciliation that will ensure reconciliations are prepared and reviewed within 45 days after the month end to ensure the accuracy and completeness of cash balances reported by the City.

During the Fiscal Year, the City implemented the Tyler EnerGov System and has since been experiencing multiple issues with cash/bank reconciliation. To ensure that the bank reconciliations were being completed accurately the City resorted to using a cumbersome, lengthy manual process to ensure that took 3 times as long one reconciliation. In addition to that, the City experienced staff turnover which added to the time the reconciliations were complete.

The City is continuing to work diligently with Tyler Technologies to correct the issues with the Tyler EnerGov System, and to correct the finding

**CITY OF NORTH MIAMI BEACH, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.



CABALLERO FIERMAN  
LLERENA + GARCIA LLP  
accountants | advisors

## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

### Report on the Financial Statements

We have audited the financial statements of the City of North Miami Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 30, 2023. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Retirement Plan for the General Employees and the Retirement Plan for the Police Officers and Firefighters of the City of North Miami Beach, Florida.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requests

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for each Major Federal Program, and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 30, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There was one finding repeated for the current fiscal year further described in the Summary Schedule of Prior Audit Findings.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements. The City included the following blended component unit: The North Miami Beach Community Redevelopment Agency (the "CRA").

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to we apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Additional Matters**

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

## **Purpose of this Letter**

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

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June 30, 2023



CABALLERO FIERMAN  
LLERENA + GARCIA LLP  
accountants | advisors

**INDEPENDENT ACCOUNTANTS' REPORT PURSUANT THE  
REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of North Miami Beach, Florida (the "City"), Florida, compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2021 to September 30, 2022. Management of the City is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2021 to September 30, 2022.

This report is intended solely for the information and use of management, the Mayor, the City Commission, others within the City and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June 30, 2023



**City of North Miami Beach, Florida**

Finance Department

**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared **Marcia Fennell, Chief Financial Officer**, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer<sup>1</sup> of **City of North Miami Beach** which is a local governmental entity of the State of Florida.
2. The governing body of **City of North Miami Beach** adopted (Ordinance No. **1974-18 & 1983-3A** or Resolution No. \_\_\_\_\_) implementing an impact fee or authorized **City of North Miami Beach** to receive and expend proceeds of an impact fee implemented by **City of North Miami Beach**.
3. **City of North Miami Beach** has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

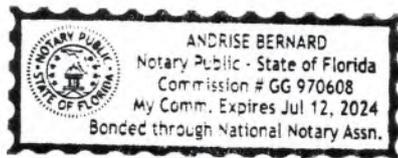
FURTHER AFFIANT SAYETH NAUGHT.

*Marcia Fennell*

**Marcia Fennell, Chief Financial Officer**

STATE OF FLORIDA  
COUNTY OF **Miami Dade County**

SWORN TO AND SUBSCRIBED before me this 30 day of June, 2023.



*Andrise Bernard*  
NOTARY PUBLIC  
Print Name Andrise BERNARD

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: July 12, 2024

<sup>1</sup> Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.



# ***City of North Miami Beach, Florida***

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## **FINANCE DEPARTMENT**

### **2022-01 Bank Reconciliations**

#### **View of Responsible Officials and Planned Corrective Actions:**

Management accepts the Auditor's recommendation to the City to implement internal controls associated with the review of bank reconciliation that will ensure reconciliations are prepared and reviewed within 45 days after the month end to ensure the accuracy and completeness of cash balances reported by the City.

During the Fiscal Year, the City implemented the Tyler EnerGov System and has since been experiencing multiple issues with cash/bank reconciliation. In order to ensure that the bank reconciliations were being completed accurately the City resorted to using a cumbersome, and lengthy manual process that took three times as long to complete one bank reconciliation. In addition to the system issues, the City experienced staff turnovers which added to the delays in the processing of the bank reconciliations.

To resolve this finding, the City of North Miami Beach is currently working diligently with Tyler Technologies to correct issues relating to the Tyler EnerGov System. Additionally, the City is in the process of hiring and training new staff for the Finance Department to assist with bank reconciliations and other processes within the Department.

Responsible Party:

Sophia Taylor

*Sophia Taylor*

Interim Finance Director  
City of North Miami Beach