

City of North Miami Beach, Florida



Annual Comprehensive Financial Report For Fiscal Year Ended September 30, 2021



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF NORTH MIAMI BEACH, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**



Prepared by the Finance Department

Marcia Fennell, Chief Financial Officer
Agnew Jean-Pierre, Finance Director
Sandra Barrett-Lee, Chief Accountant
Marc Maxy, Senior Accountant

CITY OF NORTH MIAMI BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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I. INTRODUCTORY SECTION

City of North Miami Beach, Florida



June 30, 2022

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 ended September 30, 2021. 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 of 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, 2021, 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, 2021, are fairly presented in conformity with GAAP. The report of the independent certified public accountants is presented as the first component.

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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 Government

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. 163rd 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). 163rd 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.

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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 in excess of 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.

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Factors Affecting Financial Condition

Local economy. The information presented in the financial statements 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 real GDP (gross domestic product) to decline over the next several years from the current rate of 3.7% to around 2.2% over the next several years and 1.6% over the years 2026-2031. In CBO's projections, weak labor market conditions lead to lower inflation in 2021. After 2021, inflation rises until it reaches the Federal Reserve's objective of 2.0 % by 2024. The annual average unemployment rate is projected to decrease from the current level of 5.3% to fall below the natural rate of unemployment in 2024 and reach 4.0% in 2025. The Florida Economic Estimating Conference published statistics in December 2021 anticipates that the state GDP will expand at more than double the pre-pandemic rate for this fiscal year, posting 4.8% growth before decelerating to 3.1% in Fiscal Year 2022-2023. Starting with Fiscal Year 2023-2024, annual growth will average a more characteristic 2.0%. The state's unemployment rate had dropped November 2021 to 4.5%. The Conference believes that the state's unemployment rate will continue its downward drift until it reaches 3.4% in the 2022-2023 and 2023-2024 fiscal years, after which it slowly rises to plateau at 4.0%.

The City is undergoing a renaissance period, demonstrated by a significant increase in new construction, increase in home values and a decrease in unemployment. In fact, the City has begun to see sustained growth in property values as there have been increases in each of the past five fiscal years. 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. Financial planning continues to be of the utmost importance to the City, including the development of the City's Strategic Plan. During 2014, the City Commission developed its inaugural Strategic Plan, which established a Vision, a Mission and Goals. The Strategic Plan was updated during the spring of 2017. The current plan prioritizes policy and management agendas to provide focus for the City's long-term financial planning. The goals of the City's Strategic Plan include:

- Financially Sound City Government
- The Place to Live: Beautiful, Safe and Livable
- High Performing City Organization Providing Great Customer Services
- Revitalized Downtown and Major Corridors

Financially Sound City Government. The City's commitment to maintaining a Financially Sound City Government is demonstrated through substantial capital investments, while maintaining the General Fund's unassigned fund balance while simultaneously reducing the property tax (millage) rate.

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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, 2021, the General Fund unassigned fund balance was \$15.6 million, a decrease of 13.3% below the prior year of \$18.0 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.

High Performing City Organization Providing Great Customer Services. In partnership with the County, State, and community at-large, City departments coordinated and established several COVID-19 testing and vaccination events, including facilitation of in-home food distributions and vaccinations for our residents who were home-bound. Within the City, we were able to streamline our hiring processes which allowed us to implement online applications and establish an applicant tracking system. New internet-based phone systems were installed throughout all City facilities, allowing us to set up a state-of-the-art Customer Service Contact Center.

The Place to Live: Beautiful, Safe and Livable. There were significant improvements and updates made throughout our parks and local resource centers. Our playground improvements were centered on safety face-lifts and enhanced child-friendly equipment. New surfaces were installed at several playgrounds and tot lots; upgrades were made to swings; the 183rd Street Bike Path was completed and so was the NE 13th Avenue Calming project.

Revitalized Downtown and Major Corridors. The City is also committed to fostering an environment conducive to economic development, through the continued revitalization of the areas covered by the Community Redevelopment Agency (CRA). The City and CRA continue to work together to market the City and the redevelopment area to attract new businesses and improvement projects.

ACCOMPLISHMENTS AND INITIATIVES

High Performing City Organization

- Implemented an Online Application and Applicant Tracking System and replaced the City's outdated manual paper process
 - Improved the City's recruitment and selection process
 - Decreased time to hire qualified job seekers
 - Reduced processing time by several weeks (The new system includes tools to effectively review applications and forward those who qualify to hiring managers electronically)
 - Improved customer service level and created user-friendly hiring process
- Installed Citywide Cisco phone system
- Setup Customer Service Contact Center
- Implemented Fuel master cloud

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- Installed new card access system at City Hall
 - Integrated with the existing system used throughout rest of the City
 - Includes upgrading the gates at the Operation Center and Wastewater

Financially Sound City Government; High Performing City Organization

- Transitioned from NMB Water outsourcing
- Deployed IT systems to support the re-integration of the water utility
- Implemented various cloud-based software solutions to help run the water utility
- Transitioned the security system from outsourcing to NMB
- Transitioned the SCADA system from outsourcing

Great Place to Live

- Installed swings at Victory Park Playground
- Replaced Columbia Park Playground Safety Surface
- Replaced Milton Littman Park Playground Safety Surface
- Upgraded MLK Park
- Awarded Florida Highway Beautification for NE 163rd Street Between 8th Ave and 15th Ave/Strategic Plan
- Repaired Littman Theater Roof
- Installed Shade Structure over Uleta Playground
- Completed roadway improvement for NE 35th Avenue
- Replaced Barry Schreiber Promenade Playground
- Completed NE 13th Avenue Traffic Calming Project
- Installed New Gym Flooring at Uleta Community Center
- Completed 183rd Street Bike Path
- Held COVID-19 vaccination events for employees, residents, and members of the community, in partnership with Parks and Recreation, Police, Public Affairs, and the City Manager’s Office.
- Administered over 1,500 COVID-19 PCR Tests for all employees of the City of North Miami Beach (Since October 1, 2020)
- Distributed COVID-19 test kits to resident at home
- Distributed personal protective equipment, to all employees, to include over 25,000 surgical and KN95 masks in addition to supplying disinfecting wipes/aerosols, hand sanitizer, protective gloves, wall mounted sanitation units for visitors to City facilities and coordinated for regular antibacterial services consisting of disinfecting and sanitation of City
 - Reduced the risk of spread of COVID-19
- Created Brochure “Most Common Code Violations”
 - Increased public awareness and reduced code violations
- Implemented Free Paint Voucher Program
- Introduced six (6) new or revamped incentive programs
 - Created economic development opportunities in the CRA

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Vibrant Downtown and Major Corridors

- Installed new banners in the CRA
 - Illustrated the vision of the CRA and helped to create a sense of place
- Created new leasing packages
 - Showcased each target area and communicated investment opportunities with stakeholders and the community
- Grand Opening of Jefferson Plaza made possible by the adoption of regulations creating the Mixed-Use International Boulevard (MU/IB) zoning district
- Permit issuance of The Riverwalk North in Mixed-Use South Waterfront (MU/SWF) zoning district

Exceptional Customer Services

- Completed 90% of Vinyl Flooring
- Presented Library Growth Plan to CRA for impact
- Collaborated with RMA Community Marketing
- Installed Remote Lock for automated room reservation
- Storm Ready Community Designation
 - Improve Community Rating System (CRS) score. In CRS communities, flood insurance premium rates for residents are discounted to reflect the reduced flood risk resulting from the community's efforts that address certain goals of the program
- Implemented Automated Passport Reservation process
- Upgraded Library Automation System
- Awarded LSTA Grant for Mobile Library Unit

It must be emphasized that this list represents only some of our City's achievements during this past fiscal year. The fact that we have continued to operate this successfully even with the challenges of a pandemic as a constant consideration is a powerful testament to the skills and mettle of our current team. These wins inspire us to spring forward with a sense of expectation and excitement for our City's progress.

Following are some of my main priorities for this coming season:

Technological Advancement

In our efforts to become an even *higher* performing organization providing even *more exceptional* customer services, it is imperative that we utilize the latest, most affordable, and relevant technology. For ease and convenience at any time, and for safety particularly during a pandemic, it is important that we provide online access to as many of our processes as possible.

- *EnerGov*: Live beginning in May 2022 - this platform will allow us to bring our permitting and licensing processes online. We are thrilled to offer our constituents this user-friendly and efficient way to do business with our City.

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- *DocuSign*: implementation expected in February 2022 - this platform allows the City to electronically sign documents, streamlining efficiency for approvals, agreements, and transactions. The current process is cumbersome, outdated, and lends itself to errors during routing of the physical copy of such agreements. With DocuSign, departments will be able to route signatures for execution, reducing the likelihood of errors that may occur during routing of physical copies for execution. Additionally, this platform promotes remediation and ADA compliance, since electronically signed pdf files are already in the preferred format to be read back out loud.
- ExecuTime: Implementation expected in April 2022 -this is line with our stated goal of being a financially sound government, the City has approved the purchase of the ExecuTime and Attendance modules and their Biometric Time and Attendance system to be implemented Citywide. The system has been identified as the preferred solution product for timekeeping and payroll purposes. Its unique set of features and ability to record worked hours using biometrics will provide advanced integration with the City’s current Tyler Munis payroll application and allow for electronic collection and tracking of employee hours, thus streamlining the payroll process.
- JustFOIA: Went live in September 2021 - this records request management solution will assist the City in remaining compliant with state records law and increase accountability among departments. JustFOIA allows staff to route records requests to specific departments based on the records request description; track hours worked on a specific request and charge accordingly; redact exempt information; and generate reports on records request volume, the amount of time a request is in queue, average response time, and breakdowns of the departments to which requests are most often routed.

► Continuing Initiatives

Completion of Capital Investments in Parks and Recreation

- In accordance with our dedication to keeping our City a Great Place to Live: Beautiful, Safe, and Livable, we continue to implement our Parks and Recreation Master Plan. We are committed to bringing our plans for Washington Park to fruition, and we anticipate the design and construction of Mishcon Park in the summer of 2022.

Community Development

- In addition to keeping our City a **Great Place to Live: Beautiful, Safe, and Livable**, we are eagerly creating a **Vibrant Downtown and Major Corridors** by streamlining some of our processes.
- We will be conducting an analysis of our application and impact fees, which may generate more revenue for our vision. A citywide study and analysis will identify conditions and potential opportunities for the City to update its regulations on affordable housing.
- Our branding and marketing campaign will attract more people and businesses to the area and the installation of proper wayfinding signage will make spending time here more convenient and enjoyable.

Other priorities in our plans for fiscal year 2022 include the following:

- West Dixie Highway Streetscape Improvements (*Great Place to Live*)
- Snake Creek Canal Improvements (*Great Place to Live*)
- Center for Senior Citizens (Container Facility) (*Great Place to Live; Exceptional Customer Services*)
- Corona del Mar Septic to Sewer Installation (*Great Place to Live*)
- Enhanced Police Staffing and Services (*High Performing City Organization*)
- Art in Public Places Program (*Great Place to Live*)
- CRA Land Acquisition (*Vibrant Downtown*)
- Employee Compensation and Classification Study (*High Performing Organization*)
- NMBLine Transit Route Expansion (*Great Place to Live*)

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 2021 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, 2020. This was the thirty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized 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 services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We express our appreciation to all members of other departments who assisted and contributed to the preparation of this report. 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 Mayor and Commission's guidance and cooperation in planning and conducting the financial affairs of the City in a responsible and progressive manner is greatly appreciated. Without their leadership and support, preparation of this report would not have been possible.

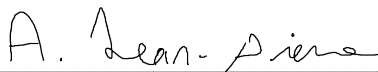
Respectfully submitted,



Arthur H. Sorey, III, City Manager



Marcia Fennell, Chief Financial Officer



Agnew Jean-Pierre, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Miami Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF NORTH MIAMI BEACH, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2021

CITY COMMISSION

Anthony F. DeFillipo, Mayor

Paule Villard

Daniela Jean

Fotuna Smukler

McKenzie Fleurimond

Barbara Kramer

Michael Joseph, Esq.

CITY MANAGER

Arthur H. Sorey III

CITY ATTORNEY

Hans Ottinot, Ottinot Law, P.A.

CITY CLERK

Andrise Bernard, CMC

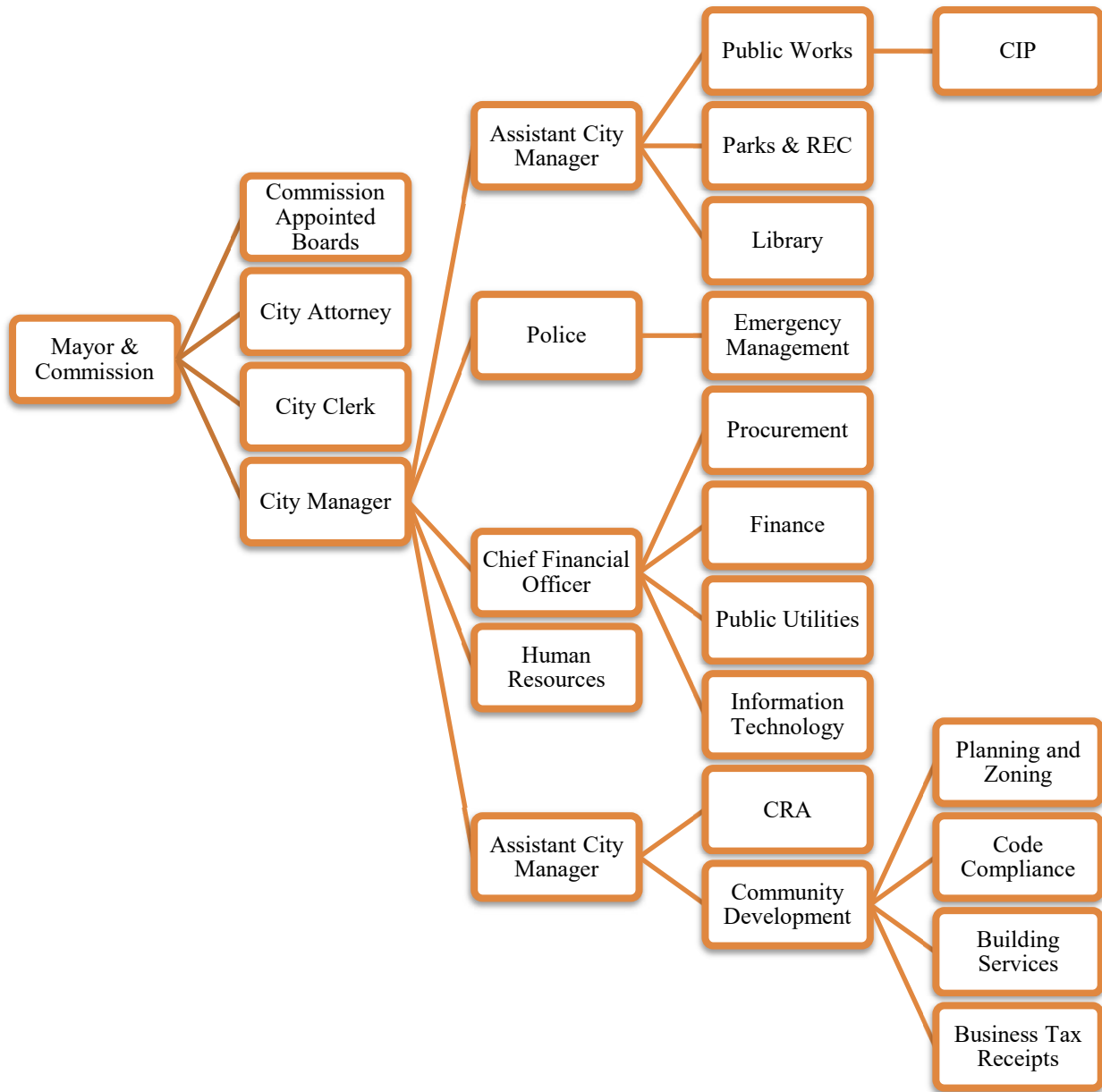
CHIEF FINANCIAL OFFICER

Marcia Fennell

INDEPENDENT AUDITORS

Caballero Fierman Llerena & Garcia, LLP

CITY OF NORTH MIAMI BEACH, FLORIDA
ORGANIZATION CHART
SEPTEMBER 30, 2021



II. FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Retirement Plan for the General Employees of the City of North Miami Beach, which represent 35 percent, 36 percent, and 13 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 44 percent, 45 percent, and 29 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, 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.

Emphasis of a Matter

As discussed in Note 15 to the basic financial statements, the City reported a prior period adjustment to the opening balances of net position for Government-wide activities and Business type activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 16-29 and 79-90, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section, and schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, 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, 2022

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

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

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, 2021. 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 \$10.2 million or 6.2% 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.

- **Water Utility Fund & Wastewater Utility:** Other operating costs decreased significantly due to the insourcing of operations, maintenance and capital improvement programming costs that were previously contracted to CH2M Hill Engineers, Inc (now Jacobs). In addition, the City changed the allocation for balances determined through the actuarial valuation for the General Employee Pension Plan of the City of North Miami Beach. See Note 15 – Prior Period Adjustment.

Total deferred outflows of resources decreased by \$2.4 million or 9.9%. 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 11 for additional information.

Total liabilities decreased by \$16.9 million or 6.3% primarily as a result of the satisfaction of debt service requirements for the City's General Obligations bonds and notes. Refer to Note 9 for additional information.

Total Deferred inflows of resources increased by \$9.6 million or 1371.4%. 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 11 for additional information.

Total governmental activities revenues increased by approximately \$4.9 million, or 8.7%.

- Compared to the prior fiscal year, there was an increase of \$1.2 million in property taxes revenue, primarily as a result of an increase in ad valorem taxes receipts, compared to 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 were \$1.0 million higher in comparison to the prior year due to receipts for state revenue sharing and half-cent sales tax revenue. 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 \$3.0 million higher compared to the prior year due to an increase in user surcharges and franchise fees for solid waste. 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 \$3.8 million or 5.8%. The increase is primarily due to an increase in charges for services related to solid waste and building permits. The increase for solid waste revenues is due to a rate increase during the current year. The increase in building permit revenues is due to an increase in the number of permits issued, as well the construction value associated with those permits.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

- *Total business-type activities expenses* decreased by \$11.2 million or 17.1% primarily due to decreased operating costs in the Water Utility Fund & Wastewater Utility due to the insourcing of operations, maintenance and capital improvement programming costs that were previously contracted to CH2M Hill Engineers, Inc (now Jacobs). In addition, the City changed the allocation for balances determined through the actuarial valuation for the General Employee Pension Plan of the City of North Miami Beach.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48.6 million, an increase of \$2.0 million above the prior fiscal year. Approximately 32.1% or \$15.6 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 \$6.8 million. The Wastewater Utility Fund had a positive change in net position of \$2.5 million. The Solid Waste Fund had a negative change in net position of \$3.2 million. The other enterprise funds had a positive change in net position of approximately \$1.6 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 of 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 of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include 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 30-31 of this report.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

Fund financial statements:

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

Governmental funds:

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, 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 to be 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 32-35 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 to be 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 36-38 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 a manner similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 39-40 of this report.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

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 14 includes information regarding the Community Redevelopment Agency.

The notes to the basic financial statements can be found on pages 41-78 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 79-90 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 91-109 of this report.

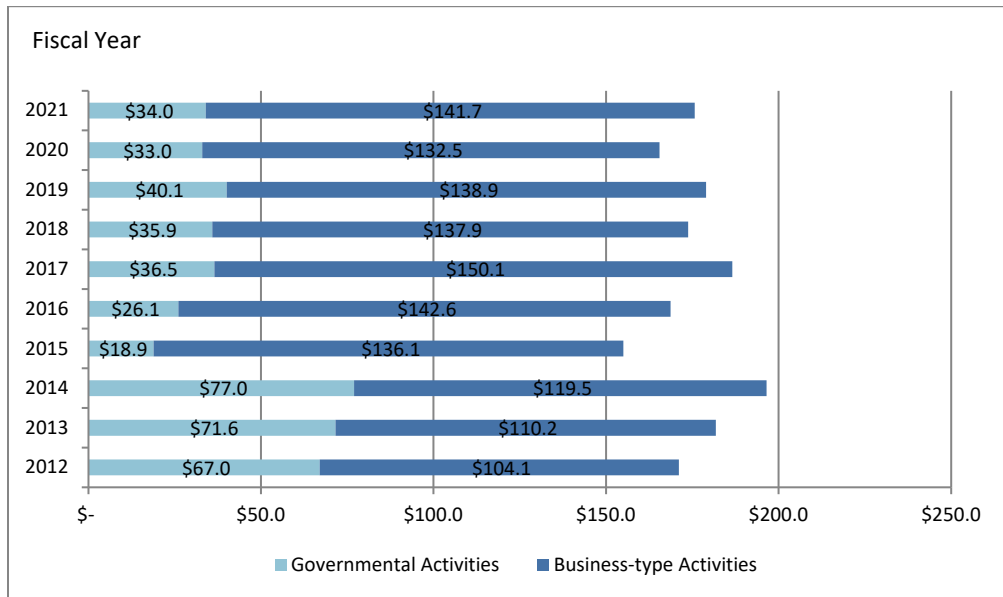
Government-Wide Financial Analysis

Net investment in capital assets - The largest portion of the City's net position (97.0%) 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 (17.8%) 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 September 30, 2021, 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 is able to report positive balances in the remaining categories of net position for its Governmental activities and Business-type activities.

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



CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

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).

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets and Deferred						
<u>Outflows of Resources</u>						
Current	\$ 56.0	\$ 50.5	\$106.5	\$ 52.1	\$ 42.6	\$ 94.7
Non-current	-	0.2	0.2	-	0.3	0.3
Restricted assets	-	61.7	61.7	-	66.7	66.7
Capital assets, net	74.3	172.1	246.4	72.8	175.1	247.9
Total assets	<u>\$ 130.3</u>	<u>\$ 284.5</u>	<u>\$414.8</u>	<u>\$ 124.9</u>	<u>\$ 284.7</u>	<u>\$409.6</u>
Deferred outflow s of resources	<u>\$ 19.6</u>	<u>\$ 2.3</u>	<u>\$ 21.9</u>	<u>\$ 22.1</u>	<u>\$ 2.2</u>	<u>\$ 24.3</u>
Liabilities and Deferred						
<u>Inflows of Resources</u>						
Long-term liabilities	\$ 100.6	\$ 120.4	\$221.0	\$ 104.8	\$ 131.8	\$236.6
Other liabilities	7.5	22.2	29.7	8.5	22.5	31.0
Total liabilities	<u>\$ 108.1</u>	<u>\$ 142.6</u>	<u>\$250.7</u>	<u>\$ 113.3</u>	<u>\$ 154.3</u>	<u>\$267.6</u>
Deferred inflow s of resources	<u>\$ 7.8</u>	<u>\$ 2.5</u>	<u>\$ 10.3</u>	<u>\$ 0.7</u>	<u>\$ -</u>	<u>\$ 0.7</u>
Net Position						
Net investment in capital assets	\$ 61.2	\$ 109.2	\$170.4	\$ 57.6	\$ 80.3	\$137.9
Restricted	10.4	20.8	31.2	9.8	26.5	36.3
Unrestricted	(37.6)	11.7	(25.9)	(34.4)	25.7	(8.7)
Total net position	<u>\$ 34.0</u>	<u>\$ 141.7</u>	<u>\$175.7</u>	<u>\$ 33.0</u>	<u>\$ 132.5</u>	<u>\$165.5</u>

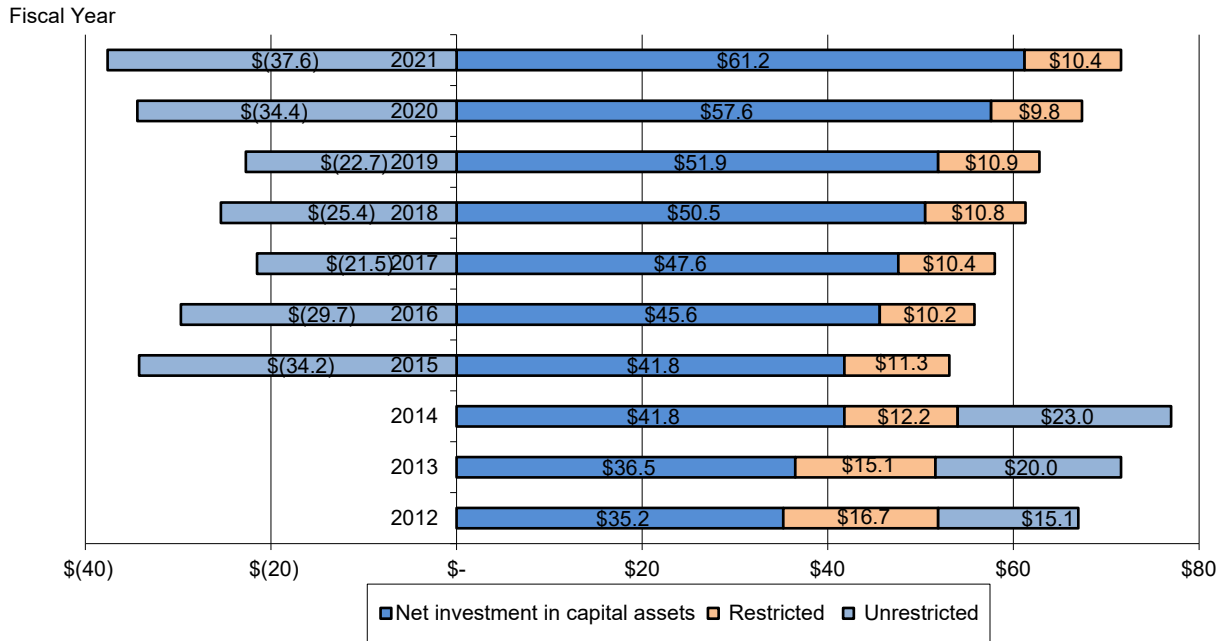
Governmental activities:

Net position of the City's governmental activities increased by \$1 million resulting in a balance of \$34 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 86 and 87 for more information.
- Timing of capital outlays for the Community Redevelopment Agency that were budgeted but not expended as of September 30, 2021. See budgetary comparison schedule on page 88 for more information.
- Expenses for public safety from the Confiscated Property Fund decreased net position.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

Governmental activities
Net Position (in millions)



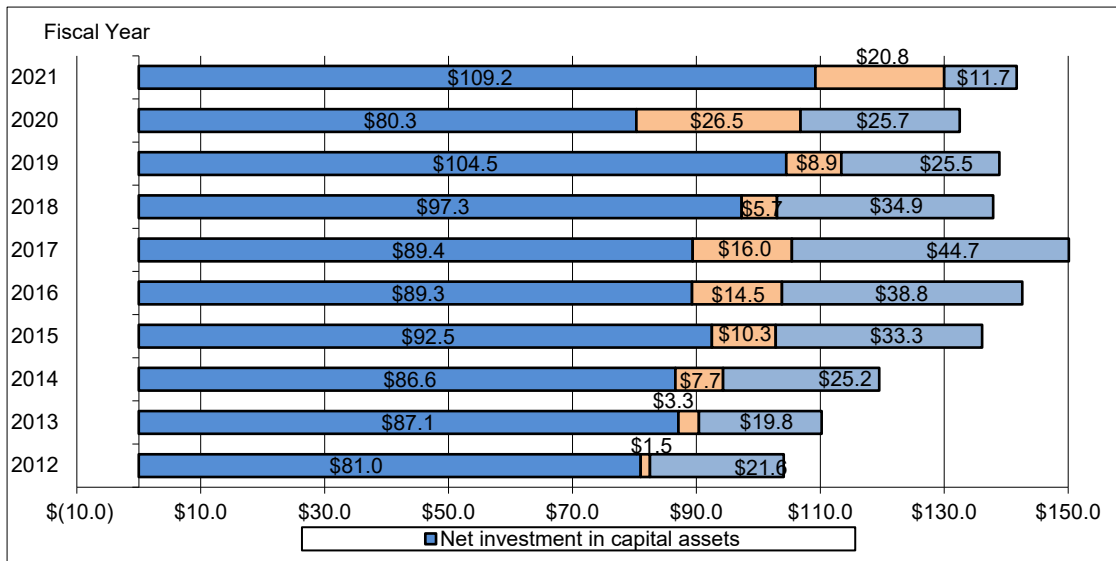
Business-type activities:

The City's net position of the business-type activities increased by approximately \$9.2 million or (6.9%) 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.
- Increased operating costs in the Solid Waste fund due to amounts billed by Waste Management for solid waste and recycling. The amounts billed by Waste Management increased significantly in comparison to the prior year. In December 2020 and in March 2021 the rates charged by Waste Management were significantly increased.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

Business-type Activities
Net Position (in millions)



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).

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 3.5	\$ 66.5	\$ 70.0	\$ 3.5	\$ 58.4	\$ 61.9
Operating grants & contributions	1.0	-	1.0	1.2	-	1.2
Capital grants & contributions	0.4	-	0.4	0.2	-	0.2
General Revenues:						
Property taxes	22.9	-	22.9	21.7	-	21.7
Other taxes	24.9	1.7	26.6	21.9	1.3	23.2
Intergovernmental	7.5	-	7.5	6.5	-	6.5
Other miscellaneous	0.9	1.2	2.1	1.2	5.9	7.1
Total revenues	61.1	69.4	130.5	56.2	65.6	121.8
Expenses:						
General government	24.0	-	24.0	26.3	-	26.3
Public safety	28.6	-	28.6	31.6	-	31.6
Parks and Recreation	5.7	-	5.7	5.4	-	5.4
Public services	6.4	-	6.4	5.9	-	5.9
Interest on long-term debt	0.6	-	0.6	0.6	-	0.6
Water	-	30.5	30.5	-	39.1	39.1
Sewer	-	7.4	7.4	-	11.9	11.9
Solid Waste	-	13.8	13.8	-	11.0	11.0
Stormwater	-	0.9	0.9	-	1.4	1.4
Building permits	-	1.7	1.7	-	2.1	2.1
Total Expenses	65.3	54.3	119.6	69.8	65.5	135.3
Increase (decrease) in net position before transfers	(4.2)	15.1	10.9	(13.6)	0.1	(13.5)
Transfers	6.6	(6.6)	-	6.4	(6.4)	-
Change in net position	2.4	8.5	10.9	(7.2)	(6.3)	(13.5)
Net position - beginning, as previously stated	32.9	132.6	165.5	40.1	138.9	179.0
Restatement of net position	(1.3)	0.6	(0.7)	-	-	-
Net position - beginning, as restated	31.6	133.2	164.8	40.1	138.9	179.0
Net position - ending	\$ 34.0	\$ 141.7	\$ 175.7	\$ 32.9	\$ 132.6	\$ 165.5

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

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 manner in which the budget is typically developed. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's current financial resources available for discretionary spending.

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 \$48.6 million, an increase of \$2.0 million below the prior year. Approximately .9% 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 21.3% 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 6.8% of fund balance to be used for the specific purposes of alley restoration and disaster recovery. The City Manager has assigned approximately 38.9% of fund balance to be used for capital projects and equipment, land acquisition, liability and workers' compensation claims and expenditures for next fiscal year. *Unassigned fund balance* is the portion of fund balance that is available for spending at the City's discretion 32.1% of fund balance (\$15.6 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, fund balance in the general fund is \$39.6 million. The unassigned fund balance of \$15.6 million constitutes 39.3% of total general fund balance which represents a decrease of \$2.2 million or 13.5% below the prior year.

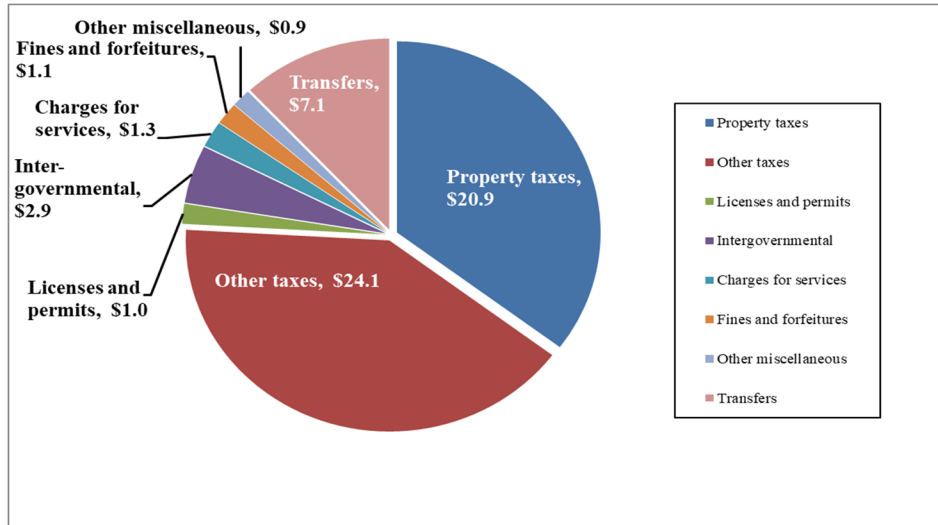
Unassigned Fund balance decreased by \$2.4 million in comparison to the prior year. The difference is due to the fact that approximately \$2.6 million in encumbrances were included in the Unassigned Fund balance in the prior year. If the encumbrances had been included in the "Assigned" category, the net change in Unassigned Fund balance from the prior year would have reflected a positive increase of approximately \$.2 million.

Total General Fund revenues increased \$4.5 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 2021 general fund revenues and relative to the fiscal year 2020 General Fund revenues.

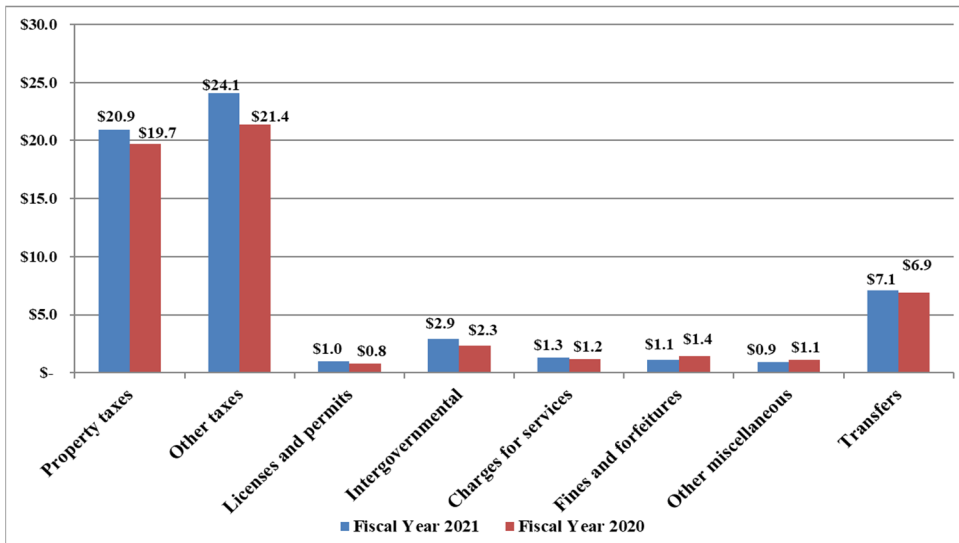
The CRA is a blended component unit. Its fund balance increased by \$1.3 million as a result of increased tax collections and the timing of capital projects (mainly land acquisition).

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

General Fund Revenues by Source (in millions)



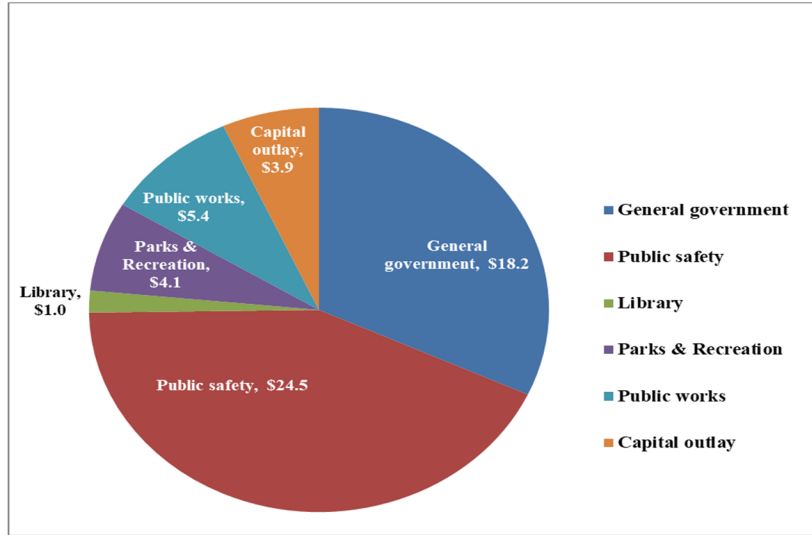
Current Year vs. Prior Year General Fund Revenues (in millions)



Total General Fund expenditures increased by \$1.6 million or 2.8% as compared to the prior year. The following graphic displays (in millions) the classifications of expenditures relative to the total fiscal year 2021 general fund expenditures.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

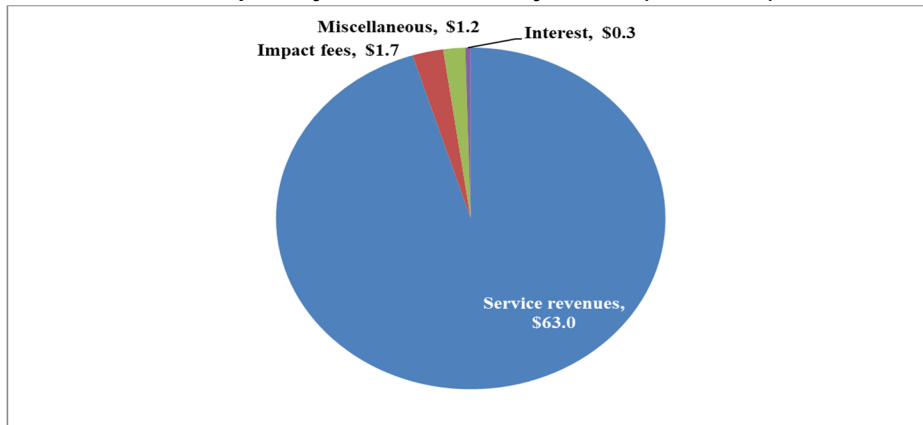
General Fund Expenditures (in millions)



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 resources basis. Proprietary fund statements, like government-wide statements, provide both short- and long-term financial information.

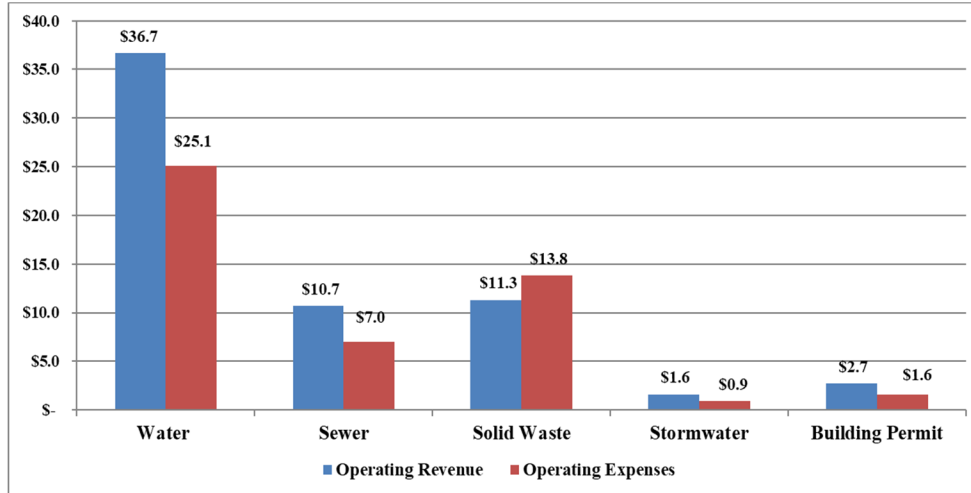
The following graphics display (in millions) the sources of proprietary fund revenues relative to the total fiscal year 2021 proprietary fund revenue and a comparison between the operating revenues and expenses of each proprietary fund for the current fiscal year.

Proprietary Fund Revenues by Source (in millions)



CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

Proprietary Fund Operating Revenues and Expenses (in millions)



Water Utility Fund and Wastewater Utility Fund (Sewer) operating costs decreased significantly due to the insourcing of operations, maintenance and capital improvement programming costs as discussed earlier. The gap between revenues and expenses will decrease as the City continues to fill vacant positions as part of the transition.

Solid Waste Fund had increased operating costs due to amounts billed by Waste Management for solid waste and recycling during the month-to-month transition period.

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 \$3.8 million during the current fiscal year. The difference was primarily due to an increase to 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 closure of many of the City's parks and recreation facilities due to the unprecedented impact of COVID-19.
- Fines and forfeitures were lower than the final budget primarily due to a decrease in fines related to red light cameras and parking fines.
- Impact fees were higher than final budget primarily due to an increase in new construction which was higher than we had conservatively budgeted.
- Miscellaneous revenues were higher than final budget primarily due to the reimbursement from FEMA for expenditures relating to COVID-19 and FEMA.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

- All expenditures exhibited positive variances except operating expenditures for the Legislative Department. The negative variance was the result of costs for part-time personnel and insurance costs incurred during the fiscal year.
- The positive variance in Capital Outlay is primarily due to the timing of expenditures 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.

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, 2021, amounts to \$246.4 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 decreased by \$1.5 million or 0.6%.

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 Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4.3	\$ 4.3	\$ 5.9	\$ 5.9	\$ 10.2	\$ 10.2
Buildings and plant	1.0	1.1	116.3	123.0	117.3	124.1
Improvements other than buildings	11.1	12.2	-	-	11.1	12.2
Furniture, fixtures, machinery and equipment	7.3	7.2	2.7	2.7	10.0	9.9
Infrastructure	14.6	15.4	-	-	14.6	15.4
Construction in progress	36.1	32.6	47.1	43.5	83.2	76.1
Total capital assets	<u>\$ 74.4</u>	<u>\$ 72.8</u>	<u>\$ 172.0</u>	<u>\$ 175.1</u>	<u>\$ 246.4</u>	<u>\$ 247.9</u>

Additional information on the City's capital assets can be found in Note 7 of this report.

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

Long-term Debt

Fitch Ratings upgraded the bond rating to "AA-" with a stable outlook during 2016. S&P and Fitch affirmed the City's ratings in January 2020. On October 15, 2021, subsequent to the close of the fiscal year, the City received Fitch Ratings Services rating to 'A+' from 'AA-' with an outlook to negative. The downgraded of the bond rating reflects unexpected weakening in fiscal year 2020 as revenues were impacted by the pandemic and related moratoriums and the City taking control back from the private management company.

At the end of the current fiscal year, the City had total bonded debt outstanding, net of bond premiums of \$132.1 million, total notes payable of \$.9 million, and State Revolving loans outstanding of \$17.8 million. Of this amount, \$12.0 million was approved by referendum of the City's voters. The remaining \$101.4 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 \$.9 million.

The following chart provides information on the City's outstanding long-term debt with comparative balances between the current and last fiscal year.

Denominated Long-Term Debt Outstanding
(in millions)

	Governmental activities		Business-type activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 12.0	\$ 13.4	\$ -	\$ -	\$ 12.0	\$ 13.4
Revenue bonds	-	-	101.4	106.0	101.4	106.0
Notes payable	0.9	1.1	-	0.2	0.9	1.3
State Revolving Loans	-	-	17.8	19.0	17.8	19.0
Total	\$ 12.9	\$ 14.5	\$ 119.2	\$ 125.2	\$ 132.1	\$ 139.7

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 9 of this report.

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, 2021, upon which the 2021-2022 levy was based, is approximately \$3.66 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 2022 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 0.5740 per \$1,000 of taxable value which is a reduction of 0.0281 from Fiscal Year 2021 debt service millage rate of 0.6021.

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 distribution of the proceeds in the amount of \$10.78 million was received in October 2021 and the second half in the amount of \$10.78 is anticipated to be received in October 2022. In FY 2022, approximately \$1.1 million of ARPA funds will be used to fund government services in the General Fund and approximately \$1.2 million will be used to fund government services in the Solid Waste Fund. The remaining amounts

CITY OF NORTH MIAMI BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2021

will be used towards economic stabilization, infrastructure and various other programs approved 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 19th Avenue
North Miami Beach, Florida 33162

BASIC FINANCIAL STATEMENTS

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

ASSETS	Governmental Activities	Business- type Activities	Total
ASSETS			
Current assets			
Pooled cash and investments	\$ 46,904,813	\$ 43,960,056	\$ 90,864,869
Receivables	5,928,714	8,744,832	14,673,546
Internal balances	2,639,576	(2,639,576)	-
Prepaid costs	416,470	177,509	593,979
Inventory	136,738	223,796	360,534
Other assets	100	-	100
Restricted assets			
Pooled cash and investments	-	4,604,557	4,604,557
Revenue bond proceeds	-	57,113,101	57,113,101
Total current assets	<u>56,026,411</u>	<u>112,184,275</u>	<u>168,210,686</u>
Non-Current assets			
Loans receivable	-	245,491	245,491
Capital assets, non-depreciable	40,493,465	53,031,292	93,524,757
Capital assets, net of accumulated depreciation	<u>33,872,156</u>	<u>118,978,984</u>	<u>152,851,140</u>
Total non-current assets	<u>74,365,621</u>	<u>172,255,767</u>	<u>246,621,388</u>
TOTAL ASSETS	130,392,032	284,440,042	414,832,074
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources			
Pension	17,802,134	1,992,786	19,794,920
Other post employment benefits	<u>1,820,117</u>	<u>248,307</u>	<u>2,068,424</u>
Total deferred outflows of resources	<u>19,622,251</u>	<u>2,241,093</u>	<u>21,863,344</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 150,014,283	\$ 286,681,135	\$ 436,695,418
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 4,546,856	\$ 11,610,955	\$ 16,157,811
Customer/vendor deposits	580,579	4,604,557	5,185,136
Debt due within one year	<u>2,406,269</u>	<u>6,024,789</u>	<u>8,431,058</u>
Total current liabilities	7,533,704	22,240,301	29,774,005
Non-Current liabilities			
Net pension liability	79,230,987	5,892,556	85,123,543
Other non-current liabilities	<u>21,411,769</u>	<u>114,542,301</u>	<u>135,954,070</u>
Total non-current liabilities	<u>100,642,756</u>	<u>120,434,857</u>	<u>221,077,613</u>
TOTAL LIABILITIES	108,176,460	142,675,158	250,851,618
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources			
Taxes received in advance	1,204,590	-	1,204,590
Pension	4,986,823	2,122,301	7,109,124
Other post employment benefits	<u>1,636,231</u>	<u>348,088</u>	<u>1,984,319</u>
Total deferred inflows of resources	<u>7,827,644</u>	<u>2,470,389</u>	<u>10,298,033</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$ 116,004,104	\$ 145,145,547	\$ 261,149,651
NET POSITION			
Net investment in capital assets	\$ 61,236,670	\$ 109,171,692	\$ 170,408,362
Restricted for:			
Debt service	92,318	-	92,318
Community Redevelopment	5,604,295	-	5,604,295
Interlocal agreements	159,905	-	159,905
Special taxing district	372,119	-	372,119
Public safety	2,424,146	-	2,424,146
Capital projects and equipment	1,711,730	20,762,725	22,474,455
Unrestricted	<u>(37,591,004)</u>	<u>11,601,171</u>	<u>(25,989,833)</u>
Total net position	<u>\$ 34,010,179</u>	<u>\$ 141,535,588</u>	<u>\$ 175,545,767</u>

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 24,036,057	\$ 1,810,480	\$ 538,115	\$ -	\$ (21,687,462)	\$ -	\$ (21,687,462)
Public safety	28,564,066	1,395,149	133,042	87,000	(26,948,875)	-	(26,948,875)
Parks & Recreation	5,721,387	311,824	349,752	105,000	(4,954,811)	-	(4,954,811)
Public works	6,394,248	-	-	186,200	(6,208,048)	-	(6,208,048)
Interest on long-term debt	557,924	-	-	-	(557,924)	-	(557,924)
Total governmental activities	<u>65,273,682</u>	<u>3,517,453</u>	<u>1,020,909</u>	<u>378,200</u>	<u>(60,357,120)</u>	<u>-</u>	<u>(60,357,120)</u>
Business-type activities:							
Water	30,531,094	40,238,374	-	-	-	9,707,280	9,707,280
Wastewater	7,438,210	10,693,707	-	-	-	3,255,497	3,255,497
Solid waste	13,769,926	11,273,691	-	-	-	(2,496,235)	(2,496,235)
Stormwater	898,628	1,552,623	-	-	-	653,995	653,995
Building permits	1,641,815	2,719,378	-	-	-	1,077,563	1,077,563
Total business-type activities	<u>54,279,673</u>	<u>66,477,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,198,100</u>	<u>12,198,100</u>
Total	<u>\$ 119,553,355</u>	<u>\$ 69,995,226</u>	<u>\$ 1,020,909</u>	<u>\$ 378,200</u>	<u>(60,357,120)</u>	<u>12,198,100</u>	<u>(48,159,020)</u>
General revenues:							
Property taxes					22,928,828	-	22,928,828
Utility taxes					3,758,218	-	3,758,218
Communication service taxes					1,748,083	-	1,748,083
Franchise fees on gross receipts					4,055,017	-	4,055,017
Sales taxes					4,788,085	-	4,788,085
State revenue sharing and other unrestricted intergovernmental revenue					7,486,963	-	7,486,963
Investment income					166,691	253,784	420,475
User surcharges					10,384,685	1,735,732	12,120,417
Miscellaneous					888,717	796,224	1,684,941
Transfers					<u>6,586,857</u>	<u>(6,586,857)</u>	<u>-</u>
Total general revenues and transfers					<u>62,792,144</u>	<u>(3,801,117)</u>	<u>58,991,027</u>
Change in net position					2,435,024	8,396,983	10,832,007
Net position beginning, as previously reported					<u>32,965,079</u>	<u>132,508,762</u>	<u>165,473,841</u>
Prior period adjustment (Note 15)					<u>(1,389,924)</u>	<u>629,843</u>	<u>(760,081)</u>
Net position beginning, as restated					<u>31,575,155</u>	<u>133,138,605</u>	<u>164,713,760</u>
Net position, ending					<u>\$ 34,010,179</u>	<u>\$ 141,535,588</u>	<u>\$ 175,545,767</u>

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Pooled cash and investments	\$ 36,314,297	\$ 5,671,335	\$ 3,583,541	\$ 45,569,173
Accounts receivable	4,513,166	-	1,415,548	5,928,714
Due from other funds	3,519,899	-	-	3,519,899
Prepaid costs	264,201	5,629	41,165	310,995
Inventory	136,738	-	-	136,738
Other assets	100	-	-	100
TOTAL ASSETS	\$ 44,748,401	\$ 5,676,964	\$ 5,040,254	\$ 55,465,619
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,732,878	\$ 67,040	\$ 394,619	\$ 4,194,537
Vendor deposits	580,579	-	-	580,579
Due to other funds	-	-	880,323	880,323
TOTAL LIABILITIES	4,313,457	67,040	1,274,942	5,655,439
DEFERRED INFLOWS OF RESOURCES				
Taxes received in advance	805,974	-	398,616	1,204,590
Total liabilities and deferred inflows of resources	5,119,431	67,040	1,673,558	6,860,029
FUND BALANCES				
Nonspendable:				
Inventory	136,738	-	-	136,738
Prepaid costs	264,201	5,629	41,165	310,995
Restricted:				
Debt service	-	-	92,318	92,318
Community redevelopment	-	5,604,295	-	5,604,295
Interlocal agreements	-	-	159,905	159,905
Special Taxing districts	-	-	372,119	372,119
Public safety	-	-	2,424,146	2,424,146
Impact fees	1,711,730	-	-	1,711,730
Committed:				
Alley restoration	-	-	293,383	293,383
Disaster recovery	3,000,000	-	-	3,000,000
Assigned:				
Appropriated for next year's budget	11,699,917	-	-	11,699,917
Capital projects and equipment	3,011,280	-	-	3,011,280
Liability claims	1,789,156	-	-	1,789,156
Workers' compensation claims	2,342,437	-	-	2,342,437
Land acquisition	68,574	-	-	68,574
Unassigned:				
Debt service	-	-	(16,340)	(16,340)
General fund	15,604,937	-	-	15,604,937
Total fund balances	<u>39,628,970</u>	<u>5,609,924</u>	<u>3,366,696</u>	<u>48,605,590</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 44,748,401	\$ 5,676,964	\$ 5,040,254	\$ 55,465,619

CITY OF NORTH MIAMI BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total governmental fund balances (page 39) \$ 48,605,590

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 73,672,637

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. (23,782,047)

Deferred outflows of resources 19,266,972

Deferred inflows of resources (6,597,327)

Net pension liability (77,222,349)

Accrued interest on long term debt (193,014)

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.

259,717

Net position of governmental activities (page 37) \$ 34,010,179

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 20,923,348	\$ -	\$ 2,005,480	\$ 22,928,828
User surcharges	9,729,393	-	-	9,729,393
Franchise fees	4,055,017	-	-	4,055,017
Utility taxes	3,758,218	-	-	3,758,218
Communication service taxes	1,748,083	-	-	1,748,083
Other taxes	4,788,085	-	-	4,788,085
Licenses and permits	969,811	-	-	969,811
Intergovernmental revenue	2,912,203	2,801,721	1,773,039	7,486,963
Charges for services	1,323,738	-	-	1,323,738
Fines and forfeitures	1,105,209	-	118,695	1,223,904
Non-Ad valorem assessments	-	-	655,292	655,292
Grant revenue	-	-	1,399,109	1,399,109
Investment income	131,583	35,108	-	166,691
Miscellaneous revenue	773,800	-	8,207	782,007
Total revenues	<u>52,218,488</u>	<u>2,836,829</u>	<u>5,959,822</u>	<u>61,015,139</u>
Expenditures:				
Current operating:				
General government	18,210,081	1,073,276	487,826	19,771,183
Public safety	24,505,402	-	1,825,846	26,331,248
Library	1,045,884	-	91,643	1,137,527
Parks & recreation	4,047,753	-	232,366	4,280,119
Public works	5,407,538	-	1,126,705	6,534,243
Capital outlay	3,927,285	-	1,426,381	5,353,666
Debt service:				
Principal	-	166,667	1,440,000	1,606,667
Interest and other fiscal charges	-	16,320	565,875	582,195
Total expenditures	<u>57,143,943</u>	<u>1,256,263</u>	<u>7,196,642</u>	<u>65,596,848</u>
Excess (deficiency) of revenues over expenditures	<u>(4,925,455)</u>	<u>1,580,566</u>	<u>(1,236,820)</u>	<u>(4,581,709)</u>
Other financing sources (uses)				
Transfers in	7,106,538	-	-	7,106,538
Transfers out	-	(318,516)	(195,764)	(514,280)
Total other financing sources (uses)	<u>7,106,538</u>	<u>(318,516)</u>	<u>(195,764)</u>	<u>6,592,258</u>
Net change in fund balance	2,181,083	1,262,050	(1,432,584)	2,010,549
Fund balances, beginning	<u>37,447,887</u>	<u>4,347,874</u>	<u>4,799,280</u>	<u>46,595,041</u>
Fund balances, ending	<u>\$ 39,628,970</u>	<u>\$ 5,609,924</u>	<u>\$ 3,366,696</u>	<u>\$ 48,605,590</u>

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, 2021**

Net change in fund balances - total governmental funds (page 34) \$ 2,010,549

Amounts reported for governmental activities in the Government-wide Statement of Activities (page 31) 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	\$ 5,353,666	
Depreciation expense	<u>(3,810,991)</u>	
Net adjustment		1,542,675

Net effect of various miscellaneous transactions involving capital assets (ie: sales, trade-ins, capital outlay not meeting threshold) (111,453)

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:

Principal payments:		
General obligation and capital improvement bonds	1,440,000	
Notes payable	<u>166,667</u>	
Net adjustment		1,606,667

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	(267,338)	
Estimated claims	(1,960,000)	
OPEB liability	2,199,752	
Accrued interest	24,271	
Deferred outflows of resources	(3,307,995)	
Deferred inflows of resources	(5,797,542)	
Net pension liability	<u>5,835,881</u>	
		(3,272,971)

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

659,557

Change in net position of governmental activities (page 31) \$ 2,435,024

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities					Governmental Activities	
	Enterprise Funds				Internal Service Funds		
	Major Funds		Solid Waste	Other Enterprise Funds	Total	Customer Service	Information Technology
Water Utility	Wastewater Utility						
ASSETS							
Current assets:							
Pooled cash and investments	\$ 17,807,945	\$ 12,518,702	\$ 33,469	\$ 12,525,004	\$ 42,885,120	\$ 1,074,936	\$ 1,335,640
Accounts receivable, net	5,633,027	1,434,078	1,507,943	169,784	8,744,832	-	-
Prepaid expenses	142,469	-	1,183	6,357	150,009	27,500	105,475
Inventory	223,796	-	-	-	223,796	-	-
Restricted assets:							
Customer deposits	4,099,095	483,825	21,637	-	4,604,557	-	-
Revenue bond proceeds	45,965,143	11,147,958	-	-	57,113,101	-	-
Total current assets	73,871,475	25,584,563	1,564,232	12,701,145	113,721,415	1,102,436	1,441,115
Non-current assets							
Loans receivable	-	245,491	-	-	245,491	-	-
Capital assets, non-depreciable	46,971,611	4,744,113	-	1,315,568	53,031,292	-	450,359
Capital assets - net of accumulated depreciation	97,525,151	17,755,896	646,739	2,884,733	118,812,519	166,465	242,625
Total non-current assets	144,496,762	22,745,500	646,739	4,200,301	172,089,302	166,465	692,984
Total assets	\$ 218,368,237	\$ 48,330,063	\$ 2,210,971	\$ 16,901,446	\$ 285,810,717	\$ 1,268,901	\$ 2,134,099
DEFERRED OUTFLOWS OF RESOURCES							
Pension	\$ 540,332	\$ 52,307	\$ 559,991	\$ 691,636	\$ 1,844,266	\$ 148,520	\$ 355,279
Other post employment benefits	146,257	5,615	21,241	75,194	248,307	-	-
Total deferred outflows of resources	\$ 686,589	\$ 57,922	\$ 581,232	\$ 766,830	\$ 2,092,573	\$ 148,520	\$ 355,279
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 219,054,826	\$ 48,387,985	\$ 2,792,203	\$ 17,668,276	\$ 287,903,290	\$ 1,417,421	\$ 2,489,378
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 8,606,007	\$ 1,123,856	\$ 1,049,807	\$ 576,525	\$ 11,356,195	\$ 254,760	\$ 159,305
Customer deposits	4,099,095	483,825	21,637	-	4,604,557	-	-
Due to other funds	-	-	2,639,576	-	2,639,576	-	-
Current portions of:							
Revenue bonds payable	4,060,030	615,000	-	-	4,675,030	-	-
Notes payable	814,767	409,967	-	-	1,224,734	-	-
Compensated absences	71,151	-	15,370	27,635	114,156	10,869	13,692
Total current liabilities	17,651,050	2,632,648	3,726,390	604,160	24,614,248	265,629	172,997
Non-current liabilities:							
Revenue bonds payable	86,984,291	9,785,000	-	-	96,769,291	-	-
Notes payable	11,576,072	5,019,051	-	-	16,595,123	-	-
Net pension liability	1,073,888	151,765	2,661,906	2,004,997	5,892,556	-	2,008,638
Compensated absences	213,452	-	46,110	82,902	342,464	32,608	22,299
Other post-employment benefits	402,019	38,105	121,731	240,960	802,815	-	-
Total non-current liabilities	100,249,722	14,993,921	2,829,747	2,328,859	120,402,249	32,608	2,030,937
Total liabilities	\$ 117,900,772	\$ 17,626,569	\$ 6,556,137	\$ 2,933,019	\$ 145,016,497	\$ 298,237	\$ 2,203,934
DEFERRED INFLOWS OF RESOURCES							
Pension	\$ 990,305	\$ 70,711	\$ 208,901	\$ 852,384	\$ 2,122,301	\$ -	\$ 25,727
Other post employment benefits	176,287	16,788	54,464	100,549	348,088	-	-
Total deferred inflows of resources	\$ 1,166,592	\$ 87,499	\$ 263,365	\$ 952,933	\$ 2,470,389	\$ -	\$ 25,727
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$ 119,067,364	\$ 17,714,068	\$ 6,819,502	\$ 3,885,952	\$ 147,486,886	\$ 298,237	\$ 2,229,661
NET POSITION							
Net investment in capital assets	\$ 86,339,238	\$ 17,818,949	\$ 646,739	\$ 4,200,301	\$ 109,005,227	\$ 166,465	\$ 692,984
Restricted:							
Capital improvements	18,740,495	2,022,230	-	-	20,762,725	-	-
Unrestricted	(5,092,271)	10,832,738	(4,674,038)	9,582,023	10,648,452	952,719	(433,267)
Total net position	\$ 99,987,462	\$ 30,673,917	\$ (4,027,299)	\$ 13,782,324	\$ 140,416,404	\$ 1,119,184	\$ 259,717
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,119,184		
Net position of business-type activities					\$ 141,535,588		

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities					Governmental Activities	
	Enterprise Funds					Internal Service Funds	
	Major Funds			Other Enterprise Funds	Total	Customer Service	Information Technology
Water Utility	Wastewater Utility	Solid Waste					
Operating revenues:							
Service revenues	\$ 36,717,291	\$ 10,693,707	\$ 11,273,691	\$ 4,272,001	\$ 62,956,690	\$ 3,521,083	\$ 1,997,256
Total operating revenues	36,717,291	10,693,707	11,273,691	4,272,001	62,956,690	3,521,083	1,997,256
Operating expenses:							
Personnel services	4,075,372	416,925	1,268,153	1,810,801	7,571,251	1,275,918	967,430
Other operating costs	15,209,971	5,557,525	12,387,011	511,374	33,665,881	1,111,815	1,392,125
Depreciation	5,841,560	1,039,077	114,762	214,031	7,209,430	11,890	103,979
Total operating expenses	<u>25,126,903</u>	<u>7,013,527</u>	<u>13,769,926</u>	<u>2,536,206</u>	<u>48,446,562</u>	<u>2,399,623</u>	<u>2,463,534</u>
Operating revenue (loss)	11,590,388	3,680,180	(2,496,235)	1,735,795	14,510,128	1,121,460	(466,278)
Non-operating revenue (expense):							
Impact fees	1,433,838	301,894	-	-	1,735,732	-	-
Investment income (losses)	217,750	(2,345)	88	38,291	253,784	-	-
Miscellaneous income	537,078	10,864	247,727	372,381	1,168,050	-	25,216
Interest and other fiscal charges	<u>(3,004,568)</u>	<u>(424,683)</u>	<u>-</u>	<u>(4,237)</u>	<u>(3,433,488)</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (loss)	<u>(815,902)</u>	<u>(114,270)</u>	<u>247,815</u>	<u>406,435</u>	<u>(275,922)</u>	<u>-</u>	<u>25,216</u>
Income (loss) before transfers	10,774,486	3,565,910	(2,248,420)	2,142,230	14,234,206	1,121,460	(441,062)
Transfers out	<u>(3,983,047)</u>	<u>(1,106,425)</u>	<u>(992,790)</u>	<u>(504,595)</u>	<u>(6,586,857)</u>	<u>(2,276)</u>	<u>(3,125)</u>
Change in net position	6,791,439	2,459,485	(3,241,210)	1,637,635	7,647,349	1,119,184	(444,187)
Net position beginning, as previously reported	<u>89,461,773</u>	<u>27,750,841</u>	<u>143,683</u>	<u>13,820,630</u>		<u>-</u>	<u>2,536,828</u>
Prior period adjustment (Note 15)	<u>3,734,250</u>	<u>463,591</u>	<u>(929,772)</u>	<u>(1,675,941)</u>		<u>-</u>	<u>(1,832,924)</u>
Net position beginning, as restated	<u>93,196,023</u>	<u>28,214,432</u>	<u>(786,089)</u>	<u>12,144,689</u>		<u>-</u>	<u>703,904</u>
Net position, ending	<u>\$ 99,987,462</u>	<u>\$ 30,673,917</u>	<u>\$ (4,027,299)</u>	<u>\$ 13,782,324</u>		<u>\$ 1,119,184</u>	<u>\$ 259,717</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>354,373</u>		
Change in net position of business-type activities					<u>\$ 8,001,722</u>		

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities					Governmental Activities	
	Enterprise Funds				Internal Service Funds		
	Major Funds			Other Enterprise Funds	Total Enterprise Funds	Customer Service	Information Technology
Water Utility	Wastewater Utility	Solid Waste					
Cash flows from operating activities:							
Cash received from customers	\$ 37,898,699	\$ 10,614,155	\$ 10,884,690	\$ 4,623,530	\$ 64,021,074	\$ -	\$ -
Cash received from other funds	-	-	2,639,576	-	2,639,576	3,372,563	2,020,799
Cash payments to internal service funds	-	-	(19,973)	(179,753)	(199,726)	-	-
Cash payments to suppliers	(16,473,131)	(5,624,143)	(11,886,894)	(167,265)	(34,151,433)	(884,555)	(1,283,612)
Cash payments to employees	(4,640,470)	(391,631)	(1,285,759)	(1,953,925)	(8,271,785)	(1,232,441)	(1,011,816)
Net cash provided by (used in) operating activities	16,785,098	4,598,381	331,640	2,322,587	24,037,706	1,255,567	(274,629)
Cash flows used in noncapital financing activities:							
Transfers to other funds	(3,983,047)	(1,106,425)	(992,790)	(504,595)	(6,586,857)	(2,276)	(3,125)
Net cash used in noncapital financing activities:	(3,983,047)	(1,106,425)	(992,790)	(504,595)	(6,586,857)	(2,276)	(3,125)
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(3,150,188)	(527,405)	(32,680)	(238,710)	(3,948,983)	(178,355)	(207,478)
Impact fees	1,433,838	301,894	-	-	1,735,732	-	-
Principal paid on long-term debt	(4,711,847)	(1,001,881)	-	(194,358)	(5,908,086)	-	-
Interest paid on long-term debt	(3,004,568)	(424,683)	-	(4,237)	(3,433,488)	-	-
Net cash used in capital and related financing activities	(9,432,765)	(1,652,075)	(32,680)	(437,305)	(11,554,825)	(178,355)	(207,478)
Cash flows from investing activities:							
Investment purchases	-	-	-	-	-	-	-
Investment calls and maturities	-	-	-	-	-	-	-
Investment income	217,750	(2,345)	88	38,291	253,784	-	-
Net cash provided by (used in) investing activities	217,750	(2,345)	88	38,291	253,784	-	-
Net increase (decrease) in pooled cash and investments	3,587,036	1,837,536	(693,742)	1,418,978	6,149,808	1,074,936	(485,232)
Pooled cash and investments, beginning	64,285,147	22,312,949	748,848	11,106,026	98,452,970	-	1,820,872
Pooled cash and investments, ending	67,872,183	24,150,485	55,106	12,525,004	104,602,778	1,074,936	1,335,640
Reconciliation of operating income to net cash provided by (used in) operating activities:							
Operating revenue (loss)	11,590,388	3,680,180	(2,496,235)	1,735,795	14,510,128	1,121,460	(466,278)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	5,841,560	1,039,077	114,762	214,031	7,209,430	11,890	103,979
Other income	537,078	10,864	247,727	372,381	1,168,050	-	25,216
(Increase) decrease in assets:							
Accounts receivable	610,252	(97,387)	(636,528)	(20,852)	(144,515)	-	-
Inventories	(33,104)	-	-	-	(33,104)	-	-
Prepaid costs	(99,645)	-	(592)	(2,705)	(102,942)	(27,500)	(30,226)
Deferred outflows of pension resources	256,935	17,993	59,366	148,384	482,678	-	-
Deferred outflows of OPEB resources	1,003,653	69,848	160,551	852,978	2,087,030	(148,520)	(1,673)
Increase (decrease) in liabilities:							
Vouchers payable and accrued liabilities	(935,723)	(66,622)	413,087	89,914	(499,344)	298,237	95,695
Customer deposits	34,072	6,975	(200)	-	40,847	-	-
Due to other funds	-	-	2,639,576	-	2,639,576	-	-
Pension and OPEB liabilities	(2,020,368)	(62,547)	(169,874)	(1,067,339)	(3,320,128)	-	(1,342)
Total adjustments	5,194,710	918,201	2,827,875	586,792	9,527,578	134,107	191,649
Net cash provided by (used in) operating activities	\$ 16,785,098	\$ 4,598,381	\$ 331,640	\$ 2,322,587	\$ 24,037,706	\$ 1,255,567	\$ (274,629)
Non-cash investing, capital and financing activities:							
Decrease in fair value of investments	\$ (493,006)	\$ (289,317)	\$ -	\$ (128,999)	\$ (911,322)	\$ -	\$ -

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Trust Funds	Police Holding Account Custodial Fund
<u>ASSETS</u>		
Cash	\$ 47,493	\$ 818,138
Investments:		
Equity securities	137,188,364	-
Money market funds	36,095,191	-
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	240,152,221	-
Accrued interest receivable	223,141	-
Other receivables	956,365	-
Total assets	\$ 241,379,220	\$ 818,138
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 2,108,725	\$ -
Deposits awaiting adjudication	-	818,138
Total liabilities	\$ 2,108,725	\$ 818,138
<u>NET POSITION</u>		
Net position restricted for pensions	\$ 239,270,495	\$ -

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, 2021

	Trust Funds	Police Holding Account Custodial Fund
<u>ADDITIONS</u>		
Contributions:		
Employer	\$ 10,472,021	\$ -
Employee	1,631,131	-
Total contributions	12,786,858	-
Investment income (expense):		
Net appreciation in fair value of investments	36,430,100	-
Investment expenses	(1,052,805)	-
Net investment income	38,968,218	-
Total additions	51,755,076	-
<u>DEDUCTIONS</u>		
Pension benefit payments	22,198,473	-
Administrative expenses	541,416	-
Total deductions	22,739,889	-
Change in net position	29,015,187	-
Net position restricted for pensions, beginning	210,255,308	-
Net position restricted for pensions, ending	\$ 239,270,495	\$ -

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 14 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, 2021

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.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 Fund – The *Information Technology Fund* is classified as a governmental activity because it provides City-wide services on a cost reimbursement basis.

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, 2021, 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, 2021

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 position 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, 2021

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, 2021, was 6.2000 mills per \$1,000 of assessed valuation; the millage rate for bonded debt service was 0.6021 mills.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Stewardship, Compliance and Accountability

At September 30, 2021, the City reported a deficit fund balance in the Series 2011 Debt Service Fund. The deficit in the debt service fund is related to inadequate transfers from supporting sources. The deficit is expected to be eliminated during the next fiscal year.

The City also reported a deficit fund balance in the Grants Fund for September 30, 2021. The deficit will be reduced through the reimbursement from the Florida Department of Transportation for costs related to the Greynolds Park Bike Lane project.

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 FY2021 showed a deficit of \$4 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 3 - 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 meet 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.

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.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 3 - Deposits and Investments (continued)

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, 2021 are as follows:

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Governmental and business-type activities		
Bank deposits and cash on hand	Not rated	\$ 11,741,034
SBA Florida Prime	AAAm	5,411,667
FMIvT Broad Market High Quality Bond Fund	AAf/S4	52,902
Money market funds	Not rated	14,679,761
Certificates of deposit	Not rated	756,427
US agencies	AAA/AA+	33,454,416
Corporate bonds	Aaa/AAA	23,971,700
Municipal bonds	Aaa/AAA	7,438,660
Commercial paper	A1/P1	55,075,960
Total governmental and business-type investments		<u>\$ 152,582,527</u>
Retirement Plan and Trust for General Management Employees		
FMIvT Broad Market High Quality Bond Fund	AAf/S4	<u>\$ 24,087,435</u>
OPEB Trust		
FMIvT Broad Market High Quality Bond Fund	AAf/S4	<u>\$ 5,288,512</u>
Retirement Plan for General Employees		
	Aaa	\$ 6,983,923
	Aa1	3,360
	A1	1,023,563
	A2	-
	A3	2,196,111
	Baa1	93,633
	Ba1	411,941
	B1	870,699
	Not rated	7,933,050
Total debt securities		<u>\$ 19,516,280</u>
Retirement Plan for Police Officers and Firefighters		
	Aaa	\$ 12,382,739
	A1	2,237,275
	A2	703,215
	A3	3,036,207
	Not rated	12,021,685
Total debt securities		<u>\$ 30,381,121</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 3 - 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, 2021 is approximately 11.4% 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, 2021 is approximately 15.7% 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, 2021. The following were the Boards' adopted asset allocation policies as of September 30, 2021:

<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, 2021

Note 3 - 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 11.4% 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, 2021 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	\$ 33,454,416	\$ 28,961,796	\$ 4,492,620	\$ -	\$ -
Corporate bonds	23,971,700	23,971,700	-	-	-
Commercial paper	55,075,960	55,075,960	-	-	-
Municipal bonds	7,438,660	7,438,660	-	-	-
Total	\$ 119,940,736	\$ 115,448,116	\$ 4,492,620	\$ -	\$ -

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 FMIvT Broad Market High Quality Bond Fund which results in a modified duration of 5.39 years and a weighted average maturity of 6.30 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 20.8% of the portfolio and had the following distribution of maturities at September 30, 2021:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Corporate bonds	\$ 3,747,483	\$ 2,061,598	\$ 227,297	\$ 1,458,588	\$ -
Fixed income mutual fund	2,240,028	-	750,409	620,488	869,131
US agencies	5,399,301	-	-	-	5,399,301
US treasuries	8,129,468	1,154,953	4,514,323	2,460,192	-
Total	\$ 19,516,280	\$ 3,216,551	\$ 5,492,029	\$ 4,539,268	\$ 6,268,432

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 26.0% of the portfolio and had the following distribution of maturities at September 30, 2021:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
US treasuries	\$ 14,382,657	\$ 1,999,918	\$ 7,879,126	\$ 4,503,613	\$ -
US agencies	9,350,320	-	-	-	9,350,320
Corporate bonds	6,648,144	2,934,627	1,871,194	1,842,323	-
Total	\$ 30,381,121	\$ 4,934,545	\$ 9,750,320	\$ 6,345,936	\$ 9,350,320

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 4 – Receivables

Accounts Receivable

Accounts receivable at September 30, 2021 for the City's individual major funds and non-major funds in the aggregate, are as follows:

	Non-major					Non-major	
	General	Governmental	Water	Sewer	Solid Waste	Enterprise	Total
Account Receivable							
Billed	\$ 2,659,714	\$ -	\$ 13,324,796	\$ 3,269,945	\$ 3,354,963	474,038	\$ 23,083,456
Unbilled	-	-	-	-	-	-	-
Taxes	1,705,772	-	-	-	-	-	1,705,772
Franchise fees	632,776	-	-	-	-	-	632,776
Intergovernmental	-	578,867	13,690	-	-	-	592,557
Grants	-	836,681	-	-	-	-	836,681
Other	944,215	-	49,089	93,526	-	-	1,086,830
Gross receivables	5,942,477	1,415,548	13,387,575	3,363,471	3,354,963	474,038	27,938,072
Less allowance for uncollectibles	1,429,311	-	7,754,548	1,929,393	1,847,020	304,254	13,264,526
Total accounts receivable	\$ 4,513,166	\$ 1,415,548	\$ 5,633,027	\$ 1,434,078	\$ 1,507,943	\$ 169,784	\$ 14,673,546

Receivables at September 30, 2021, 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 \$245,491 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.

Note 5 - 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:

	Revenue	Customer	Total
	Bond Proceeds	Deposits	
Business-type activities:			
Water	\$ 51,176,349	\$ 4,099,095	\$ 55,275,444
Wastewater	11,147,958	483,825	11,631,783
Solid Waste	-	21,637	21,637
Total business-type activities	\$ 62,324,307	\$ 4,604,557	\$ 66,928,864

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 6 – 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, 2021 are as follows:

<u>Fund</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
<u>Governmental Activities</u>		
General Fund	\$ -	\$ 3,519,899
<u>Non-major Governmental Funds</u>		
Grants Fund	863,983	-
Series 2011 Bond Debt Service Fund	16,340	-
Total Non-major Governmental Funds	880,323	3,519,899
<u>Business-type Activities</u>		
Solid Waste Fund	2,639,576	-
Total due to/from other funds	\$ 3,519,899	\$ 3,519,899

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 2021 are as follows:

<u>Transfers out</u>	<u>Transfers In</u>	
	<u>General Fund</u>	<u>Total</u>
Community Redevelopment Agency	\$ 318,516	\$ 318,516
Non-major governmental funds	195,764	195,764
Water utility	3,983,047	3,983,047
Sewer utility	1,106,425	1,106,425
Solid waste	992,790	992,790
Non-major enterprise funds	504,595	504,595
Information technology	3,125	3,125
Customer service	2,276	2,276
Total transfers out	\$ 7,106,538	\$ 7,106,538

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 7 - Capital Assets

Capital assets activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 4,345,595	\$ -	\$ -	\$ 4,345,595
Construction in progress	32,640,274	3,507,596	-	36,147,870
Total capital assets not being depreciated	<u>36,985,869</u>	<u>3,507,596</u>	<u>-</u>	<u>40,493,465</u>
Capital assets being depreciated				
Buildings	29,762,240	-	-	29,762,240
Improvement other than buildings	33,583,929	8,268	(79,362)	33,512,835
Infrastructure	23,985,263	-	-	23,985,263
Furniture, fixtures, machinery and equipment	32,986,636	1,933,825	(127,681)	34,792,780
Total capital assets being depreciated	<u>120,318,068</u>	<u>1,942,093</u>	<u>(207,043)</u>	<u>122,053,118</u>
Less accumulated depreciation				
Buildings	(28,677,545)	(111,574)	-	(28,789,119)
Improvement other than building	(21,396,109)	(1,167,579)	79,362	(22,484,326)
Infrastructure	(8,629,289)	(762,377)	-	(9,391,666)
Furniture, fixture machinery and equipment	(25,770,094)	(1,873,438)	127,681	(27,515,851)
Total accumulated depreciation	<u>(84,473,037)</u>	<u>(3,914,968)</u>	<u>207,043</u>	<u>(88,180,962)</u>
Total capital assets being depreciated, net	<u>35,845,031</u>	<u>(1,972,875)</u>	<u>-</u>	<u>33,872,156</u>
Governmental activities capital assets, net	<u>\$ 72,830,900</u>	<u>\$ 1,534,721</u>	<u>\$ -</u>	<u>\$ 74,365,621</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated				
Land	\$ 5,871,556	\$ -	\$ -	\$ 5,871,556
Construction in progress	43,561,326	3,598,411	-	47,159,737
Total capital assets not being depreciated	<u>49,432,882</u>	<u>3,598,411</u>	<u>-</u>	<u>53,031,293</u>
Capital assets being depreciated				
Buildings and utility plant	236,970,610	-	-	236,970,610
Machinery and equipment	19,025,968	596,930	(632,645)	18,990,253
Total capital assets being depreciated	<u>255,996,578</u>	<u>596,930</u>	<u>(632,645)</u>	<u>255,960,863</u>
Less accumulated depreciation				
Buildings and utility plant	(113,963,364)	(6,693,335)	-	(120,656,699)
Machinery and equipment	(16,361,840)	(527,985)	564,645	(16,325,180)
Total accumulated depreciation	<u>(130,325,204)</u>	<u>(7,221,320)</u>	<u>564,645</u>	<u>(136,981,879)</u>
Total capital assets being depreciated, net	<u>125,671,374</u>	<u>(6,624,390)</u>	<u>(68,000)</u>	<u>118,978,984</u>
Business-type activities capital assets, net	<u>\$ 175,104,256</u>	<u>\$ (3,025,979)</u>	<u>\$ (68,000)</u>	<u>\$ 172,010,277</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 7 - Capital Assets (continued)

Depreciation

Depreciation expense for fiscal year 2021 was charged to the following functions of the City:

Governmental Activities:	
General government	\$ 2,209,939
Public safety	986,596
Parks & Recreation	249,535
Library	54,676
Public works	310,243
Information Technology	103,979
Total depreciation expense - governmental activities	<u>\$ 3,914,968</u>
Business-type activities:	
Water	\$ 5,841,560
Sewer	1,039,077
Stormwater	190,137
Solid Waste	114,762
Building permit	23,894
Customer Service	11,890
Total depreciation expense - business-type activities	<u>\$ 7,221,320</u>

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, 2021 are as follows:

Major Funds:

General Fund	\$ 3,011,280
Other governmental funds	<u>77,687</u>
Total encumbrances	<u>\$ 3,088,967</u>

Note 8 – 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 position and acquisition of net position, 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, 2021, the City reported deferred outflows of resources consisting of deferred pension expenses totaling \$17,802,134 and deferred OPEB expenses of \$1,820,117. 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 \$1,204,590, deferred pension income of \$4,986,823 and deferred OPEB income of \$1,636,231.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation bonds and notes	\$ 13,435,000	\$ -	\$ (1,440,000)	\$ 11,995,000	\$ 1,490,000
Notes payable CRA - Nontaxable	1,083,333	-	(166,667)	916,666	166,667
Total bonds and notes payable	<u>14,518,333</u>	<u>-</u>	<u>(1,606,667)</u>	<u>12,911,666</u>	<u>1,656,667</u>
Net pension liability	72,793,091	23,724,639	(17,286,743)	79,230,987	-
Estimated claims	2,187,000	1,960,803	(803)	4,147,000	740
Compensated absences	3,427,863	3,203,795	(3,636,211)	2,995,447	748,862
Other post employment benefit liability	<u>5,963,677</u>	<u>1,359,228</u>	<u>(3,558,980)</u>	<u>3,763,925</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 98,889,964</u>	<u>\$ 30,248,465</u>	<u>\$ (26,089,404)</u>	<u>\$ 103,049,025</u>	<u>\$ 2,406,269</u>
Business-type activities:					
Revenue bonds	\$ 95,695,000	\$ -	\$ (3,975,000)	\$ 91,720,000	\$ 4,150,000
Premium on Revenue bonds	<u>10,267,113</u>	<u>-</u>	<u>(542,792)</u>	<u>9,724,321</u>	<u>525,030</u>
Total revenue bonds payable	105,962,113	-	(4,517,792)	101,444,321	4,675,030
Notes payable - Stormwater	194,358	-	(194,358)	-	-
State Revolving Loans - Water	13,184,895	-	(794,056)	12,390,839	814,767
State Revolving Loans - Sewer	<u>5,830,900</u>	<u>-</u>	<u>(401,882)</u>	<u>5,429,018</u>	<u>409,967</u>
Total bonds and loans	125,172,266	-	(5,908,088)	119,264,178	5,899,764
Net pension liability	11,398,462	3,293,417	(8,799,323)	5,892,556	-
Compensated absences	406,727	385,032	(291,662)	500,097	125,025
Other post employment benefit liability	<u>892,157</u>	<u>562,427</u>	<u>(651,770)</u>	<u>802,814</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 137,869,612</u>	<u>\$ 4,240,876</u>	<u>\$ (15,650,843)</u>	<u>\$ 126,459,645</u>	<u>\$ 6,024,789</u>

There are a number of limitations and restrictions contained in the various bond indentures. At September 30, 2021 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.

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 \$10,267,112.55 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 remainder of the Series 2012 bonds will be considered defeased and the liability will be removed from the Statement of Net Position for the fiscal year September 30, 2020. 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.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

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.

Bond issues authorized and outstanding at September 30, 2021 are summarized as follows:

<u>General Obligation Bonds and Notes</u>	<u>Principal 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%.	\$ 2,235,000
\$14,835,000 Chase Bank, N.A., Promissory Note, Series 2011, secured by revenues pledged from voted debt millage; due in annual installments of \$350,000 to \$1,220,000 from November 1, 2012 to November 1, 2030; interest at 3.99%.	9,760,000
Total General Obligation Bonds and Notes	\$ 11,995,000
 <u>Revenue Bonds</u>	
Water Utility System	
\$56,060,000 Water Revenue Refunding Bonds, Series 2012; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$690,000 to \$4,470,000 beginning August 1, 2013 to August 1, 2032; interest at 2.0% to 5.0%.	\$ 2,920,000
\$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.	39,810,000
\$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%.	38,590,000
Total Water Utility System Revenue Bonds	81,320,000
 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%.	10,400,000
Total Revenue Bonds	\$ 91,720,000

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

Debt Service Requirements

Debt service requirements to maturity for each bond series at September 30, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bond, Series 2012			
2022	\$ 730,000	\$ 56,500	\$ 786,500
2023	745,000	38,046	783,046
2024	760,000	19,212	779,212
	<u>\$ 2,235,000</u>	<u>\$ 113,758</u>	<u>\$ 2,348,758</u>
Chase Bank, N.A.			
Promissory Note Series 2011			
2022	\$ 760,000	\$ 454,872	\$ 1,214,872
2023	800,000	417,047	1,217,047
2024	845,000	377,161	1,222,161
2025	895,000	334,971	1,229,971
2026	940,000	290,478	1,230,478
2027-2031	5,520,000	696,613	6,216,613
	<u>\$ 9,760,000</u>	<u>\$ 2,571,142</u>	<u>\$ 12,331,142</u>
Water Revenue Refunding Bonds			
2012 Series:			
2022	\$ 2,920,000	\$ 146,000	\$ 3,066,000
	<u>\$ 2,920,000</u>	<u>\$ 146,000</u>	<u>\$ 3,066,000</u>
Water Revenue Bonds			
2020A Series:			
2022	\$ 235,000	\$ 1,990,500	\$ 2,225,500
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
2027-2031	1,530,000	9,893,750	11,423,750
2031-2035	3,300,000	7,681,500	10,981,500
2036-2040	9,795,000	7,754,250	17,549,250
2041-2045	12,500,000	5,048,750	17,548,750
2046-2049	12,450,000	1,594,250	14,044,250
	<u>\$ 39,810,000</u>	<u>\$ 41,878,000</u>	<u>\$ 81,688,000</u>
Water Revenue Refunding Bonds			
2020B Series:			
2022	\$ 380,000	\$ 903,851	\$ 1,283,851
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
2027-2031	19,720,000	2,087,348	21,807,348
2032	4,250,000	112,880	4,362,880
	<u>\$ 38,590,000</u>	<u>\$ 6,273,646</u>	<u>\$ 44,863,646</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

Debt Service Requirements (continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Sewer Revenue Bonds			
2020 Series:			
2022	\$ 615,000	\$ 293,280	\$ 908,280
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
2027-2031	2,955,000	683,286	3,638,286
2032-2035	4,185,000	360,678	4,545,678
	<u>\$ 10,400,000</u>	<u>\$ 2,331,717</u>	<u>\$ 12,731,717</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 Outstanding</u>
State Revolving Loans - Sewer	
\$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%.	\$ 621,536
\$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%.	191,604
\$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%.	2,028,837
\$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%.	241,131
\$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.	2,345,910
Total Sewer State Revolving Loans	\$ 5,429,018

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

Debt Service Requirements

Debt service requirements to maturity for each state revolving loan for sewer at September 30, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
WW 130100 (Sewer)			
2022	60,187	11,767	71,954
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
2027-2031	308,635	15,162	323,797
	<u>\$ 621,536</u>	<u>\$ 62,034</u>	<u>\$ 683,570</u>
WW 130101 (Sewer)			
2022	\$ 18,622	\$ 3,471	\$ 22,093
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
2027-2031	94,956	4,461	99,417
	<u>\$ 191,604</u>	<u>\$ 18,275</u>	<u>\$ 209,879</u>
WW 130110 (Sewer)			
2022	\$ 165,785	\$ 41,740	\$ 207,525
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
2027-2031	959,869	77,751	1,037,620
2032	204,301	3,225	207,526
	<u>\$ 2,028,837</u>	<u>\$ 253,930</u>	<u>\$ 2,282,767</u>
WW 745080 (Sewer)			
2022	17,917	4,852	22,769
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
2027-2031	103,379	10,467	113,846
2031-2033	44,396	1,143	45,539
	<u>\$ 241,131</u>	<u>\$ 32,101</u>	<u>\$ 273,232</u>
WW 745081 (Sewer)			
2022	\$ 147,456	\$ 44,568	\$ 192,024
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
2027-2031	843,691	116,429	960,120
2032-2035	735,784	32,308	768,092
	<u>\$ 2,345,910</u>	<u>\$ 342,422</u>	<u>\$ 2,688,332</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt (continued)

State Revolving Loans - Program (continued)

Debt Service Requirements (continued)

State Revolving Loans - Water	<u>Principal Outstanding</u>
\$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%.	\$ 231,697
\$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%.	4,129,960
\$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%.	8,029,179
Total Water State Revolving Loans	<u>\$ 12,390,836</u>

Debt Service Requirements

Debt service requirements to maturity for each state revolving loan for water at September 30, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
DW 130102 (Water)			
2022	\$ 23,060	\$ 6,124	\$ 29,184
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
2027-2030	109,933	6,808	116,741
	<u>\$ 231,697</u>	<u>\$ 30,961</u>	<u>\$ 262,658</u>
DW 130103 (Water)			
2022	\$ 329,319	\$ 104,171	\$ 433,490
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
2027-2031	1,970,587	196,863	2,167,450
2031-2032	425,265	8,226	433,491
	<u>\$ 4,129,960</u>	<u>\$ 638,431</u>	<u>\$ 4,768,391</u>
DW 130130 (Water)			
2022	\$ 462,388	\$ 206,033	\$ 668,421
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
2027-2031	2,772,171	569,934	3,342,105
2032-2036	2,820,892	187,003	3,007,895
	<u>\$ 8,029,179</u>	<u>\$ 1,662,926</u>	<u>\$ 9,692,105</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Long-term Debt (continued)

Notes Payable

Note issues authorized and outstanding at September 30, 2021 are summarized as follows:

	Principal Outstanding
Community Redevelopment	
\$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	\$ 916,666
Total Notes Payable	\$ 916,666

Debt Service Requirements

Debt service requirements to maturity for each note series at September 30, 2021 are as follows:

	Principal	Interest	Total
Bank of America, CRA Non-taxable			
Series 2007A			
2022	\$ 166,667	\$ 25,279	\$ 191,946
2023	166,667	20,346	187,013
2024	166,667	15,414	182,081
2025	166,667	10,481	177,148
2026	166,667	3,699	170,366
2027	83,331	2,775	86,106
	\$ 916,666	\$ 77,994	\$ 994,660

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, 2021 follows:

<u>Issue</u>	<u>Revenue Source</u>	<u>Ratio</u>
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 and senior debt obligations	4.01
WW Series	Gross revenue less operating expenses and senior debt obligations	2.85

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 10 – 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>2021</u>	<u>2020</u>
Unpaid claims, beginning	\$ 2,187	\$ 2,472
IBNR claims	1,960	278
Claim payments	-	(563)
Unpaid claims, ending	<u>\$ 4,147</u>	<u>\$ 2,187</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 \$4.4 million at September 30, 2021.

Note 11 - 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, 2021

Note 11 - 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 19th Ave., North Miami Beach, Florida 33162.

Plan Membership

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

	General Employees	Police & Firefighters	General Management Employees	OPEB
Covered Payroll	\$ 6,465,047	\$ 7,246,268	\$ 913,318	\$ 26,053,434
Plan members:				
Currently receiving or entitled to receive benefits	343	140	40	340
Active employees				392
Vested	58	23	2	
Non-vested	62	57	9	
Total members	<u>463</u>	<u>220</u>	<u>51</u>	<u>732</u>

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, 2021

Note 11 - 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, 2021:

Retirement Plan for General Employees	Total	Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investment by fair value level</u>			
Equity securities:			
Common stocks	\$ 57,929,473	\$ 57,929,473	\$ -
Infrastructure mutual fund	5,113,604	5,113,604	-
REIT	48,141	48,141	-
Total equity securities	<u>63,091,218</u>	<u>63,091,218</u>	<u>-</u>
Debt securities:			
U.S. treasury securities	8,129,468	6,100,705	2,028,763
U.S. agency securities	5,399,301	-	5,399,301
Fixed income mutual fund	2,240,028	2,240,028	-
Corporate bonds	3,747,483	-	3,747,483
Total debt securities	<u>19,516,280</u>	<u>8,340,733</u>	<u>11,175,547</u>
Total assets at fair value	<u>\$ 82,607,498</u>	<u>\$ 71,431,951</u>	<u>\$ 11,175,547</u>
<u>Investments measured at the net asset value (NAV)¹</u>			
Real estate	8,713,475		
Hedge funds	-		
Total investments measured at the NAV	<u>8,713,475</u>		
Money market funds (exempt)	<u>2,503,403</u>		
Total investments	<u>\$ 93,824,376</u>		

¹ 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, 2021

Note 11 - Employee Retirement Systems (continued)

Method Used to Value Investments (continued)

Retirement Plan for Police Officers and Firefighters

	Total	Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investment by fair value level</u>			
Equity securities:			
Common stocks	\$ 68,110,567	\$ 68,110,567	\$ -
Infrastructure mutual fund	5,928,481	5,928,481	-
REIT	58,098	58,098	-
Total equity securities	<u>74,097,146</u>	<u>74,097,146</u>	<u>-</u>
Debt securities:			
U.S. treasury securities	14,382,657	10,218,354	4,164,303
U.S. agency securities	9,350,320	-	9,350,320
Corporate bonds	6,648,144	-	6,648,144
Total debt securities	<u>30,381,121</u>	<u>10,218,354</u>	<u>20,162,767</u>
Total assets at fair value	<u>\$ 104,478,267</u>	<u>\$ 84,315,500</u>	<u>\$ 20,162,767</u>
<u>Investments measured at the net asset value (NAV)¹</u>			
Real estate	7,961,050		
Hedge funds	296,740		
Total investments measured at the NAV	<u>8,257,790</u>		
Money market funds (exempt)	<u>4,215,841</u>		
Total investments	<u>\$ 116,951,898</u>		

¹ 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, 2021

Note 11 - 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 3,371,110, or 51.51% 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, 2020 actuarial valuation using the entry age normal cost method. Additional information as of the latest actuarial valuation follows:

Valuation Date	October 1, 2020
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%

Mortality: 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.

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.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 11 - 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 \$6,646,690 or 91.73% 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 2021, the amounts were \$396,026 and \$287,680 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, 2021

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Retirement Plan for Police Officers and Firefighters (continued)

Valuation Date	October 1, 2019
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 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, 2021

Note 11 - 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 \$204,221 or 22.36% 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, 2020 actuarial valuation using the aggregate actuarial cost method.

Additional information related to the actuarial valuation follows:

Valuation Date	October 1, 2020
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 (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, 2021 was \$21,765.

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, 2021

Note 11 - 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, 2018 to June 30, 2019	0.000310992%	\$ 9,643
July 1, 2019 to June 30, 2020	0.000289141%	9,607
July 1, 2020 to June 30, 2021	0.000249570%	9,508
Contribution Period	Health Insurance Subsidy	
	Proportion	Contribution
July 1, 2018 to June 30, 2019	0.000064542%	\$ 358
July 1, 2019 to June 30, 2020	0.000063441%	366
July 1, 2020 to June 30, 2021	0.000061052%	359

Actuarial methods and assumptions

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the July 1, 2021 actuarial valuation using the individual entry age method. Additional information related to the actuarial valuation follows:

Valuation Date	July 1, 2021
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 - 6.8%; HIS - 2.16%
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, 2021

Note 11 - 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 7.45% 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, 6.80% for the FRS and 2.16% 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.

<u>Retirement Plan</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees (7.45%)	\$ 47,141,494	\$ 33,950,927	\$ 22,972,303
Police and Firefighters (7.50%)	73,006,027	54,719,102	39,540,285
General Management (7.50%)	(1,549,802)	(3,572,826)	(5,287,353)
Florida Retirement System (6.80%)	84,308	18,852	(35,862)
Health Insurance Subsidy (2.16%)	8,658	7,489	6,531

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, 2021

Note 11 - 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, 2020 and the Florida Retirement System Plan as of July 1, 2021 are summarized in the following table:

Retirement Plan	Asset Class	Long-Term Expected Real Rate of Return
General Employees	Large Cap Value	6.85%
	Large Cap Growth	7.15%
	Small/Mid Cap Value	7.60%
	Mid Cap Growth	7.65%
	International Value	6.05%
	International Growth	6.05%
	Long / Short Credit	4.25%
	Infrastructure	4.35%
	Real Estate	5.65%
	Fixed Income	1.75%
Police and Firefighters	Large Cap Value	6.85%
	Large Cap Growth	7.15%
	Small/Mid Cap Value	7.60%
	Mid Cap Growth	7.65%
	International Value	6.05%
	International Growth	6.05%
	Infrastructure	4.35%
	Real Estate	5.65%
	Fixed Income	1.75%
	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	2.10%
	Fixed Income	3.80%
	Global Equity	8.20%
	Real Estate	7.10%
	Private Equity	11.70%
	Strategic Investments	5.70%

The Health Insurance Subsidy plan is not pre-funded and therefore uses the municipal bond rate of 2.16% to calculate the total pension liability of the plan.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 11 - 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.

	Retirement Plan					Total
	General Employees	Police and Firefighters	General Management Employees	Florida Retirement System	Health Insurance Subsidy	
Total pension liability - beginning	\$ 115,447,319	\$ 159,910,289	\$ 22,495,204	\$ 511,394	\$ 7,685	\$ 298,371,891
Changes for the year						
Service cost	611,266	1,587,890	94,420	6,610	170	2,300,356
Interest	8,298,157	11,690,703	1,635,596	34,224	170	21,658,850
Difference between expected and actual experience	(358,942)	1,338,857	(9,478)	873	-	971,310
Change of assumptions	(697,129)	(5,241,735)	(2,246,808)	-	53	(8,185,619)
Adjustment for Chapter 175/185 reserves	-	97,651	-	-	-	97,651
Benefit payments	(7,245,758)	(11,451,292)	(1,453,154)	(29,911)	(314)	(20,180,429)
Net change in total pension liability	607,594	(1,977,926)	(1,979,424)	11,796	79	(3,337,881)
Total pension liability - ending (a)	\$ 116,054,913	\$ 157,932,363	\$ 20,515,780	\$ 523,190	\$ 7,764	\$ 295,034,010
Plan fiduciary net position - beginning	\$ 81,473,712	\$ 101,578,737	\$ 20,741,874	\$ 403,227	\$ 231	\$ 204,197,781
Employer contributions	3,375,895	6,273,855	204,221	9,508	359	9,863,838
Employee contributions	456,079	874,725	74,549	1,888	-	1,407,241
Other contributions	-	509,062	-	-	-	509,062
Net investment income	4,229,584	5,628,745	4,587,139	119,680	-	14,565,148
Benefit payments	(7,245,758)	(11,451,292)	(1,453,154)	(29,911)	(314)	(20,180,429)
Administrative expenses	(185,526)	(200,571)	(66,023)	(54)	-	(452,174)
Net change in plan fiduciary net position	630,274	1,634,524	3,346,732	101,111	45	5,712,686
Plan fiduciary net position - ending (b)	\$ 82,103,986	\$ 103,213,261	\$ 24,088,606	\$ 504,338	\$ 276	\$ 209,910,467
Net pension liability (a-b)	\$ 33,950,927	\$ 54,719,102	\$ (3,572,826)	\$ 18,852	\$ 7,488	\$ 85,123,543

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 Employees	Police and Firefighters	General Management Employees	Florida Retirement System	Health Insurance Subsidy	
Deferred outflows						
Difference between expected and actual experience	\$ -	\$ 1,199,243	\$ -	\$ 3,231	\$ 251	\$ 1,202,725
Difference between expected and actual earnings on investments	2,800,944	4,837,971	-	-	8	7,638,923
Changes in assumptions	-	-	911,998	12,900	588	925,486
Subtotal	2,800,944	6,037,214	911,998	16,131	847	9,767,134
Contributions subsequent to the measurement date	3,371,110	6,646,690	-	2,497	7,489	10,027,786
Total deferred outflows and contributions subsequent to the measurement date	\$ 6,172,054	\$ 12,683,904	\$ 911,998	\$ 18,628	\$ 8,336	\$ 19,794,920
Deferred inflows						
Difference between expected and actual experience	\$ 147,800	\$ -	\$ 36,372	\$ -	\$ 3	\$ 184,175
Changes in assumptions	287,053	3,434,240	833,721	-	309	4,555,323
Difference between expected and actual earnings on investments	-	-	2,294,348	65,771	-	2,360,119
Total deferred inflows	\$ 434,853	\$ 3,434,240	\$ 3,164,441	\$ 65,771	\$ 312	\$ 7,099,617
Pension expense	\$ 3,153,192	\$ 7,943,097	\$ (2,013,679)	\$ (2,174)	\$ 360	\$ 9,080,796

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 11 - 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
2022	\$ 13,955	\$ 174,487	\$ (992,288)	\$ (6,245)	\$ 7,636
2023	921,854	447,958	(256,995)	(10,195)	47
2024	1,089,057	1,612,012	(420,548)	(13,504)	97
2025	341,225	368,517	(582,612)	(17,305)	128
2026	-	-	-	107	96
After	-	-	-	-	20
	<u>\$ 2,366,091</u>	<u>\$ 2,602,974</u>	<u>\$ (2,252,443)</u>	<u>\$ (47,142)</u>	<u>\$ 8,024</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, 2021. The City's annual pension cost at September 30, 2021 is as follows:

Annual required contribution	\$ 285,265
Annual pension cost	285,265
Contributions made	<u>285,265</u>
Change in net pension liability	-
Net pension liability, beginning of year	<u>-</u>
Net pension liability, end of year	<u><u>\$ -</u></u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 11 - 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, 2021

Assets	
Investments at fair value	\$ <u>24,087,435</u>
Net Position	
Net position restricted for pensions	\$ <u><u>24,087,435</u></u>

Statement of Changes in Fiduciary Net Position

Retirement Plan and Trust for General Management Employees
For the Year Ended September 30, 2021

Additions	
Contributions:	
Employer	\$ 204,221
Employees	74,984
Investment income:	
Net appreciation in fair value of investments	4,587,139
Investment expenses	<u>(17,879)</u>
Total additions	4,848,465
Deductions	
Pension benefit payments	1,451,176
Administrative expenses	<u>50,123</u>
Total deductions	<u>1,501,299</u>
Increase in net position	3,347,166
Net position - beginning	<u>20,740,269</u>
Net position - ending	\$ <u><u>24,087,435</u></u>

Note 12 - 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, 2021, the City did not make any contributions to the Charter Officer Plan and approximately \$272,840 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, 2021

Note 13 - 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.

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.

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, 2020 actuarial valuation using the projected unit credit cost method. Information related to the actuarial valuation follows:

Valuation Date	October 1, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Healthcare cost trend rate	8.00%
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, 2021

Note 13 - 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 4.63% 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 (4.63%)	\$ 5,644,020	\$ 4,566,739	\$ 3,672,006
Healthcare Cost Trend Rate (8.00%)	3,877,384	4,566,739	5,382,440
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of September 30, 2020	\$ 11,053,626	\$ (4,197,792)	\$ 6,855,834
Change due to:			
Service cost	523,258	-	523,258
Expected interest growth	522,930	(301,798)	221,132
Unexpected investment income	-	(557,811)	(557,811)
Demographic experience	(1,511,591)	-	(1,511,591)
Employer contributions	-	(821,473)	(821,473)
Benefit payments & refunds	(571,473)	571,473	-
Administrative expenses	-	18,889	18,889
Assumption changes	(161,499)	-	(161,499)
Balance as of September 30, 2021	<u>\$ 9,855,251</u>	<u>\$ (5,288,512)</u>	<u>\$ 4,566,739</u>

OPEB expense recognized for fiscal year ended September 30, 2021 totaled \$1,775,874.

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 13 - Other Post-Employment Benefits (continued)

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

Summary of Deferred Outflows and Inflows		
	Deferred Outflows	Deferred Inflows
Unexpected investment income	\$ -	\$ 431,774
Demographic experience	253,064	1,421,634
Assumption changes	1,815,364	130,912
Total	\$ 2,068,428	\$ 1,984,320

Fiscal Year:	OPEB Amortization
2022	\$ 837,358
2023	\$ 111,869
2024	(347,958)
2025	(428,436)
2026	(88,725)
After	-
	\$ 84,108
Balance as of September 30, 2021	\$ 2,968,771

Note 14 - 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, 2021:

Source of deposits:

Tax increment financing - Miami-Dade County	\$ 1,211,375
Tax increment financing - City	1,590,346
Interest earnings	28,644
Other revenues	6,464
Total sources	\$ 2,836,829

Purpose of withdrawals:

Dedicated personnel allocation	\$ 121,634
City administrative cost allocation	318,070
Debt service	182,987
Grants to private organizations	515,771
Operating	436,317
Total withdrawals	\$ 1,574,779

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, 2021

Note 14 - 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 164th 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 202 was \$433,637 and in fiscal year 2021 was \$474,157. Individual financial statements for the NMBBCRA are available through the finance department of the City at 17011 NE 19th Avenue, North Miami Beach, Florida 33162.

Note 15 – Prior Period Adjustment

The City recorded a prior period adjustment due to a change in the allocation for balances determined through actuarial valuation for the General Employee Pension Plan of the City of North Miami Beach. In addition, a prior period adjustment was recorded due to a balance that was carried on the balance sheet for the Water Utility Fund that was removed. The prior period adjustments were as follows:

Enterprise Funds

	Water Utility	Wastewater Utility	Solid Waste	Stormwater Utility	Building Fund
Net position, September 30, 2020, as previously reported	\$ 89,461,773	\$ 27,750,841	\$ 143,683	\$ 4,673,524	\$ 9,147,106
Prior period adjustment:					
CIP balance	(682,596)	-	-	-	-
Deferred outflows - pension	(200)	(89)	(205)	78	21
Net pension liability	4,417,046	463,680	(929,567)	(372,461)	(1,303,579)
Net position, as restated, October 1, 2020	<u>\$ 93,196,023</u>	<u>\$ 28,214,432</u>	<u>\$ (786,089)</u>	<u>\$ 4,301,141</u>	<u>\$ 7,843,548</u>

**Information
Technology**

Internal Service Funds

Net position, September 30, 2020, as previously reported	\$ 2,536,828
Prior period adjustment:	
Deferred outflows - pension	(205)
Net pension liability	(1,832,719)
Net position, as restated, October 1, 2020	<u>\$ 703,904</u>

Business-Type Activities

Net position, September 30, 2020, as previously reported	\$ 132,508,762
Prior period adjustment:	
CIP balance	(682,596)
Deferred outflows - pension	(503)
Net pension liability	1,312,942
Net position, as restated, October 1, 2020	<u>\$ 133,138,605</u>

Governmental Activities

Net position, September 30, 2020, as previously reported	\$ 32,965,079
Prior period adjustment:	
Deferred outflows - pension	395
Net pension liability	(1,390,319)
Net position, as restated, October 1, 2020	<u>\$ 31,575,155</u>

Note 16 – Subsequent Events

In February 2022, the City refunded Series 2011 bond and issued a TD Bank General Obligation Refunding Note, Series 2022, in the principal amount of \$9,191,000. This General Obligation Note resulted in a net present value savings of \$1,379,165, or 15.32% as a percentage of the refunded notes. The Note bears interest at a fixed rate of 1.52% over the remaining life of the loan.

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

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, 2021

<u>REVENUES</u>	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/ (Negative)
	Original	Final		
Taxes:				
Property taxes	\$ 20,791,193	\$ 20,791,193	\$ 20,923,348	\$ 132,155
User surcharges	8,831,000	8,831,000	9,251,375	420,375
Utility taxes	3,666,950	3,666,950	3,758,218	91,268
Communication service taxes	1,662,000	1,662,000	1,748,083	86,083
Sales taxes	3,181,000	3,181,000	3,981,694	800,694
Franchise fees	3,098,700	3,098,700	4,055,017	956,317
Fuel taxes	<u>745,000</u>	<u>745,000</u>	<u>806,391</u>	<u>61,391</u>
Total taxes	41,975,843	41,975,843	44,524,126	2,548,283
Intergovernmental:				
State shared revenue	1,489,000	1,489,000	1,927,226	438,226
State insurance premium taxes	500,000	500,000	683,706	183,706
Other state and county revenues	<u>160,200</u>	<u>160,200</u>	<u>301,271</u>	<u>141,071</u>
Total intergovernmental	2,149,200	2,149,200	2,912,203	763,003
Charges for services:				
General services fees	789,056	789,056	840,669	51,613
Parks & recreation fees	968,400	968,400	311,824	(656,576)
Police services fees	<u>202,900</u>	<u>202,900</u>	<u>171,245</u>	<u>(31,655)</u>
Total charges for services	1,960,356	1,960,356	1,323,738	(636,618)
Fines and forfeitures	1,463,000	1,463,000	1,105,209	(357,791)
Licenses and permits	957,950	957,950	969,811	11,861
Other income:				
Investment income	300,500	300,500	131,583	(168,917)
Impact fees	12,500	12,500	478,018	465,518
Miscellaneous	<u>146,000</u>	<u>146,000</u>	<u>773,800</u>	<u>627,800</u>
Total other income	459,000	459,000	1,383,401	924,401
Total revenues	<u>\$ 48,965,349</u>	<u>\$ 48,965,349</u>	<u>\$ 52,218,488</u>	<u>\$ 3,253,139</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/ (Negative)
	Original	Final		
<u>EXPENDITURES</u>				
Operating expenditures:				
General government:				
Administrative	\$ 1,620,867	\$ 1,813,867	\$ 1,638,570	\$ 175,297
Legislative	7,624,800	7,668,724	8,277,242	(608,518)
Executive	3,547,135	3,588,030	3,628,350	(40,320)
Human resources	3,768,385	3,968,385	3,183,621	784,764
Financial services	<u>1,546,389</u>	<u>1,546,389</u>	<u>1,482,298</u>	<u>64,091</u>
Total general government	18,107,576	18,585,395	18,210,081	375,314
Public safety	23,793,740	24,535,200	24,505,402	29,798
Library	1,233,832	1,222,972	1,045,884	177,088
Parks & recreation	4,862,164	4,862,365	4,047,753	814,612
Public services	<u>5,936,005</u>	<u>6,054,306</u>	<u>5,407,538</u>	<u>646,768</u>
Total operating expenditures	53,933,317	55,260,238	53,216,658	2,043,580
Capital Outlay:				
General government	-	178,247	49,012	129,235
Public safety	1,300,500	1,672,497	1,032,071	640,426
Library	170,000	273,560	133,941	139,619
Parks & recreation	2,301,500	2,573,285	443,921	2,129,364
Public works	<u>9,104,676</u>	<u>10,625,980</u>	<u>2,268,340</u>	<u>8,357,640</u>
Total capital outlay	<u>12,876,676</u>	<u>15,323,569</u>	<u>3,927,285</u>	<u>11,396,284</u>
Total expenditures	66,809,993	70,583,807	57,143,943	13,439,864
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,079,121	7,079,121	7,106,538	27,417
Appropriations of prior year fund balance	<u>10,765,523</u>	<u>14,539,337</u>	-	<u>(14,539,337)</u>
Total other financing sources (uses)	<u>17,844,644</u>	<u>21,618,458</u>	<u>7,106,538</u>	<u>(14,511,920)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,181,083</u>	<u>\$ 2,181,083</u>

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, 2021

	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,801,721	\$ 2,801,721	\$ 2,801,721	\$ -
Other income	<u>15,000</u>	<u>15,000</u>	<u>35,108</u>	<u>20,108</u>
Total revenues	2,816,721	2,816,721	2,836,829	20,108
Expenditures:				
Operating:				
General government	2,389,888	2,389,888	1,073,276	1,316,612
Capital outlay	3,070,001	3,070,001	-	3,070,001
Debt service:				
Principal	166,700	166,700	166,667	33
Interest and other fiscal charges	<u>33,500</u>	<u>33,500</u>	<u>16,320</u>	<u>17,180</u>
Total expenditures	<u>5,660,089</u>	<u>5,660,089</u>	<u>1,256,263</u>	<u>4,403,826</u>
Excess (deficiency) of revenues over expenditures	(2,843,368)	(2,843,368)	1,580,566	4,423,934
Other financing sources (uses):				
Transfers out	(318,516)	(318,516)	(318,516)	-
Appropriations of prior year fund balance	<u>3,161,884</u>	<u>3,161,884</u>	<u>-</u>	<u>(3,161,884)</u>
Total other financing sources (uses)	<u>2,843,368</u>	<u>2,843,368</u>	<u>(318,516)</u>	<u>(3,161,884)</u>
Net changes in fund balance	\$ -	\$ -	\$ 1,262,050	\$ 1,262,050
Fund balance, beginning			<u>4,347,874</u>	
Fund balance, ending			<u>\$ 5,609,924</u>	

See notes to budgetary comparison schedules

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2021

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 Legislative and Executive expenses are the result of 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 paid were less than originally budgeted for the fiscal year.

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

Measurement date September 30,	Retirement Plan for General Employees						
	2014	2015	2016	2017	2018	2019	2020
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
Changes for the year:							
Service cost	1,258,325	1,151,136	1,156,065	953,146	520,878	551,760	611,266
Interest	7,539,274	7,805,702	7,928,162	8,273,928	8,254,998	8,371,153	8,298,157
Difference between expected and actual experience	515,726	867,625	(350,213)	458,125	(1,239,946)	328,330	(358,942)
Change of assumptions	-	-	-	2,910,146	1,375,883	1,205,340	(697,129)
Benefit payments	(5,377,791)	(6,859,718)	(7,137,255)	(8,348,341)	(7,170,315)	(7,566,804)	(7,245,758)
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
Total pension liability - ending (a)	<u>\$ 102,007,534</u>	<u>\$ 104,972,279</u>	<u>\$ 106,569,038</u>	<u>\$ 110,816,042</u>	<u>\$ 112,557,540</u>	<u>\$ 115,447,319</u>	<u>\$ 116,054,913</u>
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
Employer contributions	3,545,108	3,528,201	3,285,155	3,249,182	3,453,684	3,205,197	3,375,895
Employee contributions	643,099	632,868	708,318	551,371	387,959	416,359	456,079
Net investment income (loss)	7,469,081	(261,263)	5,109,744	8,115,172	6,816,079	2,387,615	4,229,584
Benefit payments	(5,377,791)	(6,859,718)	(7,137,255)	(8,348,341)	(7,170,315)	(7,566,804)	(7,245,758)
Administrative expenses	(165,534)	(159,900)	(180,748)	(178,133)	(219,961)	(181,068)	(185,526)
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
Plan fiduciary net position - ending (b)	<u>\$ 77,890,314</u>	<u>\$ 74,770,502</u>	<u>\$ 76,555,716</u>	<u>\$ 79,944,967</u>	<u>\$ 83,212,413</u>	<u>\$ 81,473,712</u>	<u>\$ 82,103,986</u>
Net pension liability (a-b)	<u>\$ 24,117,220</u>	<u>\$ 30,201,777</u>	<u>\$ 30,013,322</u>	<u>\$ 30,871,075</u>	<u>\$ 29,345,127</u>	<u>\$ 33,973,607</u>	<u>\$ 33,950,927</u>
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%
Covered payroll	\$ 8,935,213	\$ 8,438,765	\$ 7,937,439	\$ 6,934,420	\$ 5,137,361	\$ 5,695,108	\$ 6,465,047
Net pension liability as a percentage of covered payroll	269.91%	357.89%	378.12%	445.19%	571.21%	596.54%	525.15%

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 SEVEN FISCAL YEARS

Measurement date September 30,	Retirement Plan for Police Officers and Firefighters						
	2014	2015	2016	2017	2018	2019	2020
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
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
Interest	9,980,051	10,286,023	10,661,632	10,759,761	11,191,959	11,420,764	11,690,703
Difference between expected and actual experience	-	780,939	(1,344,143)	469,201	1,905,934	1,037,755	1,338,857
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
Benefit payments	(8,827,646)	(7,129,311)	(9,731,347)	(10,098,177)	(11,708,778)	(9,636,758)	(11,451,292)
Net change in total pension liability	<u>2,769,312</u>	<u>6,209,360</u>	<u>1,430,282</u>	<u>6,288,548</u>	<u>11,151,434</u>	<u>4,598,708</u>	<u>(1,977,926)</u>
Total pension liability - ending (a)	<u>\$ 130,231,957</u>	<u>\$ 136,441,317</u>	<u>\$ 137,871,599</u>	<u>\$ 144,160,147</u>	<u>\$ 155,311,581</u>	<u>\$ 159,910,289</u>	<u>\$ 157,932,363</u>
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
Employer contributions	6,357,669	6,498,316	6,254,492	5,589,783	5,550,473	5,843,206	6,273,855
Employee contributions	775,749	669,356	692,487	765,541	792,489	781,702	874,725
Other contributions	790,839	690,234	605,857	508,655	490,173	490,173	509,062
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
Benefit payments	(8,827,646)	(7,129,311)	(9,731,347)	(10,098,177)	(11,708,778)	(9,636,758)	(11,451,292)
Administrative expenses	(179,329)	(227,726)	(237,405)	(257,983)	(226,568)	(204,210)	(217,285)
Other changes	(410,985)	475,780	-	12,861	26,751	-	16,714
Net change in plan fiduciary position	<u>7,040,761</u>	<u>(1,940,995)</u>	<u>2,822,451</u>	<u>6,219,453</u>	<u>2,520,254</u>	<u>(1,325,892)</u>	<u>1,634,524</u>
Plan fiduciary net position - ending (b)	<u>\$ 93,283,466</u>	<u>\$ 91,342,471</u>	<u>\$ 94,164,922</u>	<u>\$ 100,384,375</u>	<u>\$ 102,904,629</u>	<u>\$ 101,578,737</u>	<u>\$ 103,213,261</u>
Net pension liability (a-b)	<u>\$ 36,948,491</u>	<u>\$ 45,098,846</u>	<u>\$ 43,706,677</u>	<u>\$ 43,775,772</u>	<u>\$ 52,406,952</u>	<u>\$ 58,331,552</u>	<u>\$ 54,719,102</u>
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%
Covered payroll	\$ 5,597,265	\$ 5,127,475	\$ 6,586,705	\$ 6,573,350	\$ 6,128,138	\$ 6,532,396	\$ 6,087,500
Net pension liability as a percentage of covered payroll	660.12%	879.55%	663.56%	665.96%	855.19%	892.96%	898.88%

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 SEVEN FISCAL YEARS

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

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 FOUR FISCAL YEARS

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

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 SEVEN FISCAL YEARS

Fiscal Year Ended	Employer Contributions	Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as percentage of covered payroll	Actuarial Assumptions
Retirement Plan for General Employees						
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
<p>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.</p> <p>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, setback four years, without projected mortality improvements.</p>						
Retirement Plan for Police Officers and Firefighters						
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	-	6,500,634	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%	Inflation - after January 31, 2016
<p>Inflation</p> <p>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.</p>						
Retirement Plan and Trust for General Management Employees						
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
<p>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.</p>						
Other Post Employment Benefits						
9/30/2018	250,000	-	250,000	16,884,762	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	250,000	-	250,000	26,053,434	0.96%	Healthcare cost trend rate
<p>Inflation</p> <p>PUB-2010 with generational improvements using Scale MP-2018</p>						

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 SEVEN FISCAL YEARS

Measurement date June 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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%
City's proportionate share of the net pension liability	\$ 48,034	\$ 74,698	\$ 79,456	\$ 68,358	\$ 107,102	\$ 125,318	\$ 18,852
Covered payroll	\$ 21,291	\$ 21,692	\$ 21,769	\$ 19,804	\$ 21,759	\$ 21,765	\$ 21,611
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%
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%
<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%
City's proportionate share of the net pension liability	\$ 7,406	\$ 8,154	\$ 7,247	\$ 6,384	\$ 7,221	\$ 7,746	\$ 7,489
Covered payroll	\$ 21,685	\$ 21,353	\$ 21,769	\$ 19,804	\$ 21,759	\$ 21,765	\$ 21,611
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%
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%

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 SEVEN FISCAL YEARS

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

Fiscal Year	Annual Required Contribution	Employer Contribution	Total Contributions	Percentage Contributed
<u>Excess Benefit Plan</u>				
2011	\$ 197	\$ 197	\$ 197	100%
2012	204	204	204	100%
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%

**COMBINING, INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF NORTH MIAMI BEACH, FLORIDA
FUND DESCRIPTIONS – NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

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 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 35th 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. 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 164th 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. 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, 2021

Special Revenue Funds

	Grants Funds	Transit Surtax	Confiscated Property	Eastern Shores Security Special Taxing District	Eastern Shores First Addition Security Guard Special Taxing District	Total Special Revenue
<u>ASSETS</u>						
Pooled cash and investments	\$ 139,394	\$ 171,936	\$ 2,507,863	\$ 207,533	\$ 171,114	\$ 3,197,840
Accounts receivable:						
Intergovernmental	-	571,304	-	4,250	3,313	578,867
Grants	836,681	-	-	-	-	836,681
Prepays	-	-	41,165	-	-	41,165
Total assets	<u>\$ 976,075</u>	<u>\$ 743,240</u>	<u>\$ 2,549,028</u>	<u>\$ 211,783</u>	<u>\$ 174,427</u>	<u>\$ 4,654,553</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 126,731	\$ 170,080	\$ 83,717	\$ 2,802	\$ 11,289	\$ 394,619
Due to other funds	863,983	-	-	-	-	863,983
Total liabilities	<u>990,714</u>	<u>170,080</u>	<u>83,717</u>	<u>2,802</u>	<u>11,289</u>	<u>1,258,602</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Taxes received in advance	-	398,616	-	-	-	398,616
Total liabilities and deferred inflows of resources	<u>990,714</u>	<u>568,696</u>	<u>83,717</u>	<u>2,802</u>	<u>11,289</u>	<u>1,657,218</u>
Fund balances:						
Nonspendable:						
Prepays	-	-	41,165	-	-	41,165
Restricted:						
Interlocal agreements	(14,639)	174,544	-	-	-	159,905
Special Taxing Districts	-	-	-	208,981	163,138	372,119
Public Safety	-	-	2,424,146	-	-	2,424,146
Total fund balances	<u>(14,639)</u>	<u>174,544</u>	<u>2,465,311</u>	<u>208,981</u>	<u>163,138</u>	<u>2,997,335</u>
Total liabilities and fund balances	<u>\$ 976,075</u>	<u>\$ 743,240</u>	<u>\$ 2,549,028</u>	<u>\$ 211,783</u>	<u>\$ 174,427</u>	<u>\$ 4,654,553</u>

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2021

	Debt Service Funds				Total Debt Service
	Series 2011	Series 2012	Series 2013	Series 2015	
<u>ASSETS</u>					
Pooled cash and investments	\$ -	\$ 6,277	\$ 85,390	\$ 651	\$ 92,318
Total assets	\$ -	\$ 6,277	\$ 85,390	\$ 651	\$ 92,318
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	16,340	-	-	-	16,340
Total liabilities	16,340	-	-	-	16,340
Fund balances:					
Restricted:					
Debt service	-	6,277	85,390	651	92,318
Unassigned:	(16,340)	-	-	-	(16,340)
Total fund balances	(16,340)	6,277	85,390	651	75,978
Total liabilities and fund balances	\$ -	\$ 6,277	\$ 85,390	\$ 651	\$ 92,318

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2021

	Capital Projects Fund	Total Capital Projects	Total Non-major Governmental Funds
<u>ASSETS</u>	Alley Restoration Program		
Pooled cash and investments	\$ 293,383	\$ 293,383	\$ 3,583,541
Accounts receivable:			
Intergovernmental	-	-	578,867
Grants	-	-	836,681
Prepaid costs	-	-	41,165
Total assets	\$ 293,383	\$ 293,383	\$ 5,040,254
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 394,619
Due to other funds	-	-	880,323
Total liabilities	-	-	1,274,942
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Taxes received in advance	-	-	398,616
Total liabilities and deferred inflows of resources	-	-	398,616
Fund balances:			
Nonspendable:			
Prepaid costs	-	-	41,165
Restricted:			
Interlocal agreements	-	-	159,905
Special Taxing Districts	-	-	372,119
Debt service	-	-	92,318
Public Safety	-	-	2,424,146
Committed:			
Alley restoration	293,383	293,383	293,383
Unassigned:			
Debt service	-	-	(16,340)
Total fund balances	293,383	293,383	3,366,696
Total fund balances and liabilities	\$ 293,383	\$ 293,383	\$ 5,040,254

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, 2021

	Special Revenue Funds					
	Grants Funds	Transit Surtax	Confiscated Property	Eastern Shores Security Special Taxing District	Eastern Shores First Addition Security Guard Special Taxing District	Total Special Revenue
Revenues:						
Intergovernmental	\$ -	\$ 1,773,039	\$ -	\$ -	\$ -	\$ 1,773,039
Grants	1,399,109	-	-	-	-	1,399,109
Non-Ad valorem assessments	-	-	-	450,066	205,226	655,292
Fines and forfeitures	-	-	118,695	-	-	118,695
Miscellaneous	-	-	4,684	2,695	828	8,207
Total revenues	<u>1,399,109</u>	<u>1,773,039</u>	<u>123,379</u>	<u>452,761</u>	<u>206,054</u>	<u>3,954,342</u>
Expenditures:						
Operating expenditures:						
General government	487,826	-	-	-	-	487,826
Public safety	206,977	-	1,030,990	437,664	150,215	1,825,846
Library	91,643	-	-	-	-	91,643
Parks & Recreation	232,366	-	-	-	-	232,366
Public works	86,696	1,040,009	-	-	-	1,126,705
Capital outlay	<u>422,140</u>	<u>479,978</u>	<u>480,585</u>	<u>43,678</u>	<u>-</u>	<u>1,426,381</u>
Total expenditures	<u>1,527,648</u>	<u>1,519,987</u>	<u>1,511,575</u>	<u>481,342</u>	<u>150,215</u>	<u>5,190,767</u>
Excess (deficiency) of revenues over expenditures	(128,539)	253,052	(1,388,196)	(28,581)	55,839	(1,236,425)
Other financing uses:						
Transfers out	<u>(27,417)</u>	<u>(168,347)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,764)</u>
Total other financing uses	<u>(27,417)</u>	<u>(168,347)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,764)</u>
Net change in fund balances	(155,956)	84,705	(1,388,196)	(28,581)	55,839	(1,432,189)
Fund balances, beginning	<u>141,317</u>	<u>89,839</u>	<u>3,853,507</u>	<u>237,562</u>	<u>107,299</u>	<u>4,429,524</u>
Fund balances, ending	<u>\$ (14,639)</u>	<u>\$ 174,544</u>	<u>\$ 2,465,311</u>	<u>\$ 208,981</u>	<u>\$ 163,138</u>	<u>\$ 2,997,335</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, 2021

	Debt Service Funds				Total Debt Service
	Series 2011	Series 2012	Series 2013	Series 2015	
Revenues:					
Property taxes	\$ 1,210,778	\$ 794,702	\$ -	\$ -	\$ 2,005,480
Expenditures:					
Debt service:					
Principal	720,000	720,000	-	-	1,440,000
Interest and other fiscal charges	490,758	75,117	-	-	565,875
Total expenditures	<u>1,210,758</u>	<u>795,117</u>	<u>-</u>	<u>-</u>	<u>2,005,875</u>
Excess (deficiency) of revenues over expenditures	20	(415)	-	-	(395)
Net change in fund balances	20	(415)	-	-	(395)
Fund balances, beginning	(16,360)	6,692	85,390	651	76,373
Fund balances, ending	<u>\$ (16,340)</u>	<u>\$ 6,277</u>	<u>\$ 85,390</u>	<u>\$ 651</u>	<u>\$ 75,978</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, 2021

	Capital Projects Fund	Total Capital Projects	Total Non-major Governmental Funds
	Alley Restoration Program		
Revenues:			
Property taxes	\$ -	\$ -	\$ 2,005,480
Intergovernmental	-	-	1,773,039
Non-Ad valorem assessments	-	-	655,292
Grants	-	-	1,399,109
Fines and forfeitures	-	-	118,695
Other income	-	-	8,207
Total revenues	-	-	5,959,822
Expenditures:			
Operating expenditures:			
Public safety	-	-	1,825,846
Library	-	-	91,643
Parks & Recreation	-	-	232,366
Public works	-	-	1,126,705
Capital outlay	-	-	1,426,381
Debt service:			
Principal	-	-	1,440,000
Interest and other fiscal charges	-	-	565,875
Total expenditures	-	-	7,196,642
Excess (deficiency) of revenues over expenditures	-	-	(1,236,820)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(195,764)
Total other financing uses	-	-	(195,764)
Net change in fund balances	-	-	(1,432,584)
Fund balances, beginning	293,383	293,383	4,799,280
Fund balances, ending	\$ 293,383	\$ 293,383	\$ 3,366,696

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, 2021

TRANSIT SURTAX FUND				
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,975,376	\$ 1,975,376	\$ 1,773,039	\$ (202,337)
Expenditures:				
Operating expenditures:				
Public works	1,609,674	1,659,674	1,040,009	619,665
Capital outlay	<u>1,708,021</u>	<u>1,830,310</u>	<u>479,978</u>	<u>1,350,332</u>
Total expenditures	<u>3,317,695</u>	<u>3,489,984</u>	<u>1,519,987</u>	<u>1,969,997</u>
Deficiency of revenues over expenditures	(1,342,319)	(1,514,608)	253,052	1,767,660
Other financing sources (uses):				
Transfers out	(168,347)	(168,347)	(168,347)	-
Appropriations of prior year fund balance	<u>1,510,666</u>	<u>1,682,955</u>	<u>-</u>	<u>(1,682,955)</u>
Total other financing sources (uses)	<u>1,342,319</u>	<u>1,514,608</u>	<u>(168,347)</u>	<u>(1,682,955)</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	84,705	<u>\$ 84,705</u>
Fund balance, beginning			<u>89,839</u>	
Fund balance, ending			<u>\$ 174,544</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, 2021

	Eastern Shores Security Special Taxing District				Eastern Shores First Addition Security Guard Special Taxing District			
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final			Original	Final		
Revenues:								
Non-Ad valorem Assessments	\$ 443,852	\$ 443,852	\$ 450,066	\$ 6,214	\$ 203,395	\$ 203,395	\$ 205,226	\$ 1,831
Other revenue	5,000	5,000	2,695	(2,305)	2,500	2,500	828	(1,672)
Total revenues	<u>448,852</u>	<u>448,852</u>	<u>452,761</u>	<u>3,909</u>	<u>205,895</u>	<u>205,895</u>	<u>206,054</u>	<u>159</u>
Expenditures:								
Operating expenditures:								
Public Safety	448,852	448,852	437,664	11,188	180,141	192,971	150,215	42,756
Capital outlay	-	-	43,678	(43,678)	-	-	-	-
Total expenditures	<u>448,852</u>	<u>448,852</u>	<u>481,342</u>	<u>(32,490)</u>	<u>180,141</u>	<u>192,971</u>	<u>150,215</u>	<u>42,756</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(28,581)</u>	<u>(28,581)</u>	<u>25,754</u>	<u>12,924</u>	<u>55,839</u>	<u>42,915</u>
Other financing sources (uses):								
Appropriations of prior year fund balance	-	-	-	-	25,754	12,924	-	(12,924)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,754</u>	<u>12,924</u>	<u>-</u>	<u>(12,924)</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,581)</u>	<u>\$ (28,581)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,839</u>	<u>\$ 55,839</u>
Fund balance, beginning			<u>237,562</u>				<u>107,299</u>	
Fund balance, ending			<u>\$ 208,981</u>				<u>\$ 163,138</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, 2021

	SERIES 2011				SERIES 2012			
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final			Original	Final		
Revenues:								
Property taxes	\$ 1,210,778	\$ 1,210,778	\$ 1,210,778	\$ -	\$ 794,702	\$ 794,702	\$ 794,702	\$ -
Total revenues	1,210,778	1,210,778	1,210,778	-	794,702	794,702	794,702	-
Expenditures:								
Debt service:								
Principal	720,000	720,000	720,000	-	720,000	720,000	720,000	-
Interest and other fiscal charges	507,278	507,278	490,758	16,520	74,702	74,702	75,117	(415)
Total expenditures	1,227,278	1,227,278	1,210,758	16,520	794,702	794,702	795,117	(415)
Net changes in fund balance	\$ (16,500)	\$ (16,500)	20	\$ 16,520	\$ -	\$ -	(415)	\$ (415)
Fund balance, beginning			(16,360)				6,692	
Fund balance, ending			\$ (16,340)				\$ 6,277	(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, 2021

	SERIES 2013				SERIES 2015			
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final			Original	Final		
Expenditures:								
Debt service:								
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and other fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Other financing sources:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net changes in fund balance	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -
Fund balance, beginning			85,390				651	
Fund balance, ending			<u>\$ 85,390</u>				<u>\$ 651</u>	(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, 2021

ALLEY RESTORATION PROGRAM				
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final		
Expenditures:				
Capital outlay	\$ 293,383	\$ 293,383	\$ -	\$ 293,383
Total expenditures	293,383	293,383	-	293,383
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	\$ -	\$ -	-	\$ -
Fund balance, beginning			293,383	
Fund balance, ending			\$ 293,383	

NON-MAJOR ENTERPRISE FUNDS

CITY OF NORTH MIAMI BEACH, FLORIDA
FUND DESCRIPTIONS – NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2021

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, 2021

	Stormwater Utility	Building Fund	Total
<u>ASSETS</u>			
Current assets:			
Pooled cash and investments	\$ 1,610,286	\$ 10,914,718	\$ 12,525,004
Accounts receivable, net	169,784	-	169,784
Prepaid expenses	-	6,357	6,357
Total current assets	1,780,070	10,921,075	12,701,145
Non-current assets			
Capital assets, non-depreciable	1,275,947	39,621	1,315,568
Capital assets - net of accumulated depreciation	2,795,108	89,625	2,884,733
Total assets	\$ 5,851,125	\$ 11,050,321	\$ 16,901,446
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	\$ 156,583	\$ 535,053	\$ 691,636
Other post employment benefits	12,985	62,209	75,194
Total deferred outflows of resources	\$ 169,568	\$ 597,262	\$ 766,830
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,020,693	\$ 11,647,583	\$ 17,668,276
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 268,205	\$ 308,320	\$ 576,525
Current portions of:			
Compensated absences	5,456	22,179	27,635
Total current liabilities	273,661	330,499	604,160
Non-current liabilities:			
Net pension liability	849,252	1,155,745	2,004,997
Compensated absences	16,366	66,536	82,902
Other post-employment benefits	54,929	186,031	240,960
Total non-current liabilities	920,547	1,408,312	2,328,859
Total liabilities	\$ 1,194,208	\$ 1,738,811	\$ 2,933,019
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	\$ 10,877	\$ 841,507	\$ 852,384
Other post employment benefits	23,095	77,454	100,549
Total deferred inflows of resources	\$ 33,972	\$ 918,961	\$ 952,933
<u>NET POSITION</u>			
Net investment in capital assets	\$ 4,071,055	\$ 129,246	\$ 4,200,301
Unrestricted	721,458	8,860,565	9,582,023
Total net position	\$ 4,792,513	\$ 8,989,811	\$ 13,782,324

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, 2021

	Stormwater Utility	Building Fund	Total
Operating revenues:			
Service revenues	\$ 1,552,623	\$ 2,719,378	\$ 4,272,001
Total operating revenues	<u>1,552,623</u>	<u>2,719,378</u>	<u>4,272,001</u>
Operating expenses:			
Personnel services	445,720	1,365,081	1,810,801
Other operating costs	258,534	252,840	511,374
Depreciation	190,137	23,894	214,031
Total operating expenses	<u>894,391</u>	<u>1,641,815</u>	<u>2,536,206</u>
Operating income (loss)	658,232	1,077,563	1,735,795
Non-operating revenue (expense):			
Investment income	1,429	36,862	38,291
Miscellaneous income	-	372,381	372,381
Interest and other fiscal charges	<u>(4,237)</u>	<u>-</u>	<u>(4,237)</u>
Total non-operating revenue	<u>(2,808)</u>	<u>409,243</u>	<u>406,435</u>
Income before transfers	655,424	1,486,806	2,142,230
Transfers out	<u>(164,052)</u>	<u>(340,543)</u>	<u>(504,595)</u>
Change in net position	491,372	1,146,263	1,637,635
Net position beginning, as previously stated	4,673,524	9,147,106	13,820,630
Prior period adjustment (Note 15)	<u>(372,383)</u>	<u>(1,303,558)</u>	<u>(1,675,941)</u>
Net position beginning, as restated	<u>4,301,141</u>	<u>7,843,548</u>	<u>12,144,689</u>
Net position, ending	<u>\$ 4,792,513</u>	<u>\$ 8,989,811</u>	<u>\$ 13,782,324</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Stormwater Utility	Building Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,531,558	\$ 3,091,972	\$ 4,623,530
Cash payments to internal service funds	(19,973)	(159,780)	(179,753)
Cash payments to suppliers	(79,637)	(87,628)	(167,265)
Cash payments to and on behalf of employees	(416,539)	(1,537,386)	(1,953,925)
Net cash provided by operating activities	<u>1,015,409</u>	<u>1,307,178</u>	<u>2,322,587</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	(164,052)	(340,543)	(504,595)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(213,521)	(25,189)	(238,710)
Principal paid on long-term debt	(194,358)	-	(194,358)
Interest paid on long-term debt	(4,237)	-	(4,237)
Net cash used in capital and related financing activities	<u>(412,116)</u>	<u>(25,189)</u>	<u>(437,305)</u>
Cash flows from investing activities:			
Investment income	1,429	36,862	38,291
Net cash provided by investing activities	<u>1,429</u>	<u>36,862</u>	<u>38,291</u>
Net increase in pooled cash and investments:	440,670	978,308	1,418,978
Pooled cash and investments, beginning	1,169,616	9,936,410	11,106,026
Pooled cash and investments, ending	<u>\$ 1,610,286</u>	<u>\$ 10,914,718</u>	<u>\$ 12,525,004</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 658,232	\$ 1,077,563	\$ 1,735,795
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	190,137	23,894	214,031
Other income	-	372,381	372,381
Changes in operating assets and liabilities:			
(Increase) decrease :			
Accounts receivable	(21,065)	213	(20,852)
Prepaid	-	(2,705)	(2,705)
Deferred outflows of pension resources	30,516	117,868	148,384
Deferred outflows of OPEB resources	(7,079)	860,057	852,978
Increase (decrease) in:			
Vouchers payable and accrued liabilities	154,057	(64,143)	89,914
Pension and OPEB liabilities	10,611	(1,077,950)	(1,067,339)
Total adjustments	<u>357,177</u>	<u>229,615</u>	<u>586,792</u>
Net cash provided by operating activities	<u>\$ 1,015,409</u>	<u>\$ 1,307,178</u>	<u>\$ 2,322,587</u>
Non-cash investing, capital and financing activities:			
Decrease in fair value of investments	<u>\$ (16,585)</u>	<u>\$ (112,414)</u>	<u>\$ (128,999)</u>

FIDUCIARY FUNDS

CITY OF NORTH MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Pension Trust Funds</u>				
	<u>General Employees</u>	<u>Police Officers and Firefighters</u>	<u>General Management Employees</u>	<u>OPEB Trust</u>	<u>Total</u>
<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	24,087,435	5,288,512	36,095,191
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	<u>93,824,376</u>	<u>116,951,898</u>	<u>24,087,435</u>	<u>5,288,512</u>	<u>240,152,221</u>
Accrued interest receivable	89,058	134,083	-	-	223,141
Other receivables	189,090	767,275	-	-	956,365
Total assets	<u>\$ 94,131,106</u>	<u>\$ 117,872,167</u>	<u>\$ 24,087,435</u>	<u>\$ 5,288,512</u>	<u>\$ 241,379,220</u>
<u>LIABILITIES</u>					
Accounts payable	<u>\$ 789,516</u>	<u>\$ 1,319,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,725</u>
<u>NET POSITION</u>					
Net position restricted for pensions	<u>\$ 93,341,590</u>	<u>\$ 116,552,958</u>	<u>\$ 24,087,435</u>	<u>\$ 5,288,512</u>	<u>\$ 239,270,495</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Pension Trust Funds</u>				<u>Total</u>
	<u>General Employees</u>	<u>Police Officers and Firefighters</u>	<u>General Management Employees</u>	<u>OPEB Trust</u>	
<u>ADDITIONS</u>					
Contributions:					
Employer	\$ 3,371,110	\$ 6,646,690	\$ 204,221	\$ 250,000	\$ 10,472,021
Employee	537,247	1,018,900	74,984	-	1,631,131
State of Florida	<u>-</u>	<u>683,706</u>	<u>-</u>	<u>-</u>	<u>683,706</u>
Total contributions	3,908,357	8,349,296	279,205	250,000	12,786,858
Investment income (expense):					
Net appreciation in fair value of investments	13,774,173	17,209,179	4,587,139	859,609	36,430,100
Interest and dividends	1,701,488	1,851,398	-	-	3,552,886
Investment expenses	<u>(464,758)</u>	<u>(570,168)</u>	<u>(17,879)</u>	<u>-</u>	<u>(1,052,805)</u>
Net investment gain	15,010,903	18,490,409	4,569,260	859,609	38,930,181
Other income	<u>19,243</u>	<u>18,794</u>	<u>-</u>	<u>-</u>	<u>38,037</u>
Total additions	18,938,503	26,858,499	4,848,465	1,109,609	51,755,076
<u>DEDUCTIONS</u>					
Pension benefit payments	7,507,481	13,239,816	1,451,176	-	22,198,473
Administrative expenses	<u>193,418</u>	<u>278,986</u>	<u>50,123</u>	<u>18,889</u>	<u>541,416</u>
Total deductions	<u>7,700,899</u>	<u>13,518,802</u>	<u>1,501,299</u>	<u>18,889</u>	<u>22,739,889</u>
Change in net position	11,237,604	13,339,697	3,347,166	1,090,720	29,015,187
Net position restricted for pensions, beginning	<u>82,103,986</u>	<u>103,213,261</u>	<u>20,740,269</u>	<u>4,197,792</u>	<u>210,255,308</u>
Net position restricted for pensions, ending	<u>\$ 93,341,590</u>	<u>\$ 116,552,958</u>	<u>\$ 24,087,435</u>	<u>\$ 5,288,512</u>	<u>\$ 239,270,495</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

		Police Holding Account			
		Beginning Balance	Seizures	Distributions	Ending Balance
	<u>ASSETS</u>				
Cash		\$ 651,412	\$ 166,726	\$ -	\$ 818,138
	<u>LIABILITIES</u>				
Deposits awaiting adjudication		\$ 651,412	\$ 166,726	\$ -	\$ 818,138

IV. STATISTICAL SECTION

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>
Financial Trends <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>	110-113
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	114-120
Debt Capacity <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>	121-125
Demographic and Economic Information <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>	126-127
Operating Information <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>	128-129

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)

	Fiscal Year									
	<u>2012</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>
Governmental activities:										
Net investment in capital assets	\$ 35,202	\$ 36,494	\$ 41,846	\$ 41,751	\$ 45,614	\$ 47,555	\$ 50,498	\$ 51,941	\$ 57,562	\$ 61,237
Restricted	16,699	15,054	12,186	11,326	10,202	10,412	10,826	10,941	9,836	10,364
Unrestricted	15,121	20,026	22,992	(34,160)	(29,701)	(21,503)	(25,448)	(22,745)	(34,433)	(37,727)
Total governmental activities net position	<u>\$ 67,022</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 81,013	\$ 87,063	\$ 86,582	\$ 92,456	\$ 89,253	\$ 89,394	\$ 97,350	\$ 104,546	\$ 80,272	\$ 109,172
Restricted	1,545	3,380	7,691	10,256	14,524	15,990	5,651	8,880	26,519	20,762
Unrestricted (deficit)	21,600	19,780	25,188	33,337	38,801	44,731	34,893	25,448	25,717	11,738
Total business-type activities net position	<u>\$ 104,158</u>	<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>
Total government:										
Net investment in capital assets	\$ 116,215	\$ 123,557	\$ 128,428	\$ 134,207	\$ 134,867	\$ 136,949	\$ 147,848	\$ 156,487	\$ 137,834	\$ 170,409
Restricted	18,244	18,434	19,877	21,582	24,726	26,402	16,477	19,821	36,355	31,126
Unrestricted	36,721	39,806	48,180	(823)	9,100	23,228	9,445	2,703	(8,716)	(25,989)
Total City net position	<u>\$ 171,180</u>	<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>

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)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 12,016	\$ 11,018	\$ 10,493	\$ 13,752	\$ 15,009	\$ 12,378	\$ 24,627	\$ 16,665	\$ 26,284	\$ 24,173
Public safety	22,452	22,793	22,206	21,824	21,918	25,422	22,918	30,444	31,622	28,564
Parks and Recreation	4,561	4,555	4,771	4,617	5,166	5,432	5,669	5,792	5,376	5,721
Public works	5,213	4,087	4,147	4,386	3,988	4,304	4,811	5,794	5,898	6,394
Interest on long-term debt	1,580	1,153	1,214	813	736	643	1,485	703	633	558
Total governmental activities	<u>45,822</u>	<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>
Business-type activities:										
Water	22,579	23,424	21,082	16,329	26,092	27,015	34,394	35,912	39,073	30,531
Wastewater	3,952	4,156	3,929	4,033	5,306	6,057	11,993	9,451	11,867	7,438
Solid waste	6,574	6,749	7,186	6,551	8,813	8,276	10,355	8,259	11,023	13,770
Stormwater	886	633	645	592	1,002	998	1,022	1,203	1,381	899
Building permits	1,293	1,257	1,289	1,355	2,077	1,567	1,768	1,891	2,219	1,642
Total business-type activities	<u>35,284</u>	<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>
Total government expenses	<u>\$ 81,106</u>	<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>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,676	\$ 1,913	\$ 1,629	\$ 1,732	\$ 1,583	\$ 2,120	\$ 2,612	\$ 1,916	\$ 1,604	\$ 1,810
Public safety	6,801	2,857	1,512	177	194	1,634	1,850	2,073	1,628	1,395
Parks and R.E.C.	838	956	823	841	856	783	933	817	274	312
Public works	(979)	-	-	-	-	-	-	-	-	-
Operating grants and contributions	945	169	78	2,209	2,439	1,438	573	2,082	1,145	1,021
Capital grants and contributions	1,069	1,129	706	543	1,614	440	938	383	178	378
Total governmental activities program revenues	<u>10,350</u>	<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>
Business-type activities:										
Charges for services:										
Water	27,990	27,795	27,547	32,915	30,546	32,232	31,656	34,804	35,979	40,238
Sewer	7,490	7,487	7,532	7,036	6,956	7,451	7,029	9,878	10,040	10,694
Solid waste	9,992	8,832	8,860	8,939	9,343	10,181	9,666	8,812	9,003	11,274
Stormwater	1,279	1,266	1,273	1,269	1,235	1,313	1,221	1,468	1,500	1,553
Building permits	1,514	1,307	2,073	3,800	3,311	4,726	2,565	2,576	1,888	2,719
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,163	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>50,428</u>	<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>
Total program revenues	<u>\$ 60,778</u>	<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>
Net (expense) revenue:										
Governmental activities	\$ (35,472)	\$ (36,582)	\$ (38,083)	\$ (39,890)	\$ (40,131)	\$ (41,764)	\$ (52,604)	\$ (52,127)	\$ (64,984)	\$ (60,494)
Business-type activities	15,144	10,468	13,154	25,099	8,101	11,990	(7,395)	822	(7,153)	12,198
Total net expense	<u>\$ (20,328)</u>	<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>
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,300	\$ 12,364	\$ 12,869	\$ 13,752	\$ 14,067	\$ 16,470	\$ 17,346	\$ 19,671	\$ 21,680	\$ 22,929
Sales and other taxes	9,601	10,021	10,081	11,124	11,399	11,464	11,776	12,919	12,293	14,349
State and local shared revenue	5,325	5,311	5,187	4,319	4,841	5,334	5,465	6,064	6,534	7,487
Unrestricted investment earnings (losses)	223	(389)	700	382	146	173	295	1,112	857	167
User surcharges	-	-	-	-	7,163	8,571	7,164	9,330	9,649	10,384
Miscellaneous	675	441	7,149	7,999	962	890	595	894	363	889
Transfers	12,757	13,386	7,546	7,946	8,750	9,210	10,605	6,398	6,436	6,587
Total governmental activities	<u>41,881</u>	<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>
Business-type activities:										
Unrestricted investment earnings (losses)	94	(324)	956	1,202	845	726	859	1,700	1,471	254
User surcharges	-	-	-	-	3,466	2,842	1,582	1,482	1,350	1,736
Miscellaneous	7,593	9,307	2,673	5,035	2,867	1,190	3,415	3,374	4,403	933
Transfers	(12,757)	(13,386)	(7,546)	(7,946)	(8,750)	(9,210)	(10,605)	(6,398)	(6,436)	(6,587)
Total business-type activities	<u>(5,070)</u>	<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>
Total general revenues	<u>\$ 36,811</u>	<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>
Change in net position:										
Governmental activities	\$ 6,409	\$ 4,552	\$ 5,449	\$ 5,632	\$ 7,197	\$ 10,348	\$ 642	\$ 4,261	\$ (7,172)	\$ 2,298
Business-type activities	10,074	6,065	9,237	23,390	6,529	7,538	(12,144)	980	(6,365)	8,534
Total change in net position	<u>\$ 16,483</u>	<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>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable:										
Inventories	\$ 226,484	\$ 200,022	\$ 185,230	\$ 203,438	\$ 154,851	\$ 147,157	\$ 168,360	\$ 162,606	\$ 376,404	\$ 136,738
Prepaid costs	-	12,576	681	38,731	78,553	32,852	62,268	79,145	639,496	264,201
Restricted:										
Impact fees	114,299	188,418	199,549	629,237	554,641	316,224	1,434,748	1,377,798	1,341,321	1,711,730
Committed:										
Disaster recovery	-	-	-	-	-	-	-	500,000	3,000,000	3,000,000
Assigned:										
Appropriated for next year's budget	-	-	-	-	-	-	-	-	9,405,392	11,699,917
Capital projects and equipment	1,214,391	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
Liability claims	719,451	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
Workers' compensation claims	1,560,601	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
Land acquisition	100,000	100,000	68,574	68,574	68,574	68,574	68,574	68,574	68,574	68,574
Unassigned	11,541,766	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
Total general fund	15,476,992	18,408,594	23,949,213	24,645,502	26,070,938	31,996,966	34,853,552	38,119,215	37,447,887	39,628,970
All other governmental funds:										
Nonspendable:										
Prepaid costs	7,232	416,053	-	6,362	3,740	4,485	3,535	42,676	14,334	46,794
Restricted:										
Grant related	130,565	-	-	-	-	-	-	-	-	-
Debt service	244,360	31,511	139,339	113,003	115,913	117,017	92,082	92,733	92,733	92,318
Community Redevelopment	5,037,009	4,484,008	625,845	719,620	843,322	1,311,639	2,061,946	3,161,884	4,347,874	5,604,295
Interlocal agreements	1,278,569	1,302,212	580,165	1,472,246	1,831,817	1,916,135	1,515,659	1,256,820	231,157	159,905
Special taxing districts	-	-	-	-	-	-	-	241,885	344,861	372,119
Public safety	10,008,634	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
Committed:										
Alley restoration	257,143	258,102	273,623	274,175	293,382	293,382	293,383	293,383	293,383	293,383
Assigned:										
Capital projects and equipment	400,053	519,442	1,069,695	997,485	-	-	-	-	-	-
Unassigned										
Grant related	(159,390)	(135,807)	(71,131)	(74,483)	-	(66,333)	-	-	-	-
Debt service	(202)	(281,259)	-	-	(3,160)	(3,336)	(16,361)	(16,362)	(16,360)	(16,340)
Total all other governmental funds	17,203,973	15,641,495	10,405,881	10,055,509	9,944,243	10,393,588	9,688,348	10,141,122	9,147,155	8,976,620
Total governmental funds	\$ 32,680,965	\$ 34,050,089	\$ 34,355,094	\$ 34,701,011	\$ 36,015,181	\$ 42,390,554	\$ 44,541,900	\$ 48,260,337	\$ 46,595,042	\$ 48,605,590

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)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property taxes	\$ 13,300	\$ 12,364	\$ 12,869	\$ 13,752	\$ 14,067	\$ 16,470	\$ 17,346	\$ 19,671	\$ 21,680	\$ 22,929
User surcharges	-	-	-	-	7,164	8,571	7,164	8,626	8,993	9,729
Franchise fees	1,943	1,898	2,064	2,098	2,072	2,138	2,126	3,110	3,149	4,055
Utility taxes	2,794	2,936	3,162	3,209	3,336	3,406	3,566	3,663	3,636	3,758
Communication service tax	2,168	2,105	1,827	1,792	1,843	1,748	1,682	1,669	1,644	1,748
Other taxes	733	3,932	3,829	4,025	4,149	4,172	4,402	4,477	3,864	4,788
Licenses and permits	919	937	829	940	786	939	978	943	829	970
Intergovernmental revenue	7,288	4,391	4,321	4,319	4,841	5,334	5,465	6,064	6,534	7,487
Charges for services	869	2,130	1,786	1,809	1,847	1,570	1,793	1,768	1,215	1,324
Fines and forfeitures	6,547	2,658	1,349	2,005	3,183	2,842	3,030	3,368	1,968	1,224
Non-ad valorem assessments	-	-	-	-	-	-	-	706	657	655
Other	2,728	1,810	7,997	8,746	1,832	1,224	957	1,848	1,017	2,181
Investment income (losses)	223	(389)	700	382	146	176	295	1,112	857	167
Total revenues	39,512	34,772	40,733	43,077	45,266	48,590	48,804	57,025	56,043	61,015
Expenditures:										
Current:										
General government	10,498	10,052	10,384	12,873	13,179	13,300	16,506	16,037	19,246	19,771
Public safety	21,812	22,147	21,526	21,049	21,196	22,371	23,185	24,381	25,475	26,331
Library	-	-	-	-	-	839	937	1,058	1,043	1,138
Parks and Recreation	4,402	4,382	4,589	4,423	4,992	4,372	4,498	4,505	4,056	4,280
Public works	3,469	3,943	4,004	4,230	3,820	4,093	4,548	5,517	5,615	6,534
Capital outlay	1,675	2,754	3,864	4,985	6,055	3,708	4,018	5,323	5,952	5,354
Debt service:										
Principal	2,338	2,357	5,516	2,441	2,672	2,047	2,089	2,134	2,197	1,607
Interest and other fiscal charges	1,719	1,154	941	813	771	697	1,479	727	652	582
Total expenditures	45,913	46,789	50,824	50,814	52,685	51,427	57,260	59,682	64,236	65,597
Deficiency of revenues over expenditures	(6,401)	(12,017)	(10,091)	(7,737)	(7,419)	(2,837)	(8,456)	(2,657)	(8,193)	(4,582)
Other financing sources (uses):										
Transfers in	14,508	15,089	8,563	9,232	9,628	10,085	11,526	7,507	7,580	7,289
Transfers out	(1,752)	(1,703)	(1,017)	(1,287)	(878)	(872)	(919)	(1,095)	(1,138)	(697)
Lease proceeds	-	-	2,851	-	-	-	-	-	-	-
Debt issuance	8,190	3,719	-	120	-	-	-	-	-	-
Payment to escrow agent	(8,140)	(3,719)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	12,806	13,386	10,397	8,065	8,750	9,213	10,607	6,412	6,442	6,592
Net change in fund balances	6,405	1,369	306	328	1,331	6,376	2,150	3,755	(1,751)	2,010
Fund balances - beginning	26,276	32,681	34,050	34,356	34,684	36,015	42,391	44,505	48,346	46,595
Fund balances - ending	\$ 32,681	\$ 34,050	\$ 34,356	\$ 34,684	\$ 36,015	\$ 42,391	\$ 44,541	\$ 48,260	\$ 46,595	\$ 48,605
Debt service as a percentage of non-capital expenditures	9.17%	7.97%	13.75%	7.10%	7.38%	5.75%	6.70%	5.26%	4.89%	3.63%

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</u> <u>Ended</u> <u>September 30,</u>	<u>Real</u> <u>Property</u>	<u>Personal</u> <u>Property</u>	<u>Centrally</u> <u>Assessed</u>	<u>Total Gross</u> <u>Assessed</u> <u>Value</u>	<u>Real Estate</u> <u>Exempt</u> <u>Properties</u>	<u>Total Net</u> <u>Assessed</u> <u>Value</u>	<u>Total Direct</u> <u>Tax Rate</u>
2012	\$ 1,610,062	\$ 130,944	\$ 1,060	\$ 1,742,066	\$ 2,968	\$ 1,739,098	7.8616
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

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			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		
2012	6.6036	1.2580	7.8616	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	3.4335	24.3901
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

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	2021			2012		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
North MB Owner LLC	Multi Family Units	\$ 63,411	1	2.05%	\$ -	-	-
Dezer Intracoastal Mall LLC	Retail	58,000	2	1.87%	-	-	-
Southern Memorial Park	Special Use	46,860	3	1.51%			
Florida Power & Light	Utility	40,320	4	1.30%	40,934	1	1.59%
Biscayne Commons (Edens) LLC	Retail	31,800	5	0.63%	17,500	4	0.68%
Oleta Partners Biscayne	Retail	19,435	6	0.63%	-	-	-
Grand Island Square LLC	Retail	16,062	7	0.52%	-	-	-
Target Corp	Retail	15,873	8	0.51%	13,500	8	0.52%
Canal Park Office	Office Building	15,374	9	0.50%	-	-	-
No Miami Beach LLC	Mixed Use	15,185	10	0.49%	-	-	-
MSW Intracoastal Mall LLC	Retail				31,900	2	1.24%
A.SUR Net Inc	Telecommunications	-		-	24,376	3	0.95%
Klien Motors	Retail	-		-	17,035	5	0.66%
Costco Corporation	Retail	-		-	16,800	6	0.65%
Divine Square LLC	Condo	-		-	13,884	7	0.54%
Sonic Ward Inc (K-Mart)	Retail	-		-	12,600	9	0.49%
NMB Commerce Center	Office Building	-		-	10,877	10	0.42%
Total		\$ 322,320		10.00%	\$ 199,406		7.73%
Total assessed value				\$ 3,098,154			\$ 2,579,244

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 Ended September 30,	Total Taxes Levied for Operating Purposes for Fiscal Year	Levied Taxes Collected within the Fiscal Year		Delinquent Tax Collections (1)	Total Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$ 11,504	\$ 10,687	93%	\$ 531	\$ 11,218	98%
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%

(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)

Fiscal Year Ended <u>September 30,</u>	Gallons of Water Produced by City's Norwood <u>Treatment Plant (1)</u>	Gallons of Water Purchased from Miami-Dade <u>County WASA (1)</u>	Gallons of Water <u>Consumed (2)</u>	Water Operating Revenue <u>Collected</u>	Direct <u>Rate (3)</u>
2012	7,570,517	82	6,509,654	\$ 27,890	23.84
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	26.11
2020	7,718,835	273	6,338,872	35,979	31.31
2021	8,322,432	231	6,589,103	36,717	34.18

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>2012</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>
(1) Minimum Chg - Single Family:										
5/8"	\$ 9.78	\$ 9.78	\$ 10.71	\$ 10.71	\$ 10.71	\$ 10.71	\$ 10.71	\$ 10.71	\$ 13.70	\$ 14.96
3/4"	9.78	9.78	10.71	10.71	10.71	10.71	10.71	10.71	13.70	14.96
1"	24.45	24.45	26.78	26.78	26.78	26.78	26.78	26.78	34.25	37.40
1 1/2"	48.90	48.90	53.55	53.55	53.55	53.55	53.55	53.55	68.50	74.80
2"	78.24	78.24	85.68	85.68	85.68	85.68	85.68	85.68	109.60	119.68
3"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Minimum Chg - Multi-Fam/Non-Residential:

5/8"	\$ 11.32	\$ 11.32	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 13.54
3/4"	11.32	11.32	12.40	12.40	12.40	12.40	12.40	12.40	12.40	13.54
1"	28.30	28.30	31.00	31.00	31.00	31.00	31.00	31.00	31.00	33.86
1 1/2"	56.60	56.60	62.00	62.00	62.00	62.00	62.00	62.00	62.00	67.71
2"	90.56	90.56	99.20	99.20	99.20	99.20	99.20	99.20	99.20	108.32
3"	181.12	181.12	198.40	198.40	198.40	198.40	198.40	186.00	186.00	203.12
4"	283.00	283.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	338.53
6"	566.00	566.00	620.00	620.00	620.00	620.00	620.00	620.00	620.00	677.06
8"	905.60	905.60	992.00	992.00	992.00	992.00	992.00	992.00	992.00	1,083.29
10"	1,301.80	1,301.80	1,426.00	1,426.00	1,426.00	1,426.00	1,426.00	1,426.00	1,426.00	1,557.23

(2) Conservation Increments (Blocks):

Single Fam/Non-Resi

0 - 7 mgs	\$ 2.94	\$ 2.94	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.82	\$ 4.17
8 - 12 mgs	3.28	3.28	3.59	3.59	3.59	3.59	3.59	3.59	3.59	4.25	4.64
over 12 mgs	4.08	4.08	4.47	4.47	4.47	4.47	4.47	4.47	4.47	5.30	5.79

Multi-family

0 - 5 mgs/unit	\$ 2.94	\$ 2.94	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.82	\$ 4.17
6 - 9 mgs/unit	3.28	3.28	3.59	3.59	3.59	3.59	3.59	3.59	3.59	4.25	4.64
over 9 mgs/unit	4.08	4.08	4.47	4.47	4.47	4.47	4.47	4.47	4.47	5.30	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>2021</u>			<u>2012</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>	
INTRACOASTAL, YACHT CLUB	Condominium	53,027	1	0.81%	37,490	9	0.58%
WILLIAMS, ISLAND OCEAN CLUB	Condominium	52,564	2	0.81%	49,545	3	0.76%
PLAZA DEL PRADO	Condominium	51,843	3	0.80%	50,511	2	0.78%
NEW DAIRY OPCO, LLC	Industrial	41,878	4	0.64%	-	0	0.00%
PLAZA OF THE AMERICAS CLUB	Condominium	38,736	5	0.60%	39,284	7	0.60%
ADMIRALS PORT	Condominium	37,878	6	0.58%	40,711	6	0.63%
THE PENNINSULA CONDO ASSOCIATION	Condominium	36,898	7	0.6%	-	0	0.0%
ARLEN-BURKE	Condominium	36,072	8	0.55%	-	0	0.00%
ARLEN, HOUSE E CONDO ASSOC	Condominium	35,275	9	0.54%	42,207	5	0.65%
COMMODORE PLAZA CONDO ASSOC.	Condominium	34,777	10	0.53%	49,487	4	0.76%
TRUMP INTERNATIONAL SONESTA BEACH	Hotel	-	0	0.00%	38,517	8	0.59%
SOUTH FLORIDA STADIUM LLC	Entertainment	-	0	0.00%	33,237	10	0.51%
WINSTON, TOWERS 200	Condominium	-	0	0.00%	-	0	0.00%
PORSCHE, DESIGN TOWER	Condominium	-	0	0.0%	-	0	0.0%
MIAMI-DADE WATER & SEWER	Water Management District	-	0	0.00%	60,133	1	0.92%
MIAMI-DADE WATER & SEWER	Water Management District	-	0	0.00%	-	0	0.00%
Total		<u>418,948</u>		<u>6.44%</u>	<u>441,122</u>		<u>6.78%</u>
Total Consumption				<u>6,589,103</u>			<u>6,509,654</u>

Source: City of North Miami Beach Engineering Department

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			
2012	\$ 28,079	\$ 94	\$ 6,445	\$ 4,629	\$ 66,540	\$ 1,607	\$ 276	\$ 6,382	\$ 114,052	\$ 2,654	14.67%
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%

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 146 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>		
2012	\$ 28,079	\$ 244	\$ 27,835	1.60%	\$ 648
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	0.34%	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 135 for net assessed property value data.
- (2) See the Schedule of Demographic and Economic Statistics on Page 146 for population data.

CITY OF NORTH MIAMI BEACH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2021
(AMOUNTS EXPRESSED IN THOUSANDS)

	2021		
<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of North Miami Beach (1)</u>	<u>Amount Applicable to the City of North Miami Beach</u>
Debt repaid with property taxes:			
Miami-Dade County	\$ 2,339,296	1.09%	\$ 25,473
Miami-Dade County School Board	886	1.02%	9
Other debt:			
Miami-Dade County	2,508,327	1.09%	27,313
Miami-Dade County School Board	2,240	1.02%	<u>23</u>
Subtotal, Overlapping Debt			52,818
City of North Miami Beach Direct Debt			<u>14,518</u>
Total Direct and Overlapping Debt			<u>\$ 67,336</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 Ended September 30,	Transit Surtax Bonds - Series 2013				Community Redevelopment - CRA			
	County Transit Surtax	Debt Service		Coverage	TIF + Interest			
		Principal	Interest		Revenue	Principal	Interest	Coverage
2012	\$ 1,409	\$ 450	\$ 235	2.06	\$ 481	\$ 444	\$ 109	0.87
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

Fiscal Year Ended September 30,	Stormwater - Series 2011A				Water Utility Bonds - Series 2012, 2015 and 2020B			
	Operating Revenue Less Operating Expense	Debt Service		Coverage	Gross Revenue Less Operating Expense			
		Principal	Interest		Principal	Interest	Coverage	
2012	\$ 685	\$ 65	\$ 15	8.56	\$ 19,813	\$ 1,505	\$ 2,546	4.89
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

Fiscal Year Ended September 30,	State Revolving Loan - Water				State Revolving Loan - Sewer			
	Gross Revenue Less Operating Expense	Debt Service		Coverage	Gross Revenue Less Operating Expense			
		Principal	Interest		Principal	Interest	Coverage	
2012	\$ 19,813	\$ 162	\$ 112	72.31	\$ 6,119	\$ 81	\$ 34	53.21
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

Fiscal Year Ended September 30,	Sewer Loan - Series 2020			
	Operating Revenue Less Operating Expense	Debt Service		Coverage
		Principal	Interest	
2020	\$ 2,726	\$ -	\$ 15	181.73
2021	\$ 2,408	\$ 600	\$ 310	2.65

Note *: Capital Improvement Bonds 2003B Series paid in full.

Note **: Stormwater Series 2011A refinanced in 2011. Previously Commercial Paper loan.

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 Income (in Thousands) (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>Unemployment Rate (3)</u>
2012	42,971	777,646	18,097	36.4	8.8%
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	43,676	1,014,637	23,231	37.3	4.9%

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 rate information is an adjusted yearly average. 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>2021</u>		<u>2012</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	N/A	N/A
City of North Miami Beach	483	3	1,200	2
Bryant Security Corporation	400	4	1,900	1
Publix	318	5	N/A	N/A
Target	184	6	N/A	N/A
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
Dollar Tree	N/A		800	3
FMS Management Systems	N/A		800	3
Sysco Food Services	N/A		500	4
Precision Response	N/A		500	4
Comcast Cable Vision	N/A		450	5
Wal-Mart	N/A		300	6
Turnberry Associates	N/A		200	7
TD/Wells Fargo	N/A		150	8
Total	<u>4,265</u>		<u>6,800</u>	

Special Note: The above list includes private and public employers in the Greater North Miami Beach area.
City of NMB total includes 142 part-timers.

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

	<u>2012</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>
Number of employees:										
Attorney's office	5	5	5	6	6	6	6	5	5	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
Executive	18	18	25	27	27	31.5	35.5	33.7	36.5	36.45
Human Resources	6	6	6	6	6	11	8	8	8	8
Financial Services	12	12	12	12	13	11	12	13	14	14
Police:										
Police Officers	85	85	110	106	105	108	113	113	113	113
Civilians	35	34	20	36	36	34	35	35	38	33
Library	7	7	7	7	6	8	8	8	9	9
Parks and R.E.C.	30	28	32	28	28	29	29	29	31	30
Public Works	21	34	34	36	32	34	35	37.5	37.5	38
Stormwater	8	9	9	6	4	4	5.5	5.5	5	5.5
Water	115	86	90	91	92	84	4	4	9	101
Sewer	11	11	13	14	14	13	-	-	-	-
Building Permit	10	9	12	13	13	14.25	14.5	14	15	15.25
Solid Waste	50	53	48	46	18	14.25	13.5	14	14.5	14.5
Customer Service	-	21	21	23	26	22	-	-	-	26
Total number of employees	<u>417</u>	<u>422</u>	<u>449</u>	<u>462</u>	<u>431</u>	<u>429</u>	<u>323</u>	<u>324</u>	<u>341</u>	<u>450</u>

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>2012</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>
Public safety:										
Police (2):										
Police calls for service	92,057	85,839	82,997	97,366	98,684	100,883	98,304	98,809	68,669	85,744
Parking citations	907	986	1,256	1,474	1,316	1,332	1,351	1,368	744	913
Traffic citations	5,650	4,842	4,399	5,757	5,726	5,949	5,145	5,644	1,989	5,413
Arrests	1,466	1,322	1,562	1,561	1,600	1,453	1,351	1,491	665	1,025
SRT call outs	39	24	53	52	13	12	27	26	14	15
Community development:										
Building permits issued (3)	4,872	3,165	2,714	2,878	3,712	3,584	3,180	3,537	769	2,522
Library:										
Number of registered borrowers	35,465	31,572	36,955	38,410	36,410	38,541	38,828	39,299	39,336	40,989
Total annual circulation	100,651	113,935	120,741	135,487	136,532	150,773	226,347	271,320	198,743	232,597
Total reference transactions	37,378	24,960	105,574	94,210	94,241	93,632	92,928	91,837	74,055	58,133
Annual number of users of public internet computers	56,750	68,365	56,903	68,892	69,630	69,718	69,889	83,265	58,336	41,256
Annual WiFi Sessions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	51,336	36,581	39,916
Visitors	n/a	n/a	n/a	n/a	n/a	n/a	n/a	287,126	156,875	240,313
Program Attendees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	59,843	56,396	58,905
Programs Provided	n/a	n/a	n/a	n/a	n/a	n/a	n/a	737	905	972
Parks and recreation:										
After school program enrollment (3)	232	300	287	302	300	256	272	349	261	109
Summer camp program enrollment (3)	382	500	519	588	556	554	442	574	48	285
Camp No-Mi-Be enrollment (1)	78	54	55	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sanitation:										
Refuse collected (tons / year)	33,952	34,639	36,285	34,718	28,788	32,559	42,644	44,954	40,698	42,899
Water:										
Number of customers	32,298	34,397	32,522	32,047	32,424	34,053	39,700	32,579	32,507	34,484
Average daily water consumption (millions of gallons)	20.74	19.94	19.07	20.21	20.22	20.30	20.70	17.50	21.09	18.10
Annual water produced (millions of gallons)	7,571	7,279	6,960	7,375	7,380	7,410	7,556	7,508	7,806	8,322
Sewer:										
Number of customers	7,522	7,627	7,662	7,645	7,754	8,003	8,058	7,804	7,783	7,844

(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

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>2012</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>
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	2	3	3	3	3	3	3	3	3
Library:										
Libraries	1	1	1	1	1	1	1	1	1	1
Print materials in catalog	76,634	66,366	56,567	55,563	55,091	46,227	33,642	50,960	48,587	58,762
Number of licensed databases	96	51	50	64	66	74	74	74	55	57
Audio materials volumes	4,143	3,266	2,415	1,405	1,162	1,290	1,300	1,396	2,841	2,705
Video materials volumes	6,263	5,743	4,156	4,269	4,230	5,748	5,758	4,405	5,424	3,405
Non-print Material	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12,203	15,145	17,029
Total number of outlets (1+ Bookmobile)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	1	2
Library Service Hours	n/a	n/a	n/a	n/a	n/a	n/a	n/a	66	48	52
Professional Staff per Capita	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.2	0.13	0.04
Support Staff per Capita	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.29	0.27	0.23
Materials per Capita	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.4	1.4	1.6
Total FTE	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	16	13
Parks and R.E.C.:										
Parks	26	26	26	26	27	27	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	5
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	86.0	87.0	87.0	88.0	88.0	88.0	88.0
Streets:										
Miles of streets and alleys	119.0	119.0	119.99	119.99	119.99	120.0	119.99	120.0	119.99	119.99
Water:										
Water mains (miles)	550	550	550	550	555	603	605	566	565	565
Fire hydrants	2,800	2,900	2,930	2,945	2,959	3,052	3,052	3,062	3,072	3,070
Valves	10,350	10,350	10,425	10,705	10,996	11,000	11,627	11,682	11,331	11,380
Sewer:										
Lift stations	33	35	33	33	33	35	35	35	35	35
Sewer mains (miles)	113	113	114	112	113	132	132	132	131	131

Sources: Various city departments

IV. COMPLIANCE SECTION

**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, 2021, 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, 2022. 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.

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. This item is presented as item 2022-01.

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, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH 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 Each Major Federal Program

We have audited the City of North Miami Beach, Florida (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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, 2022

CITY OF NORTH MIAMI BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Federal Grant or Identifying Number	Expenditures
CDBG - Entitlement Grants-Cluster			
<i>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</i>			
Passed through Miami-Dade County			
Community Development Block Grant (CDBG) Program	14.218	FY2019 CDBG	\$ 100,000
Total Community Development Black Grants/Entitlement Grants			<u>100,000</u>
Total CDBG - Entitlement Grants-Cluster			<u>100,000</u>
Highway Planning and Construction Cluster - Cluster			
<i>U.S. DEPARTMENT OF TRANSPORTATION</i>			
Pass through Florida Department of Transportation (FDOT)			
Highway Planning & Construction			
Highway Planning & Construction - Greynolds Park Bike Path - LAP	20.205	G1847	<u>142,393</u>
Total Highway Planning and Constructon Cluster - Cluster			<u>142,393</u>
Highway Safety Cluster			
Pass through National Highway Traffic Safety Administration			
Passed through National Council Safety			
NHTSA Discretionary Safety Grants - Road to Zero Support	20.614	DTNH2215HO0473-0002	<u>86,696</u>
Total Highway Safety Cluster - Cluster			<u>86,696</u>
Total U.S. Department of Transportation			<u>229,089</u>
Other Programs:			
<i>US DEPARTMENT OF HOMELAND SECURITY</i>			
Pass through Florida Division of Emergency Management (FDEM)			
Disaster Grants - Public Assistance (Hurricane Irma)			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1143	<u>680,452</u>
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			<u>680,452</u>
Total U.S. Department of Homeland Security			<u>680,452</u>
<i>US. DEPARTMENT OF JUSTICE</i>			
Equitable Sharing Program (Non-treasury)	16.922	N/A	<u>1,313,293</u>
Total Equitable Sharing Program			<u>1,313,293</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0131	<u>6,806</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0563	<u>17,520</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>24,326</u>
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1336	<u>32,420</u>
Total Coronavirus Emergency Supplemental Funding Program			<u>32,420</u>
Bulletproof Vest Partnership Program			
Bulletproof Vest Partnership Grant	16.607	2019-BUB	<u>5,557</u>
Bulletproof Vest Partnership Grant	16.607	2020-BUB	<u>6,832</u>
Total Bulletproof Vest Partnership Program			<u>12,389</u>
Pass Through Office of the Attorney General			
Crime Victim Assistance - (VOCA) 2018-2019	16.575	VOCA-2018-CNMB-00129	<u>60,438</u>
Total Crime Victime Assistance			<u>60,438</u>
Total U.S. Department of Justice			<u>1,442,866</u>
<i>US. DEPARTMENT OF TREASURY</i>			
Pass Through Miami Dade County			
Coronavirus Relief Fund Program - CARES Act	21.019		<u>487,826</u>
Total Coronavirus Relief Fund - CARES Act			<u>487,826</u>
Total US Department of Treasury			<u>487,826</u>
Total Other Programs			<u>2,711,144</u>
Total Expenditures of Federal Awards			<u>\$ 2,940,233</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021. 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 Listing Number</u>	<u>Name of Federal Awards Program or Cluster</u>
16.922	Equitable Sharing Program
21.019	Coronavirus Relief Fund

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, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2022-01 Solid Waste Utility Fund Net Position.

Criteria:

Governments are required to maintain positive fund net position.

Condition:

During our testing of the enterprise funds we noted that the Solid Waste utility fund reported negative net position amounts of \$4,027,299.

Cause:

The deficit is a result of a restructuring of the solid waste contract during the fiscal year resulting in additional costs to residents that were not reflected in rates charged.

Effect:

The enterprise fund net position is at a deficit and the City is required to submit a deficit elimination plan.

Recommendation:

We recommend that the City review its current rates for Solid Waste utility to ensure the fees cover the costs of operations and reduce the deficit net position while maintaining the quality of service. In addition, the department should develop a deficit elimination plan that is reviewed and approved by those charged with governance.

View of Responsible Officials and Planned Corrective Actions:

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 FY2021 showed a deficit of \$4 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.

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, 2021, and have issued our report thereon dated June 30, 2022. 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, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. 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, 2022



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH 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, 2020 to September 30, 2021. 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, 2020 to September 30, 2021.

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, 2022

EXAMPLE 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 Officer¹ 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.

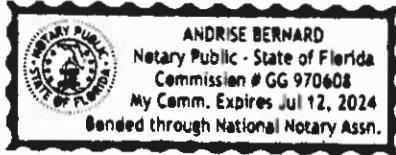
FURTHER AFFIANT SAYETH NAUGHT.

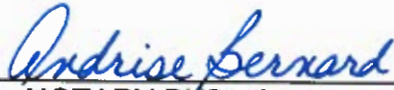


 Marcia Fennell, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF **Miami Dade County**

SWORN TO AND SUBSCRIBED before me this 22 day of JUNE, 2022





 NOTARY PUBLIC
 Print Name Andrise BERNARD

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
July 12, 2024

¹ Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.