



NorthMiamiFl.gov

Comprehensive Annual Financial Report

**FISCAL YEAR ENDED
SEPTEMBER 30, 2020**



"I Dream to See" Mural by artist Addonis Parker
located at the Joe Celestin Center

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF NORTH MIAMI, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2020



PREPARED BY THE FINANCE DEPARTMENT

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FISCAL YEAR ENDED SEPTEMBER 30, 2020



PREPARED BY THE FINANCE DEPARTMENT

Miguel A. Augustin, CPA – Finance Director

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Abel Jean-Baptiste – Accountant

SPECIAL ACKNOWLEDGEMENT

Katherine Parrish - Administrative Assistant

Meghan Thumann – Graphic Designer

Our Mission

STATEMENT

The mission of the City of North Miami is to enhance the quality of life, environment, and safety for residents, businesses, customers, visitors and employees in an atmosphere of courtesy, integrity and quality, while providing fiscally and environmentally responsible service.





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CITY OF NORTH MIAMI, FLORIDA

Fiscal Year Ended September 30, 2020

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I. Introductory Section

- Letter of Transmittal
- Listing of City Officials
- Organizational Structure



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June 17, 2021

To the Honorable Mayor,
Members of the City Council
and the Citizens of the City of North Miami:

We are pleased to submit the Comprehensive Annual Financial Report for the City of North Miami, Florida, (the “City”) for the fiscal year ended September 30, 2020. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report is published to fulfill the requirements of Chapter 11.45 of the Florida Statutes, and Section 16 of the City Charter which require that City accounts be audited annually by independent auditors.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. The City operates under a comprehensive internal control framework designed to prevent and protect the City’s assets from loss, theft, or misuse, and ensures the reliability of financial records. Considering the cost of internal controls should not exceed the benefits, the objective of this report is to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

The City’s accounts and financial statements have been audited by RSM US LLP. The firm has issued an unmodified opinion on the City’s financial statements for the year ended September 30, 2020. The independent auditor’s report is located at the beginning of the financial report section on page 1.

As a recipient of federal, state and county grants, the City is also subject to an annual Single Audit in conformity with the provisions of the Federal Single Audit Act and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. The standards governing Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on the City’s internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance and Local Awards, findings and recommendations, and auditor’s reports on the internal controls and compliance with applicable laws and regulations, are included in the compliance section.

The management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it. The City of North Miami’s MD&A can be found in the section immediately following the report of the independent Certified Public Accountants.

PROFILE OF THE CITY OF NORTH MIAMI GOVERNMENT

The City is located in the Northeastern region Miami-Dade County, Florida. The City of North Miami is the sixth largest City in Miami-Dade County, and the forty-first largest in the State. It encompasses 10 square miles in area and has a population of approximately 65,000 residents.

The City was incorporated on February 5, 1926 and has been governed by a council-manager form of government. All powers of the City are vested by an elected Council. The Council consists of four Council members and a Mayor. City elections are held on the second Tuesday in May of each odd-numbered year on a non-partisan basis. At each election, each member of the Council is elected for four-year terms and limited to serving no more than two consecutive terms. Thus, the terms are alternated so that there are always at least two experienced members on the Council. The Mayor is elected at-large for a two-year term. Furthermore, on the second Tuesday in May, of odd-numbered years on a non-partisan basis, the City Clerk is elected to hold office for a term of four years and is limited to serving no more than two consecutive terms.

The Council is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members of the various advisory boards, the City Manager and the City Attorney. The City Manager is the City's Chief Executive Officer, and as such, is responsible for the daily operations of the City, implementing policies adopted by the City Council and oversight of the employment function. The City Manager is also charged with preparing and submitting the annual budget and capital improvement plan to the City Council.

The City provides a full range of municipal services: general government, public safety, streets and public works, housing, economic and community development, education through its library, recreation and cultural services. In addition, the City also operates water and sewer, and stormwater utilities as enterprise activities.

The financial reporting entity covered in this report includes all the funds of the City and its component units. Component units are legally separate entities for which the City is financially accountable, or the nature and significance of the relationship between the City and the entity is such that exclusion would cause the City's financial statements to be misleading or incomplete. The North Miami Community Redevelopment Agency ("CRA") which was created in June 2005, in accordance with Chapter 163.356, Florida Statutes, is a blended component unit. The Museum of Contemporary Art ("MOCA") is a not-for-profit organization established by City Ordinance in 1980 to fundraise on behalf of the Museum, this entity met the criteria to be classified as a blended component unit of the City for the current fiscal year. Additional information on component units and related entities can be found in Note 1 of the notes to the Basic Financial Statements section.

The annual budget serves as the foundation for the City's financial planning and control systems. Management's budget request is presented to the City Council by the City Manager. The Council holds public hearings on the proposed budget prior to adopting the final budget and setting the tax rates for the budget year. The City Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30th preceding the beginning of the fiscal year on October 1st.

Budgetary control over expenditures is legally maintained at the fund level except for the General Fund, which is at the departmental level. The budget-to-actual comparisons for the General Fund, CRA, C.D.B.G. Entitlement and for the Landfill Closure Fund, which are major special revenue funds, are included as Required Supplementary Information (“RSI”) following the Notes to the Basic Financial Statements.

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted and all non-major governmental funds with appropriated annual budgets.

The major phases of the budget process are detailed in the notes to the Required Supplementary Information Section of this report.

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 specific environment within which the City operates. The City is strategically located between Fort Lauderdale and Miami. It is served by an excellent transportation system making it less than a 30-minute drive from two Florida major international airports. It is also in close proximity to the Port of Miami and Port Everglades, both important gateways to major national and international markets. North Miami's major communities like Sunkist Grove, Central North Miami, Keystone Point and San Souci are primarily comprised of younger families of multi-ethnic backgrounds, making the City one of the youngest, most culturally diverse cities in South Florida.

The City is home to an increasingly active, growing and prosperous business community. It boasts a variety of shopping centers and specialty retail stores including gourmet, award-winning restaurants. With more than 250 such businesses, the City has a rich and thriving arts and entertainment industry with art galleries and studios in its downtown district, and film and audio recording studios located throughout the City. North Miami features more than 70 acres of warehouse and industrial zoned space as well as multiple Class A office buildings.

The City's housing stock includes a mix of single-family homes, from apartment buildings and condominiums, both rental and owner-occupied, to multi-million dollar estates overlooking beautiful Biscayne Bay. Two major four-year universities are located in the City: Florida International University Biscayne Bay Campus, which has one of the top-ranked hospitality management programs in the country; and Johnson and Wales University, a well-known culinary and hospitality management school. The City is served by five elementary schools, two K-8 educational centers, two middle schools and two senior high schools which are all part of the public school system administered by the Miami-Dade County School Board.

The pandemic that commenced in 2020 has taken its toll on North Miami's economy like many other cities around the country. The area's unemployment rate at the end of fiscal year 2020, was 13% up by 9.2% from the prior year, and equal to the county average of 13%.

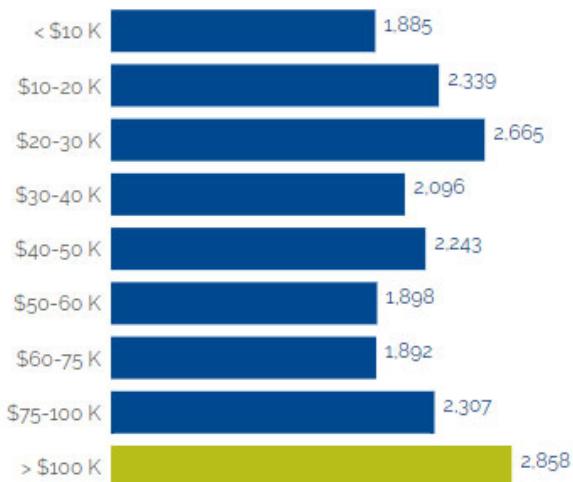
Households in North Miami earn a median yearly income of \$44,948. 25.59% of the households earn more than the national average each year. Household expenditures average \$48,392 per year. The majority of earnings get spent on Shelter, Transportation, Food and Beverages, Health Care, and Utilities.

\$44,948

Median Household Income

14% less than the county
20% less than the state
29% less than the nation

Income Distribution



How do people spend most of their money?

PER HOUSEHOLD

Shelter



\$10,318

Transportation



\$8,771

Food and Beverages



\$7,237

Health Care



\$4,119

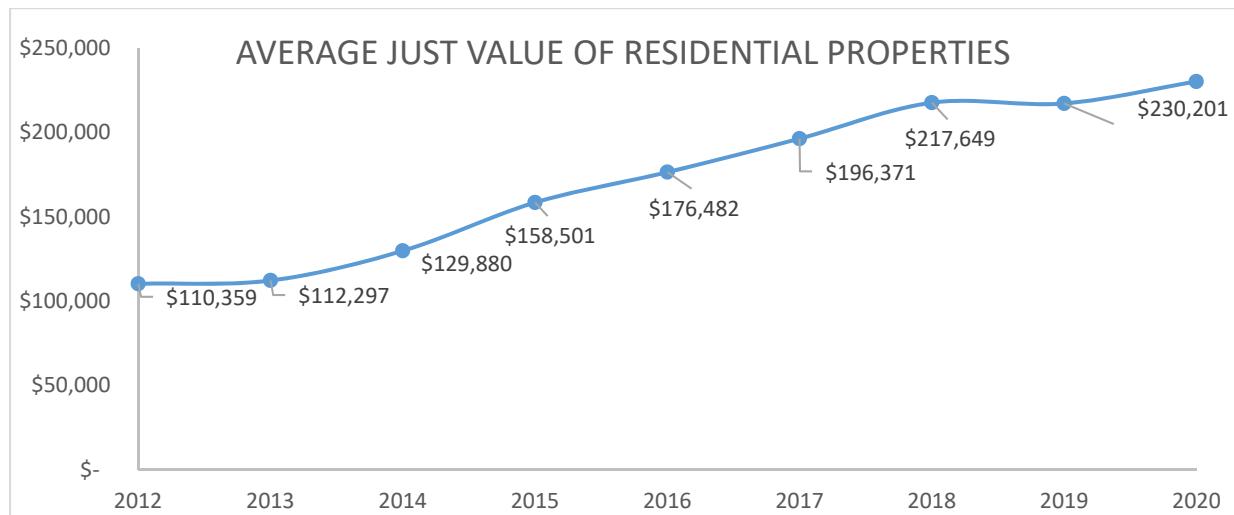
Utilities



\$3,727

This major market disruption caused by Covid-19 has particularly impacted industries that are especially vulnerable to restrictions like social distancing and limits on public gatherings. Passenger cruise ships, hotels, restaurants, and other hospitality and tourism-related sectors are major economic engines for South Florida. These engines have direct impacts on North Miami's businesses that are heavily engaged in hospitality, food and entertainment. Despite this unprecedented challenge, the City's leaders followed through with their commitment to support North Miami's local businesses by developing business assistance programs, and workforce training with over \$800,000 in funding provided from federal Cares Act funds. The single-family residential properties group accounts for about 55% of the City's housing stock, while condominium units represent about 41%. The net assessed value of personal and real property have increased slightly compared to previous years. These economic factors continue to influence discretionary spending which in turn impacts other revenue sources as well. The values have increased by 50% since 2014.

Average Market Value of Residential Properties



Source: Miami-Dade County Property Appraiser 2012-2020 Preliminary Average and Median Residential Values

Under Florida State law, Ch. 200.065 (5), F.S., the maximum millage rate that the City can levy is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied and adjusted for the change in per capita income, unless a higher rate is adopted, in which case the maximum is the adopted rate. The City levy for the fiscal year ended September 30, 2020, was 7.5000 mills.

MAJOR REDEVELOPMENT INITIATIVES AND OUTLOOK

New Development and Public Private Partnerships

On June 9, 2015, the City Council adopted a resolution supporting Public Private Partnership and recognizing the importance of supporting economic growth with a viable mixed-use development, which includes new housing in the central City area, services, and employment opportunities. The administration is working to translate the resolution into action and create the environment needed to increase the City's tax base for the benefit of the entire community.

Active Development in The Pipeline

Despite the threat of Covid-19, and the shift in consumer spending in certain service sectors, the City has witnessed a significant uptick in development applications in the last year. Experts attribute the increase in development demand to lower interest rates and the influx of new residents moving from more dense cities in areas like New York and California to more suburban areas like North Miami. This combination has fueled access to capital and provided more opportunities for new projects within the City that will activate once format sites and raise the city's tax base. In 2020 Community Planning and Development received applications which cumulatively account for over: 1,765 residential units, 23,423 sq. ft. commercial space and 119,700 institutional use (KIPP Charter School). A few noteworthy development are listed below:

Oleta Development

This modern mixed use project includes 828 residential units, housed in two 20-story and two 9-story towers, with an additional 19,478 sq. ft. of commercial and restaurant uses. The entire site is one of the latest activations within the City's SDTOD (Special Development Transit Oriented District), occupying over 5.5 acres and is anticipated to create an annual taxable impact of \$1.15 Million.



Artist's rendering

1155 NoMi

This modern mixed use project includes 369 high rise apartment units spanning across 9-Stories as well as 1,100 sq. ft. of retail space. The entire parcel occupies 4 acres and represents the first major activation within the City's newly designated North Miami Station Area Transit Oriented District. The project is anticipated to create an annual taxable impact of \$463,200.



Artist's rendering

Aliro

This proposed development is an expansion of an existing residential complex that's been part of the city since 1973. The proposed addition includes an infusion of 516 new modern apartment units, a 3-story parking structure, and 8-story parking structure. The overall development is anticipated to create an annual taxable impact of \$831,550.



Artist's rendering

Master Plan Development

Twin residential towers, known as The Shoreline, have been completed and are currently leasing to tenants. The Shoreline features 397 units with 98% occupancy and has full amenities. These amenities include a business center, fitness center, pool deck, clubroom, playroom, smart package locker system and a dog spa.

Within the Shoreline is a 7 acre Crystal Lagoon. Staffed with 10-15 full time and part time employees, the lagoon has three private beaches and water sports such as kayaking, sailing, paddleboard, pedal boats, a playground, picnic areas and a clubhouse.



An aerial view of the Crystal Lagoon

Sole Mia - East Lagoon

SMITH
PHOTOS 03-12-19

In addition, a 160,000 square-foot Costco store opened in February of 2019 and is one of the top producing Costco's in the country. Finally, Warren Henry Automotive Group has finished construction on its new headquarters. The 800,000 square foot North Miami headquarters, which is home to Jaguar, Land Rover, Infiniti and Koenigsegg and, includes the nation's largest electric vehicle charging facility. Warren Henry hired 350-400 employees and an additional 50 new technicians specifically for the headquarters location.

SoLé Mia is advancing into its next phase of development, with a medical facility by UHealth, University of Miami, opening in 2023. The proposed 325,000 sq. ft. LEED Certified outpatient medical facility will offer North Miami and the surrounding areas specialties dealing with cancer treatments from the Sylvester Comprehensive Cancer Center, designated as a Cancer Center of Excellence by the State of Florida; Bascom Palmer Eye Institute, ranked the number one eye care institute in the country; Ambulatory Care; Cardiology; Neurology; Otolaryngology; Urology; and Orthopedics as well as a host of other specialties. Creating this new facility brings the clinical excellence and innovation of UHealth physicians further into the community, thus increasing access for residents in North Miami-Dade. The North Miami UHealth center will be carefully designed to provide a comfortable and comforting environment not only for patients and their families, but also for doctors, nurses, and staff.

In addition to bringing job opportunities to North Miami, this state-of-the-art facility will increase and enhance access to quality healthcare in the City and surrounding areas. This is a milestone representing the start of the next phase of the SoLé Mia development project and its positive impact on the North Miami economy and overall experience.



Artist rendering of UHealth, University of Miami medical facility

When completed, SoLē Mia will feature approximately 1,400,000 square feet of shopping, chef-driven restaurants, an indoor food hall & fresh market, entertainment venues, a medical facility, and 220,000 square feet of office space. The 184-acre master-planned community is rising at 15045 Biscayne Boulevard, just south of Aventura and east of Biscayne Boulevard. SoLē Mia will be a vibrant hub of cultural and commercial activity that creates jobs, spurs investment, and provides significant benefits to the wider community around.



Artist's rendering of the SoLē Mia Project

North Miami Opportunity Zones

On June 14, 2018 the U.S. Department of Treasury certified the designation of 427 census tracts as Opportunity Zones in the State of Florida as part of the passage of the Tax Cuts & Jobs Act of 2017. Of those 427 tracts, 3 Opportunity Zones were located within the City of North Miami in crucial development areas that are poised for investment such as the Chinatown Cultural Arts & Innovation District and the SoLē Mia Master Planned Development. The City continues to actively work with development stakeholders to secure investment within these Zones, and economic investment is expected to result from the designation and marketing of these Zones and their assets.

AWARDS AND ACKNOWLEDGEMENTS

The successful preparation of this report would not have been possible without the tireless and dedicated efforts of the entire staff of the Finance Department and the valuable contributions of the Management and Budget Office, and the Community and Planning Department.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Miami for its Comprehensive Annual Financial Report for fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

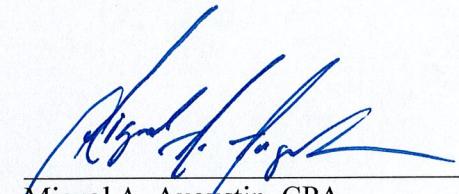
A Certificate of achievements is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievements Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) of the United States and Canada also presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year 2020.

Respectfully submitted,



Theresa Therilus, Esq.
City Manager



Miguel A. Augustin, CPA
Finance Director

Elected Officials



Mayor
Philippe Bien-Aime



Councilman
Scott Galvin



Councilwoman
Mary Estimé-Irvin



Councilwoman
Carol Keys, Esq.



Councilman
Alix Desulme, Ed.D.



City Clerk
Vanessa Joseph, Esq.

Executive Staff



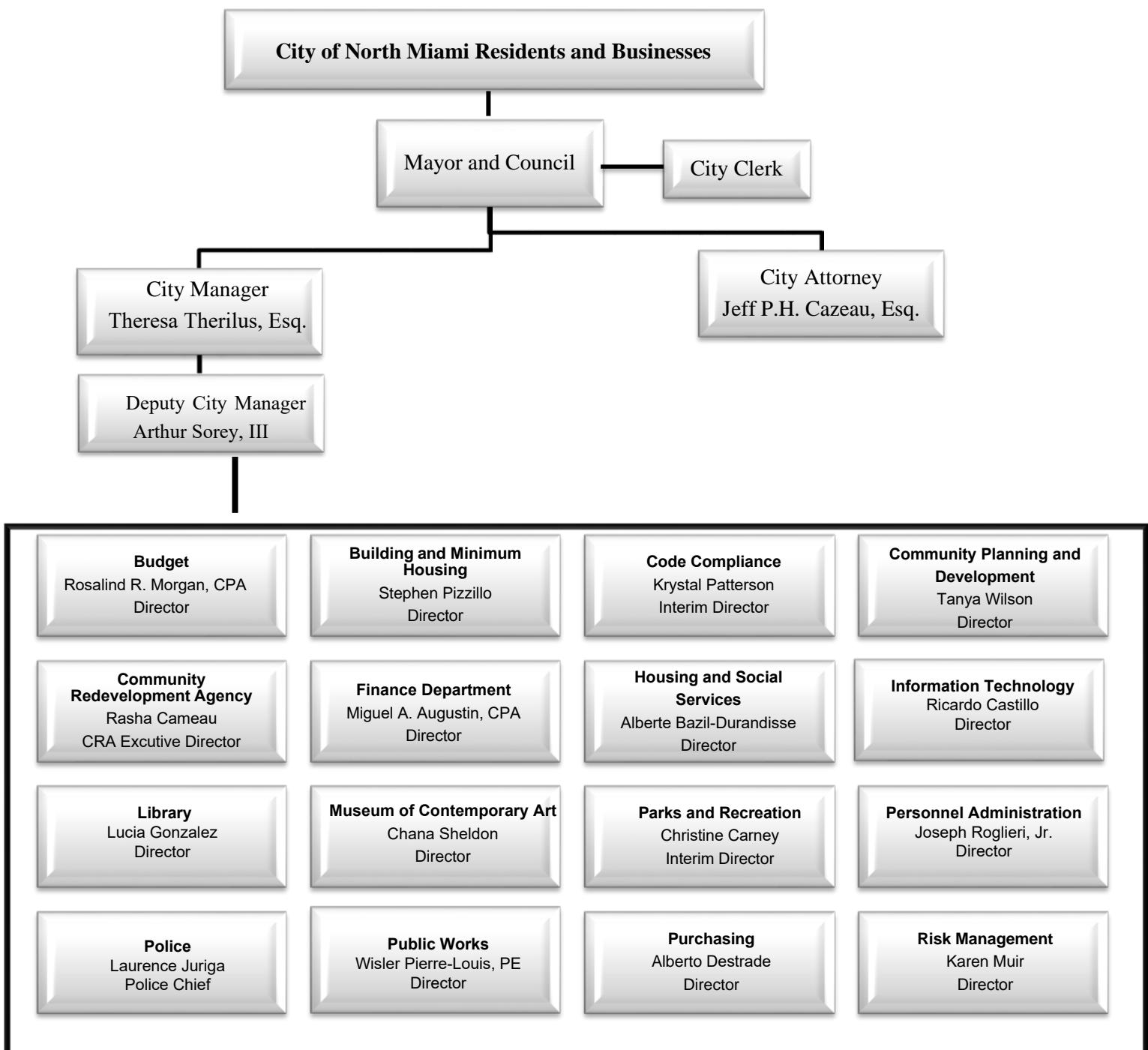
City Manager
Theresa Therilus, Esq.



City Attorney
Jeff P. H. Cazeau, Esq.



Organizational Structure





Government Finance Officers Association

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

Presented to

**City of North Miami
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Monell

Executive Director/CEO



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II. Financial Section

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements:
 - .. Government-wide Financial Statements
 - .. Fund Financial Statements
 - .. Notes to Basic Financial Statements
- Required Supplementary Information
- Combining Fund Statements and Schedules



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Independent Auditor's Report



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Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of North Miami, 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, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Museum of Contemporary Art, Clair T. Singerman Plan and the Police Pension Plan which represent 91 percent, 95 percent, and 60 percent, respectively, of the total assets/deferred outflows, total net position/fund balance and total revenues/additions of the aggregate remaining fund information opinion unit. We did not audit the financial statements of the Community Redevelopment Agency, which is both a major fund and represents 3 percent, 10 percent, and 5 percent, respectively, of the total assets/deferred outflows, total net position, and total revenues of the governmental activities opinion unit. We did not audit the financial statements of the Museum of Contemporary Art which represents 1 percent, 4 percent, and 3 percent, respectively, of the total assets/deferred outflows, total net position and total revenues of the governmental activities opinion unit.

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 Museum of Contemporary Art, Clair T. Singerman Plan, Police Pension Plan and the Community redevelopment Agency, is 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. The financial statements of the Museum of Contemporary Art were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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 of North Miami, Florida, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the accompanying financial statements, the October 1, 2019, beginning net position of the governmental activities has been restated to correct an error. 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, budgetary comparison schedules, and other post-employment benefits and pension related schedules, as listed in the table of contents, 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 accompanying introductory section, statistical section, and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates 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, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section 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 11, 2021, on our consideration of 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 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 City's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
June 11, 2021



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Management's Discussion and Analysis - Unaudited (MD&A)



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City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2020

The Management's Discussion and Analysis ("MD&A") provides a narrative overview and analysis of the financial activities of the City of North Miami, Florida (the "City") for the fiscal year ended September 30, 2020. This MD&A is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal, which can be found starting in the Introductory Section of this report. For simplification, all amounts in this section have been rounded to the nearest one hundred thousand dollars, and as a result, may vary somewhat from certain numbers shown in the body of this report.

Financial Highlights

At September 30, 2020, the government-wide assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows by \$113.3 million compared with \$108 million, as restated, in the previous year. This means there was an overall increase in the City's total net position which is explained below.

The City's total net position increased by \$5.3 million or 5% in the current year, compared to prior year decrease of (\$6.3 million). The current year increase was due primarily to the net effect of the following:

- Restatement of prior year net position of \$8.2 million
- Increases in payroll-related costs for actuarial valuations for net pension liability and other post-employment liability of approximately \$4.0 million; the liabilities increased and consequently the associated expenses increased (in large part in Public Safety),
- Increases of \$3.54 million in Physical Environment expenses related to the Munisport Landfill remediation,
- Increases of \$1.4 million for Housing and Urban Development expenses related to relief programs associated with the Pandemic,
- The gain \$18.3 million from the sale of parcels of the Biscayne Landing properties and the one-time payment of \$2.7 million helped to increase-net position.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$8.05 million, an increase of \$10.9 million in comparison to the prior year's decrease of \$6.7 million. The current year's increase was due primarily to the net impact of the sale of Biscayne Landings property of \$18.3 million.

Included in the combined ending governmental funds balances is \$4.2 million of restricted fund balance, which is only available for use in the CRA, a component unit of the City. Also included is approximately \$1.3 million, which is only available for use for the Museum of Contemporary Art, Inc.

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(“MOCA”), \$5.8 million is restricted for landfill closure, \$7 million in the General Fund restricted for capital projects and \$3 million for special grant related projects.

At the end of the fiscal year, the City’s General Fund reported a total fund deficit of (\$5.0 million) of which (\$12.2 million) was an unassigned fund deficit. There was an increase in current year fund balance of \$9.7 million from operations, primarily due to \$18.3 million proceeds from the sale of parcels of Biscayne Landing property.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. Both statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which means that revenues include all revenues earned during the year and expenses include all expenses incurred during the year regardless of when cash is actually received or paid.

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

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. It focuses on both the gross and the net cost of the government’s various activities and thus summarizes the cost of providing specific governmental services. This statement reports all current year revenues and expenses.

Both government-wide financial statements distinguish functions of the City that are principally supported by ad-valorem taxes and intergovernmental revenues such as shared taxes, grants, etc. (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 general government, public safety, public works and transportation, culture and recreation, physical environment, and housing and urban/economic development. The business-type activities of the City include a water and sewer utility fund and a storm-water utility fund.

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The government-wide financial statements include, not only the City itself, but also the CRA and MOCA, which are separate legal entities for which the City is financially accountable. In addition to the inclusion in the government-wide financial statements, more detail information for the CRA and MOCA may be obtained from their separately issued financial statements. Complete financial statements for the CRA and MOCA can be obtained by writing to:

- City of North Miami CRA Executive Director, 776 NE 125 Street, North Miami, Florida 33161
- City of North Miami MOCA Executive Director, 770 NE 125 Street, North Miami, Florida 33161

The government-wide financial statements are presented at the beginning of the basic financial statements section which immediately follows the MD&A.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources 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 funds 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and 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 funds balance sheets and in the governmental funds statements of revenues, expenditures and changes in fund balances for the General Fund, C.D.B.G. Entitlement, CRA Component Unit and Landfill Closure Fund, which are all considered major funds. Information for the other governmental funds is combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 126-131 of this report.

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The City adopts annual budgets for its major governmental funds. To demonstrate compliance with the budget, budgetary comparison schedules have been provided as Required Supplementary Information for each of the major funds. The budgetary comparison schedules can be found on pages 112-115.

Proprietary Funds

The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer and storm-water operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and its self-insurance activities. Because both of these services predominately benefit governmental rather than business-type functions, they have been included in the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements; only in more detail. The proprietary fund financial statements provide separate information for the water and sewer and storm-water operations. Both funds are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. The basic proprietary fund financial statements can be found on pages 36-38 of this report. The individual fund data for the internal service funds is provided in the form of combining statements on pages 132-134.

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. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds comprise the general employee and the police pension funds and can be found on pages 135-136 of this report.

Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41-111 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and retirees and budgetary comparison schedules. The required supplementary information can be found on pages 118-124 of this report.

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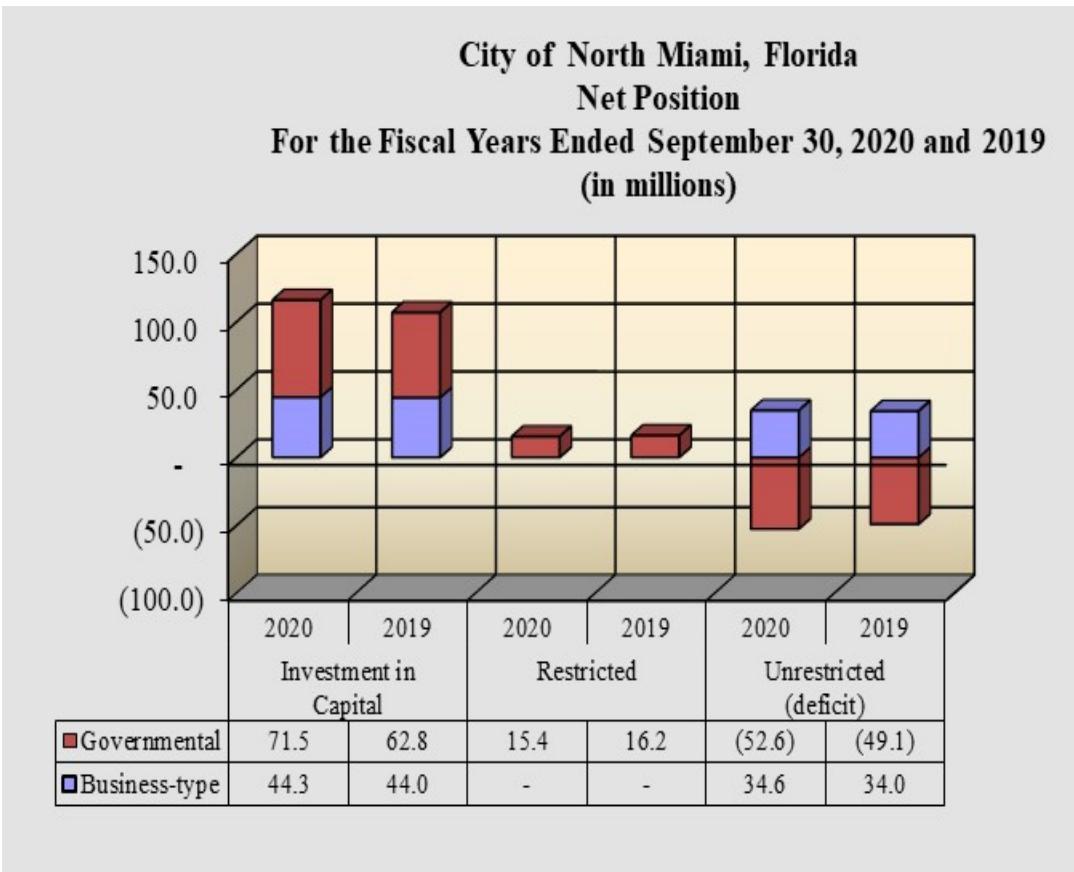
Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the 2020 fiscal year, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$113.3 million of which approximately 30% was for governmental activities and 70% was for business-type activities.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position for its business-type activities. The governmental activities net position is either restricted as to the purpose to which it can be used, or is invested in capital assets. The governmental activities unrestricted net position showed a deficit of approximately (\$52.6 million) compared to prior year unrestricted deficit of (\$49.1 million) as restated. The unrestricted deficit was due primarily to operations whereby expenditures have exceeded revenues on a cumulative basis.

Although the business-type activities reflect \$34.6 million in unrestricted net position, these resources cannot be used to make up the deficit in governmental activities. The City generally can use only the unrestricted net position to finance the continuing operations of water and sewer, and storm-water operations.



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Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019, as restated *	2020	2019	2020	2019 as restated
Current and other assets	\$ 49,944,178	\$ 42,489,352	\$ 49,398,731	\$ 51,642,443	\$ 99,342,909	\$ 94,131,795
Capital assets	72,897,890	72,367,257	50,917,965	50,130,958	123,815,855 *	122,498,215
Total assets	<u>122,842,068</u>	<u>114,856,609</u>	<u>100,316,696</u>	<u>101,773,401</u>	<u>223,158,764</u>	<u>216,630,010</u>
Deferred outflows of resources:						
Loss on debt refunding	-	-	7,869	11,804	7,869	11,804
OPEB related items	1,925,198	433,100	286,229	66,718	2,211,427	499,818
Pension related items	33,713,452	28,230,341	4,220,810	3,702,892	37,934,262	31,933,233
Total deferred outflows of resources	<u>35,638,650</u>	<u>28,663,441</u>	<u>4,514,908</u>	<u>3,781,414</u>	<u>40,153,558</u>	<u>32,444,855</u>
Other liabilities	17,595,339	17,871,628	8,628,652	11,838,713	26,223,991	29,710,341
Noncurrent liabilities:						
Due within one year	4,498,033	4,439,929	927,919	1,008,733	5,425,952	5,448,662
Due in more than one year	90,144,209	76,604,050	14,687,829	12,761,362	104,832,038	89,365,412
Total liabilities	<u>112,237,581</u>	<u>98,915,607</u>	<u>24,244,400</u>	<u>25,608,808</u>	<u>136,481,981</u>	<u>124,524,415</u>
Deferred inflows of resources:						
OPEB related items	2,088,965	2,640,782	286,618	367,799	2,375,583	3,008,581
Pension related items	9,857,942	12,065,055	1,328,051	1,536,527	11,185,993	13,601,582
Total deferred inflows of resources	<u>11,946,907</u>	<u>14,705,837</u>	<u>1,614,669</u>	<u>1,904,326</u>	<u>13,561,576</u>	<u>16,610,163</u>
Net position						
Net investment in capital assets	71,535,115	62,843,573	44,346,083	43,997,155	115,881,198	106,840,728
Restricted	15,394,117	16,169,438	-	-	15,394,117	16,169,438
Unrestricted (deficit)	(52,633,002)	(49,114,405)	34,626,452	34,044,526	(18,006,550)	(15,069,879)
Total net position	<u>\$ 34,296,230</u>	<u>\$ 29,898,606</u>	<u>\$ 78,972,535</u>	<u>\$ 78,041,681</u>	<u>\$ 113,268,765</u>	<u>\$ 107,940,287</u>

* Restated, see note 16.

The City's net investment in capital assets, totaling \$115.9 million represented, by far, the largest portion of the net position. Net investment in capital assets comprises land, buildings, infrastructure and machinery and equipment, less any outstanding related debt used to acquire them. The net investment in capital assets increased over the prior year by \$9.0 million.

The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets was reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from the other sources since the capital assets themselves cannot be used to liquidate those liabilities.

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Changes in Net Position

The following is a comparative analysis of the changes in net position for the current and prior fiscal years:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	\$ 24,515,996	\$ 25,052,146	\$ 33,578,377	\$ 34,028,507	\$ 58,094,373	\$ 59,080,653
Operating grants/contributions	8,138,621	6,630,571	-	-	8,138,621	6,630,571
Capital grants/contributions	264,018	301,146	-	-	264,018	301,146
General Revenues:						
Property taxes	25,070,539	22,739,789	-	-	25,070,539	22,739,789
Utility and gas taxes	4,297,833	4,453,176	-	-	4,297,833	4,453,176
Communication services tax	1,032,010	1,073,231	-	-	1,032,010	1,073,231
Franchise fees	4,193,023	4,084,241	-	-	4,193,023	4,084,241
Intergovernmental	9,068,989	11,119,915	-	-	9,068,989	11,119,915
Gain on sale of capital assets	17,338,940	-	-	-	17,338,940	-
Landfill closure (cost) adjustments	86,388	922,292	-	-	86,388	922,292
Investment earnings	195,619	259,593	-	-	195,619	259,593
Miscellaneous revenues	4,786,599	5,719,732	1,175,791	1,053,572	5,962,390	6,773,304
Total revenues	<u>98,988,575</u>	<u>82,355,832</u>	<u>34,754,168</u>	<u>35,082,079</u>	<u>133,742,743</u>	<u>117,437,911</u>
Expenses:						
General government	24,471,010	26,096,961	-	-	24,471,010	26,096,961
Public safety	37,929,647	34,062,387	-	-	37,929,647	34,062,387
Physical environment	3,879,546	338,808	-	-	3,879,546	338,808
Transportation and public works	5,841,175	7,947,470	-	-	5,841,175	7,947,470
Housing and social services	2,309,283	1,191,239	-	-	2,309,283	1,191,239
Culture and recreation	15,738,792	13,030,611	-	-	15,738,792	13,030,611
Community planning and development	3,380,630	4,833,446	-	-	3,380,630	4,833,446
Debt service - interest	1,264,361	1,667,794	-	-	1,264,361	1,667,794
Water and sewer	-	-	30,792,646	32,068,870	30,792,646	32,068,870
Stormwater	-	-	2,807,175	2,490,524	2,807,175	2,490,524
Total expenses	<u>94,814,444</u>	<u>89,168,716</u>	<u>33,599,821</u>	<u>34,559,394</u>	<u>128,414,265</u>	<u>123,728,110</u>
Change in net position before transfers	4,174,131	(6,812,884)	1,154,347	522,685	5,328,478	(6,290,199)
Transfers	<u>223,493</u>	<u>241,265</u>	<u>(223,493)</u>	<u>(241,265)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>4,397,624</u>	<u>(6,571,619)</u>	<u>930,854</u>	<u>281,420</u>	<u>5,328,478</u>	<u>(6,290,199)</u>
Net position - beginning	29,898,606	28,207,031	78,041,681	77,760,261	107,940,287	105,967,292
Restatement *	-	8,263,194	-	-	-	8,263,194
Net position - beginning, as restated	29,898,606	36,470,225	78,041,681	77,760,261	107,940,287	114,230,486
Net position - ending	<u>\$ 34,296,230</u>	<u>\$ 29,898,606</u>	<u>\$ 78,972,535</u>	<u>\$ 78,041,681</u>	<u>\$ 113,268,765</u>	<u>\$ 107,940,287</u>

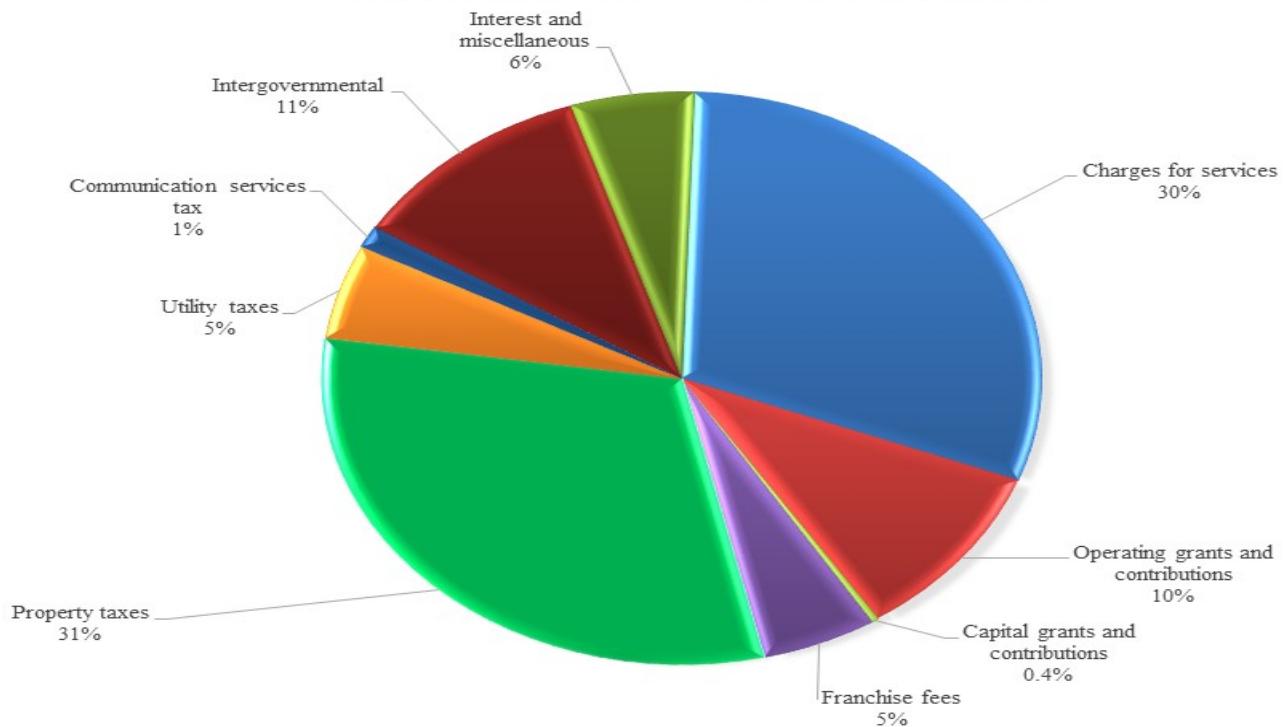
* Restated, see note 16.

City of North Miami, Florida

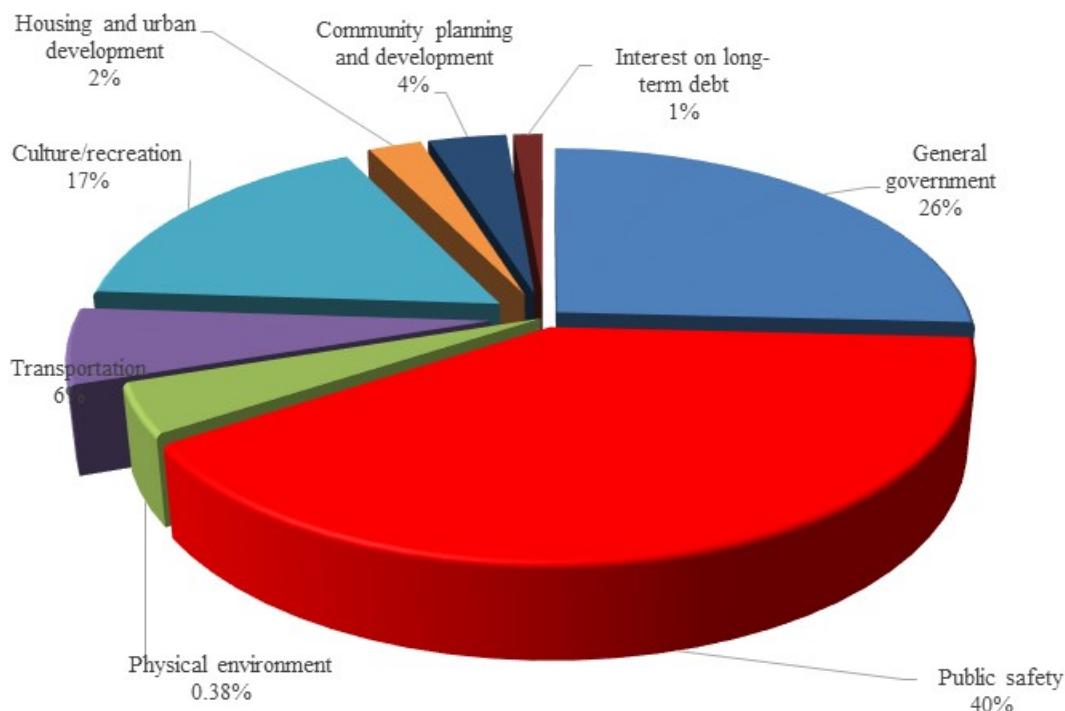
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Revenues by Source – Governmental Activities



Expenses by Program – Governmental Activities



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Governmental Activities

Governmental activities for fiscal year 2020 increased the City's net position by \$4.4 million. This resulted primarily from an overall net increase in total expenses and revenues as follows:

Net increase in expenses:

- Total overall net increase in expenses of \$5.6 million was mostly due to:
 - Significant increases in the allocated amount based on actuarial valuation related to pension liability of \$11.3 million (see Note 6 on page 73); increase of \$5.5 million for deferred outflows and increase of \$2.2 million for deferred inflows;
 - Increase in the allocated amount based on actuarial valuation for other post-employment benefits (OPEB) liability of \$2.3 million (see Note 6 on page 73); increase of \$1.5 million for deferred outflows and decrease of 0.6 million for deferred inflows.
- The significant increase for physical environment related primarily to landfill remediation costs of \$3.5 million.
- The increase of \$1.1 million for HSS was due to the reorganization of the community planning and development department (CP&D) transferring staff from that department to HSS. CP&D shows the corresponding net decrease of \$1.4 million.
- General government, public safety, culture and recreation, and community planning and development services comprised approximately 87% of the City's total governmental activities expenses. The significant increase of \$3.9 million for public safety expenses was due primarily to the allocation of increases in actuarial valuations mentioned above i.e. net increase of \$0.819 million, increase in salaries of \$0.4 million and allocation of budgeted interfund charges of \$2 million. The significant increase of \$2.7 million for culture and recreation was due primarily to allocation of increases in actuarial valuations mentioned above i.e. net increase of \$0.232 million, increase in disaster expenditures of \$0.161 and allocation of budgeted interfund charges of \$0.267 million and net \$2.6 million related to capital assets adjustments.

Net increase in revenues:

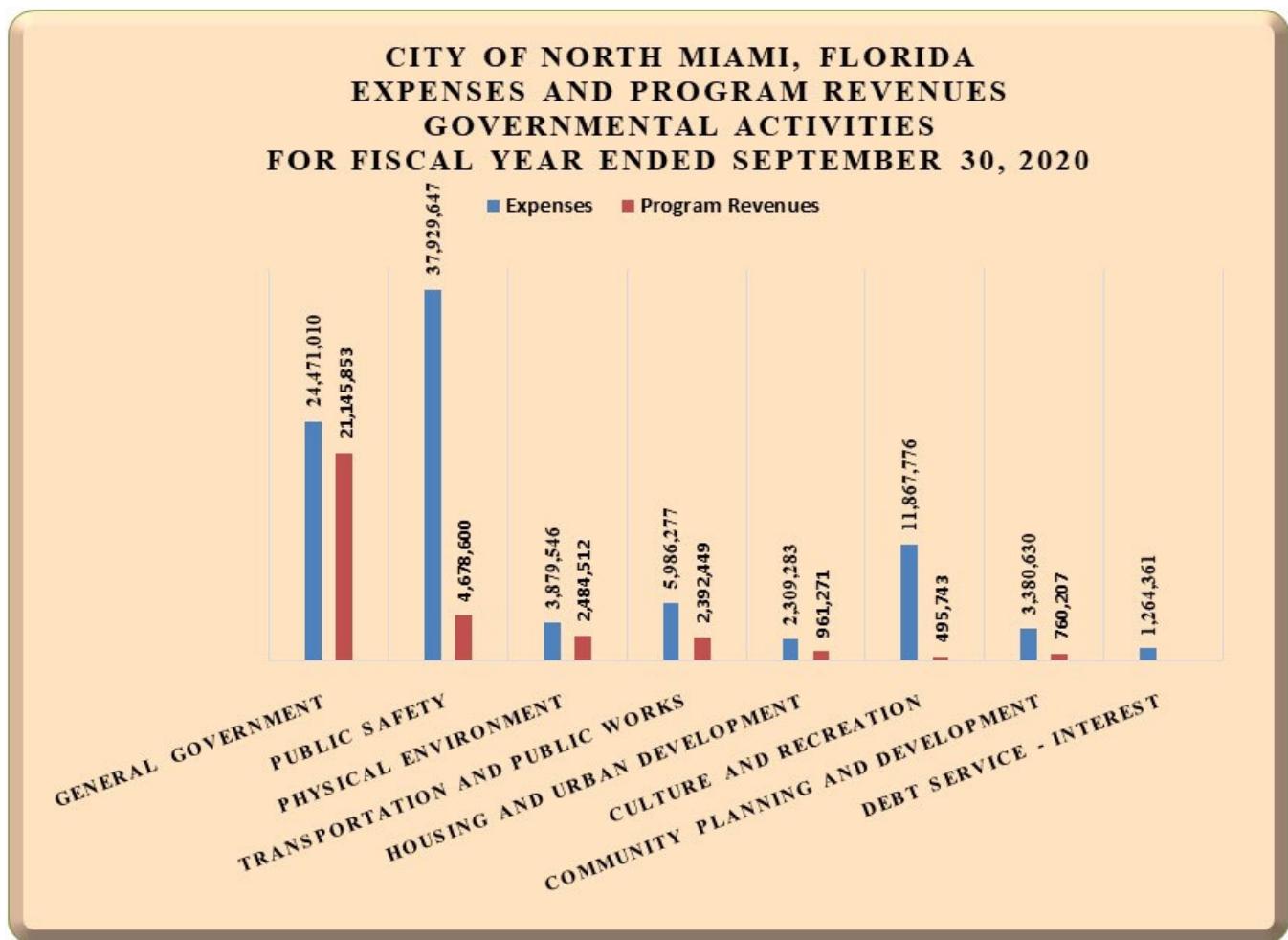
- In 2020, property taxes revenue increased from \$22.7 million in the prior year to \$25 million in the current year. The increase was due primarily to:
 1. \$2.3 million increase in collections of current tangible property and real estate tax.
 2. Adjustments by Miami-Dade County to the amounts related to the CRA TIF revenues, which resulted in approximately \$0.6 million refunded to the City.

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- The decrease in miscellaneous revenues of \$1.0 million was due primarily to the net of:
 1. The City received a one-time payment of \$2.7 million in the current year in accordance with an agreement to forego future participation rent related to the Biscayne landing properties.
 2. In the prior year the City had a worker's compensation claims settlement of \$1.3 million and insurance settlement for hurricane Irma of \$0.4 million.



In 2020, program revenues comprised of charges for services, operating and capital grants, and contributions, represented approximately 33.3% of the governmental activities total revenues (excluding change in landfill closure cost, gains on sale of capital assets and transfers). Property taxes, accounting for approximately 25% of general revenues (excluding change in landfill closure cost, gains on sale of capital assets and transfers), are non-program specific and can be used to fund all activities not covered by program revenues.

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Business-type Activities

	Water and Sewer		Stormwater		Total Business-type Activities	
	2020	2019	2020	2019	2020	2019
OPERATING REVENUES						
Charges for water	\$ 14,021,274	\$ 14,799,684	\$ -	\$ -	\$ 14,021,274	\$ 14,799,684
Sanitary sewer fees	16,524,135	16,188,485	-	-	16,524,135	16,188,485
Stormwater charges	-	-	2,404,654	2,624,268	2,404,654	2,624,268
Other revenues	628,314	400,828	-	15,242	628,314	416,070
Total operating revenues	<u>31,173,723</u>	<u>31,388,997</u>	<u>2,404,654</u>	<u>2,639,510</u>	<u>33,578,377</u>	<u>34,028,507</u>
OPERATING EXPENSES						
Personnel services	5,027,414	4,687,938	688,521	473,982	5,715,935	5,161,920
Wholesale water cost and sewage disposal	13,406,163	15,484,792	-	-	13,406,163	15,484,792
Materials, supplies, services and other operating expenses	9,918,388	9,585,640	1,668,852	1,583,851	11,587,240	11,169,491
Depreciation	2,409,907	2,287,385	401,339	369,373	2,811,246	2,656,758
Total operating expenses	<u>30,761,872</u>	<u>32,045,755</u>	<u>2,758,712</u>	<u>2,427,206</u>	<u>33,520,584</u>	<u>34,472,961</u>
Operating income (loss)	411,851	(656,758)	(354,058)	212,304	57,793	(444,454)
NON-OPERATING REVENUES (EXPENSES)						
AND TRANSFERS						
Interest income	92,281	181,813	-	-	92,281	181,813
Other non-operating revenues	415,965	625,994	667,545	245,765	1,083,510	871,759
Interest expense	(30,774)	(23,115)	(48,463)	(63,318)	(79,237)	(86,433)
Transfers out	(199,404)	(215,257)	(24,089)	(26,008)	(223,493)	(241,265)
Change in net position	<u>689,919</u>	<u>(87,323)</u>	<u>240,935</u>	<u>368,743</u>	<u>930,854</u>	<u>281,420</u>
Net position- beginning	<u>69,730,304</u>	<u>69,817,627</u>	<u>8,311,377</u>	<u>7,942,634</u>	<u>78,041,681</u>	<u>77,760,261</u>
Net position - ending	<u>\$ 70,420,223</u>	<u>\$ 69,730,304</u>	<u>\$ 8,552,312</u>	<u>\$ 8,311,377</u>	<u>\$ 78,972,535</u>	<u>\$ 78,041,681</u>

Net position of the City's business-type activities increased slightly from \$78 million in the prior fiscal year to \$79 million in the current fiscal year.

The change in net position for the water and sewer fund decreased from a negative (\$0.087 million) in the prior year to a positive \$0.690 million for the current fiscal year. There was also operating income of \$0.412 million in the current year compared to operating loss of (\$0.657 million) in the previous fiscal year. The increase of \$1.0 million in operating income over the previous year was primarily due to the following factors:

Operating revenues decreased \$0.215 due primarily to:

- Decrease of \$0.778 million for charges for water primarily due to \$0.990 million additional allowance recorded for uncollectible receivables
- Increase of \$0.336 million for sanitary sewer fees deemed to be related to increased consumption due to the impact of the pandemic, which resulted in more residents staying home and consuming more.
- Other revenues increase of \$0.227 million related to new customers for fire-flow and fire services for \$0.209 million.

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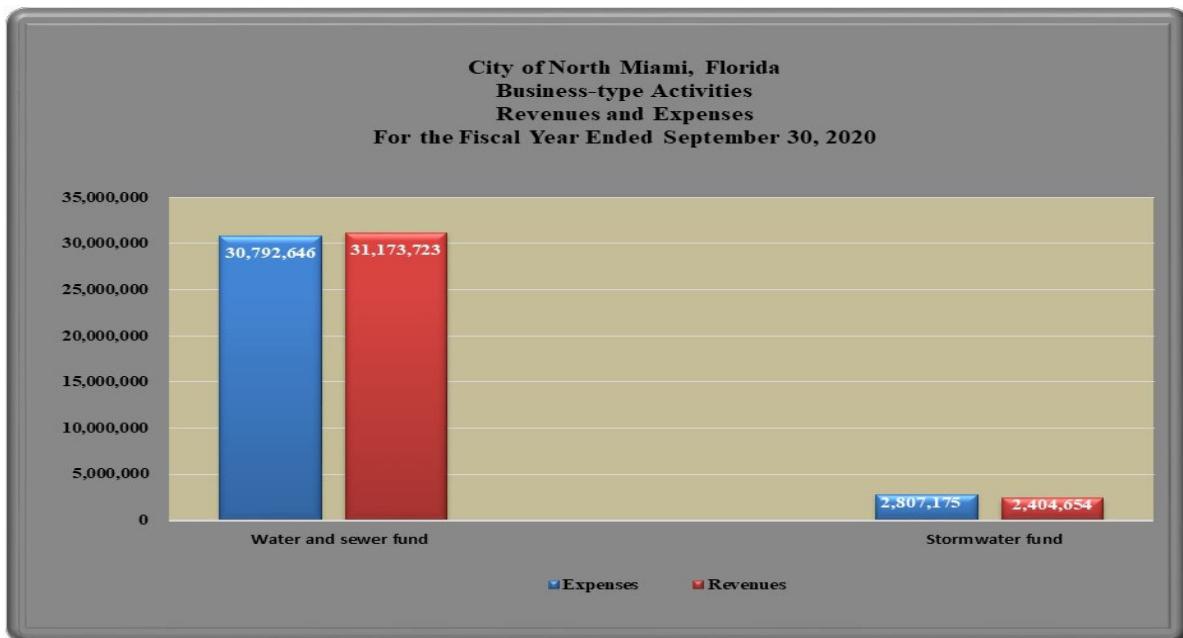
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Operating expenses decreased by a net of \$1.3 million due primarily to the net of the following:

- Increase of \$0.339 million for personnel services related to allocation of updated actuarial valuation for net pension liability which increased by approximately \$1.2 million for the current fiscal year.
- Decrease of \$2.1 million for wholesale water cost and sewage disposal due to true-up credits and adjustments of \$1.5 million received from the Miami-Dade Water and Sewer department.
- Increase of \$0.333 million for materials, supplies, services and other operating expenses due primarily to increased budget allocation for internal services: equipment rental for \$0.211 million; risk management general liability for \$0.090 million; and lost return on investments in utilities for \$0.92 million; and
- Increase of \$0.123 for depreciation allocation due to completion and transfer of \$1.666 million construction in progress to infrastructure.

Interest income decreased by \$0.09 million due to the downturn in the financial market which affected the City's investment portfolio.

Non-operating revenues decrease of \$0.210 million related to grant funds that were received in the prior year from the State Revolving Loan.



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The net position for the storm-water utility fund increased from \$8.3 million in the prior year to \$8.6 million for the current fiscal year. Operating loss for 2020 was (\$0.354 million) compared to operating income of \$0.212 million in the previous year. The decrease of \$0.566 million in operating income from the previous year was due primarily to overall net effect of increases in expenses: specifically, personnel services of \$0.214 million; materials, supplies, services and other operating expenses of \$0.085 million, additional allowance for uncollectible receivables of \$0.068 million and decrease in total operating revenues of \$0.235.

Increase of \$0.422 million for other non-operating revenues was due to reimbursement accrual of \$0.645 million for funds from the Arch Creek drainage grant LP13185.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

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

Governmental Funds

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

As of September 30, 2020, the City's governmental funds reported combined ending fund balance of \$8.1 million, which was a total increase of \$11 million in the current year compared to a \$6.7 million decrease in the prior year. \$21.5 million of the ending fund balances constitutes non-spendable and restricted fund balances. Funds were set up to separately account for certain revenue sources that are legally restricted for expenditure for specified purposes. Restricted fund balances of \$21 million included \$5.8 million for landfill closure cost, \$0.7 million restricted for housing and other capital projects, \$7 million restricted for the Cagni Park project and \$4.2 million for CRA projects. In addition to balances noted above, governmental funds also showed negative unassigned fund deficit of \$13.7 million resulting from operations, whereby expenditures have exceeded revenues on a cumulative basis over time.

General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts not allocated to another fund by law or contractual commitment, are accounted for in this fund. General operating expenditures and capital improvement costs not paid through another fund are paid from this fund. At September 30, 2020, the general fund had negative unassigned fund balances of \$12.2 million, a decrease in the deficit of \$9.7 million over 2019, due primarily to net decrease of \$0.238 million for expenditures and net increase in revenues of \$15.9 million.

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The General Fund expenditures decreased by \$0.238 million or less than 1% over prior year. Revenues (including other financing sources) increased by \$15.9 million or approximately 26% over the prior year.

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

General Fund Expenditures	2020	Percent	2019	Percent	Change	
	Amount	of Total	Amount	of Total	Increase (Decrease)	From Prior Year
General government	\$13,580,418	20.3%	\$14,184,594	21.1%	\$ (604,176)	-4.3%
Public safety	35,881,234	53.6%	35,213,152	52.4%	668,082	1.9%
Physical environment and transportation	4,657,554	7.0%	4,011,308	6.0%	646,246	16.1%
Culture and recreation	8,423,294	12.6%	9,018,161	13.4%	(594,867)	-6.6%
Community planning and development	1,470,969	2.2%	3,221,302	4.8%	(1,750,333)	-54.3%
Housing and social services	1,193,141	1.8%	-	0.0%	1,193,141	100.0%
Debt service	156,788	0.2%	445,649	0.7%	(288,861)	-64.8%
Capital outlay	1,538,707	2.3%	1,045,841	1.6%	492,866	47.1%
Total expenditures	<u>\$66,902,105</u>	<u>100%</u>	<u>\$67,140,007</u>	<u>100%</u>	<u>\$ (237,902)</u>	<u>-0.35%</u>

The primary factor contributing to the net decrease in General Fund expenditures was the overall efforts to adhere to budget controls for all major expenditure categories. The changes shown for Community Planning and Development and Housing (CP&D) and Social Services (HSS) department should be combined for comparison as HSS was created and separated from CP&D in the current year. Therefore, there was an overall net decrease of \$0.533 for both departments.

Public safety increase of \$0.668 million was due primarily to increased budgeted allocation of \$0.670 million for inter-fund services provided for equipment rental and risk management.

Physical environment and transportation increase of \$0.646 million was due primarily to

- Budgeted allocation for inter-fund services provided for equipment rental and risk management increased by \$0.378 million.
- Increase of \$0.307 million for utilities for current year was due to budgeted decision to record utility expenditures in the general fund instead of the transportation fund.

Capital outlay net increase of \$0.493 million was due primarily to improvements done to MOCA for \$0.642; capital lease of \$0.253 for storage units; and decrease of approximately (\$0.400 million) for other capital projects that were completed in the prior year.

General Fund revenues (by type) percentage of the total and the amount of change compared to the prior year fiscal year are shown in the following schedule:

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General Fund Revenues	2020	Percent	2019	Percent	Change	
	Amount	of Total	Amount	of Total	Increase (Decrease)	From Prior Year
Taxes:						
Ad valorem taxes	\$ 19,660,883	25.2%	\$ 18,765,259	30.2%	\$ 895,624	4.8%
Utility and communication taxes	4,650,241	6.0%	4,690,088	7.5%	(39,847)	-0.8%
Franchise fees	4,193,023	5.4%	4,084,241	6.6%	108,782	2.7%
Total taxes	28,504,147	36.5%	27,539,588	44.3%	964,559	3.5%
Charges for services	10,331,815	13.2%	12,112,312	19.5%	(1,780,497)	-14.7%
Return on investment - utility	2,809,024	3.6%	2,717,132	4.4%	91,892	3.4%
Fines and forfeitures	527,272	0.7%	682,350	1.1%	(155,078)	-22.7%
Intergovernmental	7,764,983	9.9%	8,939,250	14.4%	(1,174,267)	-13.1%
Licenses and permits	2,582,178	3.3%	3,084,316	5.0%	(502,138)	-16.3%
Interest and other earnings	5,611,680	7.2%	3,348,699	5.4%	2,262,981	67.6%
Rents and royalties	1,457,807	1.9%	2,348,538	3.8%	(890,731)	-37.9%
Proceeds from sale of capital assets	18,250,000	23.4%	-	0.0%	18,250,000	100.0%
Proceeds from capital leases	253,543	0.3%	-	0.0%	253,543	100.0%
Transfers in	-	0.0%	1,409,032	2.3%	(1,409,032)	-100%
Total revenues	<u>\$ 78,092,449</u>	<u>100%</u>	<u>\$ 62,181,217</u>	<u>100%</u>	<u>\$ 15,911,232</u>	<u>25.6%</u>

Explanation for the more significant changes for revenues are as follows:

1. Property tax revenues increased by \$0.896 million or 4.8% due to prevailing economic factors, as the City maintained the same operating millage rate of 7.500 mills. Also, most taxes were received before the impact of the real pandemic took effect.
2. Franchise fees net increase of \$0.109 due to:
 - a) Increase of \$0.232 million for FP&L franchise tax due to the current year release of deferred inflows adjustment from prior year. All receivables for 2020 were received within the measurement period, therefore, no deferred inflows adjustment was made for the current year.
 - b) Decrease of (\$0.112 million) for waste collection tax.
3. Charges for services net decrease of \$1.8 million or 14.7%, primarily due to:
 - a. The required GASB 63 adjustments for the prior year was a credit of \$0.509 million and the adjustments for the current year was a debit of \$0.125 which related to the net decrease of \$0.634 million.
 - b. Decrease of \$0.110 million for zoning and compliance review fees because those fees were transferred to licenses and permits in the current year.

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- c. Decrease of \$0.205 million for tennis court revenues due to the cancelation of most summer activities due to the pandemic.
- d. Decrease of \$0.577 million related to adjustments that were made in 2019 for 2018 unbilled accounts receivable. No similar adjustments were made in the current year.
- e. Decreases amounting to approximately \$0.252 million related to passport fees, off-duty police reimbursements and burglar alarm fees directly related to the pandemic.
- f. Decrease of \$0.040 million for election fees – there were no elections in 2020.
4. Return on investment – utility increased by \$0.092 due primarily to budgeted allocation.
5. Fines and forfeitures decrease of \$0.155 million related to less activities during the pandemic for several fines-related fees such as code violations and citations, permit penalties, parking tickets surcharge for crossing guards, etc.
6. Intergovernmental decreased by \$1.2 million or 13%, primarily due to reduced amounts from state sharing related to the pandemic, in particular:
 - \$0.667 million for local government half-cent sales tax
 - \$0.267 million for state sharing revenues
 - \$0.105 million for local option gas tax

Also, decrease of \$0.120 million for the downtown project administration fees off-duty police also due to reduced activities as a result of the pandemic.

7. Licenses and permits decreased by \$0.502 million or 16.3% primarily due to the impact of the pandemic which reduced activities for the following:
 - \$0.190 million for electrical permits
 - \$0.126 million for mechanical permits
 - \$0.120 million for plumbing permits
 - \$0.101 million for several other miscellaneous permits and review fees
8. Interest and other earnings net increase of \$2.3 million or 67.6%, was primarily due to \$2.7 million one-time payment received in fiscal 2020, to forego future participation rent in relation to amendment to the Biscayne Landing lease agreement.

There was also \$0.729 million distribution received from the state for premium tax revenue in 2019 with no similar distribution received in the current year and adjustment for allowance for uncollectible utility receivables was \$0.161 less than 2019.

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9. Rent and royalties decreased a net of \$0.891 million or 37.9% primarily due to the following:
 - Termination of participation rent related to the Royal Oaks Condominium, which was a part of the amendment to the Biscayne Landing agreement. In 2019, \$0.609 million was recorded for outstanding rent. No similar amount was recorded for the current year.
 - \$0.155 million decrease related to amendment to the Biscayne Landing lease agreement.
10. Proceeds from sale of capital assets of \$18.3 million related to disposal of parcels of lands at Biscayne Landing and \$0.253 million proceeds from capital leases related to storage units acquired by the City.
11. The decrease of \$1.4 million for transfers in related to prior year contribution of \$0.549 million from the CRA for rehabilitation program for the City and \$0.860 million from the FEMA Disaster Fund to reimburse the General Fund for expenditures incurred in prior years.

FINANCIAL ANALYSIS OF OTHER GOVERNMENTAL FUNDS

Landfill Closure Fund (Major Fund)

This fund is restricted for funding the remediation and closure costs of an old landfill. The fund was set up from a one-time contribution of \$31 million, received from the Miami-Dade County in 2004, and placed in an escrow account. At the end of 2020, the long-term cost was estimated to be \$8 million. The remediation cost for the current year was \$3.7 million. This fund had a restricted fund balance of \$5.9 million at September 30, 2020. See **NOTE 12** for additional information on the landfill.

CRA Component Unit Capital Projects Fund (Major Fund)

The CRA, a component unit of the City, reported a \$4.2 million restricted fund balance at year end. During the year, approximately \$5.4 million in property tax incremental revenues was recognized in the CRA (both the City and Miami-Dade County portions). The CRA refunded tax increment revenues of approximately \$2.5 million to Miami-Dade County. The City acts as a pass-through for the tax incremental property tax monies that were transferred to the CRA.

The CRA recorded a transfer of \$0.094 million to the City, to be used for the residential rehabilitation program for the City.

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Community Development Block Grant (C.D.B.G.) Entitlement Fund

The C.D.B.G. fund accounts for grant-related revenues and expenditures for housing rehabilitation programs. For the fiscal year, the fund awarded a total of \$0.568 million toward direct housing and rehabilitation projects.

Other Governmental Funds (Nonmajor)

Significant items pertaining to other Governmental Funds (Nonmajor) are as follows:

1. Special revenues restricted fund balance at year-end was \$3.9 million, comprised primarily of:
 - The Neighborhood Stabilization Program (“NSP”) reported \$0.439 million;
 - Law Enforcement Trust Fund reported \$0.453 million;
 - Federal Forfeiture Fund reported \$0.095 million;
 - Developer Impact Fees Fund reported \$0.783 million; and
 - MOCA reported \$1 million.
 - Half-cent Transportation Surtax Fund reported \$1.1 million
2. The Home Investment Partnership Program (HIP) and the NSP combined funds awarded a total of \$0.410 million in direct housing grants and aid to home owners and local businesses.
3. MOCA is included as a component unit of the City because the City provides significant financial support for MOCA’s daily operations. The City provided support of approximately \$1.8 million to fund approximately \$2.7 million of total expenditures shown in MOCA’S financial statements.

Internal Service Funds

In 2020, the General Risk Management Fund reflected net position of \$1.6 million - a decrease from the prior year’s \$1.7 million. The operating loss of (\$0.141 million) was due primarily to increase in personnel services of \$0.078 related to allocation of actuarial valuation for net pension liability and increase of \$0.109 million for insurance and surety bonds.

The Fleet Management Fund reflected net position of \$6.6 million compared to prior year’s total of \$5.1 million. Operating income was \$1.5 million compared to prior year’s total of \$0.441. The increase was due primarily to budget allocation of \$1.2 million for services provided to other funds.

Fiduciary Funds

Net investment income from interest and dividends for both City pension plans combined was reported at \$1.8 million. The Plans’ investment policies set the portfolio allocation. Many U.S. market indices

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posted favorable returns across the board this year. There was a significant appreciation for both plans of approximately \$13.7 million (prior year net appreciation was \$5.3 million). Employer contribution for 2020, for both plans was \$8.7 million. During 2020, benefit payouts approximated \$13 million for both plans combined.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2020, the City's capital assets for the governmental and business-type activities amounted to \$121 million (net of accumulated depreciation), compared with \$121.4 million as restated, in the previous fiscal year. These assets include land, construction in progress, buildings, and improvements, infrastructure, machinery and equipment and library books. The total net increase in the City's capital assets balances from prior fiscal year was \$5.8 million or 3%.

	CAPITAL ASSETS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES					
	Governmental		Business-type		Totals	
	Activities	2020	Activities	2019	2020	2019 ⁽¹⁾
Capital assets, not being depreciated:						
Land	\$ 19,009,371	\$ 19,879,480	\$ 653,080	\$ 653,080	\$ 19,662,451	\$ 20,532,560
Construction in progress	396,793	62,900	961,865	1,051,108	1,358,658	1,114,008
Total capital assets, not being depreciated	<u>19,406,164</u>	<u>19,942,380</u>	<u>1,614,945</u>	<u>1,704,188</u>	<u>21,021,109</u>	<u>21,646,568</u>
Capital assets, being depreciated, net:						
Land Improvements	19,549,528	19,370,860	1,249,069	1,285,292	20,798,597	20,656,152
Buildings and improvements	26,117,959	22,191,989	2,523,002	2,485,692	28,640,961	24,677,681
Infrastructure	61,613,430	60,586,264	90,901,208	87,598,285	152,514,638	148,184,549
Machinery and equipment	22,568,995	22,261,826	7,006,228	6,664,611	29,575,223	28,926,437
Library books	2,413,171	2,340,955	-	-	2,413,171	2,340,955
Total capital assets, being depreciated	<u>132,263,083</u>	<u>126,751,894</u>	<u>101,679,507</u>	<u>98,033,880</u>	<u>233,942,590</u>	<u>224,785,774</u>
Accumulated depreciation:						
Land Improvements	(14,438,492)	(14,106,061)	(138,808)	(135,105)	(14,577,300)	(14,241,166)
Buildings and improvements	(12,451,235)	(11,226,090)	(1,038,840)	(964,938)	(13,490,075)	(12,191,028)
Infrastructure	(31,458,731)	(30,253,482)	(45,722,660)	(43,447,721)	(77,181,391)	(73,701,203)
Machinery and equipment	(18,168,467)	(17,398,650)	(5,476,179)	(5,059,346)	(23,644,646)	(22,457,996)
Library books	(2,254,432)	(2,193,465)	-	-	(2,254,432)	(2,193,465)
Total accumulated depreciation	<u>(78,771,357)</u>	<u>(75,177,748)</u>	<u>(52,376,487)</u>	<u>(49,607,110)</u>	<u>(131,147,844)</u>	<u>(124,784,858)</u>
Total capital assets, being depreciated, net	<u>53,491,726</u>	<u>51,574,146</u>	<u>49,303,020</u>	<u>48,426,770</u>	<u>102,794,746</u>	<u>100,000,916</u>
Total Capital Assets, net	<u>\$ 72,897,890</u>	<u>\$ 71,516,526</u>	<u>\$ 50,917,965</u>	<u>\$ 50,130,958</u>	<u>\$ 123,815,855</u>	<u>\$ 121,647,484</u>

(1) Restated for adjustment to lands and buildings

Total net increase in capital assets for governmental activities (excluding depreciation) was \$1.5 million, due primarily to the following significant changes:

1. The decrease of \$1 million for lands was due primarily to the sale of parcels of Biscayne Landing.

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2. \$0.334 million net increase for construction in progress as follows:
 - \$0.661 additions for on-going projects related to the N.E. 10th and 14th avenues traffic circle and other several other streets and sidewalks
 - \$0.277 completed projects transferred to infrastructure
3. \$0.179 million increase for land improvements related to Liberty Gardens Park donated by the CRA.
4. \$2.7 million net increase for building improvements primarily for \$3.3 million assets held for resale transferred to capital assets and additions of \$0.646 roofing for MOCA.
5. \$1 million increase for infrastructure, primarily for paving of sidewalks and drainage improvement throughout the City.
6. \$0.307 million net increase for machinery and equipment, related to disposal of (\$0.687) for vehicles and additions of \$1 million for new vehicles, computer hardware for City Hall, police computer hardware, and police vehicle equipment upgrades.

Total net increase in capital assets for business-type activities (excluding depreciation) was \$3.5 million, due primarily to the following:

1. Increase of \$3.3 million for infrastructure, primarily the completion of projects transferred from construction in progress for the lift station rehabilitation project, water main line improvements and the water plant filter project.
2. Increase of \$0.342 million for machinery and equipment including a backhoe loader for \$0.155 million.

Additional information on the City's capital assets are disclosed in **NOTE 6** starting on page 68 of this report.

Long-term Debt

At September 30, 2020, the City had total outstanding debt of approximately \$18.6 million (bonds, notes, leases etc.) compared to approximately \$19.1 million at the end of the previous fiscal year. The majority of the City's outstanding debt was secured by specific revenue sources. The outstanding debts are summarized below:

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	Outstanding Debt					
	Governmental		Business-type		Totals	
	Activities	Activities	2020	2019	2020	2019
Note payable			\$ 11,520,000	\$ 12,405,000	\$ 11,520,000	\$ 12,405,000
Unamortized bond discount			(402,752)	(484,441)	(402,752)	(484,441)
Capital lease obligation			1,210,053	1,180,522	1,210,053	1,180,522
Purchase installment liability			93,600	187,200	93,600	187,200
FMLC Series 2016 Refunding (stormwater)			- 800,000	1,185,000	800,000	1,185,000
Unamortized bond premiums and discount			- 41,020	61,530	41,020	61,530
State revolving fund loan			- 5,332,957	4,634,579	5,332,957	4,634,579
Capital lease obligations			- 793	- 793	- 793	- 793
Total			<u>\$ 12,420,901</u>	<u>\$ 13,288,281</u>	<u>\$ 6,173,977</u>	<u>\$ 5,881,902</u>
					<u>\$ 18,594,878</u>	<u>\$ 19,170,183</u>

During the fiscal year 2020, the City had the following debt activity:

Governmental Activities – Total debt decreased by a net \$0.7 million: \$1.5 for debt repayments and new capital leases for \$0.8 million.

Business-type Activities – The total debt increased by a net of \$0.2 million from the prior year, primarily due to proceeds of \$1 million from State Revolving Fund loans while repayments decreased total debt by \$0.7 million for principal payments and amortizations.

Additional information on the City's long-term debt and capital leases can be found in **NOTE 7** on page 70.

Overall Budget

The fiscal year 2020 adopted budget of \$179.5 million represents an increase of 15.6% compared to the fiscal year 2019 Budget.

The difference between the original and final amended general fund budget for 2020 was approximately \$32.1 million. The increase was due to re-appropriations for prior year projects.

The general fund is the largest component of the total budget, accounting for \$74 million or 41% of the total budget. The budgetary highlights are based on the following schedule:

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GENERAL FUND BUDGETARY HIGHLIGHTS

UNAUDITED FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 19,520,769	\$ 19,520,769	\$ 19,660,883	\$ 140,114
Utility and communication taxes	4,863,407	4,863,407	4,650,241	(213,166)
Charges for services	12,602,106	13,161,052	10,331,815	(2,829,237)
Return on investment - utility	2,809,027	2,809,027	2,809,024	(3)
Franchise fees	4,376,529	4,376,529	4,193,023	(183,506)
Fines and forfeitures	718,300	718,300	527,272	(191,028)
Intergovernmental	9,776,005	9,805,460	7,764,983	(2,040,477)
Licenses and permits	7,079,382	7,079,382	2,582,178	(4,497,204)
Interest	562,312	562,312	472,946	(89,366)
Other earnings	2,475,240	2,580,692	5,138,734	2,558,042
Rents and royalties	3,271,128	3,271,128	1,457,807	(1,813,321)
Total revenues	<u>68,054,205</u>	<u>68,748,058</u>	<u>59,588,906</u>	<u>(9,159,152)</u>
EXPENDITURES				
General Government:				
Mayor and city council	1,360,086	1,562,843	1,409,786	153,057
City manager	3,068,404	3,186,621	3,255,366	(68,745)
City clerk	638,981	638,981	459,570	179,411
Financial Services	3,580,290	3,580,290	3,473,373	106,917
Legal	1,080,289	1,307,120	1,168,503	138,617
Human resources	855,450	855,450	833,752	21,698
Information technology	1,733,344	1,795,762	1,673,988	121,774
Management and budget	425,290	425,290	472,917	(47,627)
Procurement and purchasing	558,206	558,206	534,638	23,568
Non-departmental	5,918,935	3,895,771	298,525	3,597,246
Total general government	<u>19,219,275</u>	<u>17,806,334</u>	<u>13,580,418</u>	<u>4,225,916</u>
Public Safety:				
Police	27,903,429	27,949,387	28,965,743	(1,016,356)
Building and zoning	1,856,678	1,856,678	1,642,993	213,685
Code enforcement	5,722,870	5,722,870	5,272,498	450,372
Total public safety	<u>35,482,977</u>	<u>35,528,935</u>	<u>35,881,234</u>	<u>(352,299)</u>
Physical Environment				
Public works	1,374,199	1,364,486	1,279,927	84,559
Transportation	3,430,435	3,529,683	3,377,627	152,056
Total physical environment	<u>4,804,634</u>	<u>4,894,169</u>	<u>4,657,554</u>	<u>236,615</u>
Economic Environment:				
Community planning and development	4,307,649	1,535,184	1,470,969	64,215
Housing and social services	-	1,994,189	1,193,141	801,048
Total economic environment	<u>4,307,649</u>	<u>3,529,373</u>	<u>2,664,110</u>	<u>865,263</u>
Culture and Recreation:				
Parks and recreation	5,073,649	5,754,136	5,947,129	(192,993)
Library	1,106,595	1,119,258	996,961	122,297
MOCA	1,575,906	1,825,355	1,479,204	346,151
Total culture and recreation	<u>7,756,150</u>	<u>8,698,749</u>	<u>8,423,294</u>	<u>275,455</u>
Debt service	155,020	205,820	156,788	49,032
Capital outlay	816,548	1,909,168	1,538,707	370,461
Total expenditures	<u>72,542,253</u>	<u>72,572,548</u>	<u>66,902,105</u>	<u>5,670,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,488,048)</u>	<u>(3,824,490)</u>	<u>(7,313,199)</u>	<u>(3,488,709)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from advance from water and sewer fund	-	1,836,442	-	(1,836,442)
Proceeds from sale of capital assets	3,500,000	3,500,000	18,250,000	14,750,000
Proceeds from capital leases	-	-	253,543	
Transfers in	2,500,000	-	-	-
Transfers out	(1,511,952)	(1,511,952)	(1,511,952)	-
Total other financing sources (uses)	<u>4,488,048</u>	<u>3,824,490</u>	<u>16,991,591</u>	<u>13,167,101</u>
Net change in fund balance (deficit)	\$ -	\$ -	\$ 9,678,392	\$ 9,678,392
Fund balance (deficit), beginning				
Fund balance (deficit), ending			\$ (5,018,744)	

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2020

Actual total revenues were \$9 million less than the final budgeted revenues, due primarily to the following factors:

- a. Ad valorem tax was \$0.140 million more than budgeted primarily because tax payers paid on a more timely basis compared to prior year.
- b. Utility and communication taxes was more than budgeted by \$0.213 million because expected amounts from the state were not realized.
- c. Charges for services were \$2.8 million less than budgeted because the yearly GASB 63 adjustments for receivables not collected within the measurement period was \$0.634 less than prior year. In addition, summer activities for parks and recreations were cancelled due to the pandemic, which resulted in \$0.347 less fees collected. There was also \$0.577 for unbilled included in prior year, which related to 2018. There were not similar adjustments necessary for the current year.
- d. Franchise fees were \$0.183 million less than budgeted because there were reduced collections for Florida Power and Light and waste collection franchise fees.
- e. Fines and forfeitures collections were \$0.191 million less than the budget due to decrease in special magistrate sessions that were not anticipated in the budget.
- f. Intergovernmental revenues were \$2.0 million less than budgeted due to reduced amounts received for state revenue sharing and sales tax, occupational license revenues from Miami Dade County
- g. Licenses and permits negative variance of \$4.4 million was due primarily to budgeted amounts based on prior year for electrical, mechanical and building permits, which did not materialize. Additionally, major construction projects that were to begin in fiscal 2020 were deferred due to the Corona Virus pandemic.
- h. Other earnings were \$2.55 million more than budgeted due primarily to the one-time receipt of \$2.7 million to forego future participation rent. This amount was not budgeted.
- i. Rents and royalties were \$1.8 million less than budgeted because adjustments were made to calculations for Biscayne Landings long term lease agreement after the sale of parcels in March and August which were not anticipated in the budget.

The net positive variance of \$5.6 million for expenditures was due primarily to the following factors:

- a. Mayor and council realized \$0.153 budget savings due primarily to reduction in expenditures for miscellaneous events.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2020

- b. City manager department exceeded its budget by \$0.69 million due to severance payments to terminated staff.
- c. The following departments had budget savings due primarily to adherence to budget control involving staff cuts and furloughs:
 - City clerk department realized \$0.179 million
 - Financial services department realized \$0.106 million
 - Legal department realized \$0.138 million
 - Human resources realized \$0.022 million
 - Information technology realized \$0.122 million
 - Procurement and purchasing realized \$0.024
- d. Management and budget expenditures were more than budget due to unforeseen payroll costs incurred to fill staff position, when current employee was on medical leave.
- e. Non-departmental shows a positive variance of \$3.6 million due primarily to expenditure reduction plan implemented to address the general fund deficit. As such, several expenditures were deferred.
- f. Public safety shows a net negative variance of \$0.346 million due primarily to the significant increase in actuarial valuation for net pension liability and OPEB liability, which were not anticipated in the budget. In addition, due to COVID-19, the command staff in the police department were granted emergency pay and overtime costs which were not budgeted.
- g. Physical environment expenditures were more than budgeted by \$0.236 million due primarily to budgeted personnel positions which were not filled.
- h. Community planning and development had \$0.862 million more in expenditures due to adding a new Housing and Social Services department which provided additional services during the pandemic which were not budgeted.
- i. Culture and recreation had net budget savings of \$0.275 million due primarily to reduced activities for MOCA and the library.
- j. Debt service had a positive variance of \$0.043 million because expenditures were under budgeted.
- k. Capital outlay had a positive variance of \$0.624 million due to sidewalk projects that were not completed.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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Economic Factors and Next Year's Budgets and Rates

The fiscal year 2020 budget allocates resources to support the level of service residents and businesses have come to expect. The goal is to provide basic levels of service in the most equitable and efficient manner and focus on areas of the city where the services are most needed, particularly as it relates to affordable housing. The fiscal year 2020 budget supports essential city services without increases in service fees such as water and sewer and stormwater utility. It also includes funding to increase the inventory of affordable housing. It also keeps the millage rate constant at 7.5.

The fiscal year 2020 budget relies solely on revenues to be generated during fiscal year 2020.

Economic Impact on the Immediate Budget

For the sixth consecutive year, the city realized an increase in assessed taxable value as reported by the Miami-Dade County Property Appraiser. Fiscal year 2019-2020 assessed taxable value is \$3.386 billion and represents an 11 percent increase from the previous year of \$3.051 billion. This increase will generate an additional \$2.5 million in property tax revenue and at the same millage from the previous year. The majority of the growth occurred within the North Miami Community Redevelopment area, a clear indication that our redevelopment dollars are hard at work.

The City's goal is to eliminate the General Fund deficit through a combination of increased ad valorem revenue and expenditure reductions. Our revenues for fiscal 2021 may be affected by the COVID-19 crisis. We are reviewing them on a continuous basis to determine the how the impact of these losses will affect the city's ability to reduce the deficit. We believe that once the national crisis is over, revenues will begin to normalize.

The City is also continuously reviewing revenues and expenditures to determine areas where shortfalls and surpluses are expected. The following were implemented during the fiscal year to reduce the deficit:

- In March 2020 the City received \$10.7 million from the sale of 20 acres of land. The goal remains to eliminate the deficit and place the City in a sound financial condition within the next five years. As with the fiscal year 2020 budget, going forward, the City will only rely on revenues generated within each fiscal year
- City employees participated in one furlough day in May 2020, 2 furlough days from June to September 2020. One furlough day will continue through the next fiscal year.
- The City also laid off approximately 107 part time employees.

Future Economy and Budget Years

From fiscal year 2016 to fiscal year 2020, property tax revenue increased approximately 33%. This increase was primarily due to increasing property tax values.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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While there are certainly challenges in improving wage growth in the community, the commercial sector is thriving. The Community Redevelopment Agency's assistance and subsidies have led to new and innovative businesses being established in the downtown region and major corridors.

As the City continues to monitor the state and national economies, there will be several initiatives that will have an interdependent impact on the future local economy and upcoming budget years:

1. ***SoLē Mia*** – The next phase of development will include a University of Miami outpatient medical facility and other specialized services offered by the Sylvester Comprehensive Cancer Center, Bascom Palmer Eye Institute, ambulatory care and cardiology, neurology, urology medical services. In addition to creating employment opportunities for North Miami residents, this state-of-the-art development will improve the access to quality health care to the residents in North Miami and surrounding areas.
2. ***Capitalize on the CRA*** – The North Miami Community Redevelopment Agency (CRA) will be a major funding mechanism the City will use to advance the local economy. CRA revenue from tax increment financing (TIF) continues to grow as the property values increase within the area. Fiscal year 2020 TIF revenues increased by 34 percent from the previous year (from \$3.9 million to \$5.4 million). As the TIF contributions grow, the City's utilization of the CRA to provide innovative and capital-intensive services will as well.
3. ***Workforce Development Initiatives*** – The Community Planning and Development Department continues scholarship programs, professional development courses, and strategic partnerships to raise the skill level of the North Miami workforce and improve wages in the community.
4. ***Strengthen Footprint*** – Several important indicators that assist in determining a City's financial footprint include the growth of property values, revenues, the amount of debt held, and the ability to pay off that debt. The City of North Miami has growing property values, ad-valorem revenue and reducing debt.

Request for Information

This financial report is designed to provide a general overview of the City of North Miami's finances to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance Department.

Finance Department
City of North Miami
776 NE 125th Street
North Miami, Florida, 33161

or

Visit our website at www.northmiamifl.gov/financialreports



Basic Financial Statements



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Government-wide Financial Statements



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CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 21,603,122	\$ 20,343,759	\$ 41,946,881
Investments	3,019,645	7,064,090	10,083,735
Receivables, net	2,178,205	16,440,475	18,618,680
Due from other governments	3,605,401	676,757	4,282,158
Internal balances	(4,252,573)	4,252,573	-
Inventories and supplies	57,731	616,420	674,151
Prepays, deposits and other assets	343,995	-	343,995
Unamortized debt issuance - prepaid insurance	-	4,657	4,657
Notes receivable	10,502,400	-	10,502,400
Restricted cash	12,886,252	-	12,886,252
Capital assets not being depreciated	19,406,164	1,614,945	21,021,109
Capital assets being depreciated, net	53,491,726	49,303,020	102,794,746
Total assets	122,842,068	100,316,696	223,158,764
DEFERRED OUTFLOW OF RESOURCES			
Loss on debt refunding	-	7,869	7,869
OPEB related items	1,925,198	286,229	2,211,427
Pension related items	33,713,452	4,220,810	37,934,262
Total deferred outflow of resources	35,638,650	4,514,908	40,153,558
LIABILITIES			
Vouchers payable and accrued liabilities	2,679,182	5,150,017	7,829,199
Construction contracts payable	59,125	410,431	469,556
Accrued payroll and benefits	1,140,089	130,239	1,270,328
Unearned revenues	13,427,148	-	13,427,148
Deposits	80,995	2,937,965	3,018,960
Interest payable	208,800	-	208,800
Noncurrent liabilities:			
Due within one year	4,498,033	927,919	5,425,952
Due in more than one year	90,144,209	14,687,829	104,832,038
Total liabilities	112,237,581	24,244,400	136,481,981
DEFERRED INFLOW OF RESOURCES			
OPEB related items	2,088,965	286,618	2,375,583
Pension related items	9,857,942	1,328,051	11,185,993
Total deferred inflows of resources	11,946,907	1,614,669	13,561,576
NET POSITION			
Net investments in capital assets	71,535,115	44,346,083	115,881,198
Restricted for:			
Capital projects	12,112,606	-	12,112,606
Housing and development	610,761	-	610,761
Public safety	547,787	-	547,787
Transportation	1,109,082	-	1,109,082
Other purposes	1,013,881	-	1,013,881
Unrestricted (deficit)	(52,633,002)	34,626,452	(18,006,550)
Total net position	\$ 34,296,230	\$ 78,972,535	\$ 113,268,765

See notes to basic financial statements.

CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 24,471,010	\$ 17,104,504	\$ 4,041,349	\$ -	\$ (3,325,157)	\$ -	\$ (3,325,157)
Public safety	37,929,647	4,098,398	580,202	-	(33,251,047)	-	(33,251,047)
Physical environment	3,879,546	2,484,512	-	-	(1,395,034)	-	(1,395,034)
Transportation and public works	5,841,175	19,730	2,372,719	-	(3,448,726)	-	(3,448,726)
Housing and social services	2,309,283	-	961,271	-	(1,348,012)	-	(1,348,012)
Culture and recreation	15,738,792	455,915	39,828	-	(15,243,049)	-	(15,243,049)
Community planning and development	3,380,630	352,937	143,252	264,018	(2,620,423)	-	(2,620,423)
Interest and fiscal charges	1,264,361	-	-	-	(1,264,361)	-	(1,264,361)
Total governmental activities	94,814,444	24,515,996	8,138,621	264,018	(61,895,809)	-	(61,895,809)
Business-type activities:							
Water and sewer	30,792,646	31,173,723	-	-	-	381,077	381,077
Stormwater	2,807,175	2,404,654	-	-	-	(402,521)	(402,521)
Total business-type activities	33,599,821	33,578,377	-	-	-	(21,444)	(21,444)
Total primary government	\$ 128,414,265	\$ 58,094,373	\$ 8,138,621	\$ 264,018	\$ (61,895,809)	\$ (21,444)	\$ (61,917,253)
General revenues							
Taxes:							
Property taxes levied for general purposes					\$ 25,070,539	\$ -	\$ 25,070,539
Utility taxes					3,618,231	-	3,618,231
Local option gas tax					679,602	-	679,602
Communication services tax					1,032,010	-	1,032,010
Franchise fees based on gross receipts					4,193,023	-	4,193,023
Intergovernmental not restricted to specific programs					9,068,989	-	9,068,989
Landfill closure					86,388	-	86,388
Gain on sale of capital assets					17,338,940	-	17,338,940
Unrestricted investment earnings					195,619	-	195,619
Miscellaneous revenues					4,786,599	1,175,791	5,962,390
Total general revenues					66,069,940	1,175,791	67,245,731
Transfers					223,493	(223,493)	-
Total general revenues and transfers					66,293,433	952,298	67,245,731
Change in net position					4,397,624	930,854	5,328,478
Net position, beginning as restated (Note 16)					29,898,606	78,041,681	107,940,287
Net position, ending	\$ 34,296,230	\$ 78,972,535	\$ 78,972,535	\$ 113,268,765			

See notes to basic financial statements.



Fund Financial Statements



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CITY OF NORTH MIAMI, FLORIDA
BALANCE SHEET

GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	CRA	C.D.B.G. Entitlement	Landfill Closure	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and cash equivalents	\$ 3,100,000	\$ 4,307,654	\$ -	\$ -	\$ 4,435,556	\$ 11,843,210
Pooled investments	671,946	-	-	-	989,734	1,661,680
Accounts receivables, net of allowance	2,156,400	-	-	-	5,950	2,162,350
Due from other governments and entities	1,751,874	-	439,038	-	1,406,259	3,597,171
Due from other funds	1,347,508	-	-	-	-	1,347,508
Prepays, deposits and other current assets	199,956	-	-	-	61,849	261,805
Restricted cash	7,000,000	-	-	5,886,252	-	12,886,252
Notes receivable	10,502,400	-	-	-	-	10,502,400
Total Assets	<u>26,730,084</u>	<u>4,307,654</u>	<u>439,038</u>	<u>5,886,252</u>	<u>6,899,348</u>	<u>44,262,376</u>
LIABILITIES						
Vouchers payable	1,134,613	735,301	40,497	-	615,642	2,526,053
Construction contracts payable	10,226	28,352	-	-	18,524	57,102
Accrued payroll and benefits	1,033,531	-	3,834	-	61,448	1,098,813
Advances from other funds	4,252,596	-	-	-	-	4,252,596
Due to other funds	-	-	222,112	-	1,125,396	1,347,508
Unearned revenues	12,536,630	-	-	-	890,518	13,427,148
Other liabilities and deposits	273,888	-	-	-	1,148	275,036
Total Liabilities	<u>19,241,484</u>	<u>763,653</u>	<u>266,443</u>	<u>-</u>	<u>2,712,676</u>	<u>22,984,256</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - from other sources	2,004,944	-	97,850	-	618,695	2,721,489
Unavailable revenue from notes receivable	10,502,400	-	-	-	-	10,502,400
Total deferred inflows of resources	<u>12,507,344</u>	<u>-</u>	<u>97,850</u>	<u>-</u>	<u>618,695</u>	<u>13,223,889</u>
FUND BALANCES (DEFICITS)						
Non-spendable	199,956	-	-	-	61,849	261,805
Restricted	7,000,000	4,220,048	74,745	5,886,252	4,099,324	21,280,369
Assigned	-	-	-	-	258,445	258,445
Unassigned (deficit)	(12,218,700)	(676,047)	-	-	(851,641)	(13,746,388)
Total Fund Balances (Deficits)	<u>(5,018,744)</u>	<u>3,544,001</u>	<u>74,745</u>	<u>5,886,252</u>	<u>3,567,977</u>	<u>8,054,231</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 26,730,084</u>	<u>\$ 4,307,654</u>	<u>\$ 439,038</u>	<u>\$ 5,886,252</u>	<u>\$ 6,899,348</u>	<u>\$ 44,262,376</u>

See notes to basic financials statements.

CITY OF NORTH MIAMI, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund balance (deficit) - total governmental funds	\$ 8,054,231
--	---------------------

Amounts reported for governmental activities in the statement of net position (page 30) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	69,762,165
---	------------

Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.	
--	--

Other unavailable revenues	2,721,489
Unavailable revenues relating to loans receivable	<u>10,502,400</u>
	13,223,889

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Unamortized bond discount	402,752
Bonds and loans payable	(11,520,000)
Capital leases payable	(245,109)
Compensated absences liability	(8,319,181)
Landfill closure liability	(8,027,581)
Purchase installment liability	(93,600)
Claims payable	(435,864)
Net pension liability	(46,776,635)
Total other post-employment benefit (OPEB) liability	<u>(12,840,980)</u>
	(87,856,198)
Accrued interest payable	(208,800)

Net deferred outflows (inflows) for pensions and OPEB which are not recognized under the modified accrual basis of accounting	23,077,629
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Assets and liabilities of internal service funds are included in governmental activities statement of net position.	<u>8,243,314</u>
---	------------------

Net position of governmental activities	<u>\$ 34,296,230</u>
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CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	CRA	C.D.B.G. Entitlement	Landfill Closure	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Ad valorem taxes	\$ 19,660,883	\$ 5,409,656	\$ -	\$ -	\$ -	\$ 25,070,539
Utility and communication taxes	4,650,241	-	-	-	-	4,650,241
Charges for services:						
Sanitation fees	2,484,512	-	-	-	-	2,484,512
Interfund charges	5,348,080	-	-	-	-	5,348,080
Other	2,499,223	-	-	-	141,023	2,640,246
Return on investment - utility	2,809,024	-	-	-	-	2,809,024
Franchise fees	4,193,023	-	-	-	-	4,193,023
Fines and forfeitures	527,272	-	-	-	-	527,272
Intergovernmental	7,764,983	-	643,492	-	9,829,662	18,238,137
Licenses and permits	2,582,178	-	-	-	-	2,582,178
Interest and other earnings	5,611,680	29,476	-	23,234	514,110	6,178,500
Rents and royalties	1,457,807	-	-	-	-	1,457,807
Total revenues	<u>59,588,906</u>	<u>5,439,132</u>	<u>643,492</u>	<u>23,234</u>	<u>10,484,795</u>	<u>76,179,559</u>
EXPENDITURES						
Current:						
General government	13,580,418	3,348,856	-	-	35,909	16,965,183
Public safety	35,881,234	-	-	-	320,111	36,201,345
Physical environment	4,657,554	-	-	3,755,020	1,348,744	9,761,318
Housing and social services	1,193,141	-	568,747	-	456,493	2,218,381
Culture and recreation	8,423,294	-	-	-	2,811,943	11,235,237
Community planning and development	1,470,969	1,778,813	-	-	122,800	3,372,582
Debt service:						
Principal retirement	156,788	-	-	-	885,280	1,042,068
Interest and fiscal charges	-	-	-	-	899,363	899,363
Capital outlay	1,538,707	39,877	-	-	789,809	2,368,393
Total expenditures	<u>66,902,105</u>	<u>5,167,546</u>	<u>568,747</u>	<u>3,755,020</u>	<u>7,670,452</u>	<u>84,063,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,313,199)</u>	<u>271,586</u>	<u>74,745</u>	<u>(3,731,786)</u>	<u>2,814,343</u>	<u>(7,884,311)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	18,250,000	-	-	-	-	18,250,000
Proceeds from capital leases	253,543	-	-	-	-	253,543
Transfers in	-	-	-	-	1,784,369	1,784,369
Transfers out	(1,511,952)	-	-	-	-	(1,511,952)
Total other financing sources (uses)	<u>16,991,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784,369</u>	<u>18,775,960</u>
Net change in fund balances (deficits)	9,678,392	271,586	74,745	(3,731,786)	4,598,712	10,891,649
Fund balances (deficits), beginning	(14,697,136)	3,272,415	-	9,618,038	(1,030,735)	(2,837,418)
Fund balances (deficits), ending	<u>\$ (5,018,744)</u>	<u>\$ 3,544,001</u>	<u>\$ 74,745</u>	<u>\$ 5,886,252</u>	<u>\$ 3,567,977</u>	<u>\$ 8,054,231</u>

See notes to basic financial statements.

CITY OF NORTH MIAMI, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(DEFICIT) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances (deficit) - total governmental funds \$ **10,891,649**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives:

Expenditures for capital assets	2,368,393
Net effect of various transactions involving capital assets	<u>(911,060)</u>
	1,457,333
Less current year depreciation	<u>(3,213,693)</u>
	(1,756,360)

Certain revenues are reported as deferred inflows in the fund financial statements due to amounts being unavailable; under full accrual accounting they are reported as revenues:

Grant and other revenues	(2,229,616)
--------------------------	-------------

Governmental funds do not report deferred outflows (inflows) related to pensions and OPEB. However, in the statement of activities, changes in these balances are recognized as adjustments to revenues and expenses.

9,517,504

Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal is an expenditure in the governmental funds. The issuance increases long-term liabilities in the statement of net position, while the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and discounts and similar items when debt is first issued whereas those amounts are deferred and amortized in the statement of activities over time:

Amortization of bond discount	(81,689)
Principal paid on bonds, loans and capital leases	948,468
Installment purchases	93,600
Lease issued	<u>(253,543)</u>
	706,836

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Compensated absences	(841,767)
Landfill and closure cost	86,388
Total OPEB liability	<u>(2,200,785)</u>
Net pension liability	<u>(11,107,583)</u>
Accrued interest on long term debt	<u>16,041</u>
	(14,047,706)

Internal service funds are used by management to charge the costs of self insurance and fleet management services to individual funds. The change in net position of the internal service funds is reported with governmental activities.

1,315,317

Change in net position of governmental activities

\$ 4,397,624

CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Stormwater	Total	Internal Service Funds
			Enterprise Funds	
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 20,343,736	\$ -	\$ 20,343,736	\$ 9,759,912
Pooled investments	7,064,090	-	7,064,090	1,357,965
Accounts receivables, net of allowance	15,117,071	1,323,404	16,440,475	15,855
Grants receivables from other governments	30,007	646,750	676,757	8,230
Inventories and supplies	616,420	-	616,420	57,731
Prepays and deposits	-	-	-	82,190
Unamortized debt issuance - prepaid insurance	-	4,657	4,657	-
Total current assets	43,171,324	1,974,811	45,146,135	11,281,883
Non-current assets:				
Advances to other funds	4,401,295	-	4,401,295	-
Capital assets, net	42,290,962	8,627,003	50,917,965	3,135,725
Total non-current assets	46,692,257	8,627,003	55,319,260	3,135,725
Total assets	89,863,581	10,601,814	100,465,395	14,417,608
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on debt refunding	-	7,869	7,869	-
OPEB related items	246,735	39,494	286,229	48,144
Pension related items	3,730,606	490,204	4,220,810	1,146,333
Total deferred outflow of resources	3,977,341	537,567	4,514,908	1,194,477
LIABILITIES				
Current liabilities:				
Vouchers payable	5,146,282	3,735	5,150,017	153,130
Constructions contracts payable	338,099	72,332	410,431	2,023
Accrued payroll and benefits	103,487	26,752	130,239	41,276
Deposits and performance bonds	2,937,965	-	2,937,965	-
Compensated absences	261,386	40,375	301,761	97,020
Bonds, notes, leases payable	395,000	231,158	626,158	715,263
Total current liabilities	9,182,219	374,352	9,556,571	1,008,712
Non-current liabilities:				
Advances from other funds	-	148,699	148,699	-
Compensated absences	914,211	38,114	952,325	463,317
Bonds, notes and lease payable	4,937,957	609,862	5,547,819	249,681
Claims payable	-	-	-	3,280,045
Net pension liability	5,200,918	886,255	6,087,173	1,593,943
Total OPEB liability	1,801,650	298,862	2,100,512	386,775
Total non-current liabilities	12,854,736	1,981,792	14,836,528	5,973,761
Total liabilities	22,036,955	2,356,144	24,393,099	6,982,473
DEFERRED INFLOWS OF RESOURCES				
OPEB related items	248,887	37,731	286,618	45,100
Pension related items	1,134,857	193,194	1,328,051	341,198
Total deferred inflows of resources	1,383,744	230,925	1,614,669	386,298
NET POSITION				
Net investment in capital assets	36,619,906	7,726,177	44,346,083	2,168,758
Unrestricted	33,800,317	826,135	34,626,452	6,074,556
Total net position	\$ 70,420,223	\$ 8,552,312	\$ 78,972,535	\$ 8,243,314

See notes to basic financials statements.

CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Total			
	Water and Sewer	Stormwater	Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for water	\$ 14,021,274	\$ -	\$ 14,021,274	\$ -
Sanitary sewer fees	16,524,135	-	16,524,135	-
Stormwater charges	-	2,404,654	2,404,654	-
Premiums and charges for services provided to other funds	-	-	-	6,434,277
Other revenues	628,314	-	628,314	185,230
Total operating revenues	31,173,723	2,404,654	33,578,377	6,619,507
OPERATING EXPENSES				
Personnel services	5,027,414	688,521	5,715,935	1,413,578
Wholesale water cost and sewage disposal	13,406,163	-	13,406,163	-
Materials, supplies, services and other operating expenses	9,918,388	1,668,852	11,587,240	2,074,496
Claims cost	-	-	-	895,482
Depreciation	2,409,907	401,339	2,811,246	917,745
Total operating expenses	30,761,872	2,758,712	33,520,584	5,301,301
Operating income (loss)	411,851	(354,058)	57,793	1,318,206
NON-OPERATING REVENUES (EXPENSES)				
Interest income	92,281	-	92,281	15,836
Gain from sale of capital assets	-	-	-	92,797
Other non-operating revenues	415,965	667,545	1,083,510	-
Interest expense	(30,774)	(48,463)	(79,237)	(62,598)
Total non-operating revenues (expenses)	477,472	619,082	1,096,554	46,035
Income before transfers	889,323	265,024	1,154,347	1,364,241
TRANSFERS				
Transfers out	(199,404)	(24,089)	(223,493)	(48,924)
Total transfers out	(199,404)	(24,089)	(223,493)	(48,924)
Change in net position	689,919	240,935	930,854	1,315,317
Net position - beginning	69,730,304	8,311,377	78,041,681	6,927,997
Net position - ending	\$ 70,420,223	\$ 8,552,312	\$ 78,972,535	\$ 8,243,314

See notes to basic financial statements.

CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Stormwater Utility	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	30,545,409	2,404,654	32,950,063	-
Cash receipts from other funds for premiums and charges for services	-	-	-	6,434,277
Other cash receipts	628,314	-	628,314	185,230
Payments to employees	(5,027,414)	(688,521)	(5,715,935)	(1,413,578)
Payments for wholesale water & sewer	(13,406,163)	-	(13,406,163)	-
Payments to suppliers	(8,542,660)	(1,592,364)	(10,135,024)	(1,915,806)
Payments for claims	-	-	-	(895,482)
Payments for interfund services	(4,408,904)	(13,970)	(4,422,874)	-
Net cash (used in) provided by operating activities	(211,418)	109,799	(101,619)	2,394,641
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other revenues	415,965	667,545	1,083,510	-
Advances to /(from) other funds	9,933,092	(148,699)	9,784,393	-
Transfers out	(199,404)	(24,089)	(223,493)	(48,924)
Net cash provided by (used in) noncapital financing activities	10,149,653	494,757	10,644,410	(48,924)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from loan	1,029,799	-	1,029,799	-
Principal paid on bonds, notes and capital leases	(332,214)	(385,000)	(717,214)	(716,070)
Interest paid on bonds, notes and capital leases	(30,774)	(48,463)	(79,237)	(62,598)
Proceeds from sale of capital assets	-	-	-	92,797
Acquisition and construction of capital assets	(2,701,667)	(896,586)	(3,598,253)	200,411
Net cash used in capital and related financing activities	(2,034,856)	(1,330,049)	(3,364,905)	(485,460)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(62,645)	-	(62,645)	(15,835)
Interest earnings	92,281	-	92,281	15,835
Net cash provided by investing activities	29,636	-	29,636	-
Net increase (decrease) in pooled cash and cash equivalents	7,933,015	(725,493)	7,207,522	1,860,257
Pooled cash and cash equivalents, beginning	12,410,721	725,493	13,136,214	8,455,181
Pooled cash and cash equivalents, ending	<u>\$ 20,343,736</u>	<u>\$ -</u>	<u>\$ 20,343,736</u>	<u>\$ 10,315,438</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 411,851	\$ (354,058)	\$ 57,793	\$ 1,318,206
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation expense	2,409,907	401,339	2,811,246	917,745
Changes in assets and liabilities, deferred inflows and outflows of resources:				
(Increase) decrease in accounts receivable	(300,693)	402,121	101,428	(120,350)
(Increase) decrease in grants receivable from other governments	124,982	(421,750)	(296,768)	604
(Increase) decrease in inventories and supplies	(25,681)	-	(25,681)	(6,417)
(Increase) decrease in prepaids and deposits	-	2,329	2,329	(10,208)
(Increase) decrease in deferred outflows of resources	(654,012)	(79,482)	(733,494)	(153,919)
Increase (decrease) in vouchers payable	(3,383,340)	989	(3,382,351)	(662)
Increase (decrease) in constructions contracts payable	67,408	-	67,408	-
Increase (decrease) in accrued payroll and benefits	10,770	8,374	19,144	5,728
Increase (decrease) in deposits and performance bonds	13,406	-	13,406	-
Increase (decrease) in compensated absences	121,844	27,073	148,917	175,277
Increase (decrease) in claims payable	-	-	-	35,236
Increase (decrease) in other post-employment benefits obligation	217,057	35,974	253,031	70,976
Increase (decrease) in net pension liability	962,544	107,905	1,070,449	225,141
Increase (decrease) in deferred inflows of resources	(187,461)	(21,015)	(208,476)	(62,716)
Net cash (used in) provided by operating activities	<u>\$ (211,418)</u>	<u>\$ 109,799</u>	<u>\$ (101,619)</u>	<u>\$ 2,394,641</u>
Non-cash investing, capital and financing activities:				
Amortization of deferred amounts	-	(20,510)	(20,510)	-
Capital lease financing	-	-	-	555,526
Total non-cash investing, capital and financing activities:	<u>\$ -</u>	<u>\$ (20,510)</u>	<u>\$ (20,510)</u>	<u>\$ 555,526</u>

CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	Pension Trust Funds
ASSETS	
Cash	\$ 1,747,995
Investments:	
Short term investments	5,038,171
U.S. treasuries	1,063,218
U.S. agency obligations	11,141,972
Corporate bonds	14,709,600
Equity mutual funds	17,908,145
Common stock and mutual funds	63,031,870
Real estate funds	37,818,124
Bond index fund	19,991,079
Index funds (collective investment trust funds)	55,269,881
Total investments	<u>225,972,060</u>
Receivables:	
Plan members' contributions	20,607
CNM Share Plan	40,393
Receivable from broker on investments sold	306,533
Accrued interest	91,759
Accrued dividends	35,916
Total receivables	<u>495,208</u>
Total assets	<u>228,215,263</u>
LIABILITIES	
Accounts payable	43,203
Payable to broker for investments purchased	974,369
Benefits payable	<u>932,867</u>
Total liabilities	<u>1,950,439</u>
NET POSITION	
Net position restricted for pension benefits	<u>\$ 226,264,824</u>

See notes to basic financial statements.

CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 8,701,042
Plan members	1,709,231
County	108,396
Other	199,406
Total contributions	<u>10,718,075</u>
Investment income:	
Net appreciation in fair value of investments	13,744,932
Interest	632,137
Dividends	<u>1,250,375</u>
Gross investment income	15,627,444
Less investment expenses	<u>(809,693)</u>
Net investment income	<u>14,817,751</u>
Total additions	<u>25,535,826</u>
DEDUCTIONS	
Benefits paid directly to Plan members:	
Normal retirement	11,713,278
Disability retirement	281,900
Death benefit	36,316
Lump sum retirement	932,867
Refund of contributions	22,347
Total benefits paid	<u>12,986,708</u>
Administrative expenses	<u>633,553</u>
Total deductions	<u>13,620,261</u>
Increase in net position	11,915,565
Net position restricted for pension benefits - beginning	<u>214,349,259</u>
Net position restricted for pension benefits - ending	<u>\$ 226,264,824</u>

See notes to basic financial statements.



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Notes to Basic Financial Statements



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CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of North Miami, (the “City”), located in Miami-Dade County, Florida, was incorporated in 1926. The City operates under a Council-Manager form of government and provides the following services: general government, public safety, public works, water and sewer utility, stormwater management, culture and recreation including library services and community planning and development.

The accounting policies of the City conform to generally accepted accounting principles (“GAAP”), in the United States for local governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the City’s significant accounting policies applied in the preparation of the accompanying financial statements are described below.

A. Financial Reporting Entity

The financial reporting entity covered by this report includes the City and its component units. The reporting entity has been defined in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards (Section 2100). The accompanying financial statements include those of the City (the primary government) and those of its component units. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government. GASB Codification Section 2100 provides guidance for the inclusion of a legally separate entity as a component unit of an entity. The application of this guidance provides for identification of entities for which the City is financially accountable or organizations that the nature and significance of their relationship with the City are such that exclusions would cause the City's basic financial statements to be misleading or incomplete.

Based upon the application of GASB Codification Section 2100, the component units listed below have been included in the City's reporting entity as either blended or discretely presented component units.

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements, when applicable, to emphasize that they are legally separate from the City. The financial balances and activities for each blended and discretely presented component unit are as of and for the year ended September 30, 2020.

Blended Component Units

North Miami Community Redevelopment Agency (CRA) – The CRA was created on June 7, 2005, in accordance with Chapter 163.356, Florida Statutes, to establish and carryout redevelopment objectives in economically deprived areas of the City. The CRA, whose board members are the same as the City Council's, provides services that exclusively benefit the City.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The CRA is fiscally dependent on the City because the City Council approves the CRA's budget, levies taxes, and must approve any debt issuances.

Complete financial statements for the CRA can be obtained by writing to: Director, North Miami Community Redevelopment Agency, 776 N.E. 125 Street, North Miami, Florida 33161.

Museum of Contemporary Art ("MOCA") - MOCA is a non-profit organization established by City Ordinance in 1980 to provide cultural benefits to the City. The museum is operated and managed by a board of trustees. In 2008, the City entered into a management agreement with the organization and its board of trustees under which the City primarily funds operations of MOCA in its annual budget. The City therefore has operational responsibility for MOCA.

Complete financial statements for MOCA can be obtained by writing to: Director, Museum of Contemporary Art, 770 N.E. 125 Street, North Miami, Florida 33161.

Discretely Presented Component Unit

City of North Miami Health Facilities Authority ("Authority") - The Authority was created pursuant to State Statute to issue special obligation debt for capital improvements on certain health facilities located inside and outside the City limits. The debt is supported solely from revenues generated by said facilities and does not constitute an obligation of the City or the Authority. The Authority's sole activity in which it engages, is the issuance of revenue bonds to finance health care facilities, which is subject to the approval of the City Council. In addition, the City Council is responsible for appointing the members of the Board of the Authority, however, it does not function as an integral part of the primary government and it is presented as a discrete component unit. The Authority receives no revenues and makes no disbursements. Because there are no assets, liabilities or results of operations to report at year end, no disclosure other than this description is made in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The conduit debit issued by the City on behalf of the Authority was defeased in January 2019.

Related Entity

The following related entities do not meet the criteria for component units and are not included in the City's financial statements. City Officials appointed the initial boards and continue to appoint members to the boards of the following organizations. The City's accountability for these organization does not extend beyond making appointments:

North Miami Educational Foundation Inc. ("NMEF Foundation") – The NMEF Foundation is a non-profit organization incorporated in 2012. The original purpose of the NMEF Foundation was to provide financial assistance to at-risk students and economically disadvantaged residents in their pursuit of education. The NMEF Foundation founding board of nine members was selected by the City Council. The City awarded an initial contribution of \$350,000 to establish an endowment fund. An investment firm holds the funds and the earnings are used to fund the mission of the NMEF Foundation.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

North Miami Low Income Home Utility Bills Assistance Foundation, Inc. (“Foundation”) – The Foundation is a non-profit organization incorporated in 2018. The original purpose of the Foundation was provide funding for an emergency utilities assistance program - NOMI Water Bill Assistance Program (the Program”) and to solicit and accept contributions from the general public, or private institutions and governmental agencies to support the Program. The goal of the Program was to provide North Miami residents with emergency assistance with past due utility bills to ensure the safety of residents. The Foundation founding board of seven members was selected by the City Council. A third-party coordinates the operations of the Foundation to ensure the mission of the Foundation is achieved.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the City and its component units. 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 user fees and charges to recover their costs and for capital renewal.

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 clearly identifiable with a specific function or segment. Program revenues include:

- (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter is 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. The remaining non-major governmental funds are aggregated and reported as non-major governmental funds as a separate column.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, claims and judgments, pension, postemployment benefits other than pensions, and landfill closure cost are recorded only when payment is due.

Property taxes, franchise fees and other taxes, licenses, permits, intergovernmental revenues, non-utility charges forgiveness, rent royalties and interest associated with the current fiscal period are all considered to be subject to accrual and are recognized as revenues of the current fiscal period when measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The **Community Development Block Grant (C.D.B.G.) Entitlement Fund** accounts for grant-related revenues and expenditures for housing rehabilitation programs.

The **Landfill Closure Fund** accounts for the costs of remediation and closure of the former Munisport landfill site and revenues generated from interest earned on the restricted cash balances.

The **CRA Fund** accounts for incremental tax revenues received from the City and Miami-Dade County to finance redevelopment projects intended to stimulate rehabilitation or development in the CRA area.

The City reports the following major proprietary funds:

The **Water and Sewer Utility Fund** accounts for the activity related to providing water treatment and distribution services and sewage treatment to all areas within the City limits and certain districts outside the City limits.

The **Stormwater Utility Fund** accounts for the activity of the City's stormwater systems and pollution resulting from stormwater runoff.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the City reports the following fund types:

Internal Service Funds account for the cost of insuring the City in the areas of workers' compensation and general liability risks, and providing fleet management services to other departments on a cost reimbursement basis.

The ***Pension Trust Funds*** (Clair T. Singerman Plan and Police Pension Plan) are used to account for the City's two single-employer defined benefit pension plans. The Clair T. Singerman Plan and the Police Pension Plan were frozen to new participants in June 2016 and December 2016, respectively. New employees hired after such date are required to participate in the State of Florida Retirement System.

Reconciliation of Government-wide and Fund Financial Statements

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total net position for governmental activities as shown on the government-wide statement of net position is presented in an accompanying schedule to the governmental funds balance sheet. The asset, liability and deferred inflow/outflow of resource elements which comprise the reconciliation differences stem from governmental funds using the *current financial resources measurement focus and the modified accrual basis of accounting*, while the government-wide financial statements use the *economic resources measurement focus and the accrual basis of accounting*.

A summary reconciliation of the differences between net changes in fund balances as reflected on the governmental funds statement of revenues, expenditures, and changes in fund balances, and change in net position for governmental activities as shown on the government-wide statement of activities, is presented in an accompanying schedule to the governmental funds statement of revenues, expenditures, and changes in fund balances. The revenue and expense elements, which comprise the reconciliation differences, stem from governmental funds using the *current financial resources measurement focus and the modified accrual basis of accounting* while the government-wide financial statements use the *economic resources measurement focus and the accrual basis of accounting*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's various utility and other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

In the government-wide statement of activities, amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes with the exception of local option fuel taxes and the half-cent transportation surtax. Proceeds from these taxes are used to fund transportation related expenditures and, therefore, are reported as *program revenues* under the function "transportation".

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations.

The principal operating revenues of the City's water and sewer fund, stormwater utility fund and internal service fund, are charges for services. Operating expenses for enterprise funds and internal service funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources when they are needed. Unrestricted resources include committed, assigned and unassigned amounts, which are available and can be used for the intended purpose. When unrestricted resources are available for use, it is the City's policy to use committed resources first, then assigned and then unassigned as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

The City's cash and cash equivalents include cash on hand, time and demand deposits, and short-term investments consisting primarily of collateralized interest on public funds checking accounts and investments with the State Board of Administration Investment Pool. The City pools cash from most of its funds for accounting and investments purposes. This gives the City the ability to maximize earnings potential from large idle cash. The relationship of an individual fund to the pooled cash account is similar to that of a demand deposit account. Individual funds can withdraw cash from the account as needed and, therefore, all equity in the pooled cash is considered highly liquid.

Resources of all funds, with the exception of the pension trust funds and certain other cash and investment accounts, which are maintained in accordance with legal requirements, 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 based upon equity balances of the respective funds. The average interest rate earned on investments was approximately 1.39% for fiscal year 2020.

The types of investments that can be purchased and held by the City are governed by the City's investment policy and the provisions of Florida Statutes Section 218.415. Under City policy and the statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the State Board of Administration Investment Pool, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents, for purposes of the statement of cash flows, include cash and investments which are defined as short-term, highly liquid investments with original maturities of three months or less when purchased.

Investments

Certain investments are recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain investments are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed. Certain investments are recorded at amortized cost.

The fair value hierarchy established by GASB 72 categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 – Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 – Investments' fair values based upon unobservable inputs.

Net appreciation or depreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Purchases and sales of securities are recorded on the trade-date. Dividends are recorded on the ex-dividend date.

Alternative investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies, which include pricing models, discounted cash flow models and similar techniques.

Real estate partnerships provide quarterly valuations to management. Individual properties are valued by the investment management at least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally appraised every one to five years, depending on the investment. Annual audits of partnerships include a review of compliance with each partnership's valuation policies.

Collective investment trusts are valued by obtaining fair values of the underlying holdings using reputable pricing sources and computing an overall net asset value per share. The holdings within each fund are publicly traded securities. The funds have daily openings whereby contributions and withdrawals can be made on a daily basis.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

3. Receivables

All trade and other receivables are shown net of an allowance for uncollectable amounts. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectable based on management's assessment of individual creditor's ability to pay, a general allowance is calculated based on the City's historical collection experience to ensure all receivables are recorded at their net realizable value.

Water and wastewater charges to customers are based on actual water consumption. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

4. Inventories and Prepays

Inventories consist principally of materials and supplies held for consumption and are recorded at cost. In the governmental funds, the cost of inventories are recorded as expenditures at the time of purchase since such amounts are not material to the financial statements. In the proprietary funds, the cost of inventories are recorded as expenses when consumed.

Certain payments to vendors reflect costs applicable to the future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Such costs are recognized during the period benefited by the prepayment (consumption method).

5. Assets Held for Resale

The government-wide financial statements present assets held for resale, which are properties held by the City for resale in connection with the City's grant programs. Such balances are recorded at lower of cost or market. In the fund financial statements such purchases of assets are recorded as expenditures.

6. Capital Assets

Capital assets, which include land, buildings, machinery, equipment and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks, and similar items) are reported at cost or estimated historical cost in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at their acquisition value at the date of

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

donation. The City's capitalization thresholds are: \$1,000 for equipment and \$5,000 each for land buildings, and infrastructure items. The City's capitalization threshold for intangible assets is \$30,000 for software and \$75,000 for easements. The costs of normal maintenance and repairs that do not increase the capacity or efficiency of the asset or materially extend asset lives beyond one year are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Land improvements	20
Building improvements	20
Public domain infrastructure	10-50
Intangibles	5-25
System infrastructure	5-50
Vehicles, and other outdoor equipment	3-10
Office equipment	5-10
Computer equipment	3-4
Library books	5

7. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, such estimates may ultimately differ from actual results.

8. Deferred Outflows/Inflows of Resources and Unearned Revenues

Deferred Outflows and Inflows of Resources

The Statement of Net Position also includes a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will be recognized as expenses in the future period to which it applies. The City currently reports deferred outflows related to debt refunding, pensions and other post-employment benefits (OPEB) in this category. The deferred outflow relating to debt includes the difference between the carrying value of refunded debt and its reacquisition price. This amount is being deferred and amortized over the life of the refunding debt. The deferred outflows related to pensions and OPEB are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*,

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, respectively. These will be recognized as either pension/OPEB expense or a reduction in the net pension/OPEB liability, respectively, in future reporting years. Details on the composition of deferred outflows related to pensions and OPEB are reported in subsequent notes.

The Statement of Net Position also displays a separate section for deferred inflow of resources. This represents the acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. In this category, the City currently reports deferred inflows of resources related to pensions and OPEB. The deferred inflows related to pensions and OPEB are calculated in accordance with GASB Statement No. 68 and GASB Statement No. 75, respectively. The deferred inflows related to pensions and OPEB will be recognized as a component of pension/OPEB expense in future reporting years. Details on the composition of deferred inflows related to pensions and OPEB are reported in subsequent notes. The governmental funds report unavailable revenue from various sources which primarily include grants and contributions, charges for services and special assessments. The government-wide Statement of Net Position and Statement of Net Position of the proprietary funds report deferred inflows of resources related to pension and other postemployment benefits.

Unearned Revenues

Unearned revenues are a liability and represent items for which the City has not met all eligibility requirements imposed by the provider to allow for revenue recognition at year end. Unearned revenues are reported in both the government-wide and the fund financial statements.

The following schedule summarizes the City's deferred outflows/inflows of resources and unearned revenues as of fiscal year end:

<u>Governmental Activities</u>	Deferred Outflows	Deferred Inflows	Unearned Revenues
Grant funds received in advance	\$ -	\$ -	\$ 1,135,718
Rent received in advance	-	-	12,536,630
OPEB	1,925,198	2,088,965	-
Pensions	33,713,452	9,857,942	-
Total governmental activities	<u>35,638,650</u>	<u>11,946,907</u>	<u>13,672,348</u>
 <u>Business-type Activities</u>			
Loss on debt refunding	7,869	-	-
OPEB	286,229	286,618	286,618
Pensions	4,220,810	1,328,051	1,328,051
Total business-type activities	<u>\$ 4,514,908</u>	<u>\$ 1,614,669</u>	<u>\$ 1,614,669</u>

9. Compensated Absences

It is the City's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay are accrued when incurred in the government-wide and proprietary

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, due to employee resignation or retirement. The estimated liability is measured using rates in effect at the balance sheet date; benefits are computed at current salary rates at the time of payment. Upon separation from City service, vacation leave is paid at 100% and sick leave is paid at 25% to 100% depending on years of service. The General Fund has primarily been used in prior years to liquidate the liability for compensated absences of governmental funds.

10. Other post-employment benefits (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The rates provide for an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The City is financing the post-employment benefits on a pay-as-you-go basis as no assets are held in trust for payment of the OPEB liability. As determined by an actuarial valuation, the City records the total OPEB liability in its proprietary and government-wide financial statements related to the implicit subsidy. See Note 8 for further information.

11. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, net asset value or amortized cost as applicable.

12. Long-Term Debt

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as prepaid bond insurance costs, are deferred and amortized over the life of the bonds using the straight-line amortization method. The result of using this method does not differ significantly from the effective interest method. All other debt issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount. In addition, the difference between the reacquisition price (new debt) and the net carrying value of the old debt on refunded debt transactions is deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Net Position and Fund Balance

Net position - This is the result of assets plus deferred outflows of resources, less liabilities and deferred inflows of resources in the government-wide and proprietary funds. Net position balances are displayed in three categories:

- 1) Net investment in capital assets
- 2) Restricted
- 3) Unrestricted

Net investment in capital assets – This category consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Deferred inflow/outflow of resources attributable to the acquisition, construction, or improvement of those assets and related debt are included in this component of net position.

Restricted – This category is the portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions.

Unrestricted – This category of net position consists of all net position that does not meet the definition of either of the other two categories above.

Fund Balance – Governmental funds financial statements report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is legally bound to honor the specific purposes for which amounts in fund balance may be spent.

Fund balances are displayed in the following categories depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balances – This category includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts), or legally or contractually required to remain intact (e.g. endowment).

Restricted Fund Balances – This category includes amounts that are restricted for specific purposes either by: (a) constraints imposed by external providers (such as grantors, creditors, bondholders, contributors, or laws or regulations of other governments), or (b) imposed by constitutional provisions. The City's restricted fund balances are for the following purposes:

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Landfill closure \$5,886,252; housing and other community development \$705,283; public safety projects \$547,787; developer impact fees \$782,628; cultural and recreational purposes \$1,006,347; City transportation programs \$1,109,082; capital projects \$11,235,456; other purposes \$7,534.

Committed Fund Balances – This category includes amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, which is the City's highest level of decision-making authority, set in place to the end of the fiscal year. An ordinance is the formal action required to establish, modify or rescind a fund balance commitment since it constitutes the highest binding constraint. The same type of formal action that created the constraint is required to change or remove the specified use. There was no committed fund balance as of fiscal year end.

Assigned Fund Balances – This category includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Assignments of fund balances are made by the City Manager based upon the direction of the City Council. The City's assigned fund balances relate to the following:

\$235,296 funding for MOCA activities and \$23,149 to fund on-going project for the Arch Creek Bridge project.

Unassigned Fund Balances (Deficits) – This category includes amounts that have not been restricted, committed or assigned. An unassigned fund balance deficit will require future funding.

The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. Accordingly, in addition to the General Fund negative unassigned fund balance of (\$12,218,700), and the CRA negative fund balance of (\$676,047) the nonmajor governmental funds reported a total negative unassigned fund balance of (\$851,641).

E. Impact of Recently Issued Accounting Pronouncements

Issued and Adopted Accounting Pronouncements

For the year ended September 30, 2020, the City adopted the following statements of financial accounting standards issued by the GASB:

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Adopted

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The adoption resulted in no financial impact for the City.

GASB Statement No. 88, *Certain Disclosures Relating to Debt*, was effected for reporting periods beginning after June 15, 2018. This Statement requires certain disclosures in the notes to government financial statements related to debt, and also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this statement resulted in additional footnote disclosures for the City.

Pronouncements Issued But Not Yet Adopted

The following accounting pronouncements have been issued as of the report date, but are not yet effective and may affect the future financial reporting by the City:

- GASB Statement No. 84, *Fiduciary Activities*, was issued January 2017. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021.
- GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022.
- GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021.
- GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 92, *Omnibus 2020*, was issued January 2020. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. This statement addresses accounting and financial reporting implications that result from the replacement of a LIBOR. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued June 2020. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. Except for the requirement of this Statement that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trust that meet the criteria in paragraph 30 of Statement 67 or paragraph 30 of Statement 74, respectively, are effective immediately.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits – Excluding Pension Trust Funds

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

Investments – Excluding Pension Trust Funds

The State Board Administration (SBA) administers the Florida PRIME which is governed by Ch. 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 Florida PRIME is a money market funds recorded at amortized cost.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of September 30, 2020, the City's deposit and investment balances, including balances for the City's blended component unit, were as follows:

<u>Investment Type</u>	<u>Balance</u>
Pooled Cash and Investments:	
SBA (State Investment Pool):	
Florida PRIME	\$ 6,754,853
Certificates of deposit	2,339,149
Cash	<u>37,091,063</u>
Total pooled cash and investments	<u>46,185,065</u>
Non-Pooled Cash:	
North Miami CRA	4,307,654
MOCA	1,494,911
Cash in escrow	7,000,000
Cash	<u>5,929,238</u>
	<u>18,731,803</u>
Total Cash and Investments	<u>\$ 64,916,868</u>

The City's investments are categorized as follows according to the GASB 72 fair level hierarchy:

	<u>Fair Value Measurements Using</u>	
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Investments by fair value level		
Certificates of Deposit:		
Iberia Bank	\$ 1,500,000	\$ 1,500,000
Truist Bank	<u>839,149</u>	<u>839,149</u>
Total Investments by Fair Value	<u>\$ 2,339,149</u>	<u>\$ 2,339,149</u>

Investments in the SBA Florida PRIME totaling \$6,754,853 are recorded at amortized cost.

Interest Rate Risk

The City has an investment policy that limits the maturities on individual investments to no more than five years. The investments at September 30, 2020, meet the City's investment policy restrictions.

Credit Risk

The City has an investment policy that limits investments to the highest ratings by two nationally recognized statistical rating organizations (NRSRO) Standard and Poor's and Moody's Investment Services. Excess funds are invested with the SBA Florida PRIME which is rated AAAM by Standard and Poor's. The City's investments in certificate of deposit of \$2,339,149 are not rated.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration Credit Risk

The City's investment policy limits its investments to no more than 15% in any one issuer. This includes certificates of deposit, U.S. Federal Agencies, and federal instrumentalities. The maximum limit for total investments varies from 35% to 60% by type. The City does not have an issuers limit for the SBA Trust Funds. GASB 40 requires disclosure when 5% or more of any investment is held in any one issuer. More than 5 percent of the City's investments are in certificates of deposits. These investments are 23.19% of the City's total investments.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All securities purchased by the City are designated as an asset in the City's name and are held in safekeeping by the City's custodian bank or a third party custodian institution.

Risks and Uncertainties

The City and Pension Plan investments are in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the financial statements.

Investments – Pension Trust Funds

The City's Pension Trust Funds are Clair T. Singerman ("CTS") Retirement System and the North Miami Police Pension Plan ("NMPP"). As of September 30, 2020, the City's Pension Trust Funds had the following combined investments:

Combined Investments - CTS Retirement System and NMPP Plan

	Investment Maturities (In Years)				
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10 or More Years
U.S. Treasuries	\$ 1,063,218	\$ -	\$ -	\$ 1,063,218	\$ -
U.S. Agency Obligations	11,141,972	5,439,205	5,341,280	-	361,487
Corporate bonds	14,709,600	-	4,161,474	8,283,778	2,264,348
Bond index funds	19,991,079	-	-	19,991,079	-
Total	<u>\$ 46,905,869</u>	<u>\$ 5,439,205</u>	<u>\$ 9,502,754</u>	<u>\$ 29,338,075</u>	<u>\$ 2,625,835</u>

Clair T. Singerman (CTS) Retirement System

All investments made or held by the CTS Retirement System shall be limited to the following as per the CTS Retirement System's investment policy:

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

1. Time, savings and money market deposit accounts of a national bank, a state bank or a savings and loan association insured by the Federal Deposit Insurance Corporation provided the amount deposited does not exceed the insured amount.
2. Obligations issued by the U.S. government or an agency or instrumentality of the U.S. government, including mortgage-related securities.
3. Domestic and international equities.
4. Fixed income investments defined as preferred issues and fixed income securities.
5. Money market funds, defined as fixed income securities having a maturity of less than one year.
6. Bonds issued by the State of Israel.
7. Commingled stock, bond or money market funds whose investments are restricted to securities.
8. Domestic commercial real estate property holdings.

Investment Maturity

Neither State law, nor the CTS Retirement System investment policy limit maturity term on fixed income holdings. As of September 30, 2020, the following table shows the distribution of the CTS Retirement System's investments by maturity:

	Investments - CTS Retirement System				
	Investment Maturities (In Years)				
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10 or More Years
U.S. Treasuries	\$ 706,991	\$ -	\$ -	\$ 706,991	\$ -
U.S. Agency Obligations	6,398,327	3,074,620	3,119,829	-	203,878
Corporate bonds	8,030,178	-	2,620,378	4,233,045	1,176,755
Bond index funds	15,899,974	-	-	15,899,974	-
Total	<u>\$ 31,035,470</u>	<u>\$ 3,074,620</u>	<u>\$ 5,740,207</u>	<u>\$ 20,840,010</u>	<u>\$ 1,380,633</u>

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The CTS Retirement System does not have a formal

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Rate of Return

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 8.02%. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Credit Risk

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. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The CTS Retirement System's investment policy utilizes portfolio diversification in order to control this risk.

State law limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.

The Plan's investment policy limits fixed income investments to a rating no lower than Standard & Poor's BBB to Moody's Baa. The Plan's corporate bonds and agency bonds were all rated "A" or better under Standard & Poor's ratings and at least "A" under Moody's ratings. The Plan's mutual bond fund investments were rated an average of "A" under both Standard & Poor's and Moody's.

Concentration of Credit Risk

The CTS Retirement System's investment policy stipulates that not more than 5% of its assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2020, the value of each position held by the Plan portfolio comprised less than 5% of fiduciary net position and less than 5% of the value of the outstanding capital stock of any company. GASB 40 requires disclosure when 5% or more in any investment is held with any one issuer. The CTS Retirement System does not have more than 5% of their investment in any one issuer.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the CTS Retirement System will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The CTS Retirement System has third party custodial arrangements with financial institutions to accept securities on a delivery versus payment basis for direct purchase agreements.

All securities purchased by the CTS Retirement System are designated as assets of the CTS Retirement System in the Retirement System's name and are held in safekeeping by the CTS Retirement System's custodial bank or a third party custodial institution.

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements with in the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The following is a description of the fair value measurements used for the CTS Retirement System investments. Level 1 and 2 prices are obtained from various pricing sources by the CTS Retirement System's custodian bank:

Money market funds are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and mutual fund equities. Debt securities classified as Level 2 are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, and corporate obligations, including asset backed, bonds and notes.

The Plan has investments in alternative assets consisting of real estate funds, equity securities index fund and bond index fund which hold a variety of investment vehicles that do not have readily available market quotations. The alternative investments are measured at net asset value

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

Real estate partnerships provide quarterly valuations to the pension trust fund management. Individual properties are valued by the investment management at least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally appraised every one to five years, depending on the investment. Annual audits of partnerships include a review of compliance with each partnership's valuation policies. The Plan also invests in collective investment trusts which determines fair value by obtaining fair values of the underlying holdings using reputable pricing sources and computing an overall net asset value per share. The holdings within each fund are publicly traded securities. The funds have daily openings and contributions and withdrawals can be made on a daily basis.

CTS Retirement System investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2020:

CTS Retirement System			
	9/30/2020	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt securities:			
U.S. Treasury	\$ 706,991	\$ 706,991	\$ -
U.S. Agencies	6,398,327	-	6,398,327
Corporate bonds	8,030,178	-	8,030,178
Total Debt Securities	15,135,496	706,991	14,428,505
Equity securities:			
Common stock	31,723,398	31,723,398	-
Equity mutual fund	17,908,145	17,908,145	-
Total Equity Securities	49,631,543	49,631,543	-
Total Investments by Fair Value	\$ 64,767,039	\$ 50,338,534	\$ 14,428,505
Investments Measured at Net Asset Value (NAV)*			
Real estate funds	\$ 21,941,681		
Collective investment trust funds:			
Bond index fund	15,899,974		
Equity securities index fund	36,308,967		
Total investments measured at NAV	74,150,622		
Money market funds (exempt)	3,179,202		
Total Investments	\$ 142,096,863		

* As required by GAAP, certain investments 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, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following table summarizes investments for which fair value is measured using the net asset value (NAV) per share practical expedient method.

CTS Retirement System		Redemption	Redemption	
Investments Measured at NAV	Net Asset Value	Unfunded Commitments	Frequency (if Currently Eligible)	Notice Period (Day)
Real estate funds ¹	\$ 21,941,681			
Collective investment trust funds:		\$ -	Daily	10 - 90
Bond index fund ²	15,899,974	-	-	-
Equity securities index fund ²	36,308,967	-	Daily	1
Total investments measured at NAV	<u><u>\$ 74,150,622</u></u>	<u><u>\$ -</u></u>		

1 *Real estate funds* –Consists of two real estate partnerships. One of the funds is an open- end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive to other asset classes with stable income and the potential for market appreciation. The fund invests primarily in core institutional quality industrial, multi family, office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk. Requests for redemption in this fund may be made at any time with 10 days' notice. The other fund invests directly and indirectly in real estate using vehicles such as joint ventures, partnerships and other participation interests with real estate owners, developers and others. The fund seeks a diversified portfolio consisting of yield-driven real estate value added investments consisting of multi-family, industrial, retail, residential and mixed-use properties. The fund provides for redemptions with 90 days' notice.

2 *Collective investment trust funds* – Consists of three index fund considered commingled in nature which is designed to match the return of its respective benchmark index. The fund is valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. These fund are open for withdrawal daily and provides for redemptions with 1-day notice.

North Miami Police Pension Plan

All investments made or held by the North Miami Police Pension (“NMPP”) Plan shall be limited to the following as per the NMPP Plan’s investment policy:

1. Time, savings and money market deposit accounts of a national bank, a state bank or a savings and loan association insured by the Federal Deposit Insurance Corporation provided the amount deposited does not exceed the insured amount.
2. Obligations issued by the U.S. government or an agency or instrumentality of the U.S. government, including mortgage-related securities.
3. Domestic and international equities.
4. Fixed income investments defined as preferred issues and fixed income securities.
5. Money market funds, defined as fixed income securities having a maturity of less than one year.
6. Bonds issued by the State of Israel.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

7. Commingled stock, bond or money market funds whose investments are restricted to securities.
8. Domestic commercial real estate property holdings.

Investment Maturity

Neither state law nor the NMPP Plan investment policy limits maturity term on fixed income holdings. As of September 30, 2020, the following table shows the distribution of the NMPP Plan's investments, by maturity:

Investments - NMPP Plan

	Investment Maturity (In Years)				
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10 or More Years
U.S. Treasuries	\$ 356,227	\$ -	\$ -	\$ 356,227	\$ -
U.S. Agency Obligations	4,743,645	2,364,585	2,221,451	-	157,609
Corporate bonds	6,679,422	-	1,541,096	4,050,733	1,087,593
Bond index funds	4,091,105	-	-	4,091,105	-
Total	<u>\$ 15,870,399</u>	<u>\$ 2,364,585</u>	<u>\$ 3,762,547</u>	<u>\$ 8,498,065</u>	<u>\$ 1,245,202</u>

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The NMPP Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Rate of Return

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 0.58%. The money- weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Credit Risk

State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy limits fixed income investments to a rating no lower than Standard & Poor's BBB to Moody's Baa.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The Plan's corporate bonds and agency bonds were all rated "A" or better under Standard & Poor's ratings and at least "A" under Moody's ratings. The Plan's mutual bond fund investments were rated an average of "A" under both Standard & Poor's and Moody's.

Concentration of Credit Risk

The NMPP Plan's investment policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2020, the value of each position held by the NMPP Plan portfolio comprised less than 5% of fiduciary net position and less than 5% of the value of the outstanding capital stock of the respective company. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. The plan does not have more than 5% of their investment in any one issuer.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the NMPP Plan will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The Plan has third party custodial arrangements with financial institutions to accept securities on a delivery versus payment basis for direct purchase agreements. All securities purchased by the NMPP Plan are designated as assets of the NMPP Plan in the Plan's name and are held in safekeeping by the NMPP Plan's custodial bank or a third party custodial institution.

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank:

Money market funds are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and mutual fund equities.

Debt securities classified as Level 2 are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, and corporate obligations, including asset backed, bonds and notes.

The Plan has investments in alternative assets consisting of real estate funds and collective investment trust funds which hold a variety of investment vehicles that do not have readily available market quotations. The alternative investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

Real estate partnerships provide quarterly valuations to the pension trust fund management. Individual properties are valued by the investment management at least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally appraised every one to five years, depending on the investment. Annual audits of partnerships include a review of compliance with each partnership's valuation policies.

The fair value of collective investment trusts are determined by the fair values of the underlying holdings using reputable pricing sources and computing an overall net asset value per share. The holdings within each fund are publicly traded securities. The funds have daily openings and contributions and withdrawals can be made on a daily basis.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Plan investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2020:

	9/30/2020	NMPP Plan	
		Fair Value Measurements Using	Significant Markets for Identical Assets (Level 1)
Investments by Fair Value Level			
Debt securities:			
U.S. Treasury	\$ 356,227	\$ 356,227	\$ -
U.S. Agencies	4,743,645	-	4,743,645
Corporate bonds	6,679,422	-	6,679,422
Total Debt Securities	<u>11,779,294</u>	<u>356,227</u>	<u>11,423,067</u>
Equity securities:			
Common stock	31,308,472	31,308,472	-
Total Equity Securities	<u>31,308,472</u>	<u>31,308,472</u>	<u>-</u>
Total Investments by Fair Value	<u>43,087,766</u>	<u>\$ 31,664,699</u>	<u>\$ 11,423,067</u>
Investments Measured at Net Asset Value (NAV)*			
Real estate funds	\$ 15,876,443		
Collective investment trust fund:			
Bond fund	4,091,105		
Equity securities	18,960,914		
Total investments measured at NAV	<u>38,928,462</u>		
Money market funds (exempt)	1,858,969		
Total Investments	<u>\$ 83,875,197</u>		

* As required by GAAP, certain investments 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, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient method:

North Miami Police Pension					
Investments Measured at NAV	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Day)	
Real estate funds ¹	\$ 15,876,443	\$ -	Daily		10 - 90
Collective investment trust fund					
Bond index fund ²	4,091,105	-	Daily		1
Equity securities ²	18,960,914	-	Daily		1
Total investments measured at NAV	<u>\$ 38,928,462</u>				

1 Real estate funds - Consists of two real estate partnerships. One of the funds is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive to other asset classes with stable income and the potential for market appreciation. The fund invests primarily in core institutional quality industrial multi-family, office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk. Requests for redemption in this fund may be made at any time with 10 days' notice. The other real estate fund held by the plan invests directly and indirectly in real estate using vehicles such as joint ventures, partnerships and other participation interests with real estate owners, developers and others. The fund seeks a diversified portfolio consisting of yield-driven real estate value added investments consisting of multi-family, industrial, retail, residential and mixed-use properties. The fund provides for redemptions with 90 days' notice.

2 Collective investment trust funds - Consists of three index funds considered commingled in nature which are designed to match the returns of their respective benchmark index. Each are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. These funds are open for withdrawal daily and provide for redemptions with 1-day notice.

NOTE 3. RECEIVABLES

Receivables as of September 30, 2020, for the City's individual major funds and nonmajor funds, in the aggregate, net of the allowances for uncollectable accounts, are as follows:

	CDBG	Nonmajor Governmental	Water and Sewer	Stormwater	Internal Service Funds	Total
	General	Entitlement				
Receivables:						
Customer accounts	\$ 1,846,993	\$ -	\$ 5,950	\$ 17,809,961	1,511,232	\$ 21,174,136
Other - liens interest	3,690,666	-	-	520,487	-	4,211,153
Miscellaneous - receivable	731,311	-	-	61,102	-	15,855
Intergovernmental	1,751,874	439,038	1,406,259	30,007	646,750	8,230
Gross receivables	8,020,844	439,038	1,412,209	18,421,557	2,157,982	24,085
Less allowance for uncollectables	(4,112,570)	-	-	(3,274,479)	(187,828)	(7,574,877)
Total net receivables	<u>\$ 3,908,274</u>	<u>\$ 439,038</u>	<u>\$ 1,412,209</u>	<u>\$ 15,147,078</u>	<u>\$ 1,970,154</u>	<u>\$ 24,085</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3. RECEIVABLES (Continued)

Notes Receivable - Oleta Partners

The City had notes receivable originally in the amount of \$17,504,000 in connection with the sale of parcels of the Biscayne Landing land to Oleta Partners that occurred in November 2015. The notes are payable over ten years at an interest rate of 3.5% on the outstanding balances. The notes are recorded at the net present value.

The future minimum receipts are as follows:

Fiscal year ending September 30:	Note 1		Note 2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 934,714	\$ 163,575	\$ 815,686	\$ 142,745	\$ 1,750,400	\$ 306,320
2022	934,714	130,859	815,686	114,196	1,750,400	245,055
2023	934,714	98,145	815,686	85,647	1,750,400	183,792
2024	934,714	65,430	815,686	57,098	1,750,400	122,528
2025	934,714	32,715	815,686	28,549	1,750,400	61,264
2026	934,714	-	815,686	-	1,750,400	-
	<u>\$ 5,608,284</u>	<u>\$ 490,724</u>	<u>\$ 4,894,116</u>	<u>\$ 428,235</u>	<u>\$10,502,400</u>	<u>\$ 918,959</u>

Mortgage Loans Receivable - Housing Urban Development (HUD)

The City provides subsidy assistance to certain qualified residents of the City through the Home Purchase Subsidy Assistance Program in accordance with HUD guidelines. The Program was designed to assist in the acquisition and/or rehabilitation of qualified primary residences, in an amount not to exceed \$50,000 per participant. Each subsidy is secured by a mortgage on the property, which is required to be paid back in the event of a default. The amount outstanding at September 30, 2020, totaled \$5,247,021. The loans are forgivable ratably over a ten-year period and have therefore been allowed for as of fiscal year end.

NOTE 4. PROPERTY TAXES

Property taxes are levied on November 1st of each year, at which time taxes become an enforceable lien on property assessed as of the previous January 1st. Tax bills are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available in the month of March of the following year. Taxpayers also have the option of paying their taxes in advance in equal quarterly payments based on the prior year's tax assessment with quarterly discounts varying between 2% and 6%. All unpaid taxes on real and personal property become delinquent on April 1st and bear annual interest at 18% until a tax sale certificate is sold at auction. Miami-Dade County bills and collects all property taxes for the City, and sells tax certificates for delinquent taxes.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4. PROPERTY TAXES (Continued)

The total taxable value of property, as established by the Miami-Dade County Property Appraiser, at July 1, 2020, upon which the 2020 budget was based, was approximately \$3.3 billion. The City is permitted by Article 7, Section 9 of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed value for general governmental services other than the payment of principal and interest on general obligation long-term debt. For the year ended September 30, 2020, the tax rate to finance General Fund operations was 7.5000 mills per \$1,000 of assessed value. Property taxes receivable representing collections within 60 days subsequent to September 30 for billings through the fiscal year then ended amounted to approximately \$209,000 for the General Fund.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from and advances to/from other funds consisted of the following balances at September 30, 2020:

Funds	Interfund	
	Receivable	Payable
General Fund	\$ 1,347,508	\$ -
C.D.B.G. Entitlement Fund	-	222,112
Non-major Funds:		
HOME Investment Partnership	-	104,853
FEMA Disaster Recovery	-	471,337
Other nonmajor funds	<u>-</u>	<u>549,206</u>
Total non-major funds	<u>-</u>	<u>1,125,396</u>
 Total	<u><u>\$ 1,347,508</u></u>	<u><u>\$ 1,347,508</u></u>

Funds	Advances	
	To	From
General Fund	\$ 4,252,596	\$ -
Proprietary Funds - Stormwater	148,699	
Proprietary Funds - Water and Sewer	-	4,401,295
Total	<u>\$ 4,401,295</u>	<u>\$ 4,401,295</u>

These outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

The \$4,252,596 advance from the Water and Sewer Fund to the General Fund represents an interfund loan to provide funding for general operations. The General Fund expects to repay the advance over the next three years. The \$148,699 advance from the Water and Sewer Fund to the Stormwater Fund also represents an interfund loan to provide funding for general operations. The Stormwater Fund expects to repay the advance in fiscal 2021 as customer payments are expected to rebound after the initial impact of the 2020 pandemic.

Interfund Transfers

Interfund transfers for the year ended September 30, 2020, consisted of the following:

Funds	Transfers out		Transfers in	
	General Fund		Debt Service Nonmajor Fund	Total
General	\$	-	1,511,952	\$ 1,511,952
Water and sewer		-	199,404	199,404
Stormwater utility		-	24,089	24,089
Internal service		-	48,924	48,924
Total	\$	-	\$ 1,784,369	\$ 1,784,369

Bond covenants and City financial policies require use of interfund transfers to move financial resources from funds designated to receive them to the funds required to expend them. The transfers from the General Fund and other funds to the Nonmajor Debt Service Fund were made to fund the principal and interest payment on the pension obligation bonds. The transfer from the CRA to the General Fund relates to funding provided to be used for the City's Residential Rehabilitation Program.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6. CAPITAL ASSETS

Capital assets activities for the year ended September 30, 2020, was as follows:

	<u>(1) Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 19,879,480	\$ -	\$ (1,003,857)	\$ 133,748	\$ 19,009,371
Construction in progress	62,900	611,119	-	(277,226)	396,793
Total capital assets not being depreciated	<u>19,942,380</u>	<u>611,119</u>	<u>(1,003,857)</u>	<u>(143,478)</u>	<u>19,406,164</u>
Capital assets, being depreciated:					
Land improvements	19,370,860	215,727	(37,059)	-	19,549,528
Building and improvements	22,191,989	658,541	-	3,267,429	26,117,959
Infrastructure	60,586,264	749,940	-	277,226	61,613,430
Machinery and equipment	22,261,826	994,915	(687,746)	-	22,568,995
Library Books	2,340,955	72,216	-	-	2,413,171
Total capital assets being depreciated	<u>126,751,894</u>	<u>2,691,339</u>	<u>(724,805)</u>	<u>3,544,655</u>	<u>132,263,083</u>
Less accumulated depreciation for:					
Land improvements	(14,106,061)	(369,490)	37,059	-	(14,438,492)
Building and improvements	(11,194,460)	(1,038,169)	-	(218,606)	(12,451,235)
Infrastructure	(30,253,482)	(1,205,249)	-	-	(31,458,731)
Machinery and equipment	(17,398,650)	(1,457,563)	687,746	-	(18,168,467)
Library Books	(2,193,465)	(60,967)	-	-	(2,254,432)
Total accumulated depreciation	<u>(75,146,118)</u>	<u>(4,131,438)</u>	<u>724,805</u>	<u>(218,606)</u>	<u>(78,771,357)</u>
Total capital assets being depreciated, net	<u>51,605,776</u>	<u>(1,440,099)</u>	<u>-</u>	<u>3,326,049</u>	<u>53,491,726</u>
Governmental activities capital assets, net	<u><u>\$ 71,548,156</u></u>	<u><u>\$ (828,980)</u></u>	<u><u>\$ (1,003,857)</u></u>	<u><u>\$ 3,182,571</u></u>	<u><u>\$ 72,897,890</u></u>

(1) Restated, see Note 16.

(2) The City reclassified \$3,182,571 of assets held for resale balances to capital assets (land and buildings) for the year ended September 30, 2020.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 653,080	\$ -	\$ -	\$ -	\$ 653,080
Construction in progress	1,051,108	1,570,605	-	(1,659,848)	961,865
Total capital assets not being depreciated	<u>1,704,188</u>	<u>1,570,605</u>	<u>-</u>	<u>(1,659,848)</u>	<u>1,614,945</u>
Capital assets, being depreciated:					
Land improvements	1,285,292	-	(36,223)	-	1,249,069
Building and improvements	2,485,690	37,309	-	-	2,522,999
Infrastructure	87,598,285	1,649,118	(6,040)	1,659,848	90,901,211
Machinery and equipment	6,664,611	377,444	(35,827)	-	7,006,228
Total capital assets being depreciated	<u>98,033,878</u>	<u>2,063,871</u>	<u>(78,090)</u>	<u>1,659,848</u>	<u>101,679,507</u>
Less accumulated depreciation for:					
Land improvements	(135,105)	(3,701)	-	-	(138,806)
Building and improvements	(964,936)	(73,904)	-	-	(1,038,840)
Infrastructure	(43,447,721)	(2,281,104)	6,040	-	(45,722,785)
Machinery and equipment	(5,059,346)	(452,537)	35,827	-	(5,476,056)
Total accumulated depreciation	<u>(49,607,108)</u>	<u>(2,811,246)</u>	<u>41,867</u>	<u>-</u>	<u>(52,376,487)</u>
Total capital assets being depreciated, net	<u>48,426,770</u>	<u>(747,375)</u>	<u>(36,223)</u>	<u>1,659,848</u>	<u>49,303,020</u>
Business-type activities capital assets, net	<u><u>\$ 50,130,958</u></u>	<u><u>\$ 823,230</u></u>	<u><u>\$ (36,223)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,917,965</u></u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6. CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	653,070
Public safety	298,979
Transportation and public works	890,386
Culture and recreation	1,307,769
Physical environment	38,135
Housing and urban development	25,354
Subtotal	<u>3,213,693</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	917,745
Total depreciation expense – governmental activities	<u><u>\$ 4,131,438</u></u>
Business-type activities:	
Water and sewer	2,409,907
Stormwater	401,339
Total depreciation expense – business-type activities	<u><u>\$ 2,811,246</u></u>

NOTE 7. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of changes in long-term liabilities for governmental activities for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Debt payable:					
Pension obligation note-Series 2010 - direct borrowing	\$ 12,405,000	\$ -	\$ (885,000)	\$ 11,520,000	\$ 950,000
Unamortized bond discount	(484,441)	-	81,689	(402,752)	-
Capital lease obligation	<u>1,180,522</u>	<u>809,069</u>	<u>(779,538)</u>	<u>1,210,053</u>	<u>723,728</u>
Total debt payable	<u>13,101,081</u>	<u>809,069</u>	<u>(1,582,849)</u>	<u>12,327,301</u>	<u>1,673,728</u>
Other liabilities:					
Compensated absences	7,967,207	2,615,604	(1,703,293)	8,879,518	2,730,705
Landfill closure	8,113,970	-	(86,388)	8,027,582	-
Total OPEB liability	10,955,994	2,271,760	-	13,227,754	-
Net pension liability	29,355,564	6,139,725	-	35,495,289	-
Net pension liability - FRS	7,682,290	5,192,999	-	12,875,289	-
Purchase installment liability	187,200	-	(93,600)	93,600	93,600
Claims payable (risk)	3,244,809	35,236	-	3,280,045	-
Claims payable (other)	435,864	-	-	435,864	-
Total other liabilities	<u>67,942,898</u>	<u>16,255,324</u>	<u>(1,883,281)</u>	<u>82,314,941</u>	<u>2,824,305</u>
Governmental activities - long-term liabilities	<u><u>\$ 81,043,979</u></u>	<u><u>\$ 17,064,393</u></u>	<u><u>\$ (3,466,130)</u></u>	<u><u>\$ 94,642,242</u></u>	<u><u>\$ 4,498,033</u></u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. LONG-TERM LIABILITIES (Continued)

For governmental activities, compensated absences, net pension liabilities and other post-employment benefit liabilities are generally liquidated by the General Fund. Internal Service Funds predominately serve the governmental funds. Accordingly, their long-term liabilities for compensated absences, net pension liabilities and the other post-employment benefit liabilities are included as part of the above totals for governmental activities.

Note Payable

On February 1, 2010, the City issued City of North Miami Promissory Note, Series 2010, (Promissory Note) in the amount of \$17,685,000 for the purpose of refunding the City's outstanding Taxable Special Obligation Refunding Bonds (Pension), Series 2002, and to pay a termination fee due with respect to a related interest rate swap. The interest rate on the Note is 7.25% per annum. The difference between the reacquisition price (new debt) and the carrying value of the refunded debt is being deferred and amortized over the life of the new debt. Debt service on this note is funded by non-ad valorem revenues budgeted and appropriated by the City on an annual basis.

The Promissory Note agreement also includes the following additional information:

- Without the prior written consent of the Bank, the City shall not incur additional indebtedness secured by or payable from all or a portion of the non-ad valorem revenues unless the total amount of non-ad valorem revenues for the prior fiscal year (exclusive of any proceeds of indebtedness) were at least two (2) times the maximum annual debt service on all indebtedness.
- An "Event of Default" shall be deemed to have occurred if the City fails to make any payment of principal or interest when the same become due and payable; default in the performance of any part of the agreement; and/or any petition to declare bankruptcy.
- An "Event of Default" will immediately result in the bank declaring all obligations of the City to be immediately due and payable without further action of any kind. The bank may also seek enforcement of, and exercise all, remedies available under any applicable law.

Principal and interest is payable through July 1, 2029. Debt service requirements to maturity on the Promissory Note follows:

Fiscal years ending September 30:	Principal	Interest	Total
2021	\$ 950,000	\$ 835,200	\$ 1,785,200
2022	1,020,000	766,325	1,786,325
2023	1,095,000	692,375	1,787,375
2024	1,175,000	612,988	1,787,988
2025	1,260,000	527,800	1,787,800
2026-2029	6,020,000	1,129,188	7,149,188
Total	\$ 11,520,000	\$ 4,563,876	\$ 16,083,876

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. LONG-TERM LIABILITIES (Continued)

Business-type Activities

The following is a summary of changes in long-term liabilities of the City for business-type activities for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Debt payable:					
FMLC Series 2016 Refunding (stormwater) - direct borrowing	\$ 1,185,000	\$ -	\$ (385,000)	\$ 800,000	\$ 395,000
Unamortized bond premiums	61,530	-	(20,510)	41,020	-
State Revolving Fund Loans - direct borrowings	4,634,579	1,029,799	(331,421)	5,332,957	231,158
Capital lease obligations	793	-	(793)	-	-
Total debt payable	<u>5,881,902</u>	<u>1,029,799</u>	<u>(737,724)</u>	<u>6,173,977</u>	<u>626,158</u>
Other liabilities:					
Compensated absences	1,105,169	315,496	(166,578)	1,254,087	301,761
Total OPEB Liability	1,766,300	334,211	-	2,100,511	-
Net Pension Liability	4,040,145	579,937	-	4,620,082	-
Net Pension Liability - FRS	976,579	490,512	-	1,467,091	-
Total other liabilities	<u>7,888,193</u>	<u>1,720,156</u>	<u>(166,578)</u>	<u>9,441,771</u>	<u>301,761</u>
Business-type activities - long-term liabilities	<u><u>\$ 13,770,095</u></u>	<u><u>\$ 2,749,955</u></u>	<u><u>\$ (904,302)</u></u>	<u><u>\$ 15,615,748</u></u>	<u><u>\$ 927,919</u></u>

Loans Payable

Stormwater Utility Loan

On September 29, 2016, the City issued \$2,265,000 FMLC Series 2016 Bond for the purpose of refunding, on a current basis, the then outstanding FMLC-Series 2001A Bond with an aggregate principal amount of \$2,600,000 and certain costs of issuing the bonds. Interest rates for the refunded bond ranges from 2% to 4%.

The loan agreement also includes the following additional information:

- The City is required to provide an annual Continuing Disclosure Certificate along with the annual audited financial statements, no later than the June 30th, following the end of each fiscal year. Failure to provide the reports can affect the City's bond ratings.
- Events of Default: Default in the payment of principal or interest when due; default in the performance of any part of the agreement; and/or any petition to declare bankruptcy.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. LONG-TERM LIABILITIES (Continued)

- Remedies for an Event of Default include, but are not limited to, the approval of the Bond Insurer for the Trustee to pursue any available remedy allowed by law to enforce the payment of principal and interest.

Debt Service Requirements to Maturity

Principal and interest are payable through October 1, 2022. The debt service requirements to maturity on the FMLC Loan-Series 2016 follows:

<u>FMLC Loan - 2016</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2021	\$ 395,000	\$ 28,050	\$ 423,050
2022	405,000	16,200	421,200
Total	<u>\$ 800,000</u>	<u>\$ 44,250</u>	<u>\$ 844,250</u>

State Revolving Fund Loans

Clean Water State Revolving Fund Loan – WW-131810

In February 2012, the City entered into a loan agreement with the State of Florida Department of Environmental Protection (the Department) for a State Revolving Fund (“SRF”) loan in the amount of \$491,653 with an interest rate of 1.59%. The loan agreement was amended as follows subsequent to 2012:

- First amendment – August 4, 2014, to increase the loan amount to \$3,485,499.
- Second amendment – November 10, 2014, to reduce the loan amount to \$3,127,093.
- Third amendment – February 13, 2017, to reduce the loan amount to \$2,996,913.

The purpose of the loan was to provide financial assistance for the planning and designing of the City’s sewer rehabilitation project. As of September 30, 2020, the total loan amount disbursed and outstanding was \$2,435,800.

The loan agreement also includes the following additional information:

- Annual certification indicating that pledged revenue collections satisfy the rate coverage requirement; monthly escrow or loan debt service account is being maintained for the repayment of the loan; insurance which adequately covers customary risks. The certification must be submitted with the annual audit report.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. LONG-TERM LIABILITIES (Continued)

- Event of Default: Failure to make any monthly loan deposit or installment of the semiannual loan payment when due and such failure continues for 30 days; failure to perform of any part of the agreement; any bankruptcy, insolvency or other similar proceedings instituted against the City.
- Remedies for an Event of Default include, but are not limited to requiring the City to account for all moneys received from the Department and to account for the receipt, use and application or disposition of the Pledged Revenues; apply to the court to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges and apply the revenues to reduce the obligations under the agreement; the Department may intercept the delinquent amount plus a penalty from the unobligated funds due to the City under any revenue or tax sharing fund established by the State; the Department may also impose a penalty not to exceed 18% interest in addition to charging cost to handle and process the debt; notify financial market credit rating agencies and potential creditors; accelerating the repayment schedule or increasing the financing rate on the unpaid principal as much as 1.667 times the financing rate.

Drinking Water State Revolving Fund Loan – DW-131831

In March 2013, the City entered into a loan agreement with the State of Florida Department of Environmental Protection (the Department) for a State Revolving Fund (“SRF”) loan in the amount of \$4,513,025 with an interest rate of 1.86%. In November, 2017, the loan amount was amended to \$4,410,680.

The purpose of the loan was to provide assistance for the City’s water treatment filters rehabilitation project. As of September 30, 2020, the total loan amount disbursed and outstanding was \$2,897,157.

The loan agreement also includes the following additional information:

- Annual certification indicating that pledged revenue collections satisfy the rate coverage requirement; monthly escrow or loan debt service account is being maintained for the repayment of the loan; insurance which adequately covers customary risks. The certification must be submitted with the annual audit report.
- Events of Default: Failure to make any monthly loan deposit or installment of the semiannual loan payment when due and such failure continues for 30 days; failure to perform of any part of the agreement; any bankruptcy, insolvency or other similar proceedings instituted against the City.
- Remedies for an Event of Default include, but are not limited to requiring the City to account for all moneys received from the Department and to account for the receipt, use and application or disposition of the Pledged Revenues; apply to the court to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges and apply the revenues to reduce the obligations under the agreement; the Department may intercept the delinquent amount plus a penalty from the unobligated funds due to the City under any revenue or tax sharing fund established by the State; the Department may also impose a penalty not to exceed 18% interest in addition to charging cost to handle and process the debt; notify financial market credit rating

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. LONG-TERM LIABILITIES (Continued)

agencies and potential creditors; accelerating the repayment schedule or increasing the financing rate on the unpaid principal as much as 1.667 times the financing rate.

Summary Debt Service Requirements to Maturity

Principal and interest are payable through 2040:

	Loan - WW131810			Loan - DW131831			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Fiscal year ending September 30:									
2021	\$ 145,154	\$ 21,801	\$ 166,955	\$ 86,004	\$ 79,494	\$ 165,498	\$ 231,158	\$ 101,295	\$ 332,453
2022	146,439	20,516	166,955	148,540	16,959	165,499	294,979	37,475	332,454
2023	147,736	19,218	166,954	149,447	16,051	165,498	297,183	35,269	332,452
2024	149,047	17,908	166,955	150,360	15,138	165,498	299,407	33,046	332,453
2025	150,371	16,584	166,955	151,279	14,220	165,499	301,650	30,804	332,454
2026 - 2030	772,177	62,596	834,773	770,371	57,121	827,492	1,542,548	119,717	1,662,265
2031 - 2035	807,316	27,458	834,774	794,192	33,300	827,492	1,601,508	60,758	1,662,266
2036 - 2040	117,560	24,191	141,751	646,964	8,994	655,958	764,524	33,185	797,709
Total	\$2,435,800	\$ 210,272	\$2,646,072	\$ 2,897,157	\$ 241,277	\$3,138,434	\$ 5,332,957	\$ 451,549	\$ 5,784,506

Pledged Revenues

The City issues debt that is secured by a pledge of specific revenues. Total pledged revenues to repay principal and interest on outstanding debt as of September 30, 2020 follows:

	Non Ad-Valorem Revenues Pledged
Governmental Activities:	
Description of debt	Note payable
Purpose of debt	Refunded the Taxable Special Obligation Bonds -Series 2002 used to fund City pension obligations
Current revenue	\$37,350,074
Total future revenues pledged	\$16,083,875
Term of commitment (years)	2010-2029
Current year debt service	\$1,789,538
Percentage of current year debt service to pledged revenues	4.79%

	Non Ad-Valorem Revenues Pledged
Business-Type Activities:	
Description of debt	FMLC Loan - Series 2016 (stormwater)
Purpose of debt	State Revolving Loans (drinking water)
Current revenue	Capital improvements
Total future revenues pledged	\$30,988,169
Term of commitment (years)	Capital improvements (drinking water)
Current year debt service	\$844,250
Percentage of current year debt service to pledged revenues	\$2,624,268
	\$5,784,506
	2002-2022
	2014-2036
	\$166,155
	6.33%

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. LONG-TERM LIABILITIES (Continued)

Purchase Installment Agreement

On March 7, 2017, the City entered into an agreement with Point Blank Enterprises, Inc. to purchase body-worn cameras and the related monitoring software for the police department. The agreement is for an initial period of five (5) years for a total cost of \$533,000. At September 30, 2020, the remaining balance due was \$93,600 which will be paid annually as follows:

	<u>Amount</u>
Fiscal year ending September 30:	
2021	<u>93,600</u>
Total	<u><u>\$ 93,600</u></u>

Capital Leases

The City finances the acquisition of certain vehicles and equipment through capital leases. The leases are collateralized by the leased vehicles and equipment. Future minimum total lease payments and the present value of minimum lease payments as of September 30, 2020 follows:

	<u>Governmental Activities</u>
Fiscal year ending September 30:	
2021	<u>\$ 723,728</u>
2022	<u>328,196</u>
2023	<u>328,196</u>
2024	<u>87,321</u>
2025	<u>59,850</u>
Total minimum lease payments	<u><u>1,527,291</u></u>
Less amount representing interest	<u><u>(317,238)</u></u>
Present value of minimum lease payments	<u><u>\$ 1,210,053</u></u>

The net book value of assets acquired through capital leases as of September 30, 2020 follows:

	<u>Governmental Activities</u>
Fleet	<u>\$ 1,087,633</u>
Equipment	<u>567,464</u>
Total cost	<u>1,655,097</u>
Less accumulated depreciation	<u>(445,044)</u>
Total net book value	<u><u>\$ 1,210,053</u></u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

Effective October 1, 2017, the City implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the City.

Plan Description

The City provides an optional single-employer defined benefit post-employment healthcare, dental, and group term-life insurance plan to eligible individuals. The Plan allows employees and their beneficiaries, at their own cost, to continue to obtain health, dental, and life insurance benefits upon retirement.

Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the City and eligible dependents may continue to participate in the City's health, dental, and group term-life insurance plan. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group premium rates for both active and retired employees. These rates provide an implicit rate subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan than those of active employees.

No assets are held in trust for payment of the OPEB liability, therefore the plan operates on a pay-as-you-go basis.

Benefits Provided

The City also provides an explicit health insurance subsidy with respect to certain retirees or their beneficiaries. The children of police officers who are killed in the line of duty receive a 100% subsidy for their health insurance until age 18 (or age 25 if a full-time student).

In 1997, the City offered a one-time Retirement Incentive to employees who had at least twenty years of City service and who were at least 50 years of age. The incentive was City paid group health premiums until age 65. Additionally, since October 1997, the City provides paid group health insurance premiums until age 65 for elected officials of the City who have served a minimum of two complete terms of office, and their tenure as an elected official commenced after May 1, 1991.

Also, since October 2000, the City provides paid group health insurance premiums for any former member of the administrative staff who has completed ten years or more of satisfactory service to the City as a member of the administrative staff, or has completed twenty years or more of satisfactory service with the City.

In accordance with the October 1, 2005, Police Bargaining Agreement, effective for police officers retiring after January 1, 2007, the City contributes \$200 toward the monthly premium for single coverage through the City's group health insurance plan. Retired officers, who do not elect to remain with the City's group insurance plan, receive a monthly payment of \$200. The \$200 contribution by the City is payable until the retired member becomes eligible for Medicare.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy

The City does not directly contribute to the Plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates that are charged for active employees. The premiums vary depending on the benefits selected and whether the retiree elects single or family coverage. The premium also varies depending on whether the retiree elects' coverage under the HMO or POS plan. However, the City's actuary, in the actuarial valuation, calculates an offset to the cost of these benefits as an employer contribution, based on the implicit rate subsidy. This offset equals the total age-adjusted premiums paid by the City or its active employees for coverage of the retirees and their dependents for the year, net of the retiree's own annual payments.

Plan Membership

At September 30, 2019, the date of the latest actuarial valuation, plan participation consisted of the following:

Retirees and beneficiaries	196
Active plan members	<u>414</u>
	<u>610</u>

Total OPEB Liability

The City's total OPEB liability of \$15,328,265 was determined by an actuarial valuation as of September 30, 2018 and rolled-forward to September 30, 2019, measurement date.

Actuarial Assumptions and Other Inputs

Valuation Date: September 30, 2018

Measurement Date: September 30, 2019

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method - Entry-Age Normal

Inflation - 2.50%

Discount Rate - 2.75% - For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.75% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 3.83% as of the previous measurement date.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Salary Increases - Rates are based on those used in the respective October 1, 2018, actuarial valuations. For participants in Florida Retirement System, salary rates are based on those used in the July 1, 2019, actuarial valuation of Florida Retirement System.

Salary Increases in the Coming Year

Years of Service	General	Police Officers
0 - 2	6.0%	9.0%
3 - 5	5.0%	7.5%
6 - 9	4.5%	6.3%
10 - 14	4.0%	4.5%
15 - 19	3.5%	4.0%
Over 20	3.0%	3.5%

Retirement Age - Rates are based on those rates used in the respective October 1, 2018 actuarial valuations. For participants in Florida Retirement System, retirement rates are based on those used in the July 1, 2019 actuarial valuation of Florida Retirement System.

Number of Years After First Eligibility for Normal Retirement	% Probability of Normal Retirement (General Employees)	%Normal Retirement (Police Officers)
0	30%	25%
1	25%	25%
2	25%	25%
3	25%	25%
4	25%	35%
5	50%	35%
6	50%	35%
7	50%	35%
8	50%	35%
9	50%	35%
10 +	100%	100%

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Mortality - Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2018, actuarial valuation of the Florida Retirement System, the Generational RP-2000 with Projection Scale BB tables. They are based on the results of a statewide experience study covering the period 2008 through 2013.

Healthcare Cost Trend Rates - Trend rate starting at 8.50% for claims costs and premiums (based on actual premium rates effective January 1, 2019), and thereafter trend based on the Getzen Model, with trend rate decreasing to 6.50% effective January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.24% plus 0.17% increase for excise tax.

Aging factors - Based on the 2013 Society of Actuary Study "Health Care Costs - From Birth to Death".

Expenses - Administrative expenses are included in the per capita health costs.

Changes in the total OPEB liability for the fiscal year ended September 30, 2020 were as follows:

Balance at September 30, 2019	<u>\$ 12,722,294</u>
Changes for the year:	
Service cost	568,651
Interest	499,472
Difference between expected and actual experience	-
Changes in assumptions	2,037,665
Benefits payments	(499,817)
Net changes	<u>2,605,971</u>
Balance at September 30, 2020	<u>\$ 15,328,265</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.75%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	Current		
	Discount Rate		
	1 % Decrease	Assumption	1 % Increase
Total OPEB liability	1.75%	2.75%	3.75%
Total OPEB liability	<u>\$ 17,708,857</u>	<u>\$ 15,328,265</u>	<u>\$ 13,425,835</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the total OPEB liability to the healthcare cost trend rate:

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost Trend Rate		
	1 % Decrease	Assumption	1 % Increase
Total OPEB liability	<u>\$ 14,071,163</u>	<u>\$ 15,328,265</u>	<u>\$ 16,819,765</u>

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

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$780,493. Deferred inflow and outflow of resources related to OPEB are as follows:

	OPEB		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
	\$	\$	\$
Differences between expected and actual experience	\$ -	\$ 637,250	\$ (637,250)
Changes in assumptions and other inputs	1,692,298	1,738,333	(46,035)
	<u>1,692,298</u>	<u>2,375,583</u>	<u>(683,285)</u>
City contributions made subsequent to the measurement date	519,129	-	519,129
	<u>\$ 2,211,427</u>	<u>\$ 2,375,583</u>	<u>\$ (164,156)</u>

The deferred outflows of resources totaling \$519,129, resulting from City contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the fiscal year ended September 30, 2021. The amount reported as net deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	Amount
2021	\$ (287,630)
2022	(287,630)
2023	(287,630)
2024	(131,226)
2025	310,831
Total	<u>\$ (683,285)</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9. SELF-INSURANCE

The City maintains a self-insurance program accounted for in the internal service funds. The General Risk Management fund was established by City Ordinance to account for insurance activities relating to workers' compensation and general liability risks. Charges to departments are based upon amounts determined by management to be necessary to meet the required annual payouts during the fiscal year and to maintain adequate fund reserves. The funding level and estimated claims liability for workers' compensation and general liability for fiscal year 2020 is based on recommended funding requirements, as determined by a self-insurance actuarial review as of September 30, 2020, performed by outside actuary consultants.

The City is exposed to various risks of loss for workers' compensation and general liability covered by its self-insurance program. The other exposures include theft, and errors and omissions, for which the City carries commercial insurance.

As of September 30, 2020, the City's risk retention for certain types of risk is as follows:

Line of Coverage	Retention/Deductible	Coverage after Retention/Deductible
Self-insured:		
Workers' compensation	Self-insured retention of \$500,000	Excess worker's compensation Part I - Statutory Part II - \$1,000,000 (employers liability)
General & automobile liability	Fully self-insured	F.S. 768.28 (\$200,000/individual, \$300,000/occurrence)
Commercial insurance:		
Property:		
Property, multi-peril	\$5,000 general & 5% named storm	66,332,552 (bldg) and \$14,064,250 (contents)
Boiler and machinery	\$1,000	\$50,000,000
Flood	Buildings: \$1,000 to \$2,000 Contents: \$1,000 to \$2,000 varies according to facility	Buildings: \$25,000 to \$333,300 Contents: \$0 to \$200,000 varies according to facility
Other:		
Police professional liability	\$150,000/claim	\$2,000,000/loss and aggregate
Public officials' liability	\$100,000 EPLI/wrongful acts	\$2,000,000/loss and aggregate

The General Risk Management Internal Service Fund accounts for the following coverages and claims:

Workers' Compensation

All workers' compensation costs are paid from the self-insurance fund, up to \$500,000 self-insured retention, with all operating funds of the City assessed a charge based upon the requirements of the self-insurance fund and their relative share of the total risk. As claims are reported they are investigated by claims personnel, and an estimate of liability on a case-by-case basis is established. The estimated liabilities are periodically reviewed and revised as claims develop.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9. SELF-INSURANCE (Continued)

General Liability

Departments of the City are assessed for general and automobile liability coverage based upon the requirements of the self-insurance fund and their relative share of the total risk. The City has continued to purchase certain casualty insurance for which the premium is low in relation to the coverage provided. As the casualty claims are reported, they are investigated by the claims personnel and an estimate of liability on a case-by-case basis is established.

Estimated Claims Liability

The estimated claims liability of \$3,280,045 in the General Risk Management internal service fund includes estimates for claims incurred but not reported (IBNR) and allocated loss adjustment expenses. The estimates are based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the estimated claims liability are as follows:

	Workers' Compensation	General Liability	2020 Total	2019 Total
Estimated claims liability - beginning of year	\$ 1,591,518	\$ 1,653,291	\$ 3,244,809	\$ 3,116,518
Current year claims and changes in estimates	437,660	457,822	895,482	2,197,332
Claim payments	(396,407)	(463,839)	(860,246)	(2,069,041)
Estimated claims liability - end of year	<u>\$ 1,632,771</u>	<u>\$ 1,647,274</u>	<u>\$ 3,280,045</u>	<u>\$ 3,244,809</u>

The City carries Excess Workers' Compensation insurance to secure statutory worker's compensation coverage in excess of the self-insured retention. In 2020, there was no reduction in insurance coverage from the prior year. During the past three years, there have been no settlements that exceeded insurance coverage. The City continues to seek annual recovery on cases where payments have been made, through the Workers' Compensation Third Party Administrator, in excess of the self-insured retention. The City recovered reimbursements from the excess carrier on two cases where the self-insured retentions of \$250,000 and \$350,000 were exceeded.

NOTE 10. EMPLOYEE RETIREMENT PLANS

Pension Plans Sponsored by the City of North Miami

The City of North Miami (the "City" or the "Employer") is the sponsor of two single employer defined benefit pension plans (collectively the "Plans") established to provide pension benefits for its employees: Clair T. Singerman Retirement System ("CTS") and the North Miami Police Pension Plan (the "NMPP" Plan). Each plan is administered by a seven-member Board of Trustees who are either appointed by Ordinance or elected from among Plan participants.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

On April 3, 1994, the City transferred all general employees who were in the NMPP Plan to the CTS Retirement System, thereby limiting the NMPP Plan participation to sworn police personnel hired after January 1, 1977. The CTS Retirement System covers police officers hired before January 1, 1977, and all general employees and former North Miami firefighters.

On February 15, 2016, the City closed the CTS Retirement System to new participants. After the closure, new members are required to join the Florida Retirement System (“FRS”). Active members were afforded a one-time irrevocable option to transfer to the FRS.

Effective January 1, 2017, the NMPP Plan was closed to new members. After the closure, new police officers are required to join the Florida Retirement System (FRS). Existing members to the NMPP Plan had the option to remain in the Plan or to choose to participate in the FRS. These members had the option of keeping their accrued benefits in the NMPP Plan or receive refunds of member contributions.

Each of the Plans issues a publicly available stand-alone report that includes financial statements and required supplementary information for each Plan. These reports may be obtained by writing to: North Miami Employees’ Retirement Systems, 12000 Biscayne Boulevard Suite 205, Miami, Florida 33181.

Summary of Significant Accounting Policies

Basis of Accounting

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

For the purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

Method Used to Value Investments

Investments are reported at fair value. Within certain limitations as specified in the Plans, the investment policy is determined by the Board of Trustees and is implemented by the Plans’ investment managers. A financial consultant monitors the investment managers.

For more details regarding the methods used to measure plan investments refer to **NOTE 2**.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

North Miami Police Pension Plan (NMPP Plan)

Plan Description

The City of North Miami (the employer) is the sponsor of a single-employer defined benefit plan (hereafter the “Plan”) established to provide pension benefits for its employees. The Plan is administered by a seven-member Board of Trustees comprised of three members occupying positions specifically designated by Ordinance and four elected police members.

Since the Plan is a single-employer public employees' retirement system plan sponsored by the City, the Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. The latest available actuarial valuation is as of October 1, 2018 (beginning of year valuation date); however, employer contribution requirements for the year ended September 30, 2020, were based on an October 1, 2019, valuation. Benefit and contribution provisions are established by City ordinance and may be amended only by the City Council.

Membership in the Plan as of October 1, 2019, follows:

Inactive plan members and beneficiaries currently receiving benefits	55
Inactive plan members entitled but not yet receiving benefits	1
Active plan members	<u>95</u>
Total members	<u>151</u>

Pension Benefits

Plan members become partially vested (25%) after 5 years credited service, increasing 15% annually, with full vesting after 10 years of credited service.

Normal retirement is the earlier of age 55 and 10 years of service or age 50 and 20 years of service. A member may elect to receive in a lump sum payment at retirement, an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan.

Early retirement is available at age 50 and 10 years of service. For certain members hired on or before December 31, 2006, early retirement is also available after 20 years of service regardless of age.

Normal retirement benefits are based on 1% of average final compensation (AFC) multiplied by the years of service up to July 1, 1979, plus 3% of AFC for the years of service from June 30, 1979 to June 30, 1997; and 3.5% of AFC for the years of service on or after July 1, 1997. Additionally, accumulated Plan member contributions up to September 30, 1982, are payable to the member in a lump sum upon termination or retirement.

Terminated members with less than five years' creditable service receive their contribution plus accrued interest accumulated since initial employment. Partially vested members receive the greater of member contributions plus accrued interest or the sum of member contributions prior to October 1, 1982, plus their vested benefits.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Contributions and Funding Policies

Employees contribute 9.51% of their base salaries or wages based on the Plan's investment performance. Interest is credited annually on members' accumulated contributions at a rate of interest determined at the discretion of the Board of Trustees. The interest rate was 5.0% for 2020. Employer and state contributions for the fiscal year ended September 30, 2020, was 50.48% of covered payroll.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. The actuarial cost method used for determining the contribution requirements of the Plan is the Entry Age Normal.

Pursuant to Chapter 185, Florida Statutes and the collective bargaining agreement of October 1, 2018, insurance premium tax monies received are shared between the City and the North Miami Police Share Plan. The net insurance premium tax received during the fiscal year was \$197,038.

Net Pension Liability

Components of the net pension liability of the City as of September 30, 2020:

	<u>NMPP Plan</u>
Total pension liability	\$112,155,011
Plan fiduciary net position	<u>(80,605,145)</u>
Net pension liability	<u><u>\$ 31,549,866</u></u>
Plan fiduciary net position as a percentage of total pension liability	71.87%

Actuarial Assumptions

The total pension liability was measured as of September 30, 2019, and determined by an actuarial valuation as of October 1, 2018, using the following actuarial assumptions and applied to all prior periods included in the measurement.

Assumptions Used to Determine Net Pension Liability

Actuarial cost method – Entry age normal

Inflation – 2.50%

Salary Increases – 3.50% to 9.00% depending on service

Investment rate of return – 7.3%

Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Mortality – The mortality table is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their July 1, 2017 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

Long-Term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

NMPP Plan		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	48.00%	7.50%
International equity	12.00%	8.50%
Domestic bonds	21.00%	2.50%
Real Estate	19.00%	4.50%

Discount Rate - A single discount rate of 7.30% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.30%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments (7.30%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Changes in Net Pension Liability

The following table shows the changes in net pension liability based on the actuarial information provided to the City at September 30, 2020:

	NMPP Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2019	<u>\$ 107,418,052</u>	<u>79,380,680</u>	<u>\$ 28,037,372</u>
Changes for the year			
Service cost	2,884,226	-	2,884,226
Interest	7,986,311	-	7,986,311
Difference between actual & expected experience	(2,846,387)	-	(2,846,387)
Assumption changes	1,471,145	-	1,471,145
Benefit payments	(4,686,763)	-	(4,686,763)
Refunds	(71,573)	-	(71,573)
Contributions - employer	-	4,724,031	(4,724,031)
Contributions - employer (from State/Share Plan)	-	184,085	(184,085)
Contributions - member	-	907,850	(907,850)
Net investment income	-	420,126	(420,126)
Benefit payments	-	(4,686,763)	4,686,763
Refunds	-	(71,573)	71,573
Administrative expense	-	(253,291)	253,291
Net changes	<u>4,736,959</u>	<u>1,224,465</u>	<u>3,512,494</u>
Balance at September 30, 2020	<u>\$ 112,155,011</u>	<u>\$ 80,605,145</u>	<u>\$ 31,549,866</u>

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

Below is a table providing the sensitivity of the net pension liability of the City to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate of 7.30%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	NMPP Plan		
	Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.3%	7.3%	8.3%
Net pension liability	<u>\$ 48,095,503</u>	<u>\$ 31,549,866</u>	<u>\$ 18,100,723</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

For the year ended September 30, 2020, the City recognized pension expense of \$5,644,525. At September 30, 2020, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	NMPP Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow (Inflow) of Resources
Differences between expected and actual experience	\$ 3,806,740	\$ 3,361,449	\$ 445,291
Assumptions changes	4,154,701	-	4,154,701
Net difference between projected and actual earnings on pension plan investments	<u>4,526,876</u>	<u>2,807,334</u>	<u>1,719,542</u>
	12,488,317	6,168,783	6,319,534
Employer contributions made subsequent to the measurement date	4,879,993	-	4,879,993
	<u>\$ 17,368,310</u>	<u>\$ 6,168,783</u>	<u>\$ 11,199,527</u>

The deferred outflows of resources related to the Plan, totaling \$4,879,993, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2021. Other amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflow (Inflow) of Resources
2021	\$ 959,823
2022	1,420,856
2023	1,585,035
2024	1,939,077
2025	500,693
Thereafter	<u>(85,950)</u>
Total	<u>\$ 6,319,534</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Clair T. Singerman Retirement System

Plan Description

The City of North Miami (the City or the employer) is the sponsor of a single-employer defined benefit pension plan established to provide pension benefits for its employees. The Clair T. Singerman (CTS) Retirement System is administered by a seven-member Board of Trustees comprised of one firefighter elected from firefighter members, one police officer elected from police members, two ex-officio members occupying positions specifically designated by Ordinance, and three elected general employee members.

The CTS Retirement System was established by the City's Ordinance 691 effective January 1, 1968. The Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. All full-time employees are eligible except for sworn police personnel hired after 1976. The latest actuarial valuation is as of October 1, 2019; however, the required employer contribution for the fiscal year ended September 30, 2020, is based on the October 1, 2018, actuarial valuation. Benefit and contribution provisions are established by City ordinance and may be amended only by the Board of Trustees, subject to approval of the City Council.

Membership in the CTS Retirement System as of October 1, 2019 follows:

Inactive plan members and beneficiaries currently receiving benefits	236
Inactive plan members entitled but not yet receiving benefits	4
Active plan members	<u>189</u>
Total members	<u>429</u>

Pension Benefits

General employee plan members and police personnel not included in the police bargaining unit become partially vested (25%) after 5 years of credited service, increasing 15% annually, with full vesting after 10 years of credited service. All other police personnel become fully vested after 14 years.

Normal retirement is attained for:

- General plan members who reach the earlier of age 55 and 10 years of service or age 50 and 20 years of service.
- Police and firefighters plan members who reach age 50 and 20 years of service.

Early retirement is available after completion of 14 years of service for all Plan members.

A member may elect to receive in a lump sum at retirement an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Normal retirement benefits are based on 2.5% of average final compensation multiplied by the years of services through June 30, 1969, plus 3% of average final compensation for years of service up to March 8, 2016. However, for any year prior to October 1, 1968, during which a member contributed less than 7% of compensation, the benefit percentage for each year varies per the Ordinance. A terminating member with less than five years' creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment. Partially vested members shall receive the greater of member contributions plus accrued interest or the sum of member contributions prior to October 1, 1982, and his/her vested benefits.

Contributions and Funding Policies

Plan members contribute either 6%, 7% or 8% of their annual compensation depending on their credited years of service as of November 10, 2015. Interest is credited annually on members' accumulated contributions through the prior year-end. The interest rate determined by the Board of Trustees was 0.00% in 2020. Employer contributions for the fiscal year ended September 30, 2020 was 33.32% of covered payroll. The total employer contribution on the statement of changes in fiduciary net position is \$4,018,087 for 2020.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. The actuarial cost method used for determining the contribution requirements for the Plan is the Entry Age Normal.

Contributions required on an actuarial basis to provide benefits for former City firemen who had elected to remain in the Plan upon their transfer to the Miami-Dade County Fire Department on October 1, 1969, are made by Miami-Dade County and the State of Florida - Bureau of Municipal Police and Firefighters' Retirement Fund pursuant to Chapter 175, Florida Statutes.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of \$147,586 (the 1997 threshold) are utilized by this Plan for the purchase of additional benefits for the one remaining sworn police personnel that was included in this Plan prior to 1976. The excess of insurance premium tax monies amounted to \$2,368 for the fiscal year ended September 30, 2020, and is reported as other contributions; the balance to be received as of September 30, 2020, was \$40,393. The funds were received by the City of North Miami's Police Share Plan, and are held there until this Plan determines what benefit enhancements will be made.

All other insurance premium tax monies, are split between the City and the North Miami Police Share Plan.

Net Pension Liability

Components of the net pension liability of the City at September 30, 2020 follows:

<u>CTS Retirement System</u>	
Total pension liability	\$ 142,309,622
Plan fiduciary net position	(133,744,114)
Net pension liability	\$ 8,565,508

Plan fiduciary net position as a percentage of total pension liability

93.98%

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions

The total pension liability was measured as of September 30, 2019, and determined by an actuarial valuation as of October 1, 2018, using the following actuarial assumptions and applied to all prior periods included in the measurement:

Assumptions Used to Determine Net Pension Liability

Actuarial cost method – Entry age normal

Inflation – 2.50%

Salary Increases – 3.00% to 6.00% depending on service

Investment rate of return – 6.85%

Retirement Age – Experience-based table of rates

Mortality – The mortality table for General Employees is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality) with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2018, as mandated by Chapter 112.63, Florida Statutes.

The mortality table for Police and Fire members is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality) with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2018, as mandated by Chapter 112.63, Florida Statutes.

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

CTS Retirement System		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	48.00%	7.50%
International equity	12.00%	8.50%
Domestic bonds	24.00%	2.50%
Real Estate	16.00%	4.50%

Discount Rate – A single discount rate of 6.85% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.85%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.85%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The following table shows the changes in net pension liability based on the actuarial information provided to the City at September 30, 2020:

	CTS Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2019	\$ 134,998,624	\$ 129,640,284	\$ 5,358,340
Changes for the year			
Service cost	1,812,287	-	1,812,287
Interest	9,216,810	-	9,216,810
Difference between actual & expected experience	3,067,379	-	3,067,379
Assumption changes	1,601,838	-	1,601,838
Benefit payments	(8,363,533)	-	(8,363,533)
Refunds	(26,378)	-	(26,378)
Other	2,595	-	2,595
Contributions - employer	-	5,537,669	(5,537,669)
Contributions - employer (from State/Share Plan)	-	2,595	(2,595)
Contributions - non-employer contributing entity	-	194,266	(194,266)
Contributions - member	-	824,981	(824,981)
Net investment income	-	6,279,184	(6,279,184)
Benefit payments	-	(8,363,533)	8,363,533
Refunds	-	(26,378)	26,378
Administrative expense	-	(344,954)	344,954
Net changes	7,310,998	4,103,830	3,207,168
Balance at September 30, 2020	\$ 142,309,622	\$ 133,744,114	\$ 8,565,508

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

Below is a table providing the sensitivity of the net pension liability of the City to changes in the discount rate. In particular, the table presents the Plan's net pension liability (asset), if it were calculated using a single discount rate of 6.85% as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	CTS Retirement System		
	Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	5.85%	6.85%	7.85%
Net pension liability (asset)	<u>\$ 26,377,956</u>	<u>\$ 8,565,508</u>	<u>\$ (6,200,930)</u>

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

For the year ended September 30, 2020, the City recognized pension expense of \$4,687,183. At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	CTS Retirement System		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow (Inflow) of Resources
Differences between expected and actual experience	\$ 3,198,846	\$ -	\$ 3,198,846
Assumptions changes	2,544,058	-	2,544,058
Net difference between projected and actual earnings on pension plan investments	2,283,529	4,826,535	(2,543,006)
	8,026,433	4,826,535	3,199,898
Employer contributions made subsequent to the measurement date	4,126,483	-	4,126,483
	<u>\$ 12,152,916</u>	<u>\$ 4,826,535</u>	<u>\$ 7,326,381</u>

The deferred outflows of resources related to the CTS Retirement System, totaling \$4,126,483 resulting from City contributions to the CTS Retirement System subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2021. Other amounts reported as net deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflow (Inflow) of Resources
2021	\$ 1,625,677
2022	870,767
2023	132,571
2024	570,883
Total	<u>\$ 3,199,898</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Pension Plans Administered by the State of Florida

The City provides retirement benefits to the Mayor, four (4) City Council Members and to all employees hired after February 15, 2016, through the Florida Retirement System (FRS) and the FRS's Retiree Health Insurance Subsidy (HIS) Plan.

FLORIDA RETIREMENT SYSTEM

The City participates in the Florida Retirement System (the "FRS"), which was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Health Insurance Subsidy Program (the "HIS"), a cost-sharing multiple-employer defined benefit pension plan, for retired members of any state administered retirement system to pay the costs of health insurance.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The City's pension expense for FRS totaled \$3,197,867 for the fiscal year ended September 30, 2020.

A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Plan Description

The FRS is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* - Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* - Members in senior management level positions.
- *Special Risk Class* - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Employees enrolled in the FRS prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the FRS on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the FRS may include up to four years of credit for military service toward creditable service.

The FRS also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

FRS Retirement Benefits and Contributions

Benefits under the FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	%Value
Regular Class Members Initially Enrolled Before July 1, 2011:	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected Council Officers	3
Senior Management Service Class	2
Special Risk Regular:	
Service from December 1, 1970 through September 30, 1974	2
Service on and after October 1, 1974	3

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement, and multiplying that result by 3%. FRS members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Required Contributions for fiscal year 2020 were as follows:

Class ⁽²⁾	Percent of Gross Salary	
	Employer ⁽²⁾	Employer ⁽¹⁾
FRS, Regular	3.00%	8.47%
FRS, Elected Council Officers	3.00%	48.82%
FRS, Senior Management Service	3.00%	25.41%

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The City's contributions to the FRS amounted to \$1,201,858 and employees' contributions amounted to \$250,110 for the fiscal year ended September 30, 2020.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

On September 30, 2020, the City reported a liability of \$11,481,127 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2020 fiscal year contributions relative to the participating members. At June 30, 2020, the City's proportionate share was 0.0265% compared to 0.0190% in the prior year. For the fiscal year ended September 30, 2020, the City recognized pension expense of \$3,197,867 related to the Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	FRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow (Inflow) of Resources
Changes of Assumptions	\$ 2,078,449	\$ -	\$ 2,078,449
Difference between expected and actual experience	439,406	-	439,406
Difference between projected and actual investment earnings	683,597	17,804	665,793
Changes in proportion and differences between City FRS contributions and proportionate share of contributions	3,028,241	-	3,028,241
	<hr/> 6,229,693	<hr/> 17,804	<hr/> 6,211,889
City FRS contributions subsequent to the measurement date	258,119	-	258,119
Total	<u>\$ 6,487,812</u>	<u>\$ 17,804</u>	<u>\$ 6,470,008</u>

The deferred outflows of resources related to pensions, totaling \$258,119, resulting from the City's contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. The amount reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflow (Inflow) of Resources
2021	\$ 786,730
2022	1,356,290
2023	1,356,290
2024	1,356,290
2025	1,356,289
	<hr/> <u>\$ 6,211,889</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions

The FRS actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2019, applied to all periods included in the measurement:

Inflation - 2.40%

Salary Increases - 3.25% average, including inflation

Investment Rate of Return – 6.80%, net of pension plan investment expense, including inflation

Mortality - rates were based on the PUB-2010 Base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Long-Term Expected Rate of Return - The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	FRS			
	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound (Geometric) Return	Standard Deviation
Cash	1%	2.2%	2.2%	1.2%
Fixed income	19%	3.0%	2.9%	3.5%
Global equity	54%	8.0%	6.7%	17.1%
Real estate	10%	6.4%	5.8%	11.7%
Private equity	11%	10.8%	8.1%	25.8%
Strategic investment	5%	5.5%	5.3%	6.9%
	<u>100%</u>			
Assumed inflation-mean		2.4%		1.7%

⁽¹⁾ As outlined in the Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability of the Plan was 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected investment rate of return.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

The discount rate is reviewed annually and set by mutual agreement between the Board of Trustees and its actuarial firm.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
City's proportionate share of the net pension liability	<u>\$ 18,326,556</u>	<u>\$ 11,481,127</u>	<u>\$ 5,755,895</u>

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (the “HIS”) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution rate was 1.66%. The City contributed 100% of its statutorily required contributions for the current fiscal year. The HIS contributions are deposited in a separate trust fund from which payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

The City's contributions to the HIS totaled \$135,039 for the fiscal year ended September 30, 2020.

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

At September 30, 2020, the City reported a net pension liability of \$2,861,253 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's 2020 fiscal year contributions relative to the 2020 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was 0.02343%.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$557,307 related to the HIS. In addition, the City reported, deferred outflows of resources and deferred inflows of resources related to the HIS from the following sources:

	HIS		Net Deferred Outflow (Inflow) of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 117,043	\$ 2,207	114,836
Changes of Assumptions	307,666	166,371	141,295
Net difference between projected and actual earnings on HIS pension plan investments	2,284	-	2,284
Changes in proportion and differences between City HIS contributions and proportionate share of contributions	1,465,359	4,293	1,461,066
	1,892,352	172,871	1,719,481
City HIS contributions subsequent to the measurement date	32,872	-	32,872
Total	\$ 1,925,224	\$ 172,871	\$ 1,752,353

The deferred outflows of resources related to pensions, totaling \$32,872 resulting from the City's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. The amount reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflow (Inflow) of Resources
2021	\$ 321,828
2022	349,413
2023	349,413
2024	349,413
2025	349,414
Total	<u>1,719,481</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions

The HIS plan's actuarial valuation was determined using the following actuarial assumptions as of June 30, 2020, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates -	
Investment Rate of Return	2.21%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability for the HIS Plan was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using a discount rate of 2.21%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	HIS		
	Current		
	Decrease	Discount Rate	Increase
	1.21%	2.21%	3.21%
City's proportionate share of the net pension liability	<u>\$ 3,307,340</u>	<u>\$ 2,861,253</u>	<u>\$ 2,495,911</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Net Pension Liability, Deferred Inflow of Resources, and Deferred Outflow of Resources Related to Pensions Plans

The following table summarizes the net pension liability, deferred inflow of resources and deferred outflow of resources for each plan as previously disclosed in Note 10:

Plan	PENSION RELATED ITEMS			
	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources	Pension Expenses/Expenditures
North Miami Police Pension Plan	\$ 31,549,866	\$ 6,168,783	\$ 17,368,310	\$ 5,644,525
Clair T. Singerman Employee Retirement System	8,565,508	4,826,535	12,152,916	4,687,183
Florida Retirement System	11,481,127	17,804	6,487,812	3,197,867
Retiree Health Insurance Subsidy Program	2,861,253	172,871	1,925,224	557,307
Total	<u>\$ 54,457,754</u>	<u>\$ 11,185,993</u>	<u>\$ 37,934,262</u>	<u>\$ 14,086,882</u>

NOTE 11. DEFINED CONTRIBUTION PLANS

The City of North Miami Police Officers' Retirement Pension Fund Share Plan

The City of North Miami Police Officers' Retirement Pension Fund Share Plan established by (Ord. 592.1.1) (the Plan) provides retirement benefits for police officers of the City of North Miami. These benefits are funded from the State of Florida insurance premium tax monies and are in addition to benefits provided by the City of North Miami's retirement system. A separate Board of Trustees is responsible for the administration of this Plan. In accordance with GASB Statement No. 24, the City recognized \$372,509 as on behalf payments for contributions of these premiums into the Plan.

The Plan issues a publicly available report that includes financial statements and required supplementary information. This report may be obtained by writing to: City of North Miami Police Department, 700 N.E. 124th Street, North Miami, Florida 33161. This Plan is administered by the City.

Managers' Pension Plan

The Managers' Pension Plan is an IRS Section 401(a) defined contribution pension plan for those members of the Administrative Staff not eligible to participate in the City's defined benefit pension plan. This Plan is funded through employer contributions consisting of 10% of a participant's compensation. This Plan can only be amended by the City Council. During fiscal year 2020, the City contributed approximately \$94,785 into this Plan, which is administered through a third party administrator.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11. DEFINED CONTRIBUTION PLANS (Continued)

Excess Benefit Plan

In May 1968, the City established the Excess Benefit Plan, a qualified governmental excess benefit arrangement as defined in Section 415(m)(3) of the Internal Revenue Code. The City contributed approximately \$32,481 into this Plan. This Plan is administered by the City.

NOTE 12. ENVIRONMENTAL MATTERS (Munisport Landfill Site)

Historical Background

In 1970, the City acquired 350 acres of land (a/k/a Biscayne Landing), for approximately \$11,800,000, using the proceeds of \$12,000,000 General Obligation Bonds, issued to provide financial assistance to the Inter-American Center Authority (Interama), an agency established by the State of Florida to develop an international cultural and trade center for the Americas. The project never materialized and Interama never repaid the City for purchasing the land.

The City subsequently entered into a 30-year lease agreement with a company formed to develop a recreation project on the Interama land. The company subsequently operated a portion of the property as a dumpsite, and the property became the subject of controversy arising principally from site related environmental issues involving the City, the company, various governmental agencies and others. The controversy restricted the use and development of the property. Accordingly, the recreation project was never completed and the company abandoned the premises.

In 1981, the Florida Department of Environmental Protection (a/k/a FDEP) filed a suit against the City to close the portion of the land, which was operated as a dumpsite (landfill). The landfill has not operated since 1980 and the City, State and the Department of Environmental Resources Management (DERM) have worked together to produce a closure plan, pursuant to a Consent Agreement. On February 10, 1998, the City voluntarily executed a Consent Agreement with the DERM to carry out groundwater remedial measures required by Florida law and County ordinance. In 2004, Miami-Dade County, (the County) provided the City with a one-time contribution of \$31 million for remediation and closure of the landfill.

In May 2012, the City entered into a 99-year lease and development agreement for the site with Oleta Partners (see Note 14). In connection with the agreement, the developer assumed responsibility for the remediation and closure of the site beyond the costs funded by the County contribution mentioned above. As of September 30, 2020, the liability assumed by the developer for remediation and closure is approximately \$18.5 million. In accordance with the guidance provided by GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs*, the City met the requirements to transfer its responsibility for closure and post-closure to the developer. Therefore, the \$18.5 million is not reported in the City's financial statements for post-closure cost. The City has reported a landfill closure liability of approximately \$8 million at year end related to the site.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12. ENVIRONMENTAL MATTERS (Munisport Landfill Site) (Continued)

Overall Outlook

The agreement provided for development of the site with the City receiving income from sales of units and from an annual ground lease. It is the City's opinion that any ultimate loss to the City concerning the environmental matters pertaining to the former landfill site will be offset by revenues generated from the future use of the land.

Recent Studies and Developments

A Remediation and Landfill Closure Cost Projection was completed in 2019, which estimated the cost of remediation and closure at approximately \$8 million. This cost estimate is a decrease from a previous cost projection of \$9 million and is based on the proposed groundwater remediation system, the reevaluated stormwater management system, and the closure-related activities. While this latest method has tentatively been approved by DERM and the FDEP, the newly proposed groundwater remediation system is at the conceptual level as of September 30, 2020, and uncertainties remains as to the ultimate cost of the remediation and closure of the landfill site.

During 2020, the City incurred \$3,755,020 in site closure costs, which is reflected in the Landfill Closure fund. In addition to the remediation and closure of the site, as discussed above, it is estimated that long-term closure care costs will be approximately \$660,469 per year over 30 years, for a projected total cost of approximately \$19.8 million.

Landfill Closure Escrow Account

On December 22, 2004, the City received \$31,027,000 in funding from the County to be used towards financing the remediation and closure costs of the landfill site. The funds were deposited into the landfill closure escrow account.

The Landfill Closure special revenue fund accounts for the restricted asset activity used to fund landfill closure costs. Within this fund, deposits are made to the fund's restricted assets account for the purpose of complying with the Florida Department of Environmental Protection's escrow requirements of Rule 62-701.630(5)(c), Florida Administrative Code. The rule requires that once the landfill ceases to receive waste, the closure escrow account should be able to fully fund the facility's closing costs.

The following is a schedule of restricted assets and the activity of the closure escrow account in the Landfill Closure special revenue fund as of the year ended September 30, 2020:

Restricted assets:	
Cash in bank (money market fund)	<u>\$ 5,886,252</u>
Beginning balance - October 1, 2019	\$ 9,618,038
Interest	23,234
Disbursements	<u>(3,755,020)</u>
Ending balance - September 30, 2020	<u>\$ 5,886,252</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12. ENVIRONMENTAL MATTERS (Munisport Landfill Site) (Continued)

The schedule of restricted assets and activity is only intended to present the activity of restricted assets segregated for the purpose of complying with Rule 62-701.630(5)(c), Florida Administrative Code. All funds on deposit are restricted for landfill closure.

Long-term Care Escrow Account

The City opened a second escrow account for the purpose of funding the landfill's long term care costs. This account will remain dormant until the time of facility closing where it will be funded in accordance with Rule 62-701.630(5)(c), Florida Administrative Code. Therefore, as of September 30, 2020, the balance in this escrow account is \$0.

Compliance with Rule 62-701.630(5)(c), Florida Administrative Code

As provided by Rule 62-701.630(5)(c), Florida Administrative Code, the City is required to annually submit to the Florida Department of Environmental Protection an audit of the landfill closure account with a list of all deposits and disbursements made. For the year ended September 30, 2020, disbursements of \$3,755,020 were made from the account, and no additional deposits, other than interest received of \$23,234 were made.

NOTE 13. CONTINGENCIES

Lawsuits

- The City has been named in various lawsuits claiming that municipal enacted red light camera violations were unlawful. City management estimates that the potential loss from these cases range between \$200,000 to \$1.2 million. Accordingly, the City has recorded a potential liability at the government-wide level financial statements of approximately \$436,000 related to these matters.
- The City is a defendant in several other lawsuits as of September 30, 2020, incidental to its operations, the outcomes of which are uncertain at this time. However, in the opinion of management and legal counsel, the ultimate outcome of such actions will not have a material adverse effect on the financial condition or operations of the City.

Grantor Agencies

Federal and state programs in which the City participates are subject to annual audit in accordance with the provisions of the U.S. Office of Management and Budget Uniform Guidance and the State of Florida Single Audit Act. Pursuant to those provisions, financial assistance programs may be tested for compliance with applicable grant requirements. Grantor agencies may subject grant programs to additional compliance tests, which could result in disallowed expenditures. In the opinion of management, future disallowances, if any, of grant program expenditures would not have a material adverse effect on the financial condition or operations of the City.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 14. BISCAYNE LANDING LEASE

In 2012, an agreement was signed for the site known as the Munisport Landfill Site (Biscayne Landing). The agreement contemplated development of the site with the City receiving income from the sale of residential units and from an annual ground lease. The agreement called for a 99-year lease of the site to the developer (Oleta Partners), with a 100-year renewal. The initial development program for Biscayne Landing has been modified in accordance with subsequent changes to the initial agreement. The City will also receive rent on the commercial space based on 50% of the net profits. Detailed information on the agreement is available on the City's website at northmiamifl.gov.

In Fiscal Year 2020, the City reported basic rents, additional rents and bifurcated lease payments of \$1,326,473.

NOTE 15. FUND DEFICITS

The following City funds had fund balance deficits as September 30, 2020:

Fund	Fund Deficits
General Fund	\$ 5,018,744
Special Revenue Funds:	
FEMA Disaster Recovery	392,522
Other special revenue funds	267,357
Capital Project Funds	191,762
Total	<u><u>\$ 5,870,385</u></u>

The City's goal is to eliminate the General Fund deficit through a combination of increased ad valorem revenue through either increases in property values coupled with possible increases in the millage rates and expenditure reductions. City revenues for fiscal 2021 may continue to be affected by the COVID-19 crisis. City building permit, sales tax, other state-shared revenues and franchise fees may also continue to be affected in fiscal 2021. We are reviewing these revenues on a continuous basis to determine the level of impact any losses will have on our ability to reduce the deficit. Once the national crisis is over, we believe that revenues will be normalized. We are also continuously reviewing our expenditures to reduce to a reasonable level.

We expect to receive the outstanding balance of approximately \$379,000 from FEMA by end of fiscal 2021. We also expect the Local Housing and Other special revenue funds, which are grant funded, to be fully reimbursed when requested in order to eliminate those fund deficits. The Capital Project funds deficit will be eliminated through interfund transfers.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 16. RESTATEMENT – PRIOR PERIOD ADJUSTMENT

The beginning net position of the Governmental Activities as of October 1, 2019, was restated as a result of the correction of the following errors:

- The City improperly disposed of certain capital asset land parcels in fiscal year 2016, in connection with the sale of land.
- The City did not capitalize certain building and improvements in prior periods as required by GAAP.

The adjustment is summarized in the following table:

Restatement of Net Position	
	Governmental Activities
Net position - October 1, 2019, as previously reported	\$ 21,635,412
Restatement:	
Capital assets - Land	7,412,463
Capital assets - Building and improvement	<u>850,731</u>
	8,263,194
Net position - October 1, 2019, as restated	<u><u>\$ 29,898,606</u></u>

The effect of this restatement on the change in net position for the fiscal year ended September 30, 2019, was approximately \$82,000.

NOTE 17. SUBSEQUENT EVENTS

The coronavirus has continued to have financial impact and the operations and business results of the City could continue to be adversely affected. The extent to which the coronavirus may impact governmental activity, business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.



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Required Supplementary Information (Unaudited)



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Budgetary Comparison Schedule



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CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 19,520,769	\$ 19,520,769	\$ 19,660,883	\$ 140,114
Utility and communication taxes	4,863,407	4,863,407	4,650,241	(213,166)
Charges for services	12,602,106	13,161,052	10,331,815	(2,829,237)
Return on investment - utility	2,809,027	2,809,027	2,809,024	(3)
Franchise fees	4,376,529	4,376,529	4,193,023	(183,506)
Fines and forfeitures	718,300	718,300	527,272	(191,028)
Intergovernmental	9,776,005	9,805,460	7,764,983	(2,040,477)
Licenses and permits	7,079,382	7,079,382	2,582,178	(4,497,204)
Interest	562,312	562,312	472,946	(89,366)
Other earnings	2,475,240	2,580,692	5,138,734	2,558,042
Rents and royalties	3,271,128	3,271,128	1,457,807	(1,813,321)
Total revenues	<u>68,054,205</u>	<u>68,748,058</u>	<u>59,588,906</u>	<u>(9,159,152)</u>
EXPENDITURES				
General Government:				
Mayor and city council	1,360,086	1,562,843	1,409,786	153,057
City manager	3,068,404	3,186,621	3,255,366	(68,745)
City clerk	638,981	638,981	459,570	179,411
Financial Services	3,580,290	3,580,290	3,473,373	106,917
Legal	1,080,289	1,307,120	1,168,503	138,617
Human resources	855,450	855,450	833,752	21,698
Information technology	1,733,344	1,795,762	1,673,988	121,774
Management and budget	425,290	425,290	472,917	(47,627)
Procurement and purchasing	558,206	558,206	534,638	23,568
Non-departmental	5,918,935	3,895,771	298,525	3,597,246
Total general government	<u>19,219,275</u>	<u>17,806,334</u>	<u>13,580,418</u>	<u>4,225,916</u>
Public Safety:				
Police	27,903,429	27,949,387	28,965,743	(1,016,356)
Building and zoning	1,856,678	1,856,678	1,642,993	213,685
Code enforcement	5,722,870	5,722,870	5,272,498	450,372
Total public safety	<u>35,482,977</u>	<u>35,528,935</u>	<u>35,881,234</u>	<u>(352,299)</u>
Physical Environment				
Public works	1,374,199	1,364,486	1,279,927	84,559
Transportation	3,430,435	3,529,683	3,377,627	152,056
Total physical environment	<u>4,804,634</u>	<u>4,894,169</u>	<u>4,657,554</u>	<u>236,615</u>
Economic Environment:				
Community planning and development	4,307,649	1,535,184	1,470,969	64,215
Housing and social services	-	1,994,189	1,193,141	801,048
Total economic environment	<u>4,307,649</u>	<u>3,529,373</u>	<u>2,664,110</u>	<u>865,263</u>
Culture and Recreation:				
Parks and recreation	5,073,649	5,754,136	5,947,129	(192,993)
Library	1,106,595	1,119,258	996,961	122,297
MOCA	1,575,906	1,825,355	1,479,204	346,151
Total culture and recreation	<u>7,756,150</u>	<u>8,698,749</u>	<u>8,423,294</u>	<u>275,455</u>
Debt service	155,020	205,820	156,788	49,032
Capital outlay	816,548	1,909,168	1,538,707	370,461
Total expenditures	<u>72,542,253</u>	<u>72,572,548</u>	<u>66,902,105</u>	<u>5,670,443</u>
Excess (deficiency) of revenues over (under) expenditures:	<u>(4,488,048)</u>	<u>(3,824,490)</u>	<u>(7,313,199)</u>	<u>(3,488,709)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from advance from water and sewer fund	-	1,836,442	-	(1,836,442)
Proceeds from sale of capital assets	3,500,000	3,500,000	18,250,000	14,750,000
Proceeds from capital leases	-	-	253,543	
Transfers in	2,500,000	-	-	-
Transfers out	(1,511,952)	(1,511,952)	(1,511,952)	-
Total other financing sources (uses)	<u>4,488,048</u>	<u>3,824,490</u>	<u>16,991,591</u>	<u>13,167,101</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,678,392</u>	<u>\$ 9,678,392</u>
Fund balance (deficit), beginning				
Fund balance (deficit), ending			<u>\$ (14,697,136)</u>	<u>\$ (5,018,744)</u>

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CRA
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
	Positive	(Negative)		
REVENUES				
Ad valorem taxes	\$ 8,606,146	\$ 8,606,146	\$ 5,409,656	\$ (3,196,490)
Interest and other earnings	50,000	92,651	29,476	(63,175)
Carry over surplus	3,289,938	3,885,133	-	(3,885,133)
Total revenues	<u>11,946,084</u>	<u>12,583,930</u>	<u>5,439,132</u>	<u>(7,144,798)</u>
EXPENDITURES				
General government	5,287,618	3,295,989	3,348,856	(52,867)
Community planning and development	6,608,466	9,237,941	1,778,813	7,459,128
Capital outlay	50,000	50,000	39,877	10,123
Total expenditures	<u>11,946,084</u>	<u>12,583,930</u>	<u>5,167,546</u>	<u>7,416,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>271,586</u>	<u>271,586</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Net change in fund balances			271,586	\$ 271,586
Fund balances - beginning			<u>3,272,415</u>	
Fund balances - ending			<u>\$ 3,544,001</u>	

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
C.D.B.G.
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
	Positive	(Negative)		
REVENUES				
Intergovernmental	\$ 757,246	\$ 1,920,099	\$ 643,492	\$ (1,276,607)
Total revenues	<u>757,246</u>	<u>1,920,099</u>	<u>643,492</u>	<u>(1,276,607)</u>
EXPENDITURES				
Housing and economic development	732,246	1,895,099	568,747	1,326,352
Capital outlay	25,000	25,000	-	25,000
Total expenditures	<u>757,246</u>	<u>1,920,099</u>	<u>568,747</u>	<u>1,351,352</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>-</u>	<u>-</u>	<u>74,745</u>	<u>74,745</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing source	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>74,745</u>	<u>\$ 74,745</u>
Fund balances - beginning				<u>-</u>
Fund balances (deficit) - ending				<u>\$ 74,745</u>

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LANDFILL CLOSURE
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 23,234	\$ 23,234
Total revenues	<u>-</u>	<u>-</u>	<u>23,234</u>	<u>23,234</u>
EXPENDITURES				
Physical environment	9,492,360	9,492,360	3,755,020	5,737,340
Total expenditures	<u>9,492,360</u>	<u>9,492,360</u>	<u>3,755,020</u>	<u>5,737,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,492,360)</u>	<u>(9,492,360)</u>	<u>(3,731,786)</u>	<u>5,760,574</u>
Appropriated fund balance	<u>9,492,360</u>	<u>9,492,360</u>	<u>-</u>	<u>(9,492,360)</u>
Net change in fund balances	\$ -	\$ -	(3,731,786)	\$ (3,731,786)
Fund balances - beginning			9,618,038	
Fund balances - ending			<u>\$ 5,886,252</u>	

CITY OF NORTH MIAMI, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION **Unaudited** **September 30, 2020**

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are legally adopted for all governmental funds other than MOCA and the Capital Projects Fund, whose budgets are adopted on a project basis. All governmental fund budgets are maintained on the modified accrual basis of accounting, consistent with generally accepted accounting principles in the United States (GAAP), except for encumbrances, which are purchase orders and contracts issued for goods or services not received at year-end.

- 1) Between September 3rd and September 18th, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them through appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures, including capital outlay and operating transfers in the General Fund is legally maintained at the departmental level. Below is brief explanation for departments with significant variances:
 - Non-departmental positive variance of \$3,597,246 was due primarily to the expenditure reduction plan implemented to address the general fund deficit. As such, several planned expenditures were deferred.
 - The Police had an overall negative variance of \$1,010,625 due primarily to allocation of increase for actuarial valuation for net pension liability and OPEB liability and increase interfund charges allocated.
 - Code enforcement had a positive variance of \$450,372 due primarily to unfilled budgeted personnel positions.
 - Economic environment had a positive variance of \$865,263 due to housing rehabilitation grants that were not awarded by the end of the fiscal year. The funds were carried over to 2021 fiscal year.
 - Culture and recreation had a net positive variance of \$275,455 because wages for temporary and contract employees, and recreation and playground equipment were under budgeted.
 - Capital outlay had a positive variance of 624,004 million due to capital projects that were not completed during the fiscal year due to the pandemic. The funds were carried over to 2021 fiscal year.
- 2) Two public hearings are conducted to obtain taxpayers' comments as required by Truth in Millage (TRIM) legislation. Prior to September 28th (unless preempted by TRIM) as stated in the City's Charter, the budget is legally enacted through passage of an ordinance.

CITY OF NORTH MIAMI, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

September 30, 2020

- 3) The City Manager may at any time transfer any unencumbered appropriated balance or portion thereof between general classifications of expenditures within an office, department or agency. The Council may by resolution transfer any unencumbered appropriated balance or portion thereof, from one office, department or agency to another.
- 4) Budget amendments, according to the Budget Resolution, allows for administrative approval. During fiscal year 2020, budget amendments to general fund revenues and expenditures totaled \$4,294,401. Approximately \$1.9 million was related to encumbrance rollover, \$1.8 million was for housing initiatives; \$0.150 (\$150,000) was amended for public safety, \$0.075 (75,000) for grants and donations, \$0.27 (\$279,982) for streets and sidewalks project, and \$0.03 million (\$35,000) for beautification programs. Note that most of the initiatives cited above come from fiscal year 2019, but they were not undertaken. Therefore, 2020 budget was amended to include them.
- 5) Unencumbered appropriations lapse at year-end. All encumbrances outstanding at the end of the current fiscal year will be appropriated as part of the subsequent year's budget.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
CLAIR T. SINGERMAN EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE YEARS
UNAUDITED

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 1,812,287	\$ 1,759,663	\$ 1,959,651	\$ 2,659,600	\$ 2,438,790	\$ 2,250,457
Interest	9,216,810	8,939,070	8,775,025	9,099,037	8,937,243	8,638,765
Benefit changes	1,601,838	1,522,923	4,504,616	(6,839,780)	-	-
Difference between actual & expected experience	3,067,379	1,551,666	2,228,073	(1,266,151)	(2,263,638)	-
Benefit payments	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Other	2,595	1,901	1,657	1,423	1,253	1,253
Net change in total pension liability	7,310,998	6,150,709	10,145,433	(3,570,957)	1,984,336	3,765,690
Total pension liability - beginning	<u>134,998,624</u>	<u>128,847,915</u>	<u>118,702,482</u>	<u>122,273,439</u>	<u>120,289,103</u>	<u>116,523,413</u>
Total pension liability - ending (a)	<u>\$ 142,309,622</u>	<u>\$ 134,998,624</u>	<u>\$ 128,847,915</u>	<u>\$ 118,702,482</u>	<u>\$ 122,273,439</u>	<u>\$ 120,289,103</u>
Plan fiduciary net position						
Contributions - employer	5,537,669	5,135,715	4,924,792	5,900,606	5,452,219	4,024,959
Contributions - employer (from State/Share Plan)	2,595	1,901	1,657	1,423	1,253	1,253
Contributions - non-employer contributing entity	194,266	195,277	103,860	92,782	145,792	171,222
Contributions - member	824,981	813,650	788,484	920,667	853,456	789,599
Net investment income	6,279,184	12,802,737	12,071,492	11,084,389	548,641	9,493,224
Benefit payments	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Administrative expense	(344,954)	(333,039)	(262,418)	(250,675)	(235,209)	(284,291)
Net change in plan fiduciary net position	4,103,830	10,991,727	10,304,278	10,524,106	(363,160)	7,071,181
Plan fiduciary net position - beginning	<u>129,640,284</u>	<u>118,648,557</u>	<u>108,344,279</u>	<u>97,820,173</u>	<u>98,183,333</u>	<u>91,112,152</u>
Plan fiduciary net position - ending (b)	<u>\$ 133,744,114</u>	<u>\$ 129,640,284</u>	<u>\$ 118,648,557</u>	<u>\$ 108,344,279</u>	<u>\$ 97,820,173</u>	<u>\$ 98,183,333</u>
Net pension liability - ending (a) - (b)	<u>\$ 8,565,508</u>	<u>\$ 5,358,340</u>	<u>\$ 10,199,358</u>	<u>\$ 10,358,203</u>	<u>\$ 24,453,266</u>	<u>\$ 22,105,770</u>
Plan fiduciary net position as a percentage of total pension liability	93.98%	96.03%	92.08%	91.27%	80.00%	81.62%
Covered payroll	\$ 11,992,650	\$ 11,989,341	\$ 11,834,725	\$ 11,618,974	\$ 12,192,229	\$ 11,173,564
Net pension liability as a percentage of covered payroll	71.42%	44.69%	86.18%	89.15%	200.56%	197.84%
Measurement Date	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NORTH MIAMI POLICE PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE YEARS
UNAUDITED

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 2,884,226	\$ 2,874,281	\$ 2,736,585	\$ 2,688,621	\$ 2,364,576	\$ 2,474,226
Interest	7,986,311	7,175,820	7,112,421	6,699,774	6,407,038	5,987,806
Difference between actual & expected experience	(2,846,387)	5,426,628	(586,971)	(722,729)	(2,551,912)	-
Assumption changes	1,471,145	1,422,393	2,910,987	1,055,450	973,319	-
Benefit payments	(4,686,763)	(4,550,105)	(4,280,161)	(2,859,026)	(2,992,356)	(3,537,499)
Refunds	(71,572)	(18,657)	(32,663)	(160,092)	-	(72,946)
Net change in total pension liability	4,736,960	12,330,360	7,860,198	6,701,998	4,200,665	4,851,587
Total pension liability - beginning	107,418,051	95,087,691	87,227,493	80,525,495	76,324,830	71,473,243
Total pension liability - ending (a)	\$ 112,155,011	\$ 107,418,051	\$ 95,087,691	\$ 87,227,493	\$ 80,525,495	\$ 76,324,830
Plan fiduciary net position						
Contributions - employer	4,724,031	3,884,945	3,744,407	3,558,223	3,358,659	3,194,000
Contributions - employer (from State/Share Plan)	184,085	82,682	82,682	82,682	82,682	82,682
Contributions - non-employer contributing entity	-	-	-	494,141	-	-
Contributions - member	907,850	932,232	1,153,440	1,014,411	846,576	791,906
Net investment income	420,126	8,694,199	6,933,826	5,759,158	1,672,653	4,798,319
Benefit payments	(4,686,763)	(4,550,107)	(4,280,161)	(2,859,026)	(2,992,356)	(3,537,499)
Refunds	(71,573)	(18,657)	(32,663)	(160,092)	-	(72,946)
Administrative expense	(253,291)	(227,839)	(159,823)	(136,260)	(126,435)	(132,094)
Net change in plan fiduciary net position	1,224,465	8,797,455	7,441,708	7,753,237	2,841,779	5,124,368
Plan fiduciary net position - beginning	79,380,680	70,583,225	63,141,517	55,388,280	52,546,501	47,422,133
Plan fiduciary net position - ending (b)	\$ 80,605,145	\$ 79,380,680	\$ 70,583,225	\$ 63,141,517	\$ 55,388,280	\$ 52,546,501
Net pension liability - ending (a) - (b)	\$ 31,549,866	\$ 28,037,371	\$ 24,504,466	\$ 24,085,976	\$ 25,137,215	\$ 23,778,329
Plan fiduciary net position as a percentage of total pension liability	71.87%	73.90%	74.23%	72.39%	68.78%	68.85%
Covered payroll	\$ 9,667,188	\$ 9,962,588	\$ 9,058,510	\$ 9,185,954	\$ 8,901,956	\$ 8,327,087
Net pension liability as a percentage of covered payroll	326.36%	281.43%	270.51%	262.20%	282.38%	285.55%
Measurement Date	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014

Note to Schedule:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CLAIR T. SINGERMAN EMPLOYEES RETIREMENT SYSTEM
LAST SEPT YEARS
UNAUDITED

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Actual Contribution as % of Covered Payroll
2014	\$ 4,196,181	\$ 4,196,181	\$ -	\$ 11,173,564	37.55%
2015	5,598,011	5,598,011	-	12,192,229	45.91%
2016	5,993,388	5,993,388	-	11,618,974	51.58%
2017	5,028,652	5,028,652	-	11,834,725	42.49%
2018	5,330,992	5,330,992	-	11,989,341	44.46%
2019	5,731,935	5,731,935	-	11,992,650	47.80%
2020	4,126,483	4,126,483	-	12,384,844	33.32%

The following actuarial methods and assumptions were used to determine contribution rates for fiscal year 2020, as reported in the schedule of contributions above:

Valuation Date : October 1, 2018

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	General: Level Percentage of Payroll, Closed Police and Fire: Level Dollar, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Inflation	2.50%
Salary Increases	3.00% to 6.00% depending on service
Investment Rate of Return	6.85%
Retirement Age	Experience-based table of rates
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB.

Note to Schedule:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
NORTH MIAMI POLICE PENSION PLAN
LAST SEPT YEARS
UNAUDITED

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Actual Contribution as % of Covered Payroll
2014	\$ 3,239,178	\$ 3,276,682	\$ (37,504)	\$ 8,327,087	39.35%
2015	3,441,341	3,441,341	-	8,901,956	38.66%
2016	3,640,905	4,135,046	(494,141)	9,185,954	45.01%
2017	3,827,089	3,827,089	-	9,058,510	42.25%
2018	3,967,627	3,967,627	-	9,962,588	39.83%
2019	4,908,116	4,908,116	-	9,667,188	50.77%
2020	4,879,993	4,879,993	-	8,936,209	54.61%

The following actuarial methods and assumptions were used to determine contribution rates for fiscal year 2020, as reported in the schedule of contributions above:

Valuation Date :

October 1, 2018

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Inflation	2.50%
Salary Increases	3.50% to 9.00% depending on service
Investment Rate of Return	7.30%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected using Scale BB.

Note to Schedule:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND
SCHEDULE OF CONTRIBUTIONS
LAST FIVE YEARS
UNAUDITED

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ending September 30,	City's Proportionate % Share of the FRS Net Pension Liability	City's Proportionate Share of the FRS Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the FRS Net Pension Liability as a % of its Covered Payroll	FRS Plan Fiduciary Net Position as a % of the Total Pension Liability
2016	0.0011%	287,371	1,548,779	18.55%	84.88%
2017	0.0136%	4,039,330	1,694,062	238.44%	83.89%
2018	0.0142%	4,285,357	4,545,822	94.27%	84.26%
2019	0.0190%	6,549,910	6,275,292	104.38%	82.61%
2020	0.0265%	11,481,127	8,171,636	140.50%	78.85%

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Year Ending September 30,	Contractually Required FRS Contribution	FRS Contribution in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	City's Covered Payroll	FRS Contribution as a % of covered payroll
2016	27,754	27,754	-	1,548,779	1.79%
2017	355,375	355,375	-	1,694,062	20.98%
2018	405,469	405,469	-	4,545,822	8.92%
2019	589,729	589,729	-	6,275,292	9.40%
2020	880,143	880,143	-	8,171,636	10.77%

Note: The amounts presented for each fiscal year were determined as of June 30th (NPL) and September 30th (contribution). The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for the fiscal years presented are available. The City entered the Plan as of October 1, 2015.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
HEALTH INSURANCE SUBSIDY PROGRAM (HIS)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND
SCHEDULE OF CONTRIBUTIONS
LAST FIVE YEARS
UNAUDITED

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ending September 30,	City's Proportionate % Share of the HIS Net Pension Liability	City's Proportionate Share of the HIS Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the HIS Net Pension Liability as a % of its Covered Payroll	HIS Plan Fiduciary Net Position as a % of the Total Pension Liability
2016	0.0002%	5,330,992	1,548,779	1.67%	
2017	0.0092%	5,731,935	1,694,062	58.64%	0.50%
2018	0.0137%	1,447,001	4,545,822	31.83%	2.15%
2019	0.0188%	2,108,959	6,275,292	33.61%	2.63%
2020	0.0234%	2,861,253	8,171,636	35.01%	3.00%

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Fiscal Ending September 30,	Contractually Required HIS Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	City's Covered Payroll	HIS Contribution as a % of covered payroll
2016	1,136	1,136		1,548,779	0.07%
2017	49,166	49,166	-	1,694,062	2.90%
2018	74,141	74,141	-	4,545,822	1.63%
2019	104,664	104,664	-	6,275,292	1.67%
2020	135,039	135,039	-	8,171,636	1.65%

Note: The amounts presented for each fiscal year were determined as of June 30th (NPL) and September 30th (contributions). The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for the fiscal years presented are available. The City entered the Plan as of October 1, 2015.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS - PENSION PLANS
LAST SIX YEARS
UNAUDITED

**ANNUAL MONEY-WEIGHTED RATE OF RETURN,
NET OF INVESTMENT EXPENSE**

<u>September 30,</u>	<u>CTS</u>	<u>NMPP</u>
2014	9.47%	10.91%
2015	0.78%	2.82%
2016	10.61%	8.07%
2017	12.53%	13.20%
2018	11.04%	12.26%
2019	4.83%	0.58%

Notes to Schedule:

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS
 LIABILITY AND RELATED RATIOS**
SEPTEMBER 30, 2020
UNAUDITED

	2020	2019
Balance at September 30, 2019	<u>\$ 12,722,294</u>	<u>\$ 14,965,694</u>
Changes for the year:		
Service cost	568,651	712,084
Interest	499,472	539,189
Difference between expected and actual experience	-	(964,046)
Changes in assumptions	2,037,665	(1,985,898)
Benefits payments	<u>(499,817)</u>	<u>(544,729)</u>
Net changes	<u>2,605,971</u>	<u>(2,243,400)</u>
Balance at September 30, 2020	<u><u>\$ 15,328,265</u></u>	<u><u>\$ 12,722,294</u></u>

Notes to Schedule:

The amounts presented for each fiscal year were determined as of September 30th. GASB Statement No. 75 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.



**Combining Fund
Statements and Schedules**



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS – are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- **Home Investment Partnership (HIP)** – This fund was created to account for expenditures of federal funds used to expand safe, decent, and affordable housing opportunities to low and very-low income households.
- **2005 Disaster Recovery** – This fund is used to account for expenditures for federally funded disaster recovery funds for repairs to homes affected by the 2005 hurricane season. This is a pass through grant from HUD to the State of Florida Department of Community Affairs, to Miami-Dade County. The City is the recipient of the funding from the County.
- **Neighborhood Stabilization** – This fund is used to account for the City's allocation of federal monies received from the U.S. Department of Housing and Urban Development (HUD) to assist in addressing the effects of abandoned and foreclosed properties within the community.
- **FEMA Disaster Recovery** – This fund is used to account to accumulate expenditures relating to specific disaster recovery reimbursable by FEMA.
- **Local Housing Assistance (SHIP)** – This fund is used to account for state funds provided for the creation of local housing partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing and to increase housing-related employment.
- **Police Training** – This fund is used to account for expenditures of state police training funds on behalf of the City of North Miami police officer training.
- **Law Enforcement** – This fund is used to account for confiscated monies awarded to the City under State Statutes to be used for law enforcement related expenditures.
- **Federal Forfeiture** – This fund is used to account for confiscated monies that involve the City's Police department and federal agencies.
- **Justice Assistance Grant (JAG)** – This fund is used to account for the City's allocation under the Edward Byrne Memorial Justice Assistance Grant.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS – (Continued)

- Half-Cent Transportation Surtax – This fund is used to account for the City's prorated share of the Charter County Transit System Surtax proceeds. The monies received can be used toward projects and programs such as public transportation operations, street lighting, and transit system enhancements.
- Developer Impact Fees – This fund is used to account for impact fees to fund capital improvements, capital facility, and capital equipment attributable to new developments.
- Miscellaneous and Other Grants – The miscellaneous special revenue funds column reflects the activities of the following funds: State Aid to Libraries Grant, FDOT-Occupant Protection Grant, Impaired Driving Enforcement Grant, Community Oriented Police Services Hiring Recovery Grant, Department of Justice Victims of Crime Act Intervention Grant, and the Bulletproof Vest Partnership Grant.
- MOCA – The Museum of Contemporary Art (MOCA) fund reflects the museum activities relating to cultural programs benefitting the City.

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS – are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

- Pension Obligation Bonds – This fund is used to account for monies for payment of principal, interest and other costs related to the Series 2010 Taxable Promissory Note debt issuance. The Note was issued for the purpose of refunding outstanding Taxable Special Obligation Bonds Series 2002 (pension funding project) and to pay a termination fee with respect to a related interest rate swap. Debt service is financed by non-ad valorem funds budgeted and appropriated by the City on an annual basis.

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS – are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- North Miami Cagni Park Project – This fund is used to account for revenues and expenditures related to the North Miami Cagni Park upgrade project. Construction is to be funded through the joint effort of the School Board of Miami-Dade County and the City of North Miami.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS (Continued)

- **E. May Avil Library** – This fund was established to account for expenditures for library renovation and expansion.
- **Transportation Gas Tax** – This fund is used to account for expenditures for implementing transportation related capital improvements. The local option gas tax is a county imposed tax, collected by the State of Florida, and distributed back to counties and municipalities based on the interlocal agreement in effect for that year.
- **Arch Creek Bridge** – This fund is used to account for revenues and expenditures related to the construction of a youth center. Construction is to be funded through grant funds and other sources.
- **Other Capital Projects Funds** – To account for all other resources (primarily from current revenues and Federal and State grants) used to finance long-lived construction projects other than those financed by enterprise funds.

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis.

- **Risk Management** – This fund is used to account for the cost of insuring the City in the areas of property and casualty liability, public officials' and law enforcement officers' liability and workers' compensation. Departments of the City are assessed a charge based upon the funding needs of the fund.
- **Fleet Management** – This fund is used to account for the costs and funding of providing motor vehicles and heavy equipment to other departments.

PENSION TRUST FUNDS

THE CLAIR T. SINGERMAN AND NORTH MIAMI POLICE PENSION PLANS – These funds are used to account for the accumulation of resources to be used for retirement benefits to City employees. Resources are contributed by employees (at rates fixed by law) and by the City (at amounts determined by actuarial valuations).

CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

Special Revenue									
	HOME Investment Partnership	2005 Recovery	Neighborhood Stabilization	FEMA Disaster Recovery	Local Housing (SHIP)	Police Training	Law Enforcement Trust	Federal Forfeiture	Justice Assistance Grants
ASSETS									
Pooled cash and cash equivalents	\$ -	\$ 55,526	\$ 1,027,251	\$ -	\$ 241,655	\$ -	\$ 449,190	\$ 95,279	\$ -
Pooled investments	-	-	-	-	-	-	-	-	-
Accounts receivables, net of allowance	-	-	-	-	-	-	5,639	-	-
Due from other governments and entities	280,061	-	-	379,900	-	357	-	-	34,352
Due from other funds	-	-	-	-	-	-	-	-	-
Prepays, deposits and other current assets	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Total assets	280,061	55,526	1,027,251	379,900	241,655	357	454,829	95,279	34,352
LIABILITIES									
Vouchers payable	-	-	9,551	-	3,979	-	2,321	-	3,670
Construction contracts payable	-	-	-	-	-	-	-	-	-
Accrued payroll and benefits	40,549	-	9,170	2,303	-	-	-	-	-
Due to other funds	104,853	-	-	471,337	-	2,607	-	-	22,819
Unearned revenues	18,870	-	567,968	-	240,721	-	-	-	26,549
Other liabilities and deposits	-	-	1,148	-	-	-	-	-	-
Total liabilities	164,272	-	587,837	473,640	244,700	2,607	2,321	-	53,038
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues - from other sources	74,713	-	-	298,782	-	-	-	-	-
Total deferred inflows of resources	74,713	-	-	298,782	-	-	-	-	-
FUND BALANCES (DEFICITS)									
Non-spendable	-	-	-	-	-	-	-	-	-
Restricted	41,076	55,526	439,414	-	-	-	452,508	95,279	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(392,522)	(3,045)	(2,250)	-	-	(18,686)
Total Fund Balances (Deficits)	41,076	55,526	439,414	(392,522)	(3,045)	(2,250)	452,508	95,279	(18,686)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 280,061	\$ 55,526	\$ 1,027,251	\$ 379,900	\$ 241,655	\$ 357	\$ 454,829	\$ 95,279	\$ 34,352

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue				Debt Service	
	Half-Cent Transportation Surtax	Developer Impact Fees	Miscellaneous & Other Grants	MOCA	Total Special Revenue Funds	Pension Obligation Bonds
ASSETS						
Pooled cash and cash equivalents	\$ 1,178,628	\$ 782,628	\$ -	\$ 505,177	\$ 4,335,334	\$ 7,534
Pooled investments	-	-	-	989,734	989,734	-
Accounts receivables, net of allowance	311	-	-	-	5,950	-
Due from other governments and entities	545,419	-	125,779	-	1,365,868	-
Due from other funds	-	-	-	-	-	-
Prepays, deposits and other current assets	-	-	-	61,849	61,849	-
Restricted cash	-	-	-	-	-	-
Total assets	<u>1,724,358</u>	<u>782,628</u>	<u>125,779</u>	<u>1,556,760</u>	<u>6,758,735</u>	<u>7,534</u>
LIABILITIES						
Vouchers payable	342,126	-	727	253,268	615,642	-
Construction contracts payable	18,524	-	-	-	18,524	-
Accrued payroll and benefits	9,426	-	-	-	61,448	-
Due to other funds	-	-	332,018	-	933,634	-
Unearned revenues	-	-	36,410	-	890,518	-
Other liabilities and deposits	-	-	-	-	1,148	-
Total liabilities	<u>370,076</u>	<u>-</u>	<u>369,155</u>	<u>253,268</u>	<u>2,520,914</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - from other sources	245,200	-	-	-	618,695	-
Total deferred inflows of resources	<u>245,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,695</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Non-spendable	-	-	-	61,849	61,849	-
Restricted	1,109,082	782,628	-	1,006,347	3,981,860	7,534
Committed	-	-	-	-	-	-
Assigned	-	-	-	235,296	235,296	-
Unassigned (deficit)	-	-	(243,376)	-	(659,879)	-
Total Fund Balances (Deficits)	<u>1,109,082</u>	<u>782,628</u>	<u>(243,376)</u>	<u>1,303,492</u>	<u>3,619,126</u>	<u>7,534</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,724,358</u>	<u>\$ 782,628</u>	<u>\$ 125,779</u>	<u>\$ 1,556,760</u>	<u>\$ 6,758,735</u>	<u>\$ 7,534</u>

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

Capital Projects								Total Nonmajor Governmental Funds
	North Miami Cagni Park Project	E May Avil Library	Transportation Gas Tax	Arch Creek Bridge	Other Capital Project Funds	Total Capital Projects Funds		
ASSETS								
Pooled cash and cash equivalents	\$ -	\$ -	\$ 69,539	\$ 23,149	\$ -	\$ 92,688	\$ 4,435,556	
Pooled investments	-	-	-	-	-	-	989,734	
Accounts receivables, net of allowance	-	-	-	-	-	-	5,950	
Due from other governments and entities	-	-	40,391	-	-	40,391	1,406,259	
Due from other funds	-	-	-	-	-	-	-	
Prepays, deposits and other current assets	-	-	-	-	-	-	61,849	
Restricted cash	-	-	-	-	-	-	-	
Total assets	-	-	109,930	23,149	-	133,079	6,899,348	
LIABILITIES								
Vouchers payable	-	-	-	-	-	-	615,642	
Construction contracts payable	-	-	-	-	-	-	18,524	
Accrued payroll and benefits	-	-	-	-	-	-	61,448	
Due to other funds	881	47,514	-	-	143,367	191,762	1,125,396	
Unearned revenues	-	-	-	-	-	-	890,518	
Other liabilities and deposits	-	-	-	-	-	-	1,148	
Total liabilities	881	47,514	-	-	143,367	191,762	2,712,676	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - from other sources	-	-	-	-	-	-	618,695	
Total deferred inflows of resources	-	-	-	-	-	-	618,695	
FUND BALANCES (DEFICITS)								
Non-spendable	-	-	-	-	-	-	61,849	
Restricted	-	-	109,930	-	-	109,930	4,099,324	
Committed	-	-	-	-	-	-	-	
Assigned	-	-	-	23,149	-	23,149	258,445	
Unassigned (deficit)	(881)	(47,514)	-	-	(143,367)	(191,762)	(851,641)	
Total Fund Balances (Deficits)	(881)	(47,514)	109,930	23,149	(143,367)	(58,683)	3,567,977	
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ -	\$ -	\$ 109,930	\$ 23,149	\$ -	\$ 133,079	\$ 6,899,348	

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue									
	HOME Investment Partnership	2005 Recovery	Neighborhood Stabilization	FEMA Disaster Recovery	Local Housing (SHIP)	Police Training	Law Enforcement Trust	Federal Forfeiture	Justice Assistance Grants	
REVENUES										
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-	-	-	-
Charges for services:										
Sanitation fees	-	-	-	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Intergovernmental	271,023	-	699	3,968,746	46,057	7,036	314,239	-	142,027	
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Interest and other earnings	-	-	-	-	-	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Total revenues	271,023	-	699	3,968,746	46,057	7,036	314,239	-	142,027	
EXPENDITURES										
Current:										
General government	-	-	-	21,003	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	62,799	8,605	144,422	
Physical environment	-	-	-	-	-	-	-	-	-	-
Housing and social services	284,370	-	125,921	-	46,202	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Community planning and development	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	-	-	-	-	-	-	-	280	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	284,370	-	125,921	21,003	46,202	-	62,799	8,885	144,422	
Excess (deficiency) of revenues over (under) expenditures	(13,347)	-	(125,222)	3,947,743	(145)	7,036	251,440	(8,885)	(2,395)	
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	
Net change in fund balances (deficits)	(13,347)	-	(125,222)	3,947,743	(145)	7,036	251,440	(8,885)	(2,395)	
Fund balances (deficits), beginning	54,423	55,526	564,636	(4,340,265)	(2,900)	(9,286)	201,068	104,164	(16,291)	
Fund balances (deficits), ending	\$ 41,076	\$ 55,526	\$ 439,414	\$ (392,522)	\$ (3,045)	\$ (2,250)	\$ 452,508	\$ 95,279	\$ (18,686)	

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue					Debt Service
	Half-Cent Transportation Surtax	Developer Impact Fees	Miscellaneous & Other Grants	MOCA	Total Special Revenue Funds	Pension Obligation Bonds
REVENUES						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-
Charges for services:						
Sanitation fees	-	-	-	-	-	-
Interfund charges						
Other	14,183	89,503		37,337	141,023	-
Franchise fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental	2,372,792	-	279,437	2,163,589	9,565,645	-
Licenses and permits	-	-	-	-	-	-
Interest and other earnings	-	2,734	-	511,376	514,110	-
Rents and royalties	-	-	-	-	-	-
Total revenues	2,386,975	92,237	279,437	2,712,302	10,220,778	-
EXPENDITURES						
Current:						
General government	-	-	14,906	-	35,909	-
Public safety	-	-	104,285	-	320,111	-
Physical environment	1,348,744	-	-	-	1,348,744	-
Housing and social services	-	-	-	-	456,493	-
Culture and recreation	-	-	20,863	2,791,080	2,811,943	-
Community planning and development	-	-	122,800	-	122,800	-
Debt service:						
Principal retirement	-	-	-	-	280	885,000
Interest and fiscal charges	-	-	-	-	-	899,363
Capital outlay	338,842	-	3,967	-	342,809	-
Total expenditures	1,687,586	-	266,821	2,791,080	5,439,089	1,784,363
Excess (deficiency) of revenues over (under) expenditures	699,389	92,237	12,616	(78,778)	4,781,689	(1,784,363)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,784,369
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,784,369
Net change in fund balances (deficits)	699,389	92,237	12,616	(78,778)	4,781,689	6
Fund balances (deficits), beginning	409,693	690,391	(255,992)	1,382,270	(1,162,563)	7,528
Fund balances (deficits), ending	\$ 1,109,082	\$ 782,628	\$ (243,376)	\$ 1,303,492	\$ 3,619,126	\$ 7,534

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Capital Projects							Total Nonmajor Governmental Funds
	North Miami Cagni Park Project	E May Avil Library	Transportation Gas Tax	Arch Creek Bridge	Other Capital Project Funds	Total Capital Projects Funds	
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-
Charges for services:							-
Sanitation fees	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	141,023
Franchise fees	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	-	264,017	-	-	264,017	9,829,662
Licenses and permits	-	-	-	-	-	-	-
Interest and other earnings	-	-	-	-	-	-	514,110
Rents and royalties	-	-	-	-	-	-	-
Total revenues	-	-	264,017	-	-	264,017	10,484,795
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	35,909
Public safety	-	-	-	-	-	-	320,111
Physical environment	-	-	-	-	-	-	1,348,744
Housing and social services	-	-	-	-	-	-	456,493
Culture and recreation	-	-	-	-	-	-	2,811,943
Community planning and development	-	-	-	-	-	-	122,800
Debt service:							
Principal retirement	-	-	-	-	-	-	885,280
Interest and fiscal charges	-	-	-	-	-	-	899,363
Capital outlay	-	-	429,178	-	17,822	447,000	789,809
Total expenditures	-	-	429,178	-	17,822	447,000	7,670,452
Excess (deficiency) of revenues over (under) expenditures	-	-	(165,161)	-	(17,822)	(182,983)	2,814,343
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,784,369
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	1,784,369
Net change in fund balances (deficits)	-	-	(165,161)	-	(17,822)	(182,983)	4,598,712
Fund balances (deficits), beginning	(881)	(47,514)	275,091	23,149	(125,545)	124,300	(1,030,735)
Fund balances (deficits), ending	\$ (881)	\$ (47,514)	\$ 109,930	\$ 23,149	\$ (143,367)	\$ (58,683)	\$ 3,567,977

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Risk Management	Fleet Management	Totals
ASSETS			
Current assets:			
Pooled cash and cash equivalents	\$ 3,809,836	\$ 5,950,076	\$ 9,759,912
Pooled investments	1,357,965	-	1,357,965
Accounts receivables, net of allowance	15,855	-	15,855
Grants receivables from other governments	-	8,230	8,230
Inventories and supplies	-	57,731	57,731
Prepays and deposits	82,190	-	82,190
Total current assets	<u>5,265,846</u>	<u>6,016,037</u>	<u>11,281,883</u>
Non-current assets:			
Capital assets, net	-	3,135,725	3,135,725
Total assets	<u>5,265,846</u>	<u>9,151,762</u>	<u>14,417,608</u>
DEFERRED OUTFLOW OF RESOURCES			
OPEB related items	13,822	34,322	48,144
Pension related items	464,801	681,532	1,146,333
Total deferred outflow of resources	<u>478,623</u>	<u>715,854</u>	<u>1,194,477</u>
LIABILITIES			
Current liabilities:			
Vouchers payable	29,147	123,983	153,130
Constructions contracts payable	-	2,023	2,023
Accrued payroll and benefits	17,643	23,633	41,276
Compensated absences	40,446	56,574	97,020
Bonds, notes, leases payable	-	715,263	715,263
Total current liabilities	<u>87,236</u>	<u>921,476</u>	<u>1,008,712</u>
Non-current liabilities:			
Bonds, notes and lease payable	-	249,681	249,681
Compensated absences	119,291	344,026	463,317
Claims payable	3,280,045	-	3,280,045
Net pension liability	410,178	1,183,765	1,593,943
Total OPEB liability	<u>124,734</u>	<u>262,041</u>	<u>386,775</u>
Total non-current liabilities	<u>3,934,248</u>	<u>2,039,513</u>	<u>5,973,761</u>
Total liabilities	<u>4,021,484</u>	<u>2,960,989</u>	<u>6,982,473</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	16,076	29,024	45,100
Pension related items	98,230	242,968	341,198
Total deferred inflows of resources	<u>114,306</u>	<u>271,992</u>	<u>386,298</u>
NET POSITION			
Net investment in capital assets	-	2,168,758	2,168,758
Unrestricted	1,608,679	4,465,877	6,074,556
Total net position	<u>\$ 1,608,679</u>	<u>\$ 6,634,635</u>	<u>\$ 8,243,314</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Risk Management	Fleet Management	Totals
OPERATING REVENUES			
Premiums and charges for services provided to other funds	\$ 2,046,877	\$ 4,387,400	\$ 6,434,277
Other revenues	111,926	73,304	185,230
Total operating revenues	<u>2,158,803</u>	<u>4,460,704</u>	<u>6,619,507</u>
OPERATING EXPENSES			
Personnel services	508,215	905,363	1,413,578
Materials, supplies, services and other operating expenses	896,308	1,178,188	2,074,496
Claims cost	895,482	-	895,482
Depreciation	-	917,745	917,745
Total operating expenses	<u>2,300,005</u>	<u>3,001,296</u>	<u>5,301,301</u>
Operating income (loss)	(141,202)	1,459,408	1,318,206
NON-OPERATING REVENUES (EXPENSES)			
Interest income	15,836	-	15,836
Gain from sale of capital assets	-	92,797	92,797
Interest expense	-	(62,598)	(62,598)
Total non-operating revenues (expenses)	<u>15,836</u>	<u>30,199</u>	<u>46,035</u>
Income before transfers	<u>(125,366)</u>	<u>1,489,607</u>	<u>1,364,241</u>
TRANSFERS			
Transfers out	(17,251)	(31,673)	(48,924)
Total transfers out	<u>(17,251)</u>	<u>(31,673)</u>	<u>(48,924)</u>
Change in net position	(142,617)	1,457,934	1,315,317
Net position - beginning	1,751,296	5,176,701	6,927,997
Net position - ending	\$ 1,608,679	\$ 6,634,635	\$ 8,243,314

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Risk Management	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from other funds for premiums and charges for services	\$ 2,046,877	\$ 4,387,400	\$ 6,434,277
Other cash receipts	111,926	73,304	185,230
Payments to employees	(508,215)	(905,363)	(1,413,578)
Payments to suppliers	(856,473)	(1,059,333)	(1,915,806)
Payments for claims	(895,482)	-	(895,482)
Net cash provided by (used in) operating activities	<u>(101,367)</u>	<u>2,496,008</u>	<u>2,394,641</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out - pension debt service	(17,251)	(31,673)	(48,924)
Net cash used for noncapital financing activities	<u>(17,251)</u>	<u>(31,673)</u>	<u>(48,924)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital leases	-	(716,070)	(716,070)
Interest paid on capital leases	-	(62,598)	(62,598)
Acquisition and construction of capital assets	-	(355,115)	(355,115)
Proceeds from sale of capital assets	-	92,797	92,797
Net cash used for capital and related financing activities	<u>-</u>	<u>(1,040,986)</u>	<u>(1,040,986)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(15,835)	-	(15,835)
Interest earnings	15,835	-	15,835
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in pooled cash and cash equivalents	(118,618)	1,423,349	1,304,731
Pooled cash and cash equivalents at beginning of year	3,928,454	4,526,727	8,455,181
Pooled cash and cash equivalents a end of the year	<u>\$ 3,809,836</u>	<u>\$ 5,950,076</u>	<u>\$ 9,759,912</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating (loss) income	\$ (141,202)	\$ 1,459,408	\$ 1,318,206
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	917,745	917,745
Changes in assets, liabilities, deferred inflows and outflows of resources:			
(Increase) decrease in accounts receivable	(66,289)	(54,061)	(120,350)
(Increase) decrease in grants receivable from other governments	-	604	604
(Increase) decrease in inventories and supplies	-	(6,417)	(6,417)
(Increase) decrease in prepaids and deposits	(10,208)	-	(10,208)
(Increase) decrease in deferred outflows of resources	(47,733)	(106,186)	(153,919)
Increase (decrease) in vouchers payable	(26,946)	26,284	(662)
Increase (decrease) in accrued payroll and benefits	1,448	4,280	5,728
Increase (decrease) in compensated absences	80,758	94,519	175,277
Increase (decrease) in claims payable	35,236	-	35,236
Increase (decrease) in other post-employment benefits obligation	17,480	53,496	70,976
Increase (decrease) in net pension liability	74,928	150,213	225,141
Increase (decrease) in deferred inflows of resources	(18,839)	(43,877)	(62,716)
Net cash provided by (used in) operating activities	<u>\$ (101,367)</u>	<u>\$ 2,496,008</u>	<u>\$ 2,394,641</u>
Non-cash investing, capital and financing activities:			
Capital lease financing	-	555,526	555,526
Total non-cash investing, capital and financing activities:	<u>\$ -</u>	<u>\$ 555,526</u>	<u>\$ 555,526</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	691 CTS Plan	748 Police Plan	Totals
ASSETS			
Cash	\$ 231,818	\$ 1,516,177	\$ 1,747,995
Investments:			
Short term investments	3,179,202	1,858,969	5,038,171
U.S. Treasuries	706,991	356,227	1,063,218
U.S. Agency obligations	6,398,327	4,743,645	11,141,972
Corporate bonds	8,030,178	6,679,422	14,709,600
Common stock	31,723,398	31,308,472	63,031,870
Equity mutual funds	17,908,145	-	17,908,145
Real estate funds	21,941,681	15,876,443	37,818,124
Bond Index Funds	15,899,974	4,091,105	19,991,079
Index funds (collective investment trust funds)	36,308,967	18,960,914	55,269,881
Total investments	<u>142,096,863</u>	<u>83,875,197</u>	<u>225,972,060</u>
Receivables:			
Plan members' contributions	8,842	11,765	20,607
Share Plan	40,393	-	40,393
Receivable from broker on investments sold	141,194	165,339	306,533
Accrued interest	50,021	41,738	91,759
Accrued dividends	23,238	12,678	35,916
Total receivables	<u>263,688</u>	<u>231,520</u>	<u>495,208</u>
Total assets	<u>142,592,369</u>	<u>85,622,894</u>	<u>228,215,263</u>
LIABILITIES AND NET POSITION RESTRICTED FOR PENSION BENEFITS			
Liabilities:			
Accounts payable and accrued liabilities	22,735	20,468	43,203
Payable to broker for investments purchased	516,245	458,124	974,369
Benefits payable	36,578	896,289	932,867
Total liabilities	<u>575,558</u>	<u>1,374,881</u>	<u>1,950,439</u>
Net position restricted for pension benefits	<u>\$ 142,016,811</u>	<u>\$ 84,248,013</u>	<u>\$ 226,264,824</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	691 CTS Plan	748 Police Plan	Totals
ADDITIONS			
Employer	\$ 4,018,087	\$ 4,682,955	\$ 8,701,042
Plan members	833,994	875,237	1,709,231
County	108,396	-	108,396
Other	2,368	197,038	199,406
Total contributions	<u>4,962,845</u>	<u>5,755,230</u>	<u>10,718,075</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	10,585,134	3,159,798	13,744,932
Interest	353,113	279,024	632,137
Dividends	883,426	366,949	1,250,375
Gross investment income	<u>11,821,673</u>	<u>3,805,771</u>	<u>15,627,444</u>
Less investment expenses	(513,424)	(296,269)	(809,693)
Net investment income	<u>11,308,249</u>	<u>3,509,502</u>	<u>14,817,751</u>
Total additions	<u>16,271,094</u>	<u>9,264,732</u>	<u>25,535,826</u>
DEDUCTIONS			
Benefits paid to Plan members:			
Normal retirement	7,439,647	4,273,631	11,713,278
Disability retirement	131,496	150,404	281,900
Death benefit	5,529	30,787	36,316
Lump sum retirement	36,578	896,289	932,867
Refunds of contributions	22,347	-	22,347
	<u>7,635,597</u>	<u>5,351,111</u>	<u>12,986,708</u>
Administrative expenses	362,800	270,753	633,553
Total deductions	<u>7,998,397</u>	<u>5,621,864</u>	<u>13,620,261</u>
Increase in net position	8,272,697	3,642,868	11,915,565
Net position restricted for pension benefits - beginning	<u>133,744,114</u>	<u>80,605,145</u>	<u>214,349,259</u>
Net position restricted for pension benefits - ending	<u>\$ 142,016,811</u>	<u>\$ 84,248,013</u>	<u>\$ 226,264,824</u>

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Home Investment Partnership				2005 Disaster Recovery Grant			
	Budgeted Amounts		Actual Amounts	Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		(Negative)	Original	Final		(Negative)
REVENUES								
Intergovernmental	\$ 269,234	\$ 322,387	\$ 271,023	\$ (51,364)	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	-	610,287	-	(610,287)				
Total revenues	<u>269,234</u>	<u>932,674</u>	<u>271,023</u>	<u>(661,651)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Housing and economic development	269,234	932,674	284,370	648,304	-	-	-	-
Total expenditures	<u>269,234</u>	<u>932,674</u>	<u>284,370</u>	<u>648,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(13,347)	(13,347)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Total other financing source (uses)	-	-	-	-	-	-	-	-
Net change in fund balances (deficits)	\$ -	\$ -	(13,347)	(13,347)	-	-	-	-
Fund balances - beginning			54,423				55,526	
Fund balances - ending			<u>41,076</u>				<u>55,526</u>	

(Continued)

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Special Revenue Funds										
	Neighborhood Stabilization Program				FEMA Disaster Recovery				Variance with Final Budget (Negative)	
	Budgeted Amounts		Actual Amounts		Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts		
	Original	Final	Original	Final	Original	Final	Original	Final		
REVENUES										
Intergovernmental	\$ 30,000	179,522	\$ 699	\$ (178,823)	\$ -	\$ -	\$ 3,968,746	\$ 3,968,746		
Interest	-	400	-	(400.00)	-	-	-	-	-	
Total revenues	<u>30,000</u>	<u>179,922</u>	<u>699</u>	<u>(179,223)</u>	<u>-</u>	<u>-</u>	<u>3,968,746</u>	<u>3,968,746</u>		
EXPENDITURES										
Housing and social services	-	179,922	125,921	54,001	-	-	21,003	(21,003)		
Capital outlay	30,000	-	-	-	-	-	-	-	-	
Total expenditures	<u>30,000</u>	<u>179,922</u>	<u>125,921</u>	<u>54,001</u>	<u>-</u>	<u>-</u>	<u>21,003</u>	<u>(21,003)</u>		
Excess (deficiency) of revenues over (under) expenditures	-	-	(125,222)	(125,222)	-	-	3,947,743	3,947,743		
Net change in fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>(125,222)</u>	<u>\$ (125,222)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,947,743</u>	<u>\$ 3,947,743</u>		
Fund balances (deficits) - beginning			564,636					(4,340,265)		
Fund balances (deficits) - ending			<u>\$ 439,414</u>					<u>\$ (392,522)</u>		

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds										
	Local Housing (SHIP)				Police Training						
	Budgeted Amounts		Actual Amounts		Variance with Final Budget		Budgeted Amounts		Actual Amounts		Variance with Final Budget
	Original	Final			(Negative)		Original	Final			Budget (Negative)
REVENUES											
Intergovernmental	\$ -	\$ 151,393	\$ 46,057	\$ (105,336)			\$ -	\$ -	\$ 7,036	\$ 7,036	
Interest and other earnings	-	48,700	-	(48,700)			-	-	-	-	
Total revenues	-	200,093	46,057	(154,036)			-	-	7,036	7,036	
EXPENDITURES											
Housing and social services	53,679	200,093	46,202	153,891			-	-	-	-	
Total expenditures	53,679	200,093	46,202	153,891			-	-	-	-	
Excess (deficiency) of revenues over (under) expenditures	(53,679)	-	(145)	(145)			-	-	7,036	7,036	
Net change in fund balances (deficits)	\$ (53,679)	\$ -	(145)	\$ (145)			\$ -	\$ -	7,036	\$ 7,036	
Fund balances (deficits) - beginning			(2,900)						(9,286)		
Fund balances (deficits) - ending			\$ (3,045)						\$ (2,250)		

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Special Revenue Funds									
	Law Enforcement Trust				Variance with Final Budget (Negative)	Federal Forfeiture			
	Budgeted Amounts		Actual Amounts	Budget (Negative)		Budgeted Amounts	Actual Amounts	Variance with Final Budget (Negative)	
	Original	Final				Original			
REVENUES									
Intergovernmental	\$ 50,000	\$ 50,000	\$ 314,239	\$ 264,239		\$ 25,000	\$ 25,000	\$ (25,000)	
Interest and other earnings	-	-	-	-		282,329	282,329	(282,329)	
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>314,239</u>	<u>264,239</u>		<u>307,329</u>	<u>307,329</u>	<u>(307,329)</u>	
EXPENDITURES									
Public safety	219,534	219,534	62,799	156,735		244,229	258,229	8,605 249,624	
Debt service	-	-	-	-		300	300	280 20	
Capital outlay	10,000	10,000	-	10,000		62,800	48,800	- 48,800	
Total expenditures	<u>229,534</u>	<u>229,534</u>	<u>62,799</u>	<u>166,735</u>		<u>307,329</u>	<u>307,329</u>	<u>8,885 298,444</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(179,534)</u>	<u>(179,534)</u>	<u>251,440</u>	<u>430,974</u>		-	-	<u>(8,885) (8,885)</u>	
Appropriated fund balance	<u>179,534</u>	<u>179,534</u>	-	<u>(179,534)</u>		-	-	-	
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>251,440</u>	<u>\$ 251,440</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,885) \$ (8,885)</u>	
Fund balances (deficits) - beginning			<u>201,068</u>					<u>104,164</u>	
Fund balances - ending			<u><u>\$ 452,508</u></u>					<u><u>\$ 95,279</u></u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Special Revenue Funds								
	Justice Assistance Grant				1/2 Cent Transportation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Charges for services	\$ -	\$ 150,929	\$ 142,027	\$ (8,902)	\$ 31,000	\$ 31,000	\$ 14,183	\$ (16,817)
Intergovernmental	-	-	-	-	2,700,000	3,471,995	2,372,792	(1,099,203)
Total revenues	-	150,929	142,027	(8,902)	2,731,000	3,502,995	2,386,975	(1,116,020)
EXPENDITURES								
Public safety	-	150,929	144,422	6,507				
Transportation	-	-	-	-	1,486,805	1,506,805	1,348,744	158,061
Capital outlay	-	-	-	-	1,244,195	2,005,089	338,842	1,666,247
Total expenditures	-	150,929	144,422	6,507	2,731,000	3,511,895	1,687,586	1,824,309
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,395)	(2,395)			(8,900)	699,389
OTHER FINANCING SOURCES (USES)								
Appropriated reserves	-	-	-	-			3,012,944	-
Total other financing source (uses)	-	-	-	-	-	-	3,012,944	-
Net change in fund balances	\$ -	\$ -	(2,395)	(2,395.00)	\$ -	\$ -	699,389	(2,304,655)
Fund balances (deficits) - beginning			(16,291)				409,693	
Fund balances (deficits) - ending			\$ (18,686)				\$ 1,109,082	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Development Impact Fees				Miscellaneous Grants & Other			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 89,503	\$ 89,503	\$ 20,300	\$ 202,890	\$ 279,437	\$ 76,547
Interest and other earnings	-	-	2,734	2,734	-	-	-	-
Total revenues	-	-	92,237	92,237	20,300	202,890	279,437	76,547
EXPENDITURES								
General government	-	-	-	-	-	15,999	14,906	1,093
Public safety	-	-	-	-	-	-	104,285	(104,285)
Culture and recreation	-	-	-	-	20,300	20,816	20,863	(47)
Community planning and development	-	-	-	-	-	162,062	122,800	39,262
Capital outlay	-	-	-	-	-	4,013	3,967	46
Total expenditures	-	-	-	-	20,300	202,890	266,821	(63,931)
Excess (deficiency) of revenues over (under) expenditures	-	-	92,237	92,237	-	-	12,616	12,616
Net change in fund balances	\$ -	\$ -	92,237	\$ 92,237	\$ -	\$ -	12,616	\$ 12,616
Fund balances (deficits) - beginning			690,391				(255,992)	
Fund balances (deficits) - ending			\$ 782,628				\$ (243,376)	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
(UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Debt Service Fund				
	Budgeted Amounts	Actual Amounts	Variance with Final Budget (Negative)	
	Original	Final	Original	Final
	\$	\$	\$	\$
REVENUES				
Intergovernmental				
Total revenues	-	-	-	-
EXPENDITURES				
Debt service	1,784,363	1,784,363	1,784,363	-
Total expenditures	1,784,363	1,784,363	1,784,363	-
Excess (deficiency) of revenues over (under) expenditures	(1,784,363)	(1,784,363)	(1,784,363)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	1,784,363	1,784,363	1,784,369	6
Total other financing source (uses)	1,784,363	1,784,363	1,784,369	6
Net change in fund balances (deficits)	\$ -	\$ -	6	\$ 6
Fund balances (deficits) - beginning			7,528	
Fund balances - ending			<u>\$ 7,534</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects Funds											
	North Miami Cagni Park Project				E May Avil Library							
	Budgeted Amounts		Actual Amounts		Variance with Final Budget (Negative)		Budgeted Amounts		Actual Amounts		Variance with Final Budget (Negative)	
	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES												
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Interest and other earnings	-	-	-	-	-	-	-	-	-	-		
Total revenues	-	-	-	-	-	-	-	-	-	-		
EXPENDITURES												
Capital outlay	-	1,235,000	-	-	1,235,000	-	-	-	-	-		
Total expenditures	-	1,235,000	-	-	1,235,000	-	-	-	-	-		
Excess (deficiency) of revenues over (under) expenditures	-	(1,235,000)	-	-	1,235,000	-	-	-	-	-		
OTHER FINANCING SOURCES (USES)												
Transfers in		1,235,000		-	1,235,000							
Total other financing source (uses)	-	1,235,000	-	-	1,235,000	-	-	-	-	-		
Net change in fund balances (deficits)	\$ -	\$ -	-	-	\$ 2,470,000	\$ -	\$ -	-	-	\$ -		
Fund balances (deficits) - beginning			(881)									
Fund balances - ending			\$ (881)								\$ (47,514)	\$ (47,514)

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Capital Projects Funds											
	Transportation Gas Tax					Arch Creek Bridge				Variance with Final Budget (Negative)	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)		Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)		
	Original	Final		(Negative)		Original	Final				
REVENUES											
Intergovernmental	\$ 268,106	\$ 268,106	\$ 264,017	\$ (4,089)		\$ -	\$ -	\$ -	\$ -		
Interest and other earnings	255,316	255,316	-	(255,316)		-	-	-	-		
Total revenues	523,422	523,422	264,017	(259,405)		-	-	-	-		
EXPENDITURES											
Capital outlay	523,422	523,422	429,178	94,244		-	-	-	-		
Total expenditures	523,422	523,422	429,178	94,244		-	-	-	-		
Excess (deficiency) of revenues over (under) expenditures	-	-	(165,161)	(165,161)		-	-	-	-		
Net change in fund balances	\$ -	\$ -	(165,161)	\$ (165,161)		\$ -	\$ -	-	\$ -		
Fund balances - beginning			275,091					23,149			
Fund balances - ending			\$ 109,930					\$ 23,149			

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
(UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Capital Projects Funds				
Other Capital Projects				
	Budgeted Amounts	Actual Amounts	Variance with Final Budget (Negative)	
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	- -	21,724	- -	(21,724)
Total revenues	<u>- -</u>	<u>21,724</u>	<u>- -</u>	<u>(21,724)</u>
EXPENDITURES				
Culture and recreation	- -	- -	- -	- -
Capital outlay	- -	21,724	17,822	3,902
Total expenditures	<u>- -</u>	<u>21,724</u>	<u>17,822</u>	<u>3,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>- -</u>	<u>- -</u>	<u>(17,822)</u>	<u>(17,822)</u>
Net change in fund balances (deficits)	<u>\$ - -</u>	<u>\$ - -</u>	<u>(17,822)</u>	<u>\$ (17,822)</u>
Fund balances (deficits) - beginning			<u>(125,545)</u>	
Fund balances (deficits) - ending			<u>\$ (143,367)</u>	



III. Statistical Section (Unaudited)

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information



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STATISTICAL SECTION

This part of the City of North Miami'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>	147-152
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	153-158
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>	159-166
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>	167-169
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>	170-171
<i>Sources: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.</i>	



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Financial Trends



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TABLE 1

CITY OF NORTH MIAMI, FLORIDA
NET POSITION BY COMPONENT (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2011</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>
Governmental activities:					*Restated		* *Restated			***Restated
Net investment in capital assets	\$ 56,538,875	\$ 6,437,906	\$ 66,674,275	\$ 67,178,164	\$ 55,314,367	\$ 61,274,246	\$ 61,365,386	\$ 62,452,076	\$ 63,668,765	\$ 65,236,848
Restricted	30,787,542	8,706,305	17,939,652	16,375,077	17,238,381	8,644,742	9,412,706	8,443,236	7,428,554	15,394,117
Unrestricted	(62,194,486)	24,390,475	(11,995,241)	(10,892,183)	(35,615,832)	(32,812,317)	(32,309,472)	(42,688,281)	(41,198,713)	(46,334,735)
Total governmental activities net position	<u>\$ 25,131,931</u>	<u>\$ 39,534,686</u>	<u>\$ 72,618,686</u>	<u>\$ 72,661,058</u>	<u>\$ 36,936,916</u>	<u>\$ 37,106,671</u>	<u>\$ 38,468,620</u>	<u>\$ 28,207,031</u>	<u>\$ 29,898,606</u>	<u>\$ 34,296,230</u>
Business-type activities:										
Net investment in capital assets	\$ 36,851,552	\$ 35,913,554	\$ 36,003,493	\$ 38,424,467	\$ 39,868,520	\$ 38,449,795	\$ 39,310,886	\$ 40,449,030	\$ 43,997,155	\$ 44,346,083
Restricted	15,843,241	16,044,755	18,099,926	18,099,926	13,060,381	-	-	-	-	-
Unrestricted	6,268,728	7,808,454	7,835,776	12,040,052	20,113,189	36,997,374	37,264,087	37,311,231	34,044,526	34,626,452
Total business-type activities net position	<u>\$ 58,963,521</u>	<u>\$ 59,766,763</u>	<u>\$ 61,939,195</u>	<u>\$ 68,564,445</u>	<u>\$ 73,042,090</u>	<u>\$ 75,447,169</u>	<u>\$ 76,574,973</u>	<u>\$ 77,760,261</u>	<u>\$ 78,041,681</u>	<u>\$ 78,972,535</u>
Net position:										
Net investment in capital assets	\$ 93,390,427	\$ 42,351,460	\$ 102,677,768	\$ 105,602,631	\$ 95,182,887	\$ 99,724,041	\$ 100,676,272	\$ 102,901,106	\$ 107,665,920	\$ 109,582,931
Restricted	46,630,783	24,751,060	36,039,578	34,475,003	30,298,762	8,644,742	9,412,706	8,443,236	7,428,554	15,394,117
Unrestricted	(55,925,758)	32,198,929	(4,159,465)	1,147,869	(15,502,643)	4,185,057	4,954,615	(5,377,050)	(7,154,187)	(11,708,283)
Total net position	<u>\$ 84,095,452</u>	<u>\$ 99,301,449</u>	<u>\$ 134,557,881</u>	<u>\$ 141,225,503</u>	<u>\$ 109,979,006</u>	<u>\$ 112,553,840</u>	<u>\$ 115,043,593</u>	<u>\$ 105,967,292</u>	<u>\$ 107,940,287</u>	<u>\$ 113,268,765</u>

*Beginning net position was restated with the implementation of GASB 72, as of October 1, 2015, and recognition of long term lease agreement unearned revenues.

**Beginning net position was restated with the implementation of GASB 75, as of October 1, 2017.

***Beginning net position was restated for adjustment to capital assets, as of October 1, 2019.

TABLE 2

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

	<u>2011</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>
EXPENSES										
Governmental activities:										
General government	\$ 19,241,452	\$ 12,289,475	\$ 13,670,164	\$ 17,919,295	\$ 18,721,535	\$ 19,969,995	\$ 20,424,384	\$ 26,879,421	\$ 24,976,815	\$ 24,471,010
Public safety	24,561,894	25,714,309	27,150,284	26,006,919	26,983,295	25,166,834	30,837,393	30,386,983	34,892,457	37,929,647
Physical environment	6,854,468	6,514,175	6,699,659	3,020,021	1,665,406	1,526,731	388,242	591,810	338,808	3,879,546
Transportation and public works	4,113,917	5,174,884	5,677,229	-	5,605,540	5,771,515	5,954,245	7,806,930	8,035,250	5,841,175
Economic environment (Housing & urban development)	5,872,341	2,968,567	4,203,130	3,513,528	1,069,839	1,119,540	1,823,347	979,480	1,191,742	2,309,283
Parks and community services (Culture & recreation)	3,294,271	6,253,611	7,352,980	7,204,954	10,905,337	10,623,998	11,722,459	13,023,252	13,157,580	15,738,792
Community planning and development	-	-	-	-	1,931,045	2,175,156	1,693,997	4,647,836	4,865,507	3,380,630
Interest and fiscal charges (6)	2,082,590	1,298,470	984,926	2,221,435	1,256,720	1,225,739	1,265,498	1,166,356	1,667,794	1,264,361
Total governmental activities expenses	<u>66,020,933</u>	<u>60,213,491</u>	<u>65,738,372</u>	<u>59,886,152</u>	<u>68,138,717</u>	<u>67,579,508</u>	<u>74,109,565</u>	<u>85,482,068</u>	<u>89,125,953</u>	<u>94,814,444</u>
Business-type activities:										
Water and sewer	22,226,942	21,741,967	22,478,172	23,951,276	26,685,028	28,538,868	30,434,388	32,023,616	32,068,870	30,792,646
Solid waste (8)	5,762,137	6,099,743	-	-	-	-	-	-	-	-
Stormwater	2,230,457	2,375,777	2,641,893	2,248,332	2,123,669	1,848,527	2,513,502	2,707,044	2,490,524	2,807,175
Total business-type activities expenses	<u>30,219,536</u>	<u>30,217,487</u>	<u>25,120,065</u>	<u>26,199,608</u>	<u>28,808,697</u>	<u>30,387,395</u>	<u>32,947,890</u>	<u>34,730,660</u>	<u>34,559,394</u>	<u>33,599,821</u>
Total expenses	<u>\$ 96,240,469</u>	<u>\$ 90,427,978</u>	<u>\$ 91,285,896</u>	<u>\$ 86,085,760</u>	<u>\$ 96,947,414</u>	<u>\$ 97,966,903</u>	<u>\$ 107,057,455</u>	<u>\$ 120,212,728</u>	<u>\$ 123,685,347</u>	<u>\$ 128,414,265</u>

TABLE 2

CITY OF NORTH MIAMI, FLORIDA
CHANGES IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(Continued)
(accrual basis of accounting)

	<u>2011</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>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 14,512,033	\$ 7,986,221	\$ 12,762,768	\$ 11,304,253	\$ 7,034,086	\$ 13,660,794	\$ 12,401,125	\$ 13,391,131	\$ 13,657,832	\$ 17,104,504
Public safety	2,711,202	5,237,148	3,123,181	4,723,934	6,646,252	4,512,782	5,487,160	5,485,203	4,756,368	4,098,398
Physical environment	974,420	32,754	2,728,755	2,573,756	1,915,022	3,020,822	3,887,943	2,233,747	3,062,052	2,484,512
Transportation and public works	2,376,456	116,265	147,453	132,658	835,931	88,368	47,346	40,025	2,959,562	19,730
Economic environment (Housing & urban development)	20,871	61,110	573,625	467,411	1,394,763	-	-	-	-	-
Parks and community services (Culture & recreation)	413,112	469,914	359,463	118,730	2,785,645	2,993,270	3,278,530	3,592,542	977,624	455,915
Community planning and development	-	-	-	-	134,132	777,851	584,838	550,107	268,313	352,937
Operating grants and contributions	12,474,244	28,322,616	8,382,304	7,006,123	3,603,994	5,353,062	5,956,341	6,692,586	5,829,519	8,138,621
Capital grants and contributions	2,532,120	4,592,697	99,709	794,857	6,677,318	544,232	670,841	317,960	301,146	264,018
Total governmental activities program revenues	<u>36,014,458</u>	<u>46,818,725</u>	<u>28,177,258</u>	<u>27,121,722</u>	<u>31,027,143</u>	<u>30,951,181</u>	<u>32,314,124</u>	<u>32,303,301</u>	<u>31,812,416</u>	<u>32,918,635</u>
Business-type activities:										
Charges for services:										
Water and sewer	23,244,429	22,487,389	28,528,757	30,523,694	34,849,639	32,195,213	31,600,606	33,629,399	31,388,997	31,173,723
Solid waste	6,635,169	4,757,902	-	-	-	-	-	-	-	-
Stormwater	2,408,384	2,321,676	2,479,164	2,525,987	2,287,685	2,598,048	2,610,940	2,552,977	2,639,510	2,404,654
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	526,581	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>32,814,563</u>	<u>29,566,967</u>	<u>31,007,921</u>	<u>33,049,681</u>	<u>37,137,324</u>	<u>34,793,261</u>	<u>34,211,546</u>	<u>36,182,376</u>	<u>34,028,507</u>	<u>33,578,377</u>
Total program revenues	<u>\$ 68,829,021</u>	<u>\$ 76,385,692</u>	<u>\$ 59,185,179</u>	<u>\$ 60,171,403</u>	<u>\$ 68,164,467</u>	<u>\$ 65,744,442</u>	<u>\$ 66,525,670</u>	<u>\$ 68,485,677</u>	<u>\$ 65,840,923</u>	<u>\$ 66,497,012</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ (30,006,475)	\$ (13,394,766)	\$ (37,561,114)	\$ (32,764,430)	\$ (37,111,574)	\$ (36,628,327)	\$ (41,795,441)	\$ (53,178,767)	\$ (57,313,537)	\$ (61,895,809)
Business-type activities	<u>2,595,027</u>	<u>(650,520)</u>	<u>5,887,856</u>	<u>6,850,073</u>	<u>8,328,627</u>	<u>4,405,866</u>	<u>1,263,656</u>	<u>1,451,716</u>	<u>(530,887)</u>	<u>(21,444)</u>
Total (expense) revenue	<u>\$ (27,411,448)</u>	<u>\$ (14,045,286)</u>	<u>\$ (31,673,258)</u>	<u>\$ (25,914,357)</u>	<u>\$ (28,782,947)</u>	<u>\$ (32,222,461)</u>	<u>\$ (40,531,785)</u>	<u>\$ (51,727,051)</u>	<u>\$ (57,844,424)</u>	<u>\$ (61,917,253)</u>

(Continued)

TABLE 2

CITY OF NORTH MIAMI, FLORIDA
CHANGES IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(Continued)
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u> ^(7 & 8)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 19,361,195	\$ 16,827,107	\$ 17,773,329	\$ 16,156,844	\$ 17,138,805	\$ 18,708,191	\$ 19,194,672	\$ 20,975,744	\$ 22,739,789	\$ 25,070,539
Utility service tax	2,696,457	2,780,568	2,986,873	3,328,202	4,210,073	4,311,844	4,343,095	4,034,989	4,453,176	4,297,833
Communication service tax	1,933,235	1,777,062	1,556,784	1,407,118	1,415,105	1,308,539	1,212,133	1,203,462	1,073,231	1,032,010
Franchise taxes	3,361,008	3,327,030	3,459,702	3,662,902	3,539,715	3,742,335	4,356,029	3,992,099	4,084,241	4,193,023
Unrestricted investment earnings	126,461	101,103	155,253	75,073	86,549	259,140	98,716	235,600	259,593	195,619
Miscellaneous	561,783	3,081,160	40,996,820	14,204,424	12,290,361	23,539,227	13,710,937	14,599,586	17,997,399	31,280,916
Transfers	38,582	(203,602)	3,716,203	210,292	187,739	205,115	241,808	228,835	241,265	223,493
Total governmental activities	<u>28,078,721</u>	<u>27,690,428</u>	<u>70,644,964</u>	<u>39,044,855</u>	<u>38,868,347</u>	<u>52,074,391</u>	<u>43,157,390</u>	<u>45,270,315</u>	<u>50,848,694</u>	<u>66,293,433</u>
Business-type activities:										
Unrestricted investment earnings	-	92,675	-	-	-	-	-	-	-	-
Miscellaneous	199,856	1,054,813	-	10,457	55,368	299,700	105,956	321,223	1,053,572	1,175,791
Transfers	(38,582)	203,602	(3,716,203)	(210,292)	(187,739)	(205,115)	(241,808)	(228,835)	(241,265)	(223,493)
Total business-type activities	<u>161,274</u>	<u>1,351,090</u>	<u>(3,716,203)</u>	<u>(199,835)</u>	<u>(132,371)</u>	<u>94,585</u>	<u>(135,852)</u>	<u>92,388</u>	<u>812,307</u>	<u>952,298</u>
Total	<u>28,239,995</u>	<u>29,041,518</u>	<u>66,928,761</u>	<u>38,845,020</u>	<u>38,735,976</u>	<u>52,168,976</u>	<u>43,021,538</u>	<u>45,362,703</u>	<u>51,661,001</u>	<u>67,245,731</u>
CHANGE IN NET POSITION										
Governmental activities	(1,927,754)	14,295,662	33,083,850	6,280,425	1,756,773	15,446,064	1,361,949	(7,908,452)	(6,464,843)	4,397,624
Business-type activities	2,756,301	700,570	2,171,653	6,650,238	8,196,256	4,500,451	1,127,804	1,544,104	281,420	930,854
Total	<u>\$ 828,547</u>	<u>\$ 14,996,232</u>	<u>\$ 35,255,503</u>	<u>\$ 12,930,663</u>	<u>\$ 9,953,029</u>	<u>\$ 19,946,515</u>	<u>\$ 2,489,753</u>	<u>\$ (6,364,348)</u>	<u>\$ (6,183,423)</u>	<u>\$ 5,328,478</u>

(7) In fiscal year 2013 miscellaneous includes \$30M landfill closure and \$6M for intergovernmental

(8) In fiscal year 2013 the solid waste fund was closed

TABLE 3

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

	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> * Restated	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Non-spendable	57,442	22,585	1,607,840	313,403	141,595	49,197	79,227	87,743	127,422	199,956
Restricted	-	5,000,000	-	-	-	-	-	1,190,000	7,549,440	7,000,000
Committed	-	-	6,500,000	6,500,000	-	-	-	-	-	-
Assigned	-	-	5,602,529	5,604,450	4,544,241	-	-	-	-	-
Unassigned	328,906	11,517,432	6,539,393	4,371,591	9,114,161	(396,516)	(4,921,302)	(9,460,185)	(21,357,402)	(12,218,700)
Total general fund	\$ 386,348	\$ 16,540,017	\$ 20,249,762	\$ 16,789,444	\$ 13,799,997	\$ (347,319)	\$ (4,842,075)	\$ (8,182,442)	\$ (13,680,540)	\$ (5,018,744)
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Non-spendable:										
Assets held for sale	3,241,856	3,245,256	652,368	731,320	652,368	-	-	-	-	-
Inventories & prepaids	6,247	-	4,064	3,399	-	-	30,524	60,906	85,029	61,849
Notes receivable	-	-	1,509,095	-	261,194	-	-	-	-	-
Restricted	28,496,680	19,248,154	18,450,787	16,603,444	16,928,309	18,734,688	19,018,489	16,865,784	16,806,263	14,280,369
Assigned	5,409,014	-	-	1,736,361	2,800,546	535,690	374,794	260,605	785,729	258,445
Unassigned	272,748	5,524,256	-	(259,248)	(965,261)	(544,321)	(960,234)	(5,094,005)	(5,842,303)	(1,527,688)
Total all other governmental funds	\$ 37,426,545	\$ 28,017,666	\$ 20,616,314	\$ 18,815,276	\$ 19,677,156	\$ 18,726,057	\$ 18,463,573	\$ 12,093,290	\$ 11,834,718	\$ 13,072,975

⁽¹⁾ New presentation due to the implementation of GASB Statement No. 54 - Fund Balance Reporting

* Beginning fund balance was restated with the implementation of GASB 72, as of October 1, 2015

TABLE 4

CITY OF NORTH MIAMI, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2011</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>
REVENUES										
Taxes	\$ 26,335,560	\$ 24,696,132	\$ 26,992,235	\$ 24,051,638	\$ 25,497,860	\$ 27,004,717	\$ 28,003,594	\$ 29,388,710	\$ 31,514,118	\$ 33,913,803
Charges for services	7,498,886	7,535,891	5,857,578	8,418,568	8,025,835	8,982,469	9,682,205	10,428,442	12,260,943	10,472,838
Return on investment - utility ⁽¹⁾	-	-	-	-	-	-	-	2,479,828	2,717,132	2,809,024
Fines and forfeitures	2,847,550	4,739,880	3,251,870	2,621,393	2,829,842	1,249,133	1,061,091	899,657	682,350	527,272
Intergovernmental	18,272,037	17,241,278	8,952,044	13,604,235	15,063,947	13,970,999	15,785,674	15,146,231	17,899,963	18,238,137
Licenses and permits	1,954,261	1,871,538	1,927,293	2,046,697	2,428,695	2,015,318	3,790,191	3,749,809	3,084,316	2,582,178
Other (including interest)	1,602,961	16,533,084	8,575,254	4,998,962	4,357,063	8,144,393	6,869,743	5,861,113	7,146,703	7,636,307
Total revenues	<u>58,511,255</u>	<u>72,617,803</u>	<u>55,556,274</u>	<u>55,741,493</u>	<u>58,203,242</u>	<u>61,367,029</u>	<u>65,192,498</u>	<u>67,953,790</u>	<u>75,305,525</u>	<u>76,179,559</u>
EXPENDITURES										
General government	9,426,236	10,252,078	13,065,334	13,601,116	10,244,783	13,235,866	14,433,923	19,903,764	14,681,817	16,965,183
Public safety	24,561,894	23,835,245	24,656,128	24,589,073	26,374,717	26,211,652	28,977,056	28,433,232	36,229,740	36,201,345
Physical environment	6,854,468	6,462,587	4,633,395	2,994,813	4,977,118	3,816,477	4,087,042	4,493,213	1,725,274	5,034,947
Transportation	2,896,296	4,438,321	4,638,210	5,335,652	4,548,595	4,911,156	4,883,548	4,632,752	4,519,296	4,726,371
Economic environment (Housing & Economic Development)	3,064,767	1,047,167	-	-	1,026,725	1,267,140	1,555,253	895,341	1,356,648	2,218,381
Parks and community services (Culture & recreation)	2,583,085	5,385,596	5,970,868	6,337,376	7,610,932	10,298,060	10,849,824	12,021,487	12,334,120	11,235,237
Community planning & development	-	-	4,029,061	3,435,625	4,412,735	2,139,498	1,584,272	3,034,419	6,340,619	3,372,582
Grants/aids ⁽²⁾	3,300,994	994,098	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	440,000	860,000	752,390	585,000	625,000	779,197	877,292	1,022,527	542,144	1,042,068
Interest and fiscal charges ⁽³⁾	1,642,590	1,614,562	930,203	1,494,225	1,150,357	1,123,491	789,728	761,523	1,321,680	899,363
Capital outlay	5,364,400	10,728,157	3,541,649	2,993,386	3,773,231	1,912,530	2,841,065	2,750,721	2,309,530	2,368,393
Total expenditures	<u>60,134,730</u>	<u>65,617,811</u>	<u>62,217,238</u>	<u>61,366,266</u>	<u>64,744,193</u>	<u>65,695,067</u>	<u>70,879,003</u>	<u>77,948,979</u>	<u>81,360,868</u>	<u>84,063,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,623,475)</u>	<u>6,999,992</u>	<u>(6,660,964)</u>	<u>(5,624,773)</u>	<u>(6,540,951)</u>	<u>(4,328,038)</u>	<u>(5,686,505)</u>	<u>(9,995,189)</u>	<u>(6,055,343)</u>	<u>(7,884,311)</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	-	-	178,707	83,218	-	4,400,914	-	-	6,145	18,250,000
Capital leases and installment purchase	-	-	-	-	-	-	629,483	-	-	253,543
Proceeds from debt ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-
Transfers in	2,306,803	1,751,363	2,956,476	1,850,954	2,765,531	2,068,702	1,971,534	2,720,102	2,404,018	1,784,369
Contributions	-	-	2,628,702	1,523,031	3,101,299	-	-	-	-	-
Transfers out	(3,474,746)	(1,620,216)	(1,714,136)	(1,584,667)	(2,524,588)	(1,829,936)	(1,671,752)	(2,435,564)	(2,111,489)	(1,511,952)
Total other financing sources (uses)	<u>(1,167,943)</u>	<u>131,147</u>	<u>4,049,749</u>	<u>1,872,536</u>	<u>3,342,242</u>	<u>4,639,680</u>	<u>929,265</u>	<u>284,538</u>	<u>298,674</u>	<u>18,775,960</u>
Net change in fund balances (deficits)	<u>\$ (2,791,418)</u>	<u>\$ 7,131,139</u>	<u>\$ (2,611,215)</u>	<u>\$ (3,752,237)</u>	<u>\$ (3,198,709)</u>	<u>\$ 311,642</u>	<u>\$ (4,757,240)</u>	<u>\$ (9,710,651)</u>	<u>\$ (5,756,669)</u>	<u>\$ 10,891,649</u>
Debt service (excluding issuance costs) as a percentage of noncapital expenditures	3.8%	4.5%	2.9%	3.6%	2.9%	3.0%	2.5%	2.4%	2.4%	2.4%

(1) As of 2018 return on investment excluded from charges for services and shown as a separate line item

(2) As of 2013, grants and aids were reclassified and included in community planning and development

(3) In 2010, Includes swap termination payment of \$4,120,000.



Revenue Capacity



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TABLE 5

CITY OF NORTH MIAMI, FLORIDA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Sales and Use Tax</u>	<u>Utility Service Tax</u>	<u>Communication Services Tax</u>	<u>Total</u>
2011	19,361,195	3,361,008	775,608	2,696,457	1,933,235	28,127,503
2012	16,827,107	3,327,030	746,246	2,780,568	1,777,062	25,458,013
2013	17,773,329	3,459,702	759,659	2,986,873	1,556,784	26,536,347
2014	16,156,844	3,662,902	774,414	3,328,202	1,407,118	25,329,480
2015	17,138,805	3,539,715	805,838	3,404,235	1,415,105	26,303,698
2016	18,708,191	3,742,335	797,888	3,513,956	1,308,539	28,070,909
2017	19,194,672	4,356,029	826,941	3,516,154	1,212,133	29,105,929
2018	20,975,744	3,992,099	784,910	3,217,405	1,203,462	30,173,620
2019	22,739,789	4,084,241	784,648	3,616,857	1,073,231	32,298,766
2020	25,070,539	4,193,023	679,602	3,618,231	1,032,010	34,593,405
Change 2011-2020	-29.49%	-24.75%	12.38%	-34.18%	46.62%	-22.99%

CITY OF NORTH MIAMI, FLORIDA
ASSESSED VALUE OF ALL TAXABLE PROPERTY (1) (Unaudited)
LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year	Real	Personal	(1)	Taxable	Real	Net Assessed	(2)
	Property		Centrally Assessed Property	Gross Total	Estate Adjustments	Property Value	Total Direct Tax Rate
2011	2,138,856,648	96,351,619	1,236,447	2,236,444,714	65,073,418	2,171,371,296	8.196
2012	1,984,176,233	93,286,553	1,314,055	2,078,776,841	2,245,132	2,076,531,709	8.196
2013	1,961,574,942	100,021,455	1,409,896	2,063,006,293	2,293,529	2,060,712,764	7.934
2014	2,090,641,105	109,820,351	1,548,020	2,202,009,476	10,700,032	2,191,309,444	7.934
2015	2,288,960,375	102,767,681	1,448,606	2,393,176,662	5,791,134	2,387,385,528	7.934
2016	2,499,306,636	102,681,112	1,447,386	2,603,435,134	5,191,742	2,598,243,392	7.500
2017	2,731,911,700	104,433,405	1,472,086	2,837,817,191	8,101,379	2,829,715,812	7.500
2018	2,973,808,217	126,110,194	1,777,641	3,101,696,052	46,675,273	3,055,020,779	7.500
2019	3,257,978,315	126,543,902	1,783,754	3,386,305,971	104,640,397	3,281,665,574	7.500
2020	3,581,513,406	155,958,164	2,198,376	3,739,669,946	144,313,021	3,595,356,925	7.500

Source: Miami-Dade County Property Appraiser

(1) The basis of assessed value is approximately 100% of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding year.

(2) From Table 9.

TABLE 7

CITY OF NORTH MIAMI, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Unaudited)
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

Fiscal Year	City of North Miami			Miami-Dade County			School District	So. Fl. Water Mgt.	Total Millage
	Operating Millage (1)	Service Millage	Total	Operating Millage	Service Millage	Total			
2011	8.196	0.000	8.196	8.523	0.445	8.968	8.249	0.6585	26.071
2012	8.196	0.000	8.196	7.768	0.285	8.053	8.005	0.4708	24.724
2013	7.934	0.000	7.934	4.704	0.422	5.126	7.644	0.0345	20.738
2014	7.934	0.000	7.934	4.667	0.450	5.117	7.775	0.1577	20.983
2015	7.934	0.000	7.934	4.667	0.450	5.117	7.413	0.1459	20.609
2016	7.500	0.000	7.500	4.667	0.400	5.067	7.138	0.1359	19.841
2017	7.500	0.000	7.500	4.667	0.400	5.067	6.774	0.1275	19.468
2018	7.500	0.000	7.500	4.667	0.464	5.131	6.504	0.1209	19.256
2019	7.500	0.000	7.500	4.667	0.478	5.145	7.025	0.1152	19.785
2020	7.500	0.000	7.500	4.667	0.478	5.145	6.186	0.1103	18.941

Source: Miami-Dade County Property Appraiser.

(1) Includes general operations and library.

CITY OF NORTH MIAMI, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS (Unaudited)
CURRENT YEAR AND TEN YEARS AGO

TABLE 8

<u>Taxpayer</u>	2020			2011		
	Taxable Assessed <u>Value</u>	Rank	Percentage of total City Taxable Assessed <u>Value</u>	Taxable Assessed <u>Value</u>	Rank	Percentage of total City Taxable Assessed <u>Value</u>
BRE Portofino MF Property Owner	\$ 87,490,000	1	2.34%	\$ -	-	-
City of North Miami	77,821,260	2	2.08%	-	-	-
Countyline Auto Center Inc	58,572,609	3	1.57%	-	-	-
Florida Power & Light	55,470,747	4	1.48%	-	-	-
1490 North 123rd LLC	33,911,958	5	0.91%	-	-	-
Public Super Markets Inc.	25,591,008	6	0.68%	-	-	-
Causeway Square LLC	20,710,000	7	0.55%	-	-	-
G1R Florida LLC	19,814,966	8	0.53%	-	-	-
NMB Partners LLC	16,677,500	9	0.45%	-	-	-
RK Causeway Plaza LLC	16,271,204	10	0.44%	-	-	-
Countyline Auto Center Inc	-	-	-	56,275,337	1	2.01%
Stellar Biscayne LP	-	-	-	49,400,259	2	1.76%
Florida Power & Light	-	-	-	39,402,532	3	1.41%
City Of North Miami/Biscayne Landing	-	-	-	31,023,860	4	1.11%
Greenwich Park Apartments	-	-	-	23,994,587	5	0.86%
Royal Oaks Lane North Miami LLC	-	-	-	19,317,620	6	0.69%
Causeway Square LLC	-	-	-	17,600,000	7	0.63%
JVR Investments Green Acres Inc.	-	-	-	14,500,000	8	0.52%
127th Street Shopping Center, Inc.	-	-	-	14,255,980	9	0.51%
Yale Steam Center Court LLC	-	-	-	13,800,000	10	0.49%
Totals	\$ 412,331,252		11.03%	\$ 279,570,175		10%

Source: Miami-Dade County Property Appraiser

TABLE 9

CITY OF NORTH MIAMI, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾ (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy ⁽²⁾	(3) Current Tax Collected	Percent of Current Taxes Collected	(3) Delinquent Tax Collections	Total Tax Collections	Ratio Tax Collections to Total Tax Levy
2011	19,652,115	15,860,401	80.71%	1,708,848	17,569,249	89.40%
2012	17,491,452	15,365,264	87.84%	1,461,842	16,827,107	96.20%
2013	15,562,351	13,865,000	89.09%	1,105,019	14,970,019	96.19%
2014	16,586,310	15,652,829	94.37%	285,570	15,938,399	96.09%
2015	18,159,696	16,838,805	92.73%	300,000	17,138,805	94.38%
2016	18,744,800	18,485,170	98.61%	223,021	18,708,191	99.80%
2017	20,489,338	18,489,766	90.24%	704,905	19,194,671	93.68%
2018	22,303,562	19,983,848	89.60%	991,896	20,975,744	94.05%
2019	24,434,837	21,516,408	88.06%	1,223,381	22,739,789	93.06%
2020	26,861,351	23,829,457	88.71%	1,241,082	25,070,539	93.33%

Source: Miami-Dade County Property Appraiser and internally generated data.

(1) Includes levies and collections for personal and real properties.

(2) Includes levies for general operations, and debt service. Beginning in fiscal year 2006, total tax levy also includes tax-increment financing for the North Miami Community Redevelopment Agency (CRA).

(3) Tax certificate sales reclassified from current tax collected to delinquent tax collections.

TABLE 10

CITY OF NORTH MIAMI, FLORIDA
Enterprise Funds and Utility Rates (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Water		Sewer			Sewer Treatment Charge	Capital Improvement Fees				Sanitation	Recycling	Stormwater (4) Monthly Charge Per ERU			
	(1) Base Rate per 5,000 Gallons	(2) Rate per 1,000 gallons Over Minimum Residential Commercial	As a percentage of Water rates				1,000 Gallons	(5) Water		(6) Sewer						
	Residential	Commercial	2014	Residential	Commercial			Residential	Commercial	Residential	Commercial					
2011	10.93	1.08	1.93	31%	36%	36%	3.36	7.67	7.67	0.98	10.47	548.52	3.58	5.69		
2012 ⁽⁹⁾	11.40	1.73	1.57	-	-	-	-	-	-	-	-	441.18	3.72	5.92		
2013	11.63	1.76	1.60	N/A	N/A	N/A	3.69	N/A	N/A	N/A	N/A	254.40	N/A	6.05		
2014	15.73	1.81	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		
2015	12.51	1.81	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		
2016	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		
2017	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		
2018	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		
2019	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		
2020	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19		

Source: City Utility Billing Department

(1) Rates are based on 3/4" meter for single family residence. Monthly rate per 5,000 gallons.

(2) Overage is based on water usage over 5,000 gallons per month.

(4) Equivalent residential units determined based on 1 ERU for every 1,760 square ft. of impervious land for commercial accounts. For residential accounts, each residential unit is assessed as 1 ERU.

(5) In 2008, monthly fees charged to finance building of a new water plant and renovate existing water plant. Rates effective November 2007 for commercial units and January 2008 for residential units.

(6) Fees charged to upgrade sewer system as per federal mandate.

(8) In February 2009, City Council approved reducing capital improvement fees for residential and commercial to \$7.67 as the building of the new water plant was delayed in favor of renovations for the existing one.

(9) In April 2012, a new consumption based rate structure was implemented. Residents are charged for usage in incremental units of 5,000 gallons. Detailed rate structure can be found at www.northmiamifl.gov

Note: The City bills residents for the aforementioned services on a quarterly basis except for the period from January 2002 to October 2006 when residential accounts were billed monthly. All commercial accounts are billed monthly.



Debt Capacity



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TABLE 11

CITY OF NORTH MIAMI, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities						Total Primary Government	Per Capita	(Restated) Percentage of Personal Income (1)
	Pension Obligation Bonds (2)	Notes Payable	Capital Leases	Sewer Revenue Bonds	Capital Leases	Loan Payable (3)	SRF Loan Payable	Notes Payable	Population (1)			
									Population (1)			
2011	-	17,605,000	880,480	240,595	1,685,304	3,685,000	-	-	24,096,379	58,786	410	2.37%
2012	-	17,150,000	864,702	50,450	790,674	3,430,000	-	-	22,285,826	60,143	371	2.07%
2013	-	16,605,000	657,312	-	371,189	3,160,000	95,751	-	20,889,252	60,312	346	1.90%
2014	-	16,020,000	92,215	-	233,089	2,616,357	214,840	-	19,176,501	61,578	311	1.72%
2015	-	14,530,987	278,317	-	100,765	2,292,681	2,043,548	-	19,246,298	58,786	327	1.78%
2016	-	13,963,084	1,098,926	-	-	2,388,060	2,996,913	-	20,446,983	57,146	358	1.90%
2017	-	13,340,604	801,566	-	2,393	2,017,550	2,864,933	-	19,027,046	62,042	307	1.60%
2018	-	12,663,213	355,330	-	1,593	1,637,040	3,042,232	-	17,699,408	62,225	284	1.45%
2019	-	11,920,559	1,180,522	-	793	1,246,530	4,634,579	-	18,982,983	62,996	301	1.51%
2020	-	11,117,248	1,210,053	-	-	841,020	5,332,957	-	18,501,278	62,822	295	1.45%

(1) Divided by the Per Capita Personal Income From Table 19 - Demographic and Economic Statistics

(2) In February 2010, the City issued Taxable Promissory Note, Series 2010 for the purpose of refunding

the City's outstanding Pension Obligation Bonds, Series 2002 and to pay a termination fee with respect to a related interest rate swap.

(3) In fiscal 2016 the FMLC 2016 Bond was issued for the purpose of refunding the outstanding FMLC Series 2001A Bond

TABLE 12

CITY OF NORTH MIAMI, FLORIDA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	(1) <u>Population*</u>	(2) <u>Assessed Value*</u>	(3) <u>Gross Bonded Debt*</u>	(4) <u>Less Service Fund*</u>	Net Bonded Debt*	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
2011	59	2,171,371	405	-	405	2%	7
2012	60	2,076,532	-	-	-	0%	-
2013	60	2,060,713	-	-	-	0%	-
2014	61	2,191,309	-	-	-	0%	-
2015	59	2,387,386	-	-	-	0%	-
2016	59	2,598,243	-	-	-	0%	-
2017	59	2,829,716	-	-	-	0%	-
2018	62	3,055,021	-	-	-	0%	-
2019	63	3,281,666	-	-	-	0%	-
2020	63	3,595,357	-	-	-	0%	-

*Amounts expressed in thousands.

Source: City of North Miami Finance Department.

(1) From Table 19.

(2) From Table 6.

(3) Amount does not include special obligation bonds or note payable. All general obligation bonded debt is expected to be repaid through general governmental resources.

(4) Amount available for repayment of FMLC loan (general obligation debt).

TABLE 13

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS (1) (Unaudited)
(IN THOUSANDS)
SEPTEMBER 30, 2020

<u>Jurisdiction</u>	Taxable Property <u>Value</u>	Net General Obligation Bonded Debt <u>Outstanding</u>	Percentage Applicable To North Miami	Amount Applicable To North Miami
Direct:				
City of North Miami (1) (Includes notes, bonds and capital leases)	\$ 3,581,513	\$ 12,327,301	-	\$ -
Overlapping:				
Miami-Dade County (2)	452,708,988	2,282,020	0.79% (4)	18,054
Miami-Dade County Schools (3)	353,183,445	915,518	1.01% (4)	9,284
Total overlapping debt		3,197,538		27,338
Total direct and overlapping debt		<u>\$ 15,524,839</u>		<u>\$ 27,338</u>

(1)

Excludes the City of North Miami's taxable promissory note issued in 2010, which is not payable from property taxes (see Table 12).

(2)

Source: Miami-Dade County Property Appraiser - Taxable Property Estimated Value as of July 1, 2020, amounts and Net General Obligation Bonded Debt Outstanding figures are as of September 30, 2020

(3)

Source: School Board of Miami-Dade County Division of Accounting - Taxable Property Value reflects July 1, 2020 amounts and Net General Obligation Bonded Debt Outstanding figures are as of June 30, 2020.

(4)

Based on the percentage of the County's/School Board's tax roll valuation comprised of real and personal property situated in the City of North Miami. The percentage applicable to North Miami is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total 2020 preliminary taxable value.

CITY OF NORTH MIAMI, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR BONDED DEBT⁽¹⁾
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (Unaudited)
LAST TEN FISCAL YEARS
(IN THOUSAND DOLLARS)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (3)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2011	440	1,643	2,083	60,105	3.0%
2012	860	985	1,845	60,177	3.0%
2013	545	916	1,461	58,676	2.0%
2014	585	1,494	2,079	58,146	4.0%
2015	625	1,150	1,775	58,146	3.0%
2016	779	844	1,623	65,553	2.0%
2017	877	789	1,666	70,601	2.0%
2018	1,022	761	1,783	78,776	2.0%
2019	839	579	1,418	81,018	2.0%
2020	954	899	1,853	83,522	2.0%

(1) Includes debt service for general obligation and special obligation debt.

(2) Includes debt issuance and other costs. In 2010, includes a swap termination payment of \$4,120,000.

(3) Does not include expenditures for capital projects funds.

TABLE 15

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
WATER & SEWER AND STORMWATER ENTERPRISE FUNDS (Unaudited)
(IN THOUSANDS)
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements		Total	Coverage
				Principal	Interest (3)		
2011	23,244	22,052	1,192	377	145	522	2.28
2012	22,680	19,735	2,945	190	160	350	8.41
2013	28,485	21,604	6,881	300	152	452	15.22
2014	30,497	23,422	7,075	300	152	452	15.65
2015	37,192	26,775	10,417	315	137	452	23.05
2016	(6) 35,290	27,943	7,347	330	103	433	16.97
2017	34,297	30,386	3,911	603	197	800	4.89
2018	36,696	32,170	4,525	523	99	622	7.27
2019	34,210	31,816	2,394	534	86	620	3.86
2020	33,670	30,710	2,960	737	79	816	3.63

(1) Total operating revenues, plus interest income and operating grants.

(2) Total operating expenses exclusive of depreciation.

(3) Including fiscal charges.

(4) In October 2007, the City implemented a capital improvement fee (CIF) to fund three water and sewer capital improvement projects and to pay

(5) The new Series 2008A Note matured on August 28, 2011.

(6) In fiscal year 2016 the revenue amounts were revised as a result of a restatement

(7) In fiscal 2016 the FMLC 2016 Bond was issued for the purpose of refunding the outstanding FMLC Series 2001A Bond

TABLE 16

CITY OF NORTH MIAMI, FLORIDA
FISCAL YEAR BUDGETED AND HISTORIC NON-AD VALOREM FUNDS (Unaudited)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Sources of Funds</u>	(6) 2021	<u>(Budgeted)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General government funds (1):									
Franchise fees	\$ 4,369,008	\$ 4,193,023	\$ 4,323,846	\$ 4,132,730	\$ 3,938,066	\$ 3,474,031	\$ 3,353,975	\$ 3,662,901	
Utility taxes	3,763,707	3,618,231	3,517,469	3,681,003	3,672,003	3,513,956	3,404,235	3,328,201	
Communication services tax	1,000,000	1,032,010	1,165,811	1,297,205	1,620,000	1,308,539	1,415,105	2,166,777	
Licenses and permits	907,257	2,582,178	4,901,352	4,029,604	3,715,830	2,015,318	2,428,695	2,046,697	
Intergovernmental revenues (2)	7,634,489	7,764,983	7,702,962	7,549,406	6,942,319	7,645,393	7,839,966	7,338,083	
Charges for services (3)	6,923,914	7,832,592	4,937,245	5,498,383	4,583,081	9,843,445	7,857,362	8,417,235	
Fines and forfeitures	646,600	527,272	1,054,633	786,836	735,830	1,249,133	2,829,842	2,621,393	
Other (5)	6,710,843	12,377,734	6,598,372	9,572,444	3,650,801	6,612,323	3,897,607	4,953,586	
Total general government non-ad valorem funds	31,955,818	39,928,023	34,201,690	36,547,611	28,857,930	35,662,138	33,026,787	34,534,873	
Enterprise funds (4):									
Building	3,107,413	-	-	-	-	-	-	-	-
Water and sewer utility	49,973,082	31,173,723	31,388,997	33,629,399	31,600,606	32,195,213	34,849,639	30,497,436	
Stormwater utility	4,305,197	2,404,654	2,639,510	2,552,977	2,610,940	2,598,048	2,287,684	2,525,986	
Total enterprise funds non-ad valorem funds	57,385,692	33,578,377	34,028,507	36,182,376	34,211,546	34,793,261	37,137,323	33,023,422	
Total non-ad valorem funds	\$ 89,341,510	\$ 73,506,400	\$ 68,230,197	\$ 72,729,987	\$ 63,069,476	\$ 70,455,399	\$ 70,164,110	\$ 67,558,295	

(1) Includes general fund, special revenue funds and debt service funds; excludes capital project funds.

(2) All intergovernmental revenue restricted for specific use and not available to fund debt service has been excluded from this category.

(3) Includes interfund services provided and used.

(4) Only operating revenues are shown.

(5) Excludes revenues legally restricted for specific use and not available to fund debt service. Includes \$12.5M Biscayne Landing settlement unassigned funds in 2012

(6) As originally budgeted.

TABLE 17

CITY OF NORTH MIAMI, FLORIDA
DEBT SERVICE REQUIREMENTS AND COVERAGE (Unaudited)
OUTSTANDING AND PROPOSED
PAYABLE FROM NON-AD VALOREM FUNDS

Fiscal Year	Outstanding Debt Service (1)	City of North Miami			Total Principal Debt Service	Non-Ad Valorem Funds (2)	Coverage Ratio Percentage
		2010 Taxable Promissory Note (Pension)	Principal	Interest			
2021	1,785,200	950,000	835,200	1,785,200	3,570,400	89,341,510	25.02
2022	1,786,325	1,020,000	766,324	1,786,324	3,572,649	89,341,510	25.01
2023	1,787,375	1,095,000	692,376	1,787,376	3,574,751	89,341,510	24.99
2024	1,787,988	1,175,000	612,987	1,787,987	3,575,975	89,341,510	24.98
2025	1,787,800	1,260,000	527,800	1,787,800	3,575,600	89,341,510	24.99
2026	1,786,450	1,350,000	436,450	1,786,450	3,572,900	89,341,510	25.01
2027	1,788,575	1,450,000	338,575	1,788,575	3,577,150	89,341,510	24.98
2028	1,788,450	1,555,000	233,450	1,788,450	3,576,900	89,341,510	24.98
2029	1,785,712	1,665,000	120,713	1,785,713	3,571,425	89,341,510	25.02
	<u>\$ 16,083,875</u>	<u>\$ 11,520,000</u>	<u>\$ 4,563,875</u>	<u>\$ 16,083,875</u>	<u>\$ 32,167,750</u>	<u>\$ 804,073,590</u>	

(1) This assumes that total debt service for this debt is paid from Non-Ad Valorem Funds (see Table 18).

(2) This reflects the budgeted funds available for the fiscal year ending September 30, 2020 from General Government Non-Ad Valorem Funds and Enterprise Funds (see Table 16).

(3) Reflects new debt issuance. The Taxable Special Obligation Refunding Bonds-Series 2002 (Pension) were in February 2010 refunded through the issuance of City of North Miami Taxable Promissory Note, Series 2010.

CITY OF NORTH MIAMI, FLORIDA
DEBT SERVICE PAYABLE FROM PORTIONS OF THE NON-AD VALOREM FUNDS
(Uaudited)

TABLE 18

<u>Year</u>	(1) 2010 Taxable Promissory Note (Pension)
2021	1,785,200
2022	1,786,325
2023	1,787,375
2024	1,787,988
2025	1,787,800
2026	1,786,450
2027	1,788,575
2028	1,788,450
2029	1,785,712
Total	<u><u>\$ 16,083,875</u></u>

(1) On February 1, 2010, the City issued City of North Miami Promissory Note, Series 2010, in the amount of \$17,685,000 for the purpose of current refunding of the City's outstanding Taxable Special Obligation Refunding Bonds (Pension), Series 2002, and to pay a termination fee due with respect to a related interest rate swap. Debt service on this note is funded by non-ad valorem revenues budgeted and appropriated by the City on an annual basis.

Source: City of North Miami, Florida Finance Department



Demographic/Economic



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TABLE 19

CITY OF NORTH MIAMI, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	(1) <u>Population</u>	Personal Income (in thousands)	(2) Per Capita Personal Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate Percentage
2011	58,786	1,014,882	17,264	32	347,133	12.4
2012	60,585	1,084,956	17,908	34	349,945	11.1
2013	60,312	1,106,655	18,266	32	356,944	11.1
2014	61,420	1,109,675	18,067	34	323,301	7.3
2015	58,786	1,131,869	18,428	34	349,822	9.8
2016	57,146	1,154,506	18,799	34	349,817	4.9
2017	62,042	1,177,596	19,170	34	356,086	4.8
2018	62,225	1,201,148	19,554	34	354,263	4.2
2019	62,996	1,225,171	19,945	35	350,101	3.3
2020	62,822	1,249,674	20,344	35	346,427	11.9

(1) U.S. Census Bureau

(2) Data 2004-2007 based on U.S. Census of Population 2000. Data for 2009 and 2008 reflects 2008, and 2007 inflation adjusted dollars, respectively. Data for 2010 reflects 2009 inflation adjusted dollars.

(3) U.S. Census Bureau, Census 2010.

(4) Source: Miami-Dade County School Board. Data is for the School District of Miami-Dade County.

(5) U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 20

CITY OF NORTH MIAMI, FLORIDA
PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND TEN YEARS AGO

<u>Employer</u>	2020			2011		
	<u>Employees</u>	<u>Rank</u>	Percentage of Total City Employment	<u>Employees</u>	<u>Rank</u>	Percentage of Total City Employment
Miami-Dade Public Schools	1,024	1	3.25	-	-	-
City of North Miami (Including Police Dept.)	436	2	1.38	500	2	1.69
Florida International University	398	3	1.26	450	3	1.52
Villa Marie Nursing Home	300	4	0.95	450	4	1.52
Publix Super Markets	294	5	0.93	350	5	1.18
Lexus Of North Miami	250	6	0.79	-	-	-
Costco	221	7	0.70	-	-	-
Johnson & Wales University	200	8	0.63	230	6	0.78
Home Depot	200	9	0.63	-	-	-
Comtel, Inc./PBS Channel 2	140	10	0.44	130	8	0.44
50 State Security	-	-	-	950	1	3.20
World Emblem Inc.	-	-	-	200	7	0.67
Farrey's Wholesale Hardware	-	-	-	130	9	0.44
A.E.S.P, Inc.	-	-	-	80	10	0.27
Total	<u><u>3,463</u></u>		<u><u>10.99</u></u>	<u><u>3,470</u></u>		<u><u>11.69</u></u>
Estimated Labor Force			31,497			29,672

Source: Economic Development Division
 Miami-Dade Co. GIS
 2019-2020

TABLE 21

CITY OF NORTH MIAMI, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2011</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>
Governmental activities:										
General government	82	66	66	51	58	58	80	86	88	76
Public safety (1)	182	178	170	176	159	159	149	151	155	144
Transportation	32	32	38	8	42	42	55	51	50	46
Personnel services	4	4	4	5	6	6	6	6	6	4
Culture and recreation	51	63	63	73	54	54	56	54	57	49
Physical environment	-	-	-	-	-	-	-	-	-	-
Economic environment	11	10	9	9	10	10	10	8	7	11
Business-type activities:										
Water & sewer utility	50	49	50	38	42	42	49	51	49	46
Solid waste (2)	30	-	-	-	-	-	-	-	-	-
Stormwater	8	8	9	9	9	9	7	15	12	14
Total	<u>450</u>	<u>410</u>	<u>409</u>	<u>369</u>	<u>380</u>	<u>380</u>	<u>412</u>	<u>422</u>	<u>424</u>	<u>390</u>

Source: City Personnel Department

(1) Beginning in 2007, includes other public safety.

(2) Solid Waste Services outsourced as of 2012



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Operating Information



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TABLE 22

CITY OF NORTH MIAMI, FLORIDA
OPERATING INDICATORS BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2011</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>
Public safety:										
Police: (1)										
Physical arrests	2,116	2,705	3,226	3,961	3,218	1,563	1,448	1,442	1,218	1,013
Traffic citations	15,108	15,136	33,729	28,247	23,728	16,332	11,718	13,023	8,923	5,758
Parking citations	1,404	1,017	1,644	2,102	2,229	2,644	2,018	2,566	2,953	1,861
Number of calls for service	44,042	45,566	49,961	47,218	50,177	46,664	46,610	53,529	48,065	63,769
Fire: (2)										
Number of calls answered	9,071	9,292	9,097	9731	9838	10,163	9,070	11,842	9,208	9,412
Culture and recreation: (3)										
Athletic field permits issued (rentals):										
Soccer	234	191	256	360	310	325	295	125	95	1
Football	49	53	58	102	78	64	45	-	-	4
Baseball	16	16	3	29	27	45	57	51	50	-
Basketball	4	7	2	67	25	48	148	178	120	6
Other(Rugby, Kickball, Field Hockey)	161	89	22	46	35	56	28	15	16	6
Membership (yearly):										
Tennis	27	22	12	15	8	4	4	1	25	37
Swim	N/A	5	N/A	1	2	0	0	-	1	0
Adult center	105	73	57	175	119	132	90	166	162	58
Afterschool	N/A	45	44	81	31	21	26	58	32	7
Camp program participants	736	807	846	929	1,152	1,737	1,119	1,226	1,199	16
Youth athletic participants (all sports)	472	565	524	615	448	655	583	841	632	50
Adult participants (all sports)	239	160	88	150	0	125	748	150	195	0
Water: (4)										
Daily average treatment in gallons (plant)	8,239,019	7,618,397	7,882,500	7,894,603	7,558,849	6,876,175	5,403,781	3,188,301	5,272,111	6,915,479
Average daily consumption in gallons	9,443,668	11,475,438	12,491,240	12,347,589	13,300,054	11,499,644	12,517,534	12,689,616	12,958,383	13,264,301
Solid waste:										
Refuse and trash collected (tons) (5)	20,833	3578	-	-	-	-	15,658.00	11,101	10,941	11,885
Stormwater:										
Equivalent and commercial residential units (ERU's)	31,916	32,681	34,653	34,934.00	35,495	35,394	35,237	35,188	36,334	36,704

(1) Source: North Miami Police Department

(2) Source: Miami-Dade County Fire Department

(3) Source: North Miami Parks and Recreation Department

(4) Source: North Miami Public Works Department

The difference between the daily average treatment in gallons and average daily consumption in gallons represents water purchased from Miami-Dade County.

*In 2008, daily average treatment in gallons (plant) decreased due to the main raw water well being out of service.

(5) Solid waste services outsourced.

N/A - Not available

TABLE 23

CITY OF NORTH MIAMI, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2011</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>
Public safety:										
Police:										
Stations (including off-site locations)	1	1	1	1	2	2	2	2	1	1
Patrol units	64	64	64	64	64	64	68	68	93	71
Transportation:										
Streets (miles)	136	136	136	136	136	136	113	113	109	109
Street lights (FPL and City owned) (1)	4,397	4,397	4,397	4,397	4,447	4,447	2,623	2,623	2,623	2,623
Culture and recreation:										
Library	1	1	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1	1	1
Parks	16	16	16	16	16	17	16	17	18	19
Park acreage	549	549	549	549	549	549	549	549	549	549
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	25	25	25	25	25	25	25	25	25	25
Community centers	6	7	7	7	7	7	7	7	7	7
Water:										
Water mains (miles)	308	308	311	311	311	311	311	311	311	312
Maximum daily capacity in gallons	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9300000	9,300,000	9,300,000
Fire hydrants	942	944	927	927	927	927	935	941	941	959
Sewage system:										
Miles of storm sewers	28	28	38	38	38	38	38	39	39	39
Miles of sanitary sewers	154	154	175	175	175	175	175	175	175	175
Solid waste:										
Collection trucks	20	2	2	2	-	-	-	-	-	-

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.

(1) Prior to 2009, figures represented only the number of poles maintained by FPL. This number represents the total number of poles in the City.



IV. Compliance Section



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City of North Miami, Florida

Single Audit Reports in Accordance with
Uniform Guidance and Chapter 10.550,
Rules of the Florida Auditor General

Fiscal Year Ended September 30, 2020

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
*Government Auditing Standards***

Honorable Mayor and Members of the City Council
City of North Miami, 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, Florida (the City), as of and for the year ended September 30, 2020, 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 11, 2021. Our report includes a reference to other auditors who audited the financial statements of the Museum of Contemporary Art, Clair T. Singerman Plan, Police Pension Plan and the Community Redevelopment Agency. This report does not include the results of the other's auditors' testing of internal control over financial reporting or compliance and other matters that reported on separately by those auditors. The financial statements of the Museum of Contemporary Art were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Museum of Contemporary Art. Our report includes an emphasis of matter related to a restatement to the beginning net position of the governmental activities as of October 1, 2019. Our report was not modified with respect to this matter.

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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items IC 2020-01 and IC 2020-02 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 the Findings

The City's response to the findings identified in our audit are 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 entity'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.

RSM US LLP

Miami, Florida
June 11, 2021

**Report on Compliance for the Major
Federal Program and Major State Project;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards and Schedule of State Financial
Assistance Required by the Uniform Guidance and
Chapter 10.550, *Rules of the Florida Auditor General***

RSM US LLP

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of North Miami, Florida

Report on Compliance for the Major Federal Program and Major State Project

We have audited the City of North Miami, Florida's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the requirements described in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on the City's major federal program and major state project, respectively, for the year ended September 30, 2020. The City's major federal program and major state project 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 and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program and major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550). Those standards, the Uniform Guidance and Chapter 10.550 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 or major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program and Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirement referred to above that could have a direct and material effect on the major federal program and major state project for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of State Financial Assistance Required by Chapter 10.550, Rules of the Florida Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 11, 2021, which contained an unmodified opinion on those financial statements, and included a reference to other auditors. Our report includes an emphasis of matter related to a restatement to the beginning net position of the governmental activities as of October 1, 2019. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Miami, Florida
June 25, 2021

City of North Miami, Florida

Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2020

Federal Grantor / Pass-through Grantor / Program or Cluster Title	CFDA Number	Grant / Contract Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development				
Community Development Block Grant Entitlement	14.218	B-16-MC-12-0039		\$ 590
Community Development Block Grant Entitlement	14.218	B-17-MC-12-0039		11,605
Community Development Block Grant Entitlement	14.218	B-18-MC-12-0039		317,450
Community Development Block Grant Entitlement	14.218	B-19-MC-12-0039		163,019
Community Development Block Grant Entitlement	14.218	B-20-MC-12-0039		76,086
Total CDBG – Entitlement Cluster				568,750
Home Investment Partnerships Program				
Home Investment Partnerships Program	14.239	M-14-MC-12-0231		\$ 32,390
Home Investment Partnerships Program	14.239	M-15-MC-12-0231		32,555
Home Investment Partnerships Program	14.239	M-17-MC-12-0231		133,585
Home Investment Partnerships Program	14.239	M-18-MC-12-0231		35,490
Home Investment Partnerships Program	14.239	M-19-MC-12-0231		26,414
Home Investment Partnerships Program	14.239	M-20-MC-12-0231		38,350
Total Home Investment Partnerships Program				298,784
Neighborhood Stabilization Program 1				
Neighborhood Stabilization Program 1	14.264	B-08-MN-12-0019		39,527
Neighborhood Stabilization Program 3	14.264	B-11-MN-12-0019		52,031
Total Neighborhood Stabilization Program				91,558
Total U.S. Department of Housing and Urban Development				\$ 959,092
U.S. Department of Justice				
Pass-through State of Florida Office of the Attorney General				
COVID-19 BJA FY 20 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0690		\$ 110,072
Pass-through State of Florida Office of the Attorney General				
Victim's Intervention Program Grant (VOCA) Crime Victim Assistance	16.575	VOCA-2019-City of North Miami Police-00537	unknown	84,415
Bulletproof Vest Partnership Grant Program – 03	16.607	2019		19,778
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0641		27,692
Pass-through Miami-Dade County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-DADE-12-Y5-103	unknown	6,658
Total Edward Byrne Memorial Justice Assistance Grant Program				34,350
Department of Justice Forfeiture Program (Equitable Sharing Program)	16.922	None		1,345
Total U.S. Department of Justice				\$ 249,960
U.S. Department of Treasury				
Law Enforcement Agency Equitable Sharing Fund	21.016	None		\$ 15,479
U.S Environmental Protection Agency				
Pass-through Florida Department of Environmental Protection				
Capitalization Grants for Drinking Water State Revolving Loan Fund	66.468	FS984522-120	DW-131831	\$ 1,189,277
U.S Department of Homeland Security				
Pass-through Florida Division of Emergency Management				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	Z0466	DR-4337	\$ 3,852,991
Total Expenditures of Federal Awards				\$ 6,266,799

See notes to schedule of expenditures of federal awards.

City of North Miami, Florida**Schedule of Expenditures of State Financial Assistance**
Fiscal Year Ended September 30, 2020

State Grantor / Pass-through Grantor / Program or Cluster Title	CSFA Number	Grant / Contract Number	State Expenditures	
Florida Department of Environmental Protection				
North Miami Arch Creek North/South Drainage Improvement - Basin C Project	37.039	LP-13185	\$	646,750
Florida Resilient Coastlines Program (FRCP)	37.098	R1933		50,000
Total Florida Department of Environmental Protection			\$	696,750
Florida Housing Finance Corporation				
State Housing Initiative Partnership (SHIP) Program	40.901	None	\$	46,057
Florida Department of State, Division of Library and Information Services				
State Aid to Libraries	45.030	17-ST-34	\$	24,828
Florida Department of Transportation				
Florida Highway Beautification Grant Program	55.003	G-1428	\$	72,800
Public Transit Service Development Prgram (PTSDP)	55.012	GOZ33		13,815
Pass-through Highway Beautification Council Litter Control and Prevention				
Keep America Beautiful Systems Grant	55.039	G1G42		14,907
Total Florida Department of Transportation				101,522
Total expenditures of state financial assistance			\$	869,157

See notes to schedule of expenditures of state financial assistance.

City of North Miami, Florida

Notes to Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance Fiscal Year Ended September 30, 2020

Note 1. General and Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) presents the activity of all federal awards and state financial assistance of the City of North Miami, Florida (the City) for the year ended September 30, 2020. The information in the Schedules are 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) and Chapter 10.550, *Rules of the Auditor General* of the State of Florida. Therefore, some amounts presented in the Schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net positions, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2. Basis of Accounting

The Schedules are presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types, which are described in Note 1 to the City's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

Note 3. Subrecipient Awards

Of the federal awards and state financial assistance presented in the Schedules, the City did not provide any amounts to subrecipients.

Note 4. Indirect Cost Recovery

The City did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

City of North Miami, Florida

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2020

I – Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes

No

Significant deficiency(ies) identified?

Yes

None Reported

Noncompliance material to financial statements noted?

Yes

No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes

No

Significant deficiency(ies) identified?

Yes

None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

Yes

No

Identification of major federal programs:

CFDA Numbers

97.036

Name of Federal Program or Cluster

Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

Dollar threshold used to distinguish between type

A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes

No

(Continued)

City of North Miami, Florida

Schedule of Findings and Questioned Costs (Continued) Fiscal Year Ended September 30, 2020

Section I – Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550,

Rules of the Florida Auditor General? Yes X No

Identification of major state projects:

<u>CSFA Number(s)</u>	<u>Name of State Project</u>
37.039	North Miami Arch Creek North/South Drainage Improvement - Basin C Project

Dollar threshold used to distinguish between type

A and type B projects: \$300,000

Section II – Financial Statements Findings

IC 2020-01 – General Fund Deficit

Criteria: Management should establish a long-term financial plan and prepare annual budgets that result in the City's General Fund maintaining a positive fund balance on an ongoing basis.

Condition: The General Fund, which serves as the primary operating fund of the City, reported a fund balance (deficit) of (\$5,018,744) for the fiscal year ended September 30, 2020.

Cause: Actual expenditures have exceeded operating revenues on a cumulative basis for the fiscal years ended September 30, 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues	\$ 52,514,000	\$ 55,261,571	\$ 57,732,065	\$ 60,772,185	\$ 59,588,906
Expenditures	(54,474,605)	(58,124,891)	(61,016,868)	(67,140,007)	(66,902,105)
Expenditures over revenues	(1,960,605)	(2,863,320)	(3,284,803)	(6,367,822)	(7,313,199)
Transfers and other items, net	2,570,978	(1,631,436)	(55,564)	(146,872)	16,991,591
Change in fund balance	610,373	(4,494,756)	(3,340,367)	(6,514,694)	9,678,392
Beginning fund balance (deficit)	(957,692)	(347,319)	(4,842,075)	(8,182,442)	(14,697,136)
Ending fund balance (deficit)	\$ (347,319)	\$ (4,842,075)	\$ (8,182,442)	\$ (14,697,136)	\$ (5,018,744)

Effect: In the current fiscal year, the City relied on a one-time land sale transaction to fund a portion of the General Fund's operating activities. If the General Fund's expenditures continue to exceed operating revenues, and management and those charged with governance fail to establish financially sound budgets and implement a fund balance (deficit) reduction plan going forward, this could result in a state of financial emergency as defined in Section 218.503(1), Florida Statutes.

City of North Miami, Florida

Schedule of Findings and Questioned Costs (Continued) **Fiscal Year Ended September 30, 2020**

Recommendation: We recommend that management and those charged with governance develop a long-term financial plan to reduce and eliminate the General Fund's fund balance (deficit) over the next three to five years. This plan will require that management budget for a surplus of revenues over expenditures in each fiscal year. Additionally, we recommend that management implement budgetary controls, policies and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues and expenditures and the monitoring of the City's budget to actual balances on an ongoing basis, to ensure that the fund balance (deficit) reduction plan is implemented.

Current Year's Views of Responsible Officials:

The City recognizes and acknowledges the General Fund still has a fund deficit at the end of FY 2020 and continues its commitment to eliminate this condition through a number of measures. Management understands this is a multi-year process and has a plan to do so.

IC 2020-02 – Capital Assets

Criteria: Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

Condition: Material accounting adjustments were made to capital asset balances in order for the financial statements to comply with generally accepted accounting principles.

Context: The condition relates to the proper accounting for capital assets on an ongoing basis.

Cause: Established controls requiring the reconciliation and review of capital asset account balances failed to identify the errors noted.

Effect: The October 1, 2019, net position balance of the governmental activities was restated to properly report financial statement balances.

Recommendation: We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital asset balances on an ongoing basis.

Views of Responsible Officials

Management concurs with the observation of the auditor regarding the accurate recording and disclosure of capital asset balances on an ongoing basis.

Section III – Federal Awards Findings and Questioned Costs

No matters to report.

Section IV – State Financial Assistance Findings and Questioned Costs

No matters to report.

City of North Miami, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2020

Section V – Summary Schedule of Prior Audit Findings



CITY OF NORTH MIAMI, FLORIDA
Summary Schedule of Prior Audit Findings
2 CFR § 200.511 (c)
FISCAL YEAR ENDING SEPTEMBER 30, 2020

Finding No.	Finding Title	Current Year Status
Financial Statements Findings		
<u>Internal Control Over Financial Reporting</u>		
IC2019-01	General Fund Deficit	Repeated See Item IC 2020-01
IC 2019-01	Budgetary Controls, Policies and Practices	Corrected



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**City of North Miami, Florida
Management Letter in Accordance
With Chapter 10.550, *Rules of the
Florida Auditor General***

Fiscal Year Ended September 30, 2020

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**Management Letter in Accordance with
Chapter 10.550, *Rules of the
Florida Auditor General***

RSM US LLP

Honorable Mayor
and Members of the City Council
City of North Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of North Miami, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 11, 2021. Our report includes a reference to other auditors who audited the financial statements of the following component units and funds:

Component Units / Funds	Classification
• North Miami Community Redevelopment Agency	Major fund
• Museum of Contemporary Art	Nonmajor special revenue fund
• North Miami Police Pension Plan	Aggregate remaining fund information
• Clair T. Singerman Plan	Aggregate remaining fund information

This management letter does not include the results of the other auditors' testing of compliance and other matters that are reported on separately by those auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for the Major Federal Program and Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) 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 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 financial audit report. Corrective actions taken to address the findings and recommendations made in the preceding annual financial audit report are disclosed in Appendix B – *Status of Prior Years' Findings and Recommendations to Improve Financial Management*.

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 is disclosed in Note 1 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to 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. However, see recommendations reported as *ML 2020-01 – General Fund Deficit* and *ML 2020-03 – Capital Assets* in Appendix A – *Current Year's Findings and Recommendations to Improve Financial Management*.

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 review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Such recommendations are included in Appendix A – *Current Year's Findings and Recommendations to Improve Financial Management*.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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 have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor, members of the City Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 25, 2021

City of North Miami, Florida

Appendix A – Current Year's Findings and Recommendations to Improve Financial Management

ML 2020-01 – General Fund Deficit

Criteria: Management should establish a long-term financial plan and prepare annual budgets that result in the City's General Fund maintaining a positive fund balance on an ongoing basis.

Condition: The General Fund, which serves as the primary operating fund of the City, reported a fund balance (deficit) of (\$5,018,744) for the fiscal year ended September 30, 2020.

Cause: Actual expenditures have exceeded operating revenues on a cumulative basis for the fiscal years ended September 30, 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues	\$ 52,514,000	\$ 55,261,571	\$ 57,732,065	\$ 60,772,185	\$ 59,588,906
Expenditures	(54,474,605)	(58,124,891)	(61,016,868)	(67,140,007)	(66,902,105)
Expenditures over revenues	(1,960,605)	(2,863,320)	(3,284,803)	(6,367,822)	(7,313,199)
Transfers and other items, net	2,570,978	(1,631,436)	(55,564)	(146,872)	16,991,591
Change in fund balance	610,373	(4,494,756)	(3,340,367)	(6,514,694)	9,678,392
Beginning fund balance (deficit)	(957,692)	(347,319)	(4,842,075)	(8,182,442)	(14,697,136)
Ending fund balance (deficit)	<u>\$ (347,319)</u>	<u>\$ (4,842,075)</u>	<u>\$ (8,182,442)</u>	<u>\$ (14,697,136)</u>	<u>\$ (5,018,744)</u>

Effect: In the current fiscal year, the City relied on a one-time land sale transaction to fund a portion of the General Fund's operating activities. If the General Fund's expenditures continue to exceed operating revenues, and management and those charged with governance fail to establish financially sound budgets and implement a fund balance (deficit) reduction plan going forward, this could result in a state of financial emergency as defined in Section 218.503(1), Florida Statutes.

Recommendation: We recommend that management and those charged with governance develop a long-term financial plan to reduce and eliminate the General Fund's fund balance (deficit) over the next three to five years. This plan will require that management budget for a surplus of revenues over expenditures in each fiscal year. Additionally, we recommend that management implement budgetary controls, policies and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues and expenditures and the monitoring of the City's budget to actual balances on an ongoing basis, to ensure that the fund balance (deficit) reduction plan is implemented.

Current Year's Views of Responsible Officials and Planned Corrective Actions:

The City recognizes and acknowledges the General Fund still has a fund deficit at the end of FY 2020 and continues its commitment to eliminate this condition through a number of measures. Management understands this is a multi-year process and has a plan to do so.

To address the fund deficit of the General Fund, the FY 2020/2021 expenditure budget contained a \$1.3 million built-in savings that serves as a deficit reduction component. If all planned revenues are collected and planned expenditures remain within budget, there will be a \$1.3 million reduction to the cumulative fund deficit. The same practice is planned for the next four (4) years budgets.

The City has, in FY 2020/2021, increased the Sanitation Fees by 4% and simultaneously reduced the cost by 6%. Sanitation had been a cost the General Fund subsidized for users in the recent past years until the increase. This change is expected to contribute to the deficit elimination.

City of North Miami, Florida

Appendix A – Current Year's Findings and Recommendations to Improve Financial Management (Continued)

Finally, the City was awarded a total of \$19.4 million from the American Rescue Plan Act 2021. Some of the funds can be used to offset revenue losses related to COVID-19. The City has estimated for FY 2020, some of such losses were incurred. This will help boost the City's deficit elimination timetable as well.

The City continues to streamline its cost structure through other cost saving measures to counter the lost revenue due to the pandemic including, but not limited to staff reductions, furloughs and other operating cost reductions.

ML 2020-02 – Water & Sewer and Stormwater Accounts Receivables

Criteria: The timely billing and collection for water & sewer and stormwater services provided to residents and businesses operating within the City is essential to the City's ongoing operations.

Condition: We noted that the water & sewer and stormwater accounts receivable balances due for services provided to residents and businesses operating within the City have shown a steady increase for the fiscal years 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Water & sewer and stormwater accounts receivables, net	\$ 13,900,856	\$ 15,140,690	\$ 15,960,187	\$ 16,192,683	\$ 16,440,475

Cause: The City currently bills for water & sewer and stormwater services provided on a quarterly basis, which allows for the accumulation of significant unpaid accounts receivable balances on an ongoing basis. Additionally, the City has experienced a steady increase in the rate of nonpaying customers for fiscal years 2016 through 2020.

Effect: This has resulted in a higher than normal rate of accounts receivable write-offs, nonpayment for services received by residents and businesses over time and an ultimate loss of revenues to the City. For the year ended September 30, 2020, management recorded an estimated allowance of \$3,462,307 for customer balances not considered to be collectible in future periods. If not addressed, this will result in a cash flow shortage to City.

Recommendation: We recommend that management consider taking the following actions to address the condition identified above:

- Implement monthly billing cycles for all accounts
- Update City policy to establish customer credit limits
- Increase collection efforts on all past due balances, to include taking legal action as necessary to collect significant individual account balances due
- Record liens on properties for nonpayment, to ensure that outstanding receivable balances are collected at a future date

These actions will improve the City's collection rates and increase revenues and cash flows on an ongoing basis.

City of North Miami, Florida

Appendix A – Current Year's Findings and Recommendations to Improve Financial Management (Continued)

Views of Responsible Officials and Planned Corrective Actions:

Management concurs with the recommendation of the auditors. The City will continue its efforts to increase collection of delinquent account balances through a combination of increased collection efforts internally, including possibly taking legal action, recording of liens and engaging a third-party collection agency. Management continues to explore and develop the concept of moving completely to a monthly billing cycle. This will involve upgrading the meter reading capacity either through technology or through staffing increases.

ML 2020-03 – Capital Assets

Criteria: Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

Condition: Material accounting adjustments were made to capital asset balances in order for the financial statements to comply with generally accepted accounting principles.

Context: The condition relates to the proper accounting for capital assets on an ongoing basis.

Cause: Established controls requiring the reconciliation and review of capital asset account balances failed to identify the errors noted.

Effect: The October 1, 2019, net position balance of the governmental activities was restated to properly report financial statement balances.

Recommendation: We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital asset balances on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action:

Management concurs with the observation of the auditor regarding the accurate recording and disclosure of capital asset balances on an ongoing basis.

The discrepancies related to how the capital assets data was transferred in 2008 from the old IBM ERP and manual systems to the EDEN system: all relevant supporting documents related real estate and buildings i.e. maps, invoices etc., were not stored in the EDEN system.

Management plans to upgrade the EDEN system to facilitate more accurate recording and disclosure of all capital assets. Management has also already added the Tyler Content Manager (TCM) system which now allows for more document storage capabilities i.e. maps, invoices etc.

City of North Miami, Florida

Appendix B – Status of Prior Year’s Findings and Recommendations to Improve Financial Management

Finding No.	Finding Title	Current Year Status
ML 2018-01	General Fund Deficit	Repeated as ML 2020-01
ML 2019-01	General Fund Deficit	Repeated as ML 2020-01
ML 2019-02	Water & Sewer and Stormwater Accounts Receivables	Repeated as ML 2020-02



RSM US LLP

Independent Accountant's Report

Honorable Mayor and Members of the City Council
City of North Miami, Florida

We have examined the City of North Miami, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* for the year ended September 30, 2020. Management of the City is responsible for the City's compliance with the 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 *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Council, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
June 11, 2021



Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2020

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