



Annual Comprehensive FINANCIAL REPORT



FISCAL YEAR ENDED SEPTEMBER 30, 2022

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CITY OF NORTH MIAMI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF NORTH MIAMI, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2022



PREPARED BY THE FINANCE DEPARTMENT

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CITY OF NORTH MIAMI, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2022



PREPARED BY THE FINANCE DEPARTMENT

Miguel A. Augustin, CPA – Finance Director

Margaret Steele Miller, CPA – Assistant Finance Director

Serge Nicolas – Chief Accountant

Abel Jean-Baptiste – Accountant

SPECIAL ACKNOWLEDGEMENT

Katherine Parrish – Assistant to Finance Director

Randolph Roy – Graphic Designer

Our Mission

S T A T E M E N T

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.



CITY OF NORTH MIAMI, FLORIDA

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I. Introductory Section

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



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June 30, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report for the City of North Miami, Florida, (the “City”) for the fiscal year ended September 30, 2022. 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 Anthony Brunson, P.A. The firm has issued an unmodified opinion on the City’s financial statements for the year ended September 30, 2022. 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 local 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. The MD&A complements this letter and should be read in conjunction. 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 of Miami-Dade County, Florida. The City of North Miami is the seventh 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 more than 60,000 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 for 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 storm water 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 2004, 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 expenditure 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, and the CRA, C.D.B.G. Entitlement and the Landfill Closure Funds, (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 RSI of this report.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

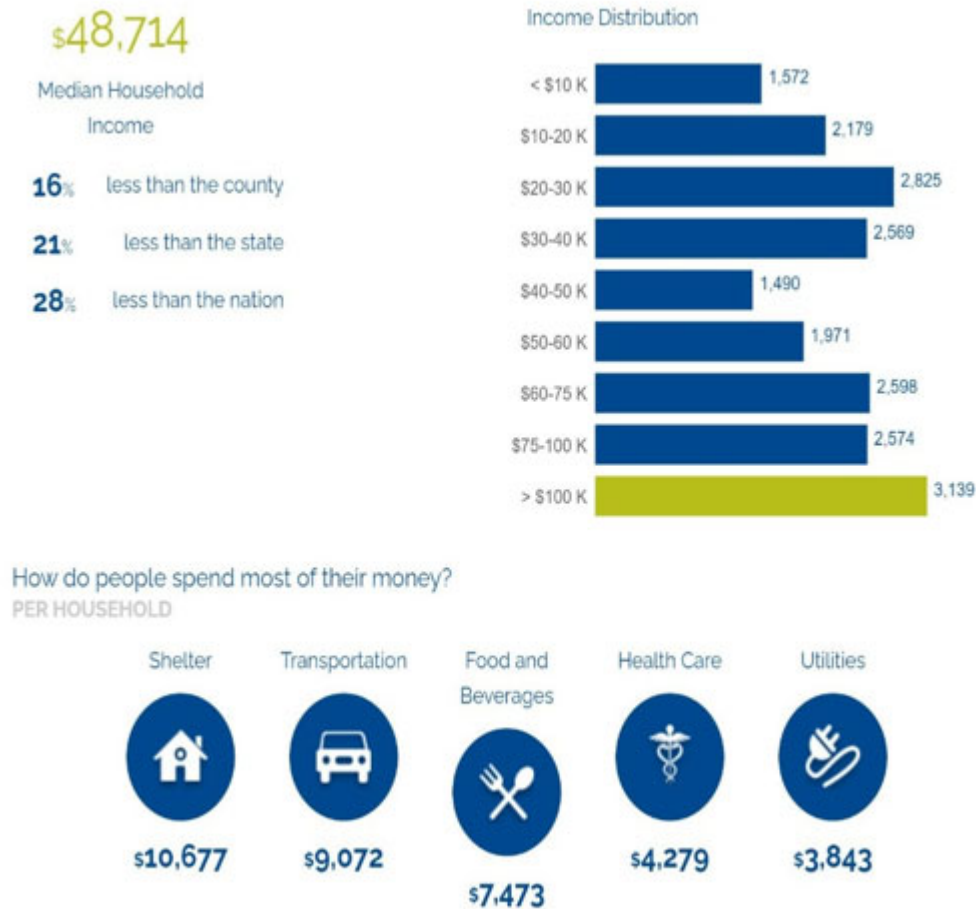
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The City is strategically located between Fort Lauderdale and Miami. It is served by an excellent transportation system making it less than a 30-minute drive from two of Florida's major international airports. It is also near 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 and award-winning restaurants. With more than 500 of such businesses, the City has a rich and thriving arts and entertainment industry with art galleries and studios in its downtown district, along with 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. A major four-year university is located in the City: Florida International University Biscayne Bay Campus, which has one of the top-ranked hospitality management programs in the country. 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.

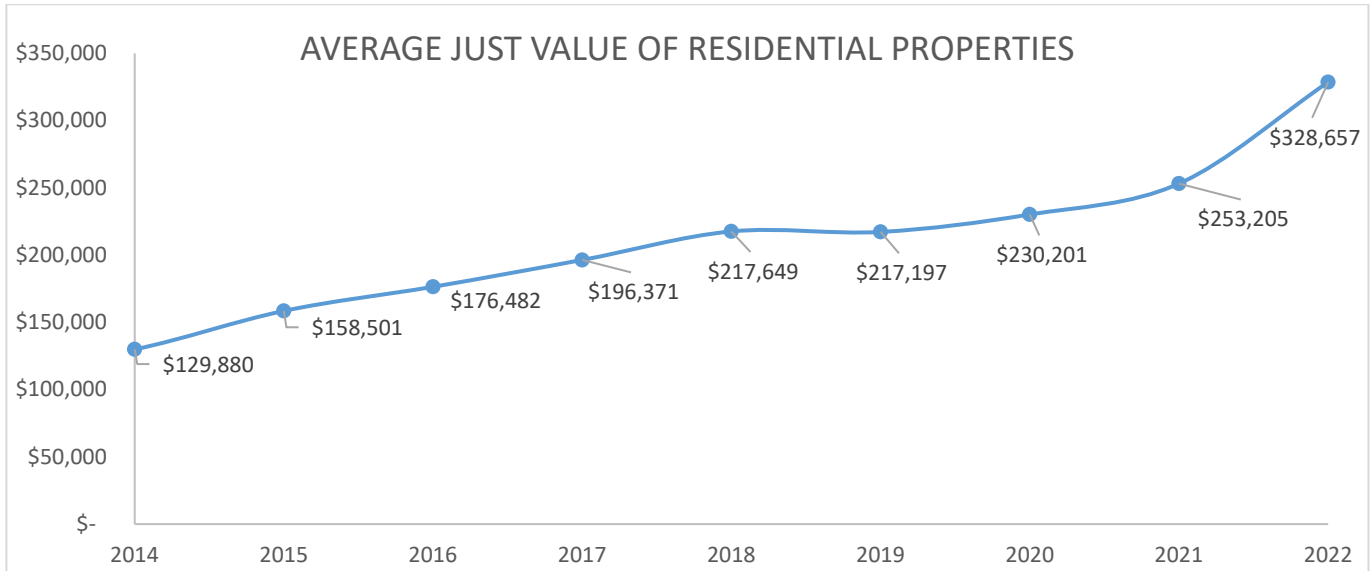
The 2020 pandemic took a toll on the North Miami economy like other cities across the nation. Like many other impacted cities, North Miami is still recovering from the impact of the pandemic and continues to work towards getting back to its pre-pandemic state. The economy is still dealing with the effects of the pandemic, but there have been signs of recovery in the last two years. North Miami's current unemployment rate for 2022 is 2.9% which is 4.3% lower than the 7.2% reported in September of 2021.

Households in North Miami earn a median yearly income of \$48,714, which is less than the median annual income of \$67,521 across the United States. Household expenditures average \$50,062 per year. The majority of earnings get spent on shelter, transportation, food and beverages, health care and utilities.



The lingering negative economic impacts of the COVID-19 Pandemic on the City have started to wane as the number of cases have reduced. Many North Miami businesses and population are heavily involved in the hospitality, food and entertainment industries – all of which suffered contraction at the height of COVID. 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 has 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 2014-2022 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, 2022, was 7.5000 mills.

MAJOR REDEVELOPMENT INITIATIVES AND OUTLOOK

Public Private Partnerships

The City of North Miami is seeking to redevelop downtown North Miami and create an active, vibrant and walkable downtown area through a Public-Private Partnership. The redevelopment of the downtown includes the development of a new city hall and parking garage with over 400 parking spaces for both public and private use; an expansion to the Museum of Contemporary Art (MOCA) and to the Police Station with a parking garage for the exclusive use of the police department; and the development of mixed-use real estate that could include ground level retail, residential, office spaces and hospitality components.

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 dormant sites and raise the city's tax base. In 2022, Community Planning and Development staff received applications, which cumulatively account for over: 2,465 residential units, 136,000 sq. ft. commercial space and the re-development and revitalization of the Cagni Park north site. A few noteworthy developments are listed below:

NoMI Square



This project consists of a 7-story mixed-use development with 338 rental apartments and 4 live/work units. In addition, there will be approximately 3,190 sq. ft. of commercial and office space.

The Gardens

The project consists of retail and restaurant uses, totaling 27,271 sq. ft., to complement The Gardens Residence, which is north of the site and is currently under construction.



Icon Residences



The subject property is the former White House Inn Motel site, which has been vacant for over a decade. The proposed 10-story residential development will include 54 luxury condominium units and a public access to a bay-walk.

Cagni Park North



The project site is located on the vacant land east of the Arch Creek Elementary and North Miami Middle School parcel. The project improvements will result in the development of an active and passive City Park. These improvements include a lit synthetic turf multi-purpose football/soccer field, swimming pool, 5,360 gross square foot restroom/locker room aquatics building, an 8,802 gross square foot community center building, playgrounds with shade and safety surfacing, and picnic pavilions with picnic tables.

Prestige City View



The proposed 20-story mixed-use development will provide 585 dwelling units and approximately 28,000 square feet of retail, restaurant space and office space.

Pinnacle @ Arch Creek Station



The proposed 8-story residential development will include 239 rental units and residential amenities.

La Maison



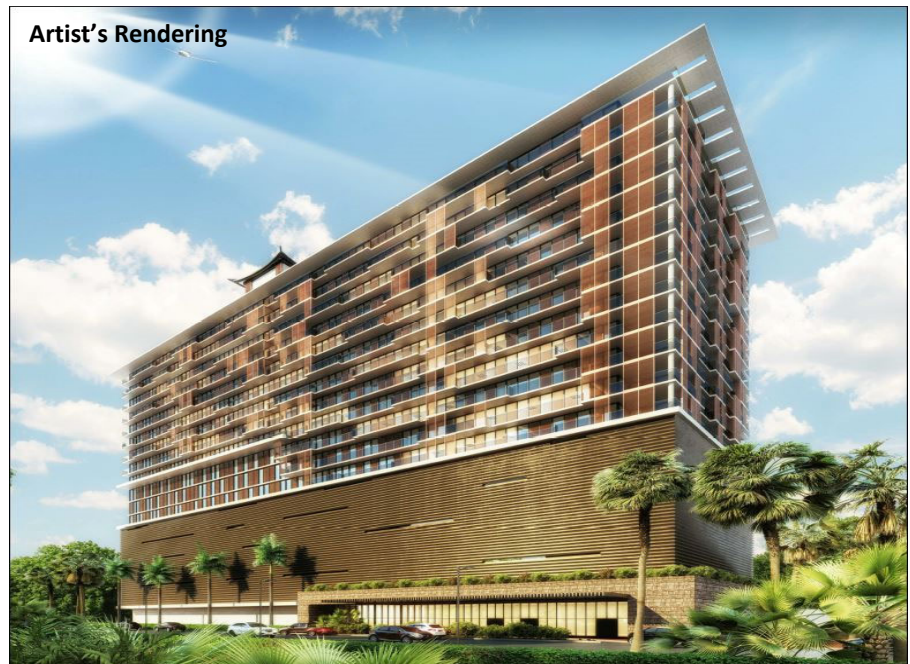
This project is being proposed on the former site of a Dodge dealership, which was demolished circa 1993 and has since remained undeveloped. The site currently has commercial land use and zoning designations, which prohibit residential. The developer intends to extend the boundary of the newly established Biscayne Boulevard Planned Corridor Overlay District to include, and subsequently redevelop the subject site with a mixed-use project featuring 297 residential rental units and 18,500 square feet of commercial (retail and restaurant) space.

Biscayne Bay North Miami



The proposed 20-story mixed-use development will provide 450 dwelling units and approximately 12,960 square feet of ground floor commercial and retail uses.

North Miami Hotel & Convention Center



Construction of a 20-story hotel and convention center.

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, three Opportunity Zones were located within the City of North Miami in crucial development areas that are poised for investment. The first is Opportunity Zone 4.05 -- the Cultural Arts & Innovation District which is located in the western part of the city. The second is Opportunity Zone 2.09 which borders from N.E. 135th Street on the south to N.E. 151th Street on the north, and West Dixie Highway on the west to Biscayne Boulevard on the east. The third is Opportunity Zone 1.09 -- the SoLē Mia Master Plan Development located in the northeastern part of the city. 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, Housing and Social Services and the Community and Planning Department.


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Miami for its annual comprehensive financial report for fiscal year ended September 30, 2021. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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 2022.

Respectfully submitted,



Rasha Cameau, MBA, FRA-RP
City Manager

Miguel A. Augustin, CPA
Finance Director

Elected Officials



Mayor
Philippe Bien-Aime



Councilman
Scott Galvin



Councilwoman
Mary Estimé-Irvin



Councilwoman
Kassandra Timothe, MPA



Councilman
Alix Desulme, Ed.D.



City Clerk
Vanessa Joseph, Esq.

Executive Staff



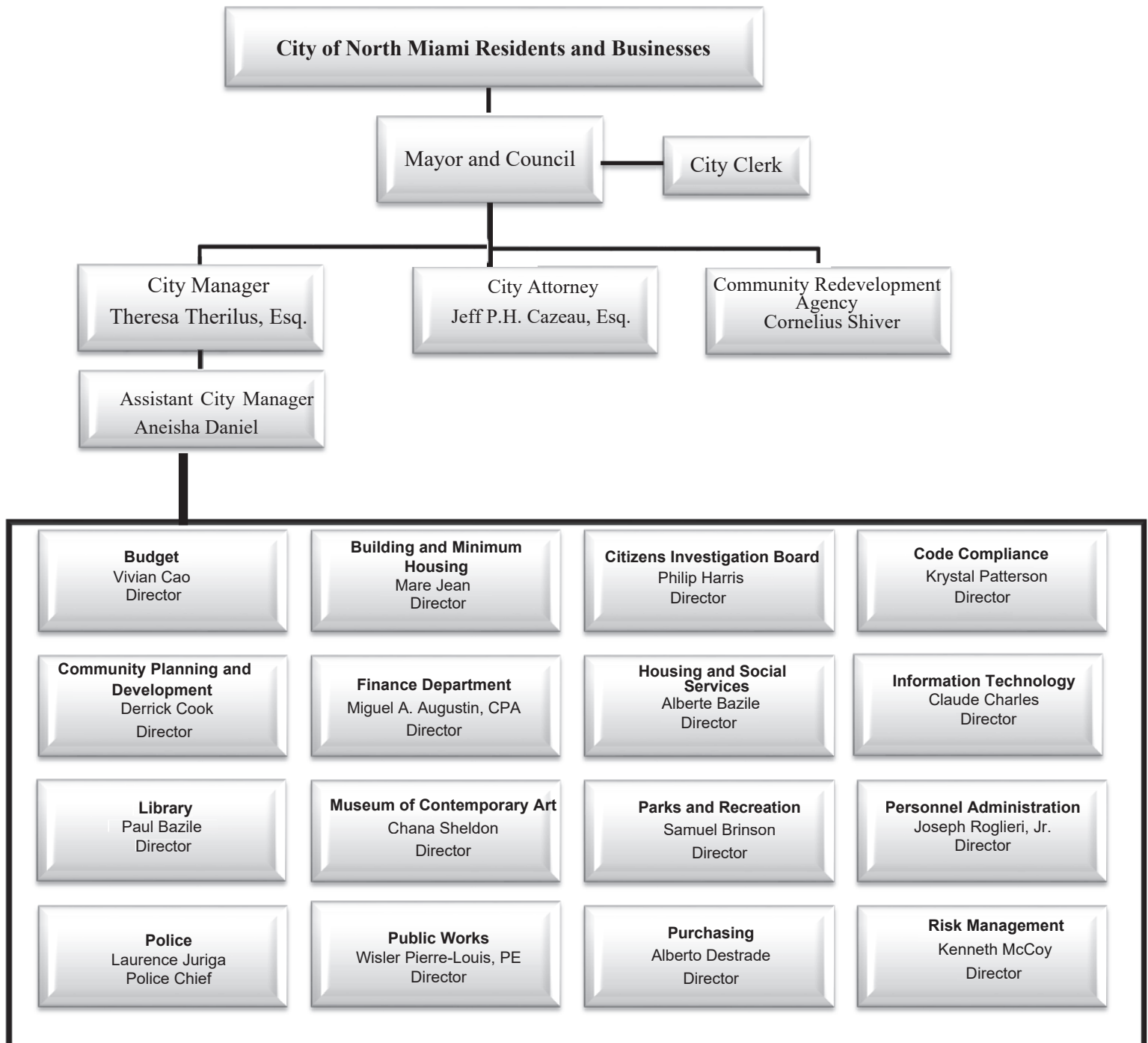
City Manager
Theresa Therilus, Esq.



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

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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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of North Miami, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, 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.

We did not audit the financial statements of the Clair T. Singerman Plan and the Police Pension Plan which represent 100 percent of the total assets, total net position/fund balance and total revenues/additions of the fiduciary fund information opinion unit. We also did not audit the financial statements of the Community Redevelopment Agency, which is both a major fund and represents 4 percent, 9 percent, and 8 percent, respectively, of the total assets, total net position, and total revenues of the governmental activities opinion unit. We also did not audit the financial statements of the Museum of Contemporary Art which represents 2 percent, 4 percent, and 4 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 reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Clair T. Singerman Plan, Police Pension Plan, the Community redevelopment Agency and the Museum of Contemporary Art, is based solely on the report of the other auditors.

Basis for Opinions

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



Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

7300 Biscayne Blvd. | Suite 200
Miami, FL 33138
(786) 888-4534

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) No. 87, *Leases* as of October 1, 2021. As a result, beginning lease receivable, right to use asset, lease liability and deferred inflows of resources were restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance



Miami, Florida
June 29, 2023



**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, 2022

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, 2022. 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, 2022, the government-wide assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows by \$137.8 million compared with \$119.7 million in the previous year. The unrestricted net position, which represents the amounts available to meet the City's ongoing obligations to citizens and creditors, was a deficit of (\$23.1 million). The City is committed to providing other postemployment benefits ("OPEB") and pension benefits to its employees. As a result, the City has recognized substantial liabilities in the financial statements for these benefits. As of September 30, 2022, the City had liabilities of \$31.7 million for OPEB and pension related benefits, which contributed to the deficit balance in the unrestricted net position.

The City's total net position increased by \$18.1 million or 15.1% over the prior year due primarily to the net effect of significant changes for the following:

- Net decrease of (\$46.9 million) for pension related expenses based on the actuarial valuation reports for the Florida Retirement System (FRS) and the City's pension plans (i.e. significant fluctuations for net pension liability, deferred inflows and outflows).
- Net increase of \$2 million for OPEB related expenses based on actuarial valuation.
- The City had net increase of \$2.7 million on the disposal of capital assets; \$5.4 million net increase for capital assets.
- The City's implementation of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, ("GASB 87") resulted in the recognition of \$17.7 million for capital and operating lease obligation for right to use leased assets.

At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$36.9 million, an increase of \$13.8 million in comparison to the prior year's increase of \$15 million. The current year's increase was due primarily to the fiscal responsibility to adhere to budgetary expenditure guidelines. In addition, the City recognized \$17.6 million for right to use leases in accordance with GASB 87 and proceeds of \$3.1 million from the sale of capital assets (of which \$200,000 was reserved for restricted purposes).

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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Included in the combined ending governmental funds balances is \$5.5 million of restricted fund balance, which is only available for use in the Community Redevelopment Agency (“CRA”), a component unit of the City. Also included is approximately \$2.6 million, which is only available for use for the Museum of Contemporary Art, Inc. (“MOCA”), \$5.9 million is restricted for landfill closure, \$7 million in the General Fund restricted for capital projects and \$5.7 million for special revenues and grant related projects.

At the end of the fiscal year, the City's General Fund reported a total fund balance of \$10.4 million of which \$3.1 million was unassigned and available for spending at the government's discretion. There was an increase in current year general fund balance of \$6.5 million from operations, primarily due the sale of capital assets and the recognition of right to use leases amounting to \$ 20.6 million and the transfers in of \$5.3 million from the American Rescue Plan Act (“ARPA”) Fund and other non-major funds which offset the deficiency of expenditures over revenues of (\$17.6 million).

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

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2022

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.

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, 735 NE 125 Street, Suite 100, 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, Community Development Block

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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Grant (“C.D.B.G.”) Entitlement, CRA Component Unit, Landfill Closure Fund and American Rescue Plan Act 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 131-136 of this report.

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 116-120.

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 38-40 of this report. The individual fund data for the internal service funds is provided in the form of combining statements on pages 137-139.

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 140-141 of this report.

Notes to the 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 43-115 of this report.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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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 123-130 of this report.

Government-Wide Overall 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 2022 fiscal year, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$137.8 million of which approximately 45% was for governmental activities and 55% was for business-type activities.

	Summary Statement of Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 88,653,995	\$ 63,916,148	\$ 47,001,534	\$ 46,627,037	\$ 135,655,529	\$ 110,543,185
Capital assets	89,709,530	76,128,616 *	49,932,340	49,606,486 *	139,641,870	125,735,102
Total assets	178,363,525	140,044,764	96,933,874	96,233,523	275,297,399	236,278,287
Deferred outflows of resources:						
Loss on debt refunding	-	-	-	3,935	-	3,935
OPEB related items	1,679,285	1,549,614	245,034	226,192	1,924,319	1,775,806
Pension related items	18,709,615	21,887,774	2,998,884	3,315,008	21,708,499	25,202,782
Total deferred outflows of resources	20,388,900	23,437,388	3,243,918	3,545,135	23,632,818	26,982,523
Other liabilities	21,427,367	13,919,239	8,874,153	7,583,757	30,301,520	21,502,996
Noncurrent liabilities:						
Due within one year	5,617,264	4,013,407	613,210	1,002,793	6,230,474	5,016,200
Due in more than one year	69,051,520	78,688,690 *	10,477,363	12,582,776 *	79,528,883	91,271,466
Long-term liabilities outstanding	74,668,784	82,702,097	11,090,573	13,585,569	85,759,357	96,287,666
Total liabilities	96,096,151	96,621,336	19,964,726	21,169,326	116,060,877	117,790,662
Deferred inflows of resources:						
Lease related items	5,779,886	3,159,734 *	-	7,970 *	5,779,886	3,167,704.00
OPEB related items	1,812,152	2,535,094	252,887	357,932	2,065,039	2,893,026
Pension related items	33,659,363	17,802,691	3,513,648	1,936,418	37,173,011	19,739,109
Total deferred inflows of resources	41,251,401	23,497,519	3,766,535	2,302,320	45,017,936	25,799,839
Net position						
Net investment in capital assets	89,647,376	76,015,204	44,983,239	43,971,484	134,630,615	119,986,688
Restricted	26,233,974	22,102,939	-	-	26,233,974	22,102,939
Unrestricted (deficit)	(54,476,477)	(54,754,846)	31,463,292	32,335,528	(23,013,185)	(22,419,318)
Total net position	\$ 61,404,873	\$ 43,363,297	\$ 76,446,531	\$ 76,307,012	\$ 137,851,404	\$ 119,670,309

* Prior period amount was restated with the implementation of GASB 87, Leases, at October 1, 2021.

At the end of the current fiscal year, the City reported positive balances in both 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 (\$54.5 million) compared to prior year unrestricted deficit of (\$51.6 million). The increase in the unrestricted deficit was due primarily to the impact of the implementation of GASB 87 and the sale of capital assets.

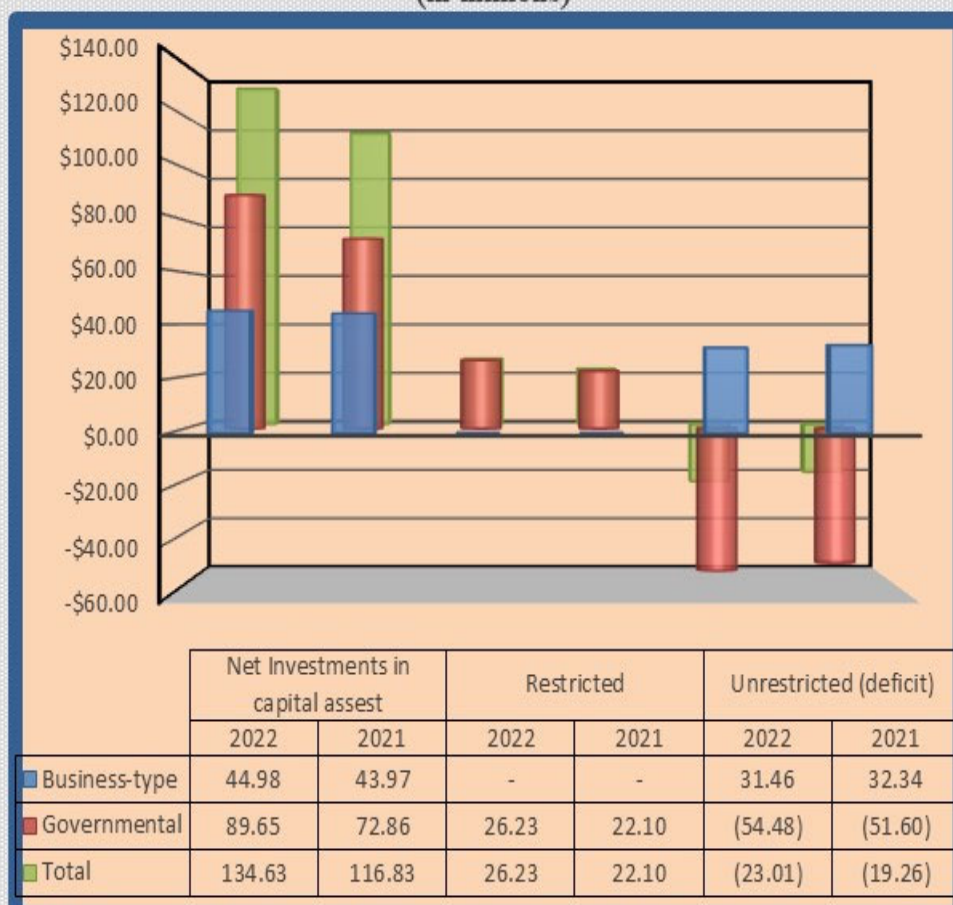
City of North Miami, Florida

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Although the business-type activities reflected \$31.5 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 net position to finance the continuing operations of water and sewer, and storm-water operations.

City of North Miami, Florida
Net Position
For the Fiscal Years Ended September 30, 2022 and 2021
(in millions)



The City's net investment in capital assets, totaling \$134.6 million, represented, by far, the largest portion of the net position. Net investment in capital assets comprises land, buildings, infrastructure and machinery and equipment and leases, less any outstanding related debt used to acquire them. The net investment in capital assets increased over the prior year by \$17.8 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:

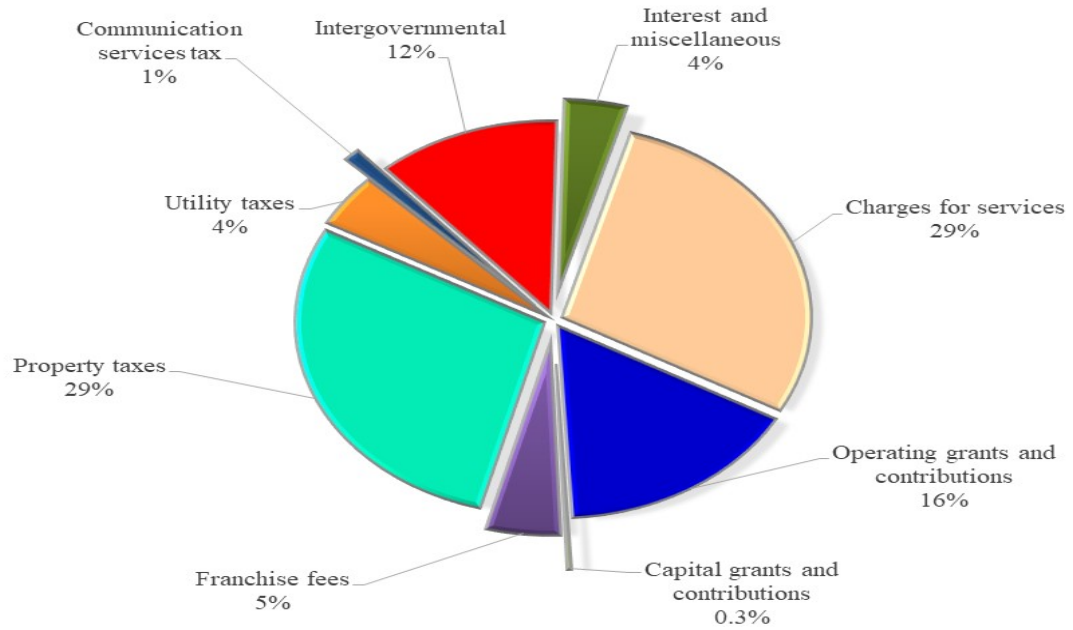
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Program Revenues:						
Charges for services	\$ 29,520,075	\$ 26,892,609	\$ 36,894,173	\$ 34,594,455	\$ 66,414,248	\$ 61,487,064
Operating grants/contributions	16,591,019	16,105,745	-	-	16,591,019	16,105,745
Capital grants/contributions	287,942	271,837	-	-	287,942	271,837
General Revenues:						
Property taxes	29,719,403	27,888,626	-	-	29,719,403	27,888,626
Utility and gas taxes	4,620,753	4,463,924	-	-	4,620,753	4,463,924
Communication services tax	1,111,553	1,064,829	-	-	1,111,553	1,064,829
Franchise fees	4,974,564	3,877,296	-	-	4,974,564	3,877,296
Intergovernmental	12,239,220	10,319,491	-	-	12,239,220	10,319,491
Gain on sale of capital assets	3,769,599	1,037,411	-	-	3,769,599	1,037,411
Landfill closure (cost) adjustments	(262,899)	394,531	-	-	(262,899)	394,531
Investment earnings	(126,423)	332,420	-	-	(126,423)	332,420
Miscellaneous revenues	4,316,487	5,567,855	137,409	79,655	4,453,896	5,647,510
Total revenues	106,761,293	98,216,574	37,031,582	34,674,110	143,792,875	132,890,684
Expenses:						
General government	27,366,575	26,003,696	-	-	27,366,575	26,003,696
Public safety	35,114,652	37,374,754	-	-	35,114,652	37,374,754
Physical environment	175	10	-	-	175	10
Transportation and public works	6,782,642	6,960,208	-	-	6,782,642	6,960,208
Housing and social services	2,954,077	3,824,796	-	-	2,954,077	3,824,796
Culture and recreation	11,937,545	10,152,424	-	-	11,937,545	10,152,424
Community planning and development	3,752,746	3,876,505	-	-	3,752,746	3,876,505
Debt service - interest	1,044,825	1,196,756	-	-	1,044,825	1,196,756
Water and sewer	-	-	34,372,843	34,115,767	34,372,843	34,115,767
Stormwater	-	-	2,285,700	2,984,224	2,285,700	2,984,224
Total expenses	88,953,237	89,389,149	36,658,543	37,099,991	125,611,780	126,489,140
Change in net position before transfers	17,808,056	8,827,425	373,039	(2,425,881)	18,181,095	6,401,544
Transfers	233,520	239,642	(233,520)	(239,642)	-	-
Change in net position	18,041,576	9,067,067	139,519	(2,665,523)	18,181,095	6,401,544
Net position - beginning	43,363,297	34,296,230	76,307,012	78,972,535	119,670,309	113,268,765
Net position - ending	\$ 61,404,873	\$ 43,363,297	\$ 76,446,531	\$ 76,307,012	\$ 137,851,404	\$ 119,670,309

City of North Miami, Florida

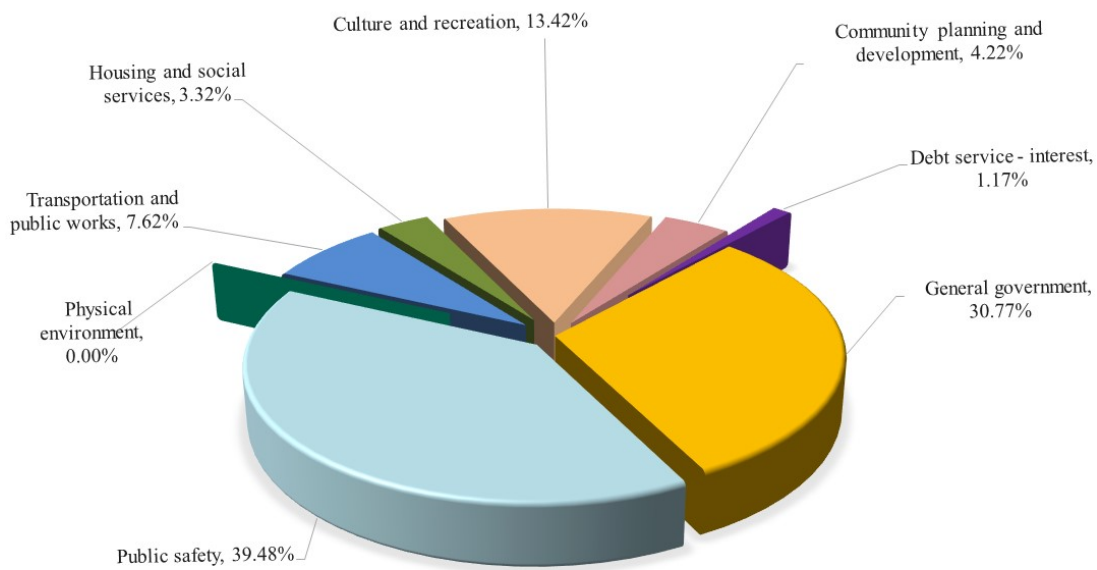
Management's Discussion and Analysis – Unaudited

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REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENSES BY PROGRAM - GOVERNMENTAL ACTIVITIES



City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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Governmental Activities

Governmental activities for fiscal year 2022 increased the City's net position by \$18 million. This resulted primarily from an overall net decrease in total expenses and increase in revenues. The most significant changes are explained below:

Net increase of \$8.4 million in revenues:

1. Charges for services increased by \$2.6 million due primarily to the net of the following:
 - a. Increase of approximately \$1.3 million for interfund charges provided by the internal services fund based on updated analysis and budget re-allocation;
 - b. Net increase of \$0.290 million in building department fees (permits, impact fees etc.) and;
 - c. Increase of \$0.697 million in sanitation fees due a 9% rate increase in December 2021.
2. Operating grants and contributions increase of \$0.485 million due primarily to contribution of \$0.550 million from the CRA for the City's P-3 project.
3. Property taxes increased by a net of \$1.8 million due primarily to general increases in the values of properties because of new development and sales.
4. Franchise fees increased by \$1.1 million due primarily to increases for FPL franchise tax of \$0.773 million and waste collection tax of \$0.306 million.
5. Increase of \$1.9 million for intergovernmental revenues due primarily to more revenue sharing from the local government half cent sales tax.
6. Gain on sale of capital assets increased by \$2.7 million due primarily to the sale of the Gwen Margolis Community Center for \$3.1 million of which \$200 thousand was placed in reserve for a special project.
7. Decrease of (\$0.657 million) in landfill closure cost due primarily to an increase in the annual actuarial cost valuation adjustment for the landfill: the adjustment for the current year resulted in an increase in the liability.
8. Decrease of (\$0.500 million) in investments earnings due primarily to MOCA's unrealized loss on its investments.
9. Decrease of (\$1.3 million) in miscellaneous revenues due primarily to the net of :
 - a. Decrease of (\$1 million) in rental fee from SoleMia ground lease resulting from amendment to the land lease agreement which discontinued the annual fee.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2022

- b. Decrease of (\$1.6 million) for the annual GASB 63 adjustment based on accounts receivable that were not collected within the measurement period (60 days after year-end) in the current year. The amount was reclassified to deferred inflows of resources.
- c. Increase of \$1.1 million for individual donations received by MOCA.
- d. Increase of \$0.200 million for prior year deferred inflows for GASB 63 revenues released in the current year.

Net decrease of (\$0.4 million) in expenses:

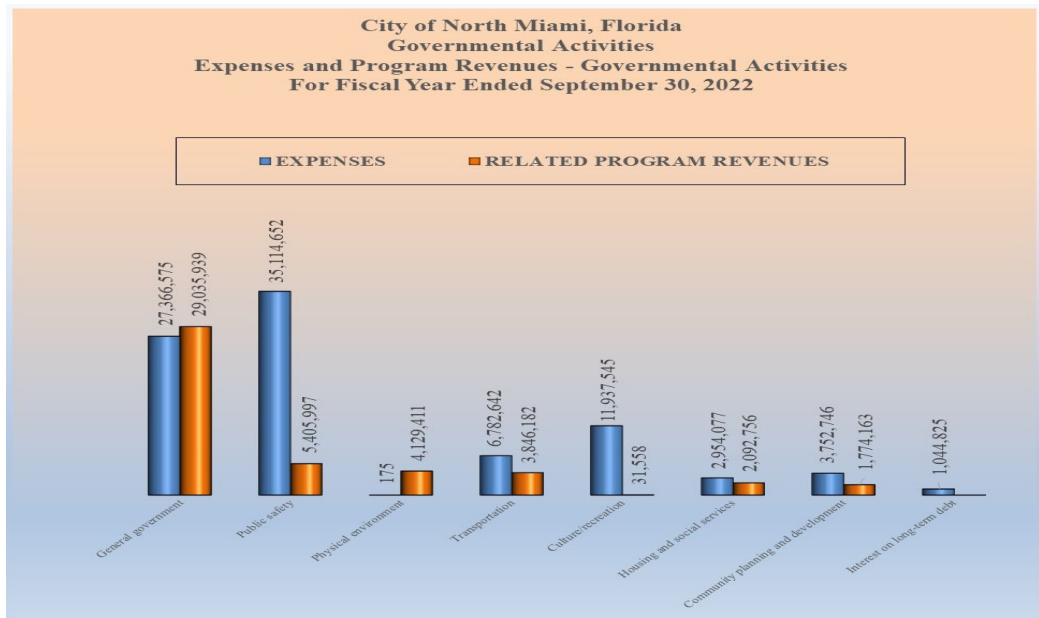
- 1. General government net increase of \$1.4 million due primarily to:
 - a. Increase of \$1.3 million for ARPA projects.
 - b. Increase of \$2 million related to CRA miscellaneous grants awarded for various CRA projects.
 - c. Increase of \$0.529 million related to the “grant writer” project.
 - d. Decrease of (\$1.7 million) payments for insurance and workers’ compensation claims.
 - e. Decrease of (\$0.927million) in annual net adjustments related to the actuarial valuations for OPEB and pension benefits. In the current year the actuarial liabilities reduced significantly.
- 2. Public safety net decrease of (\$2.3 million) due primarily to:
 - a. Decrease of (\$4.7 million) in annual net adjustments related to the actuarial valuations for OPEB and pension benefits. In the current year the actuarial liabilities reduced significantly.
 - b. The overall net increase of \$2.5 million is related primarily to the increase of \$0.692 million in allocation for interfund service charges from the Internal Services Fund (“ISF”) and \$1.83 million general staff-related costs and benefits.
- 3. Housing and social services net decrease of (\$0.871 million) due primarily to:
 - a. Net decrease of (\$0.778 million) in annual net adjustments related to the actuarial valuations for OPEB and pension benefits. In the current year the actuarial liabilities reduced significantly.

City of North Miami, Florida

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- b. Net decrease of (\$0.242 million) in tenant-based and housing rehabilitation assistance provided.
 - c. Net increase of \$0.169 million in salaries and related benefits.
4. Culture and recreation increase of \$1.8 million due primarily to:
- a. Net increase of \$0.495 million for salaries and related benefits.
 - b. Net increase of \$0.307 million for general operating expenses including allocated interfund charges for services provided.
 - c. Net increase of \$0.114 million for special events. Example: NoMi Music Fest, Christmas festivities, Juneteenth etc.
 - d. Increase of \$0.322 million for support provided to MOCA.
 - a. Net increase of \$0.567 million for MOCA for increases in its program services, primarily for acquisitions and marketing expenses.



In 2022, program revenues comprised charges for services, operating and capital grants and contributions, which represented approximately 44.9% 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 52.3% 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.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2022

Business-type Activities

	Water and Sewer		Stormwater		Total Business-type Activities	
	2022	2021	2022	2021	2022	2021
OPERATING REVENUES						
Charges for water	\$ 16,610,711	\$ 15,067,273	\$ -	\$ -	\$ 16,610,711	\$ 15,067,273
Sanitary sewer fees	17,692,111	16,902,558	-	-	17,692,111	16,902,558
Stormwater charges	-	-	2,411,117	2,429,775	2,411,117	2,429,775
Other revenues	180,234	194,849	-	-	180,234	194,849
Total operating revenues	<u>34,483,056</u>	<u>32,164,680</u>	<u>2,411,117</u>	<u>2,429,775</u>	<u>36,894,173</u>	<u>34,594,455</u>
OPERATING EXPENSES						
Personnel services	4,560,719	4,770,064	495,303	721,281	5,056,022	5,491,345
Wholesale water cost and sewage disposal	16,343,375	15,557,720	-	-	16,343,375	15,557,720
Materials, supplies, services and other operating expenses	11,031,377	11,312,233	1,342,717	1,803,150	12,374,094	13,115,383
Depreciation	2,399,897	2,442,542	423,717	422,880	2,823,614	2,865,422
Total operating expenses	<u>34,335,368</u>	<u>34,082,559</u>	<u>2,261,737</u>	<u>2,947,311</u>	<u>36,597,105</u>	<u>37,029,870</u>
Operating (loss) income	<u>147,688</u>	<u>(1,917,879)</u>	<u>149,380</u>	<u>(517,536)</u>	<u>297,068</u>	<u>(2,435,415)</u>
NON-OPERATING REVENUES (EXPENSES) AND TRANSFERS						
Interest income	90,945	59,137	-	-	90,945	59,137
Gain from sale of capital assets	-	-	-	27,277	-	27,277
Other non-operating revenues	25,950	56,750	20,514	20,518	46,464	77,268
Interest expense	(37,475)	(117,235)	(23,963)	(36,913)	(61,438)	(154,148)
Transfers out	(204,444)	(213,933)	(29,076)	(25,709)	(233,520)	(239,642)
Total non-operating revenues (expenses)	<u>(125,024)</u>	<u>(215,281)</u>	<u>(32,525)</u>	<u>(14,827)</u>	<u>(157,549)</u>	<u>(230,108)</u>
Change in net position	22,664	(2,133,160)	116,855	(532,363)	139,519	(2,665,523)
Net position - beginning	<u>68,287,063</u>	<u>70,420,223</u>	<u>8,019,949</u>	<u>8,552,312</u>	<u>76,307,012</u>	<u>78,972,535</u>
Net position - ending	<u>\$ 68,309,727</u>	<u>\$ 68,287,063</u>	<u>\$ 8,136,804</u>	<u>\$ 8,019,949</u>	<u>\$ 76,446,531</u>	<u>\$ 76,307,012</u>

Net position of the City's business-type activities increased slightly from \$76.3 million in the prior fiscal year to \$76.4 million in the current fiscal year.

Water and sewer fund: The change in net position for the water and sewer fund shows a significant increase from a negative (\$2.1 million) in the prior year to a positive \$0.022 million for the current fiscal year due primarily to increased revenues. There was also operating income of \$0.148 million in the current year compared to operating loss of (\$1.9 million) in the previous fiscal year.

The increase of \$2.3 million in operating revenues over the previous year was primarily due to the net effect of the following factors:

1. Increase of \$1.5 million for charges for water due to a 6% rate increase in the current fiscal year and new customers.
2. Increase of \$0.790 million for sanitary sewer fees due mainly to rate increase of approximately 9%. Although rates increased significantly, there were also bill credits of approximately \$0.566 million issued in the current year.

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Operating expenses increased by a net of \$0.253 million due primarily to the net effect of the following:

1. Net decrease of (\$0.209 million) for personnel services due mainly to the net effect of the significant changes in the actuarial valuations for OPEB liability and net pension liability (NPL) and the related deferred inflows/outflows.
2. Increase of \$0.785 million for wholesale water cost and sewage due mainly to a combination of increased water consumption and rate increase from the Miami-Dade Water and Sewer department.
3. Decrease of (\$0.280 million) for materials, supplies, services and other operating expenses due primarily to:
 - a. Net increase of \$0.177 million in the annual allocation for interfund utility and street repairs services.
 - b. Net decrease of (\$0.430 million) for repairs and maintenance of operating equipment which included adjustments for old capital assets that were removed from inventory.

Non-operating revenues/expenses had a slight net decrease of (\$0.088 million) due primarily to the decrease in interest expense related to paying off long a term debt.



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Stormwater fund: The net position for the stormwater utility fund increased slightly from \$8 million in the prior year to \$8.1 million for the current fiscal year.

Operating revenues for 2022 were \$2.41 million and slightly less than the prior year's \$2.42 million.

The decrease of (\$0.685 million) in operating expenses over the previous year was due primarily to overall net decreases in expenses: specifically (\$0.225 million) for personnel services related to net effect of the significant changes in the actuarial valuations for OPEB liabilities and net pension liability (NPL) and the related deferred inflows/outflows and (\$0.460 million) for materials, supplies, services and other operating expenses as a result of decrease in the annual allocation of interfund charges for utility and street repairs services.

The net decrease of (\$0.037 million) for non-operating revenues (expenses) was due primarily to no gain on sale of capital assets for the current year compared to the prior year.

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, 2022, the City's governmental funds reported combined ending fund balance of \$36.8 million, which was a total increase of \$13.7 million in the current year compared to a \$15 million increase in the prior year.

\$34.2 million of the ending fund balances constituted non-spendable and restricted fund balances. Funds were set up to separately account for certain revenue sources that are legally restricted for expenditures for specified purposes. Restricted fund balances of \$33.7 million included \$5.9 million for landfill closure cost, \$0.263 million restricted for housing, \$7 million restricted for the Cagni Park project and \$5.5 million for CRA projects and \$15 million for other special revenues and capital projects.

In addition to balances noted above, governmental funds showed an unassigned fund balance of \$2 million for the current fiscal year compared with unassigned fund deficit of (\$4.4) million in the prior year. This was due primarily to the net sale of capital assets of \$2.9 million and operations whereby revenues exceeded expenditures.

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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, 2022, the general fund had an unassigned fund balance of \$3.1 million, compared to the unassigned fund deficit of (\$3.3 million) in the prior year. The increase of \$6.4 million over the prior year was due primarily to the sale of capital assets for \$3.1 million and transfer-in of \$5 million from the ARPA fund.

The General Fund's expenditures increase of \$24.8 million or 42.9% over prior year was due primarily to the recognition of leases in accordance with the requirements of GASB 87 implementation in the current year.

Revenues (including other financing sources) also increased by \$22.6 million or approximately 33.2% from the prior year, also due primarily to the implementation of GASB 87.

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

General Fund Expenditures	2022 Amount	Percent of Total	2021 Amount	Percent of Total	Change	
					Increase (Decrease) From Prior Year	
General government	\$13,587,348	16.5%	\$13,168,099	22.8%	\$ 419,249	3.2%
Public safety	33,762,698	41.0%	31,650,570	54.9%	2,112,128	6.7%
Physical environment and transportation	4,248,092	5.2%	4,324,747	7.5%	(76,655)	-1.8%
Culture and recreation	7,799,679	9.5%	6,031,033	10.5%	1,768,646	29.3%
Community planning and development	1,943,169	2.4%	1,200,809	2.1%	742,360	61.8%
Housing and social services	1,625,297	2.0%	876,044	1.5%	749,253	100.0%
Debt service	1,231,884	1.5%	281,943	0.5%	949,941	336.9%
Capital outlay	18,203,630	22.1%	112,395	0.2%	18,091,235	16096.1%
Total expenditures	<u>\$82,401,797</u>	<u>100%</u>	<u>\$57,645,640</u>	<u>100%</u>	<u>\$24,756,157</u>	<u>42.95%</u>

The primary factor contributing to the significant increase in General Fund expenditures was the implementation of GASB 87 which resulted in the initial recognition of approximately \$17 million for capital outlay for right to use leases. Other significant factors contributing to the increase were due primarily to the following:

1. *General Government* increase of \$0.419 million was due primarily to:
 - a. Net increase of \$0.258 for the legal department resulting from consultation fees for the City's redistricting project and the Jockey Club class action suit and increases in personnel costs.
 - b. Net increase of \$0.345 million for non-departmental expenditures primarily for technical advisory services for the City of North Miami downtown redevelopment P3 project.

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- c. Net decrease of (\$0.401 million) for the City Manager's department due to savings from staff positions that were not filled.
 - d. Net decrease of (\$0.167 million) for the City Clerk's department due to no election expenses in the current fiscal year.
2. *Public safety* increase of \$2.1 million was due primarily to:
- a. Net increase of \$1.7 million for police administration primarily for salaries and related benefits.
 - b. Increase of \$0.223 million for the new Citizens Investigative Board department.
 - c. Net increase of \$0.181 million for code compliance for contractual services and other expenditures.
3. *Culture and recreation* increase of \$1.8 million was due primarily to:
- a. Net increase of \$0.519 million for operations expenditures for the athletics division including \$0.207 million expenditures for the new Scott Galvin Community Center (formerly Wildcat Center).
 - b. Net increase of \$0.141 million for the tennis division for overall operations.
 - c. Increase of \$0.437 million for special events, example, Brewfest and NoMi fest.
 - d. Net increase of \$0.115 million for parks administration.
 - e. Increase of \$0.121 million for assistance to MOCA.
 - f. Net increase of \$0.398 million for all other parks programs (example, summer camps, outside wages, facilities, athletic stadium etc.)
4. *Community planning and development* increase of \$0.742 million was due primarily to the P3 community outreach program.
5. *Housing and social services* increase of \$0.749 million was due primarily to \$0.291 million increases for administration and \$0.349 million increase for housing rehabilitation grants.
6. *Debt service* increase of \$0.950 million due primarily to \$0.788 million lease for the Scott Galvin Community Center (formerly Wildcat Center) and \$0.217 million increase for other leases.

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7. *Capital outlay* increase of \$18.1 million due primarily to the implementation of GASB 87 to recognize leases for the Scott Galvin Community Center (formerly Wildcat Center) - \$14.5 million and Toshiba equipment - \$3.1 million. Also, a net increase of \$0.407 million for acquisition of other capital assets.

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:

					Change	
	2022	Percent	2021	Percent	Increase (Decrease)	
General Fund Revenues	Amount	of Total	Amount	of Total	From Prior Year	
Taxes:						
Ad valorem taxes	\$ 21,702,323	24.0%	\$ 21,110,185	31.0%	\$ 592,138	2.8%
Utility and communication taxes	4,979,466	5.5%	4,812,381	7.1%	167,085	3.5%
Franchise fees	4,974,564	5.5%	3,877,296	5.7%	1,097,268	28.3%
Total taxes	31,656,353	34.9%	29,799,862	43.8%	1,856,491	6.2%
Charges for services	12,610,388	13.9%	12,871,822	18.9%	(261,434)	-2.0%
Return on investment - utility	3,171,822	3.5%	3,149,940	4.6%	21,882	0.7%
Fines and forfeitures	496,286	0.5%	532,329	0.8%	(36,043)	-6.8%
Intergovernmental	10,755,004	11.9%	8,994,680	13.2%	1,760,324	19.6%
Licenses and permits	968,403	1.1%	931,898	1.4%	36,505	3.9%
Interest and other earnings	3,665,489	4.0%	4,296,431	6.3%	(630,942)	-14.7%
Rents and royalties	1,393,852	1.5%	1,455,097	2.1%	(61,245)	-4.2%
Total general revenues	33,061,244	36.5%	32,232,197	47.4%	829,047	2.6%
Total revenues	64,717,597		62,032,059		2,685,538	
Other Financing Sources(Uses)						
Proceeds from sale of capital assets	2,900,000	3.2%	966,241	1.4%	1,933,759	200.1%
Proceeds from capital leases	17,681,764	19.5%	-	0.0%	17,681,764	100.0%
Transfers in	5,278,828	5.8%	5,000,000	7.4%	278,828	5.6%
Total other financing source (uses)	25,860,592	28.6%	5,966,241	8.8%	19,894,351	333.4%
Total	\$ 90,578,189	100%	\$ 67,998,300	100%	\$ 22,579,889	33.2%

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

1. *Property tax* revenues increased by a net of \$0.592 million or 2.8%. Although the net gross increase was \$1.8 million including TIF refund from the CRA, there was also increase of \$1.2 million TIF payment to the CRA.
2. *Franchise fees* net increase of \$1.1 million was due primarily to \$0.773 million released from the GASB 63 related deferred inflows in the current year and \$0.306 million increase for waste collection tax.
3. *Charges for services* net decrease of (\$0.261 million) or 2.0%, was due primarily to the following:

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- a. Net decrease of (\$1.4 million) for other charges for services for:
 - GASB 63-year adjustments decrease of (\$1.6 million) for accounts receivable that were not received within the measurement period of 60 days after year-end: prior year was a credit of (\$0.281 million) versus current year debit of \$1.4 million, and;
 - Increase of \$0.511 million for zoning compliance review fees.
 - b. Sanitation fees increased by \$0.698 million due to rate increases of approximately 6% in the current year.
 - c. Inter-fund charges for services increased \$0.461 million based on predetermined budgeted calculations.
4. *Intergovernmental* net increase of \$1.8 million was due primarily to \$1.2 million increase for local government ½ cent sales tax and \$0.549 million increase for state revenue sharing.
5. *Interest and other earnings* net decrease of (\$0.631 million) due primarily to the following:
- a. Decrease of (\$1 million) in receipt of rental fees from SoleMia due to amendment in the ground lease.
 - b. Decrease of (\$0.061 million) in receipts for interest on loans related to the Oleta Partners loans receivable based on amortization schedule.
 - c. Decrease (\$0.175 million) for miscellaneous revenues due primarily to the receipt of funds related to the Red Gardens case.
 - d. \$0.586 million contribution from the CRA for the P3 project and the IT ERP Tyler-Munis software (released from prior year deferred inflows).

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, which was placed in an escrow account. At the end of 2022, the long-term cost was estimated to be \$7.8 million. There was no remediation cost for the current year because there were no completed areas in 2022.

This fund had a restricted fund balance of \$5.9 million at September 30, 2022. See **NOTE 12** for additional information on the landfill.

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CRA Component Unit Capital Projects Fund (Major Fund)

The CRA, a component unit of the City, reported a \$5.5 million restricted fund balance at year end. During the year, approximately \$8 million in property tax incremental revenues was recognized (both the City and Miami-Dade County portions). The CRA refunded tax increment revenues of approximately \$3.9 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 contributed \$0.586 million to the City, to be used for the P3 project and the IT ERP Tyler-Munis software purchase.

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

The C.D.B.G. fund accounts for federal grant-related revenues and expenditures for housing rehabilitation programs. For the fiscal year, the fund awarded a total of \$0.935 million toward direct housing and rehabilitation projects.

American Rescue Plan Act (A.R.P.A.) (Major Fund)

The A.R.P.A. fund accounts for revenues and expenditures for post-pandemic recovery. For the fiscal year the City received another \$9.7 million of which \$5 million was transferred to the General Fund.

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 \$5.5 million, comprised primarily of:
 - The Neighborhood Stabilization Program (“NSP”) reported \$0.263 million;
 - Law Enforcement Trust Fund reported \$0.504 million;
 - Federal Forfeiture Fund reported \$0.049 million;
 - Half-cent Transportation Surtax Fund reported \$2.4 million;
 - Developer Impact Fees Fund reported \$1.3 million;
 - Building Fund reported \$1 million;
2. The Home Investment Partnership Program (HIPP), the Neighborhood Stabilization Program (NSP) and the State Housing Initiative Program (SHIP) combined funds awarded a total of \$0.429 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 \$1.9 million to fund approximately \$3.4 million of total expenditures shown in MOCA’S financial statements.

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Internal Service Funds

In 2022, the General Risk Management Fund reflected net position of \$1.4 million – an increase of \$0.970 million over the prior year's \$0.427 million. The operating income of \$0.979 million was due primarily to a decrease of \$1.7 million in expenses for insurance and worker's compensation claims paid compared to the prior year.

The Fleet Management Fund reflected net position of \$6.8 million (prior year was \$6.6 million). Operating income was \$0.138 million compared to the prior year's \$0.073 million. The increase was due primarily to \$0.090 million excess from gas/oil sales.

Fiduciary Funds

Net investment income from interest and dividends for both City pension plans combined was reported at \$5.4 million. The Plans' investment policies set the portfolio allocation. Many U.S. market indices posted unfavorable returns across the board this year. There was a significant depreciation for both plans of approximately \$27.5 million (prior year net appreciation was \$51.7 million). Employer contribution for 2022, for both plans was \$8.4 million. During 2022, benefit payouts approximated \$14.8 million for both plans combined.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2022, the City's capital assets for the governmental and business-type activities amounted to \$139.6 million (net of accumulated depreciation), compared with \$122.6 million in the previous fiscal year. These assets include land, construction in progress, buildings, and improvements, infrastructure, machinery and equipment, library books and other right to use leased assets. The total net increase in the City's capital assets balances from the prior fiscal year was \$17 million or 13.92%.

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CAPITAL ASSETS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Capital assets, not being depreciated:						
Land	\$ 18,977,251	\$ 19,009,371	\$ 653,080	\$ 653,080	\$ 19,630,331	\$ 19,662,451
Land - right-to-use	1,268,967	-	-	-	1,268,967	-
Construction in progress	1,427,191	2,248,977	2,439,195	506,448	3,866,386	2,755,425
Total capital assets, not being depreciated	21,673,409	21,258,348	3,092,275	1,159,528	24,765,684	22,417,876
Capital assets, being depreciated, net:						
Land improvements	19,496,007	19,549,528	1,249,069	1,249,069	20,745,076	20,798,597
Buildings and improvements	41,004,828	26,152,861	2,522,999	2,522,999	43,527,827	28,675,860
Buildings - right-to-use	1,788,641	-	-	-	1,788,641	-
Infrastructure	64,626,664	62,178,031	93,547,360	92,868,077	158,174,024	155,046,108
Machinery and equipment	17,221,476	21,082,169	7,050,451	7,024,625	24,271,927	28,106,794
Equipment - right-to-use	102,126	-	7,969	-	110,095	-
Library books	2,471,335	2,439,410	-	-	2,471,335	2,439,410
Total capital assets, being depreciated	146,711,077	131,401,999	104,377,848	103,664,770	251,088,925	235,066,769
Accumulated depreciation:						
Land improvements	(15,106,952)	(14,800,702)	(143,147)	(142,507)	(15,250,099)	(14,943,209)
Buildings and improvements	(13,315,267)	(12,908,100)	(1,191,390)	(1,114,758)	(14,506,657)	(14,022,858)
Buildings - right-to-use	(152,076)	-	-	-	(152,076)	-
Infrastructure	(33,770,041)	(32,652,671)	(50,543,333)	(48,100,211)	(84,313,374)	(80,752,882)
Machinery and equipment	(13,935,407)	(17,017,622)	(5,665,501)	(5,868,306)	(19,600,908)	(22,885,928)
Equipment - right-to-use	(30,659)	-	(2,382)	-	(33,041)	-
Library books	(2,364,554)	(2,312,370)	-	-	(2,364,554)	(2,312,370)
Total accumulated depreciation	(78,674,956)	(79,691,465)	(57,545,753)	(55,225,782)	(136,220,709)	(134,917,247)
Total capital assets, being depreciated, net	68,036,121	51,710,534	46,832,095	48,438,988	114,868,216	100,149,522
Total Capital Assets, net	\$ 89,709,530	\$ 72,968,882	\$ 49,924,370	\$ 49,598,516	\$ 139,633,900	\$ 122,567,398

Total net increase in capital assets for governmental activities (excluding depreciation) was \$14.7 million, due primarily to the following significant changes:

1. Net decrease of (\$0.822 million) for construction in progress primarily related to the following major projects:
 - a. Completion of FDOT LAP grant N.E. 125 roadway improvement project – (\$1.2 million);
 - b. Completion of City-wide sidewalk repairs – (\$0.594 million);
 - c. Trolleys that were not provided by the manufacturer and the amount was subsequently refunded to the City – (\$0.209 million);
 - d. Increase of \$2 million for existing and new construction projects primarily for Cagni Park, the 24-hour main library system, the North Miami stadium, Sole Mia community center and park project etc.
2. The increase of \$16.6 million for buildings and improvements (including right to use) was due primarily to the implementation of GASB 87 related to the capital lease for \$14.5 million for the Scott Galvin Community Center (formerly Wildcat Center) and operating leases for \$1.8 million for buildings at 660 NW 125 Street, 13753 NW 7th Avenue and 12000 Biscayne Boulevard, all in North Miami, Florida.

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3. Increase of \$2.4 million for infrastructure due to completion of construction in progress projects referred to in item 1 above and additions of \$0.423 for traffic circles, bridges and city-wide street resurfacing.
4. Net decrease of (\$3.9 million) for machinery and equipment due to disposal of vehicles (\$0.813 million) and other obsolete and fully depreciated items (\$3 million) and acquisition of \$0.194 million for three lawnmowers and four vehicles.
5. Equipment – right to use recognition of \$0.102 million for leased printers and scanners in accordance with the implementation of GASB 87.

Total net increase in capital assets for business-type activities (excluding depreciation) was \$2.6 million, due primarily to the additions of \$1.9 million to construction for the water main line improvements and sewer main projects, and \$0.679 for new infrastructure.

Additional information on the City's capital assets is disclosed in **NOTE 6** starting on page 76 of this report.

Long-term Debt

At September 30, 2022, the City had total outstanding debt of approximately \$31.6 million (bonds, notes, leases etc.) compared to approximately \$17.2 million at the end of the previous fiscal year. The significant increase of \$14.4 million was due primarily to the recognition of right to use leases in accordance with GASB 87. The majority of the City's outstanding debt was secured by specific revenue sources. The outstanding debts are summarized below:

	Outstanding Debt					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Note payable	\$ 9,550,000	\$ 10,570,000	\$ -	\$ -	\$ 9,550,000	\$ 10,570,000
Unamortized bond discount	(272,583)	(334,868)	-	-	(272,583)	(334,868)
Lease obligation	17,562,334	1,435,403	4,658	-	17,566,992	1,435,403
FMLC Series 2016 Refunding (stormwater)	-	-	-	405,000	-	405,000
Unamortized bond premiums and discount	-	-	-	20,510	-	20,510
State revolving fund loan	-	-	4,775,351	5,070,329	4,775,351	5,070,329
Total	\$ 26,839,751	\$ 11,670,535	\$ 4,780,009	\$ 5,495,839	\$ 31,619,760	\$ 17,166,374

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During the fiscal year 2022, the City had the following debt activity:

Governmental Activities – Total debt increased by \$15.1 million: \$3.2 million for right to use operating lease obligation and \$14.5 million for right to use capital lease obligation. These leases were recognized in accordance with GASB 87. Note payable and the related unamortized bond discount were decreased by (\$0.958 million) in accordance with scheduled debt repayments.

Business-type Activities – The total debt decreased by a net of (\$0.716 million) from the prior year, primarily due to scheduled debt repayments: the FMLC debt was paid off during the current year.

Additional information on the City's long-term debt and capital leases can be found in **NOTE 7** on page 78.

Overall Budget

The fiscal year 2022 adopted budget of \$161.8 million represents a decrease of 1.4% compared to the fiscal year 2021 Budget.

The difference between the original and final amended general fund budget for 2022 was approximately \$3 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 \$64.7 million or 41% of the total budget.

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The budgetary highlights are based on the following schedule:

GENERAL FUND BUDGETARY HIGHLIGHTS

UNAUDITED FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 21,737,028	\$ 21,737,028	\$ 21,702,323	\$ (34,705)
Utility and communication taxes	4,951,914	4,951,914	4,979,466	27,552
Charges for services	13,155,445	15,499,300	12,610,388	(2,888,912)
Return on investment - utility	3,171,822	3,171,822	3,171,822	-
Franchise fees	4,294,905	4,294,905	4,974,564	679,659
Fines and forfeitures	442,120	442,120	496,286	54,166
Intergovernmental	8,873,004	8,898,360	10,755,004	1,856,644
Licenses and permits	942,257	942,257	968,403	26,146
Interest	349,320	349,320	353,953	4,633
Other earnings	2,376,713	3,031,504	3,311,536	280,032
Rents and royalties	1,460,425	1,460,425	1,393,852	(66,573)
Total revenues	61,754,953	64,778,955	64,717,597	(61,358)
EXPENDITURES				
General Government:				
Mayor and city council	1,656,077	1,720,802	1,611,862	108,940
City manager	2,225,306	2,254,556	2,185,045	69,511
City clerk	544,625	584,625	545,566	39,059
Financial services	3,287,770	3,272,770	3,122,551	150,219
Legal	1,313,739	1,466,582	1,490,008	(23,426)
Human resources	721,723	732,518	759,372	(26,854)
Information technology	2,205,979	2,262,842	1,911,598	351,244
Management and budget	574,520	574,520	522,684	51,836
Procurement and purchasing	616,877	616,877	554,962	61,915
Non-departmental	1,650,938	1,226,100	883,700	342,400
Total general government	14,797,554	14,712,192	13,587,348	1,124,844
Public Safety:				
Police	28,666,191	28,544,696	28,539,273	5,423
Code enforcement	5,226,041	5,226,041	5,000,608	225,433
Citizen investigative board	-	265,164	222,817	42,347
Total public safety	33,892,232	34,035,901	33,762,698	273,203
Physical Environment				
Public works	1,559,811	1,571,787	1,629,123	(57,336)
Transportation	2,778,586	2,790,441	2,618,969	171,472
Total physical environment	4,338,397	4,362,228	4,248,092	114,136
Economic Environment:				
Community planning and development	1,740,098	2,345,182	1,943,169	402,013
Housing and social services	1,230,870	1,993,429	1,625,297	368,132
Total economic environment	2,970,968	4,338,611	3,568,466	770,145
Culture and Recreation:				
Parks and recreation	5,141,658	5,170,564	5,404,493	(233,929)
Library	918,352	914,750	915,377	(627)
MOCA	1,372,743	1,372,743	1,479,809	(107,066)
Total culture and recreation	7,432,753	7,458,057	7,799,679	(341,622)
Debt service	425,800	488,834	1,231,884	(743,050)
Capital outlay	1,116,805	2,602,688	18,197,534	(15,594,846)
Total expenditures	64,974,509	67,998,511	82,395,701	(14,397,190)
Excess (deficiency) of revenues over (under) expenditures	(3,219,556)	(3,219,556)	(17,678,104)	(14,458,548)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	2,900,000	2,900,000
Transfers in	4,666,000	4,666,000	5,278,828	612,828
Transfers out	(1,446,444)	(1,446,444)	(1,637,301)	(190,857)
Total other financing sources (uses)	3,219,556	3,219,556	24,217,195	20,997,639
Net change in fund balance (deficit)	\$ -	\$ -	6,539,091	\$ 6,539,091
Fund balance (deficit), beginning			3,897,875	
Fund balance (deficit), ending			\$ 10,436,966	

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2022

Actual total revenues were \$0.061 million less than the final budgeted revenues, due primarily to the following significant factors:

1. Charges for services were \$2.9 million less than budgeted due primarily to the net of the following significant factors:
 - a. Sanitation fees had a shortfall of (\$1.1 million).
 - b. The budgeted prior year surplus did not materialize – (\$2.3 million).
 - c. The yearly GASB 63 adjustments for receivables not collected within the measurement period of 60 days after year end, was \$1.6 million more than the prior year: this amount is usually not determinable during the budget process.
 - d. Zoning compliance review fees exceeded the budgeted amount by \$0.412 million.
2. Franchise fees were \$0.679 million more than budgeted because collections for Florida Power and Light and waste collection tax that were deferred in the prior year in accordance with GASB 63, were released and recognized as revenues in the current.
3. Intergovernmental revenues were \$1.9 million more than budgeted due mainly to \$0.757 million true-up for state sharing revenues received in the current year that was not anticipated and underbudget of \$1.2 million for local government ½ cent sales tax.
4. Other earnings were \$0.280 million more than budgeted due primarily to miscellaneous revenues of \$0.184 million received related to a refund from the City's healthcare insurance provider. This amount was not anticipated in the budget.

The net negative variance of (\$14.3 million) for expenditures was due primarily to the following significant factors:

1. *General government* total positive variance of \$101 million:
 - a. The Mayor and Council department had budget savings of \$0.108 million due to budgeted staff positions that were not filled.
 - b. Non-departmental had budget savings of \$0.342 million due primarily to expenditure shortfall for the grant writer contract (a saving of \$0.261 million), fund reserve that was not utilized (a saving of \$0.205 million) and excess expenditure of (\$0.151 million) for bank charges.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2022

- c. The following departments had budget savings of more than \$0.050 million due primarily to adherence to budget control and for budgeted staff positions that were not filled:
- City manager - \$0.069 million;
 - Financial services - \$0.150 million;
 - Management and Budget - \$0.052 million; and
 - Procurement and purchasing - \$0.062 million.
2. *Public safety* total positive variance of \$0.273 million due primarily to the code enforcement department unfilled budgeted staff positions resulting in budget savings of \$0.225 million.
 3. *Physical environment* total positive variance of \$0.114 million due primarily to unfilled budgeted staff positions in the transportation department resulting in budget savings of \$0.171 million.
 4. *Economic environment* total positive variance of \$0.770 million due primarily to the Housing and Social Services reduced grants to residents for general housing rehabilitation resulting in budget savings of \$0.258 million and unfilled budgeted staff positions, and Community Planning and Development having unfilled budgeted position.
 5. *Culture and recreation* had a total negative variance of (\$0.342 million) due primarily to the Parks and Recreation department's expenditures for events that were not budgeted resulting in the negative variance of (\$0.233 million). Also, negative variance of (\$0.107 million) for MOCA for expenditures that were not budgeted.
 6. *Debt service* had a negative variance of (\$0.743 million) due primarily to the implementation of GASB 87 which resulted in the recognition of leases which was not anticipated in the budget.
 7. *Capital outlay* had a negative variance of (\$15.6 million) due primarily to the implementation of GASB 87 which resulted in recognizing approximately \$16.4 million for leased buildings, lands and equipment. The amounts were not anticipated in the budget.
 8. *Proceeds from sale of capital assets* had a positive variance of \$2.9 million due to the sale of the Gwen Margolis Community Center for \$3.1 million of which \$0.200 million was transferred for restricted use. The sale was not anticipated in the budget.
 9. *Transfers in* had a positive variance of \$0.613 million due to closing out dormant funds that had residual fund balances owed to the general fund which accounted for \$0.278 million which was not anticipated in the budget. Also underbudgeted amount for transfer to the debt service fund.
 10. *Transfers out* had a negative variance of (\$0.190 million) due primarily to closing out dormant fund balances that were due from the general fund.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2022

Economic Factors and Next Year's Budgets and Rates

The fiscal year 2022 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 2022 budget supports essential City services with increases in service fees such as water and sewer and stormwater utility. It also keeps the millage rate constant at 7.500.

Economic Impact on the Fiscal 2022 Budget

For the eighth consecutive year, the City realized an increase in assessed taxable value as reported by the Miami-Dade County Property Appraiser. Fiscal year 2020-21 assessed taxable value was \$3.980 billion and represented a 6.44% increase from the previous year of \$3.739 billion. This increase will generate an additional \$1.8 million in property tax revenue at the same millage from the previous year. The majority of the growth occurred within the North Miami CRA Area.

The City of North Miami continues to excel year by year. During the budget process we proactively look at exploring options for revenue increases, expenditure reductions, and operational efficiencies that will allow the City to provide outstanding services the public values. Some highlights in the fiscal 2021-22 budget include:

- a. Thirteen (13) additional positions totaling 450 full time employees (FTE)
- b. 1% COLA increase for City employees
- c. \$28.9 million (43.55% of general fund) for public safety
- d. \$0.5 million increase in intergovernmental revenue
- e. \$0.9 million for technology infrastructure enhancement
- f. \$0.3 million for economic development

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



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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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 51,872,161	\$ 20,075,366	\$ 71,947,527
Investments	3,007,373	7,118,165	10,125,538
Receivables, net	3,157,982	19,016,545	22,174,527
Due from other governments	4,274,040	-	4,274,040
Inventories and supplies	61,373	732,942	794,315
Prepays, deposits and other assets	593,565	66,486	660,051
Right to use lease receivable	5,779,886	-	5,779,886
Notes receivable	7,001,600	-	7,001,600
Restricted cash	12,906,015	-	12,906,015
Capital assets not being depreciated	21,673,409	3,092,275	24,765,684
Capital assets being depreciated, net	68,036,121	46,832,095	114,868,216
Total assets	178,363,525	96,933,874	275,297,399
DEFERRED OUTFLOW OF RESOURCES			
OPEB related items	1,679,285	245,034	1,924,319
Pension related items	18,709,615	2,998,884	21,708,499
Total deferred outflow of resources	20,388,900	3,243,918	23,632,818
LIABILITIES			
Vouchers payable and accrued liabilities	4,662,045	5,482,345	10,144,390
Construction contracts payable	62,154	161,122	223,276
Accrued payroll and benefits	926,383	146,555	1,072,938
Unearned revenues	14,694,662	-	14,694,662
Deposits	909,029	3,084,131	3,993,160
Interest payable	173,094	-	173,094
Noncurrent liabilities:			
Due within one year	5,617,264	613,210	6,230,474
Due in more than one year	69,051,520	10,477,363	79,528,883
Total liabilities	96,096,151	19,964,726	116,060,877
DEFERRED INFLOW OF RESOURCES			
OPEB related items	1,812,152	252,887	2,065,039
Pension related items	33,659,363	3,513,648	37,173,011
Lease related	5,779,886	-	5,779,886
Total deferred inflows of resources	41,251,401	3,766,535	45,017,936
NET POSITION			
Net investments in capital assets	89,647,376	44,983,239	134,630,615
Restricted for:			
Capital projects	13,926,843	-	13,926,843
Housing and development	344,918	-	344,918
Landfill closure	-	-	-
Public safety	560,283	-	560,283
Transportation	2,552,775	-	2,552,775
Other purposes	8,849,155	-	8,849,155
Unrestricted (deficit)	(54,476,477)	31,463,292	(23,013,185)
Total net position	\$ 61,404,873	\$ 76,446,531	\$ 137,851,404

See notes to basic financials statements.

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

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	\$ 27,366,575	\$ 18,826,154	\$ 10,209,785	\$ -	\$ 1,669,364	\$ -	\$ 1,669,364
Public safety	35,114,652	5,114,138	291,859	-	(29,708,655)	-	(29,708,655)
Physical environment	175	4,129,411	-	-	4,129,236	-	4,129,236
Transportation and public works	6,782,642	45,975	3,800,207	-	(2,936,460)	-	(2,936,460)
Housing and social services	2,954,077	-	1,612,980	-	(1,341,097)	-	(1,341,097)
Culture and recreation	11,937,545	479,776	31,558	-	(11,426,211)	-	(11,426,211)
Community planning and development	3,752,746	924,621	644,630	287,942	(1,895,553)	-	(1,895,553)
Interest and fiscal charges	1,044,825	-	-	-	(1,044,825)	-	(1,044,825)
Total governmental activities	88,953,237	29,520,075	16,591,019	287,942	(42,554,201)	-	(42,554,201)
Business-type activities:							
Water and sewer	34,372,843	34,483,056	-	-	-	110,213	110,213
Stormwater	2,285,700	2,411,117	-	-	-	125,417	125,417
Total business-type activities	36,658,543	36,894,173	-	-	-	235,630	235,630
Total primary government	\$ 125,611,780	\$ 66,414,248	\$ 16,591,019	\$ 287,942	\$ (42,554,201)	\$ 235,630	\$ (42,318,571)
General revenues							
Taxes:							
Property taxes levied for general purposes					\$ 29,719,403	\$ -	\$ 29,719,403
Utility taxes					3,867,913	-	3,867,913
Local option gas tax					752,840	-	752,840
Communication services tax					1,111,553	-	1,111,553
Franchise fees based on gross receipts					4,974,564	-	4,974,564
Intergovernmental not restricted to specific programs					12,239,220	-	12,239,220
Landfill closure					(262,899)	-	(262,899)
Gain/(loss) on sale of capital assets					3,769,599	25,950	3,795,549
Unrestricted investment earnings					(126,423)	-	(126,423)
Miscellaneous revenues					4,316,487	111,459	4,427,946
Total general revenues					60,362,257	137,409	60,499,666
Transfers					233,520	(233,520)	-
Total general revenues and transfers					60,595,777	(96,111)	60,499,666
Change in net position					18,041,576	139,519	18,181,095
Net position, beginning					43,363,297	76,307,012	119,670,309
Net position, ending					\$ 61,404,873	\$ 76,446,531	\$ 137,851,404

See notes to basic financials statements.



Fund Financial Statements



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

	General	CRA	C.D.B.G. Entitlement	Landfill Closure	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled cash and cash equivalents	\$ 16,590,431	\$ 6,897,637	\$ -	\$ -	\$ 7,794,945	\$ 9,916,815	\$ 41,199,828
Pooled investments	673,989	-	-	-	-	961,795	1,635,784
Accounts receivables, net of allowance	2,819,788	4,100	16,670	-	-	317,424	3,157,982
Due from other governments and entities	1,762,085	252,236	313,508	-	-	1,910,916	4,238,745
Due from other funds	1,143,579	-	-	-	-	-	1,143,579
Prepays, deposits and other current assets	353,152	29,687	-	-	-	69,849	452,688
Right to use lease receivable	5,779,886	-	-	-	-	-	5,779,886
Restricted cash	7,000,000	-	-	5,906,015	-	-	12,906,015
Notes receivable	7,001,600	-	-	-	-	-	7,001,600
Total Assets	43,124,510	7,183,660	330,178	5,906,015	7,794,945	13,176,799	77,516,107
LIABILITIES							
Vouchers payable	1,992,335	1,639,455	100,367	-	94,304	676,411	4,502,872
Construction contracts payable	10,226	-	-	-	-	49,905	60,131
Accrued payroll and benefits	825,945	-	3,415	-	-	61,647	891,007
Due to other funds	-	-	101,765	-	-	1,041,814	1,143,579
Unearned revenues	11,849,180	-	-	-	-	2,845,482	14,694,662
Other liabilities and deposits	204,467	20,000	-	-	-	684,562	909,029
Total Liabilities	14,882,153	1,659,455	205,547	-	94,304	5,359,821	22,201,280
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - from other sources	5,023,905	-	43,341	-	-	556,461	5,623,707
Unavailable revenues - lease related items	5,779,886	-	-	-	-	-	5,779,886
Unavailable revenue from notes receivable	7,001,600	-	-	-	-	-	7,001,600
Total Deferred Inflows of Resources	17,805,391	-	43,341	-	-	556,461	18,405,193
FUND BALANCES							
Non-spendable	353,152	29,687	-	-	-	69,521	452,360
Restricted	7,000,000	5,494,518	81,290	5,906,015	7,700,641	7,581,223	33,763,687
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	567,853	567,853
Unassigned (deficit)	3,083,814	-	-	-	-	(958,080)	2,125,734
Total Fund Balances	10,436,966	5,524,205	81,290	5,906,015	7,700,641	7,260,517	36,909,634
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 43,124,510	\$ 7,183,660	\$ 330,178	\$ 5,906,015	\$ 7,794,945	\$ 13,176,799	\$ 77,516,107

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, 2022

Fund balance - total governmental funds	\$ 36,909,634
Amounts reported for governmental activities in the statement of net position (page 32) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	87,127,564
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	5,623,707
Unavailable revenues relating to notes receivable	7,001,600
	<u>12,625,307</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Unamortized bond discount	272,583
Bonds and loans payable	(9,550,000)
Capital leases payable	(16,745,551)
Compensated absences liability	(8,403,797)
Landfill closure liability	(7,895,948)
Claims payable	(435,864)
Net pension liability	(12,448,702)
Total OPEB liability	(13,216,877)
	<u>(68,424,156)</u>
Accrued interest payable	(173,117)
Net deferred outflows (inflows) for pensions and OPEB which are not recognized under the modified accrual basis of accounting	(14,898,065)
Assets and liabilities of the internal service funds are included in the governmental activities statement of net position.	8,237,706
Net position of governmental activities	\$ <u>61,404,873</u>

See notes to basic financials statements.

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

	General	CRA	C.D.B.G. Entitlement	Landfill Closure	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	\$ 21,702,323	\$ 8,017,080	\$ -	\$ -	\$ -	\$ -	\$ 29,719,403
Utility and communication taxes	4,979,466	-	-	-	-	-	4,979,466
Charges for services:							
Sanitation fees	4,129,411	-	-	-	-	-	4,129,411
Interfund charges	6,259,025	-	-	-	-	-	6,259,025
Other	2,221,952	-	-	-	-	488,994	2,710,946
Return on investment - utility	3,171,822	-	-	-	-	-	3,171,822
Franchise fees	4,974,564	-	-	-	-	19,696	4,994,260
Fines and forfeitures	496,286	-	-	-	-	-	496,286
Intergovernmental	10,755,004	-	990,882	-	9,677,259	7,890,907	29,314,052
Licenses and permits	968,403	-	-	-	-	2,905,969	3,874,372
Interest and other earnings	3,665,489	292,202	-	8,846	-	2,171,464	6,138,001
Rents and royalties	1,393,852	-	-	-	-	-	1,393,852
Total revenues	<u>64,717,597</u>	<u>8,309,282</u>	<u>990,882</u>	<u>8,846</u>	<u>9,677,259</u>	<u>13,477,030</u>	<u>97,180,896</u>
EXPENDITURES							
Current:							
General government	13,587,348	6,081,213	-	-	1,272,907	15,063	20,956,531
Public safety	33,762,698	-	-	-	-	2,633,804	36,396,502
Physical environment	4,248,092	-	-	175	-	1,655,193	5,903,460
Housing and social services	1,625,297	-	934,540	-	-	427,773	2,987,610
Culture and recreation	7,799,679	-	-	-	-	3,434,611	11,234,290
Community planning and development	1,943,169	1,532,462	-	-	-	1,409	3,477,040
Debt service:							
Principal retirement	1,188,899	-	3,753	-	-	1,020,000	2,212,652
Interest and fiscal charges	42,985	-	136	-	-	766,325	809,446
Capital outlay	18,203,630	-	6,339	-	313,612	1,725,302	20,248,883
Total expenditures	<u>82,401,797</u>	<u>7,613,675</u>	<u>944,768</u>	<u>175</u>	<u>1,586,519</u>	<u>11,679,480</u>	<u>104,226,414</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,684,200)</u>	<u>695,607</u>	<u>46,114</u>	<u>8,671</u>	<u>8,090,740</u>	<u>1,797,550</u>	<u>(7,045,518)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	2,900,000	-	-	-	-	-	2,900,000
Lease liabilities issued	17,681,764	-	6,339	-	-	4,641	17,692,744
Transfers in	5,278,828	-	-	-	-	1,977,183	7,256,011
Transfers out	(1,637,301)	-	-	-	(5,000,000)	(330,723)	(6,968,024)
Total other financing sources (uses)	<u>24,223,291</u>	<u>-</u>	<u>6,339</u>	<u>-</u>	<u>(5,000,000)</u>	<u>1,651,101</u>	<u>20,880,731</u>
Net change in fund balances	<u>6,539,091</u>	<u>695,607</u>	<u>52,453</u>	<u>8,671</u>	<u>3,090,740</u>	<u>3,448,651</u>	<u>13,835,213</u>
Fund balances, beginning	<u>3,897,875</u>	<u>4,828,598</u>	<u>28,837</u>	<u>5,897,344</u>	<u>4,609,901</u>	<u>3,811,866</u>	<u>23,074,421</u>
Fund balances, ending	<u>\$ 10,436,966</u>	<u>\$ 5,524,205</u>	<u>\$ 81,290</u>	<u>\$ 5,906,015</u>	<u>\$ 7,700,641</u>	<u>\$ 7,260,517</u>	<u>\$ 36,909,634</u>

See notes to basic financials statements.

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

Net change in fund balances - total governmental funds	\$	13,835,213
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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	20,248,883	
Net effect of various transactions involving capital assets	635,568	
	20,884,451	
Less current year depreciation	(2,478,551)	18,405,900

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:

Grants	(1,467,111)	
Other revenues	(103,693)	(1,570,804)

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.

(17,705,799)

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	(62,286)	
Principal paid on bonds, loans and capital leases	2,591,073	
Leases issued	(17,692,744)	(15,163,957)

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	(2,798,176)	
Landfill and closure cost	(262,898)	
Total OPEB liability	(926,994)	
Net pension liability	23,029,898	
Accrued interest on long term debt	18,487	19,060,317

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.

1,180,706

Change in net position of governmental activities	\$	18,041,576
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CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
			Total	Internal Service
	Water and Sewer	Stormwater	Enterprise Funds	Funds
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 20,011,007	\$ 64,359	\$ 20,075,366	\$ 10,672,356
Pooled investments	7,118,165	-	7,118,165	1,371,589
Accounts receivables, net of allowance	17,782,190	1,234,355	19,016,545	-
Grants receivables from other governments	-	-	-	35,295
Inventories and supplies	732,942	-	732,942	61,373
Prepays and deposits	66,080	406	66,486	140,877
Total current assets	45,710,384	1,299,120	47,009,504	12,281,490
Non-current assets:				
Capital assets, net	42,037,811	7,886,559	49,924,370	2,581,966
Total non-current assets	42,037,811	7,886,559	49,924,370	2,581,966
Total assets	87,748,195	9,185,679	96,933,874	14,863,456
DEFERRED OUTFLOW OF RESOURCES				
OPEB related items	211,632	33,402	245,034	39,917
Pension related items	2,677,076	321,808	2,998,884	770,996
Total deferred outflow of resources	2,888,708	355,210	3,243,918	810,913
LIABILITIES				
Current liabilities:				
Vouchers payable	5,466,566	15,779	5,482,345	159,173
Construction contracts payable	161,122	-	161,122	2,023
Accrued payroll and benefits	124,244	22,311	146,555	35,376
Deposits and performance bonds	3,084,131	-	3,084,131	-
Compensated absences	277,670	36,946	314,616	100,708
Bonds, notes, leases payable	298,594	-	298,594	367,984
Total current liabilities	9,412,327	75,036	9,487,363	665,264
Non-current liabilities:				
Compensated absences	940,611	59,780	1,000,391	434,264
Bonds, notes and lease payable	4,481,415	-	4,481,415	448,799
Claims payable	-	-	-	3,812,150
Net pension liability	2,414,191	432,366	2,846,557	679,006
Total OPEB liability	1,847,410	301,590	2,149,000	401,717
Total non-current liabilities	9,683,627	793,736	10,477,363	5,775,936
Total liabilities	19,095,954	868,772	19,964,726	6,441,200
DEFERRED INFLOWS OF RESOURCES				
OPEB related items	216,838	36,049	252,887	34,452
Pension related items	3,014,384	499,264	3,513,648	961,011
Total deferred inflows of resources	3,231,222	535,313	3,766,535	995,463
NET POSITION				
Net investment in capital assets	37,096,680	7,886,559	44,983,239	1,763,160
Unrestricted	31,213,047	250,245	31,463,292	6,474,546
Total net position	\$ 68,309,727	\$ 8,136,804	\$ 76,446,531	\$ 8,237,706

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, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Stormwater	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for water	\$ 16,610,711	\$ -	\$ 16,610,711	\$ -
Sanitary sewer fees	17,692,111	-	17,692,111	-
Stormwater charges	-	2,411,117	2,411,117	-
Premiums and charges for services provided to other funds	-	-	-	6,061,322
Other revenues	180,234	-	180,234	183,594
Total operating revenues	<u>34,483,056</u>	<u>2,411,117</u>	<u>36,894,173</u>	<u>6,244,916</u>
OPERATING EXPENSES				
Personnel services	4,560,719	495,303	5,056,022	1,460,881
Wholesale water cost and sewage disposal	16,343,375	-	16,343,375	-
Materials, supplies, services and other operating expenses	11,033,759	1,342,717	12,376,476	2,596,216
Claims cost	-	-	-	110,267
Depreciation	2,397,515	423,717	2,821,232	960,192
Total operating expenses	<u>34,335,368</u>	<u>2,261,737</u>	<u>36,597,105</u>	<u>5,127,556</u>
Operating income	<u>147,688</u>	<u>149,380</u>	<u>297,068</u>	<u>1,117,360</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	90,945	-	90,945	11,520
Gain from sale of capital assets	25,950	-	25,950	134,550
Other non-operating revenues	-	20,514	20,514	-
Interest expense	(37,475)	(23,963)	(61,438)	(28,257)
Total non-operating revenues (expenses)	<u>79,420</u>	<u>(3,449)</u>	<u>75,971</u>	<u>117,813</u>
Income before transfers	<u>227,108</u>	<u>145,931</u>	<u>373,039</u>	<u>1,235,173</u>
TRANSFERS				
Transfers in	-	-	-	-
Transfers out	(204,444)	(29,076)	(233,520)	(54,467)
Total transfers out	<u>(204,444)</u>	<u>(29,076)</u>	<u>(233,520)</u>	<u>(54,467)</u>
Change in net position	22,664	116,855	139,519	1,180,706
Net position - beginning	<u>68,287,063</u>	<u>8,019,949</u>	<u>76,307,012</u>	<u>7,057,000</u>
Net position - ending	<u>\$ 68,309,727</u>	<u>\$ 8,136,804</u>	<u>\$ 76,446,531</u>	<u>\$ 8,237,706</u>

See notes to basic financials statements.

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Stormwater Utility	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	34,302,822	2,411,117	36,713,939	-
Cash receipts from other funds for premiums and charges for services	-	-	-	6,061,322
Other cash receipts	180,234	-	180,234	183,594
Payments to employees	(4,560,719)	(495,303)	(5,056,022)	(1,460,881)
Payments for wholesale water & sewer	(16,343,375)	-	(16,343,375)	-
Payments to suppliers	(6,692,969)	(1,433,028)	(8,125,997)	(3,174,138)
Payments for claims	-	-	-	(110,267)
Payments for interfund services	(4,594,991)	(26,645)	(4,621,636)	-
Net cash provided by operating activities	2,291,002	456,141	2,747,143	1,499,630
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other revenues	-	31,149	31,149	-
Transfers out	(204,444)	(29,076)	(233,520)	(54,467)
Net cash (used in) provided by, noncapital financing activities	(204,444)	2,073	(202,371)	(54,467)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from loan	4,658	-	4,658	-
Principal paid on bonds, notes and capital leases	(294,978)	(405,000)	(699,978)	(427,493)
Interest paid on bonds, notes and capital leases	(37,475)	(23,963)	(61,438)	(28,257)
Proceeds from sale of capital assets	25,950	-	25,950	134,551
Acquisition and construction of capital assets	(2,650,766)	-	(2,650,766)	(140,104)
Net cash used in capital and related financing activities	(2,952,611)	(428,963)	(3,381,574)	(461,303)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(44,436)	-	(44,436)	(11,520)
Interest earnings	90,945	-	90,945	11,520
Net cash provided by investing activities	46,509	-	46,509	-
Net (decrease) increase in pooled cash and cash equivalents	(819,544)	29,251	(790,293)	983,860
Pooled cash and cash equivalents, beginning	20,830,551	35,108	20,865,659	9,688,496
Pooled cash and cash equivalents, ending	\$ 20,011,007	\$ 64,359	\$ 20,075,366	\$ 10,672,356
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 147,688	\$ 149,380	\$ 297,068	\$ 1,117,360
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	2,397,515	423,717	2,821,232	960,192
Changes in assets and liabilities, deferred inflows and outflows of resources:				
(Increase) decrease in accounts receivable	(1,352,328)	(94,746)	(1,447,074)	37,187
(Increase) decrease in grants receivable from other governments	-	-	-	(26,754)
(Increase) decrease in inventories and supplies	(186,543)	-	(186,543)	(12,829)
(Increase) decrease in prepaids and deposits	(3,991)	2,329	(1,662)	(33,605)
(Increase) decrease in deferred outflows of resources	254,622	46,595	301,217	80,001
Increase (decrease) in vouchers payable	1,113,429	2,584	1,116,013	(19,461)
Increase (decrease) in construction contracts payable	23,665	-	23,665	-
Increase (decrease) in accrued payroll and benefits	42,014	1,816	43,830	2,087
Increase (decrease) in deposits and performance bonds	106,888	-	106,888	-
Increase (decrease) in compensated absences	383,570	50,976	434,546	135,375
Increase (decrease) in claims payable	-	-	-	(540,629)
Increase (decrease) in other post-employment benefits obligation	30,924	3,740	34,664	34,515
Increase (decrease) in net pension liability	(2,020,693)	(332,728)	(2,353,421)	(630,227)
Increase (decrease) in deferred inflows of resources	1,349,584	222,988	1,572,572	396,418
Net cash provided by operating activities	\$ 2,286,344	\$ 476,651	\$ 2,762,995	\$ 1,499,630
Non-cash investing, capital and financing activities:				
Amortization of deferred amounts	4,658	(20,510)	(15,852)	-
Total non-cash investing, capital and financing activities:	\$ 4,658	\$ (20,510)	\$ (15,852)	\$ -

See notes to basic financials statements.

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

	Pension Trust Funds
	<hr/>
ASSETS	
Cash	\$ 1,976,117
Investments:	
Short-term investments	4,046,638
U.S. treasuries	22,700,419
U.S. agency obligations	2,474,539
Corporate bonds	5,003,118
Equity mutual funds	25,981,867
Common stock and mutual funds	53,310,296
Real estate funds	52,527,450
Bond index fund	19,728,379
Index funds (collective investment trust funds)	53,629,256
Total investments	<hr/> 239,401,962 <hr/>
Receivables:	
Plan members' contributions	27,077
CNM Share Plan	45,551
Receivable from broker on investments sold	948,794
Accrued interest	171,957
Accrued dividends	51,879
Total receivables	<hr/> 1,245,258 <hr/>
Other assets	<hr/> 12,820 <hr/>
Total assets	<hr/> 242,636,157 <hr/>
LIABILITIES	
Accounts payable	92,463
Payable to broker for investments purchased	34,429
Benefits payable	10,515
Total liabilities	<hr/> 137,407 <hr/>
NET POSITION	
Net position restricted for pension benefits	<hr/> \$ 242,498,750 <hr/>

See notes to basic financials statements.

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

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 8,394,583
Plan members	1,660,787
County	-
Other	85,261
Total contributions	<u>10,140,631</u>
Investment income:	
Net depreciation in fair value of investments	(27,523,258)
Interest	1,350,912
Dividends	4,059,219
Gross investment income	(22,113,127)
Less investment expenses	(1,553,445)
Net investment income	<u>(23,666,572)</u>
Total additions	<u>(13,525,941)</u>
DEDUCTIONS	
Benefits paid directly to Plan members:	
Normal retirement	13,222,988
Lump sum retirement	1,321,504
Refund of contributions	215,190
Total benefits paid	14,759,682
Administrative expenses	815,149
Total deductions	<u>15,574,831</u>
Change in net position	(29,100,772)
Net position restricted for pension benefits - beginning, as restated **	<u>271,599,522</u>
Net position restricted for pension benefits - ending	<u>\$ 242,498,750</u>

** The beginning restricted net position for pension benefits was restated. See NOTE 16

See notes to basic financials 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, 2022

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, 2022.

Blended Component Units

North Miami Community Redevelopment Agency (CRA) – The CRA was created on June 7, 2004, in accordance with Chapter 163.356, Florida Statutes, to establish and carry out 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, 2022

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. There is a financial burden relationship between MOCA and the City, therefore, the City has operational responsibility for MOCA. In addition, MOCA provides services which benefit the City even though it does not provide services directly to the City.

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 debt 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 is a non-profit organization incorporated in 2012. The original purpose of the NMEF 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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOMI Food Pantry, Inc. ("Pantry") – The Pantry is a non-profit organization incorporated in 2021. The purpose of the Pantry is to provide a stable source of nutrition to economically disadvantaged North Miami residents experiencing financial hardship, and to solicit and accept contributions from the general public, public or private institutions, and governmental agencies to achieve the goals, purposes and mission of the Pantry. The Pantry has a seven member board of directors selected by the City Council.

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. General capital asset acquisitions, including contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. The issuance of long-term debt and financing through leases are reported as other financing sources.

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. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

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

The ***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 ***American Rescue Plan Act Fund*** accounts for federal funding provided to assist with Covid-19/post-pandemic related costs and lost revenues recovery.

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 Citys outside the City limits.

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

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. Employees hired after such date 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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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".

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 0.86% for fiscal year 2022.

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.

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Prepaids

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. 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 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.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets	Years
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
Right-to-use leased equipment	5-20
Office equipment	5-10
Computer equipment	3-4
Library books	5

6. 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.

7. 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 consumption of net assets 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 (loss on debt refunding) includes the difference between the carrying value of refunded debt and its reacquisition price. Because new sources were used for the refunding, 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*, 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the Statement of Net Position also displays a separate section for deferred inflow of resources. This represents the acquisition of net assets 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 pensions, OPEB and leases.

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>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Unearned Revenues</u>
Grant funds received in advance	\$ -	\$ -	\$ 2,845,482
Deposits and other funds received in advance	-	-	1,162,778
Rent received in advance	-	-	10,686,402
Lease related	-	5,779,886	-
OPEB	1,679,285	1,812,152	-
Pensions	18,709,615	33,659,363	-
Total governmental activities	<u>\$ 20,388,900</u>	<u>\$ 41,251,401</u>	<u>\$ 14,694,662</u>
<u>Business-type Activities</u>			
OPEB	\$ 245,034	\$ 252,887	
Pensions	2,998,884	3,513,648	
Total business-type activities	<u>\$ 3,243,918</u>	<u>\$ 3,766,535</u>	

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. 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 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.

9. 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.

10. 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.

11. 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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

12. 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:

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).

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Landfill closure \$5,906,015; housing and other community development \$344,918; public safety projects \$560,283; City transportation programs \$2,552,775; capital projects \$13,926,843; other purposes \$2,263,602.

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 balance of \$567,853 relates to funding for MOCA activities and \$263,628.

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 positive unassigned fund balance of \$3,083,814, the nonmajor governmental funds reported a total negative unassigned fund balance of (\$1,452,471).

E. Leases

The City as Lessee

The City is a lessee for noncancellable leases of vehicles, equipment, land and building spaces. The City recognizes a lease liability and a right-to-use leased asset in the government-wide financial statements. At the commencement of a lease, the City measures the lease liability

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or the lease period whichever is shorter. Key estimates and judgments related to leases include how the City determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses its estimated incremental borrowing rate of 3.49% as the discount rate for leases. The lease term includes the noncancellable period of the lease.

Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly alter the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. Lease activity is included in Notes 6 and 7.

The City as Lessor

The City is a lessor for noncancellable leases of land, buildings and other structures. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The City uses its estimated incremental borrowing rate of 3.49% as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly alter the amount of the lease receivable.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City leases four pieces of land and facilities for cellular tower antenna sites to third parties. The City believes the tenants and licensees will exercise renewal options with reasonable certainty. During the year ended September 30, 2022, the City recognized \$242,885 of lease revenue (including \$8,477 interest) related to the lease agreements. At September 30, 2022, the City recorded a lease receivable and deferred inflow of resources of \$5,779,886 related to the leases.

The following is a summary of changes in leases receivable for governmental activities for the year ended September 30, 2022:

	Beginning Balance 10/01/2021	Additions	Reductions	Ending Balance 9/30/2022
Governmental Activities				
Lease agreements - lands	\$ 4,503,399	\$ -	\$ (130,000)	\$ 4,373,399
Lease agreements - cellular tower antenna sites	1,519,372	-	(112,885)	1,406,487
Total	<u>\$ 6,022,771</u>	<u>\$ -</u>	<u>\$ (242,885)</u>	<u>\$ 5,779,886</u>

The remaining amounts to be received associated with these leases are as follows:

Fiscal year ending September 30:	Lands	Antenna sites	Total
2023	\$ 321,360	\$ 118,180	\$ 439,540
2024	331,001	123,573	454,574
2025	357,249	134,565	491,814
2026	371,010	79,883	450,893
2027	385,331	83,852	469,183
Thereafter	2,760,080	915,521	3,675,601
Total payment	4,526,031	1,455,574	5,981,605
Less amount representing interest	(152,632)	(49,087)	(201,719)
Principal payment	<u>\$ 4,373,399</u>	<u>\$ 1,406,487</u>	<u>\$ 5,779,886</u>

F. Impact of Recently Issued Accounting Pronouncements

Issued and Adopted Accounting Pronouncements

For the year ended September 30, 2022, the City adopted the following financial accounting standards issued by GASB:

Accounting Pronouncements Adopted

GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. Effective July 1, 2021, the City implemented GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. In accordance with the statement, the City recognized certain leased assets

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and liabilities for leases that were previously classified as operating leases and recognized inflows or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use leased assets, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Statement also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregate amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of the lease arrangements on a government's resources. See Notes 6, and 7 for further information on the implementation of GASB 87, *Leases*. The adoption impacted the beginning lease receivable, right-to-use, lease liability and deferred inflows of resources, as shown below:

	Governmental Activities			
	Lease Receivable	Deferred Inflow of Resources	Right-to-use Asset	Lease liability
Statement of Net Position				
Balances September 30, 2021, as previously reported	\$ -	\$ 20,337,785	\$ -	\$ -
Change to implement GASB No. 87	5,779,886	5,779,886	5,779,886	5,779,886
Balances October 1, 2021, as restated	<u>\$ 5,779,886</u>	<u>\$ 26,117,671</u>	<u>\$ 5,779,886</u>	<u>\$ 5,779,886</u>

	Business-type Activities	
	Right-to-use Asset	Lease liability
Balances September 30, 2021, as previously reported	\$ -	\$ -
Change to implement GASB No. 87	7,970	7,970
Balances October 1, 2021, as restated	<u>\$ 7,970</u>	<u>\$ 7,970</u>

	General Fund	
	Lease Receivable	Deferred Inflow of Resources
Balances September 30, 2021, as previously reported	\$ -	\$ 11,437,156
Change to implement GASB No. 87	5,779,886	5,779,886
Balances October 1, 2021, as restated	<u>\$ 5,779,886</u>	<u>\$ 17,217,042</u>

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 City adopted GASB 92 in the current fiscal year financial statements.

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 requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the City's financial position or results of operations.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 98, *The Annual Comprehensive Financial Report* was issued October 2021. This Statement addresses references in authoritative literature to the term Comprehensive Annual Financial Report and its acronym which has been replaced with Annual Comprehensive Financial Report (ACFR). The City did early adoption as of September 30, 2021.

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. 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.
- 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 reporting periods beginning after June 15, 2022. The requirements of this Statement are effective for the City for year ending September 30, 2023.
- GASB Statement No. 99, *Omnibus 2022* was issued in April 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The requirements of this Statement are effective for the City for year ending September 30, 2023.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* was issued in June 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The requirements of this Statement are effective for the City for year ending September 30, 2024.
- The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The requirements of this Statement are effective for the City for year ending September 30, 2024.

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, 2022

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

As of September 30, 2022, 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	\$ 6,822,972
Certificates of deposit	2,340,771
Cash	63,465,554
Total pooled cash and investments	<u>72,629,297</u>
Non-Pooled Cash:	
North Miami CRA	6,897,637
MOCA	2,492,205
Cash in escrow	7,000,000
Cash	5,959,941
	<u>22,349,783</u>
Total Cash and Investments	<u>\$ 94,979,080</u>

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

	<u>Fair Value Measurements Using</u>	
		Quoted Prices in Active Markets for Identical Assets (Level 1)
	<u>Fair Value</u>	
Investments by fair value level		
Certificates of Deposit:		
First Horizon (Formerly Iberia Bank)	\$ 1,500,000	\$ 1,500,000
Truist (Formerly Suntrust Bank)	840,771	840,771
Total Investments by Fair Value	<u>\$ 2,340,771</u>	<u>\$ 2,340,771</u>

Investments in the SBA Florida PRIME totaling \$6,822,972 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, 2022, 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 \$2,340,771 are not rated.

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

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% of the City's investments are in certificates of deposits. These investments are 25.5% 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, 2022, the City's Pension Trust Funds had the following combined investments:

Combined Investments - CTS Retirement System and NMPP Plan					
Investment Type	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	\$ 22,700,399	\$ -	\$ 13,631,572	\$ 9,068,827	\$ -
U.S. Agency Obligations	2,474,539	-	-	-	2,474,539
Corporate bonds	5,003,118	275,280	556,993	4,170,845	-
Bond index funds	1,999,985	-	-	1,999,985	-
Total	<u>\$ 32,178,041</u>	<u>\$ 275,280</u>	<u>\$ 14,188,565</u>	<u>\$ 15,239,657</u>	<u>\$ 2,474,539</u>

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

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

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:

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, 2022, the following table shows the distribution of the CTS Retirement System's investments by maturity:

Investment Type	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	\$ 11,406,319	\$ -	\$ 6,123,235	\$ 5,283,084	\$ -
U.S. Agency Obligations	1,386,021	-	-	-	1,386,021
Corporate bonds	3,003,133	275,280	556,993	2,170,860	-
Total	<u>\$ 15,795,473</u>	<u>\$ 275,280</u>	<u>\$ 6,680,228</u>	<u>\$ 7,453,944</u>	<u>\$ 1,386,021</u>

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

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

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 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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was -8.70%. 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 City 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 anyone issuing company nor can the aggregate investment in anyone issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2022, 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, 2022

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 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.

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.

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

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

- 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 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 determine 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, 2022:

		CTS Retirement System	
		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
		9/30/2022	
Investments by Fair Value Level			
Debt securities:			
U.S. Treasury	\$ 11,406,339	\$ 11,406,339	\$ -
U.S. Agencies	1,386,021	-	1,386,021
Corporate bonds	3,003,133	-	3,003,133
Total Debt Securities	15,795,493	11,406,339	4,389,154
Equity securities:			
Common stock	32,764,501	32,764,501	-
Equity mutual fund	15,968,616	15,968,616	-
Total Equity Securities	48,733,117	48,733,117	-
Total Investments by Fair Value	\$ 64,528,610	\$ 60,139,456	\$ 4,389,154
Investments Measured at Net Asset Value (NAV)*			
Real estate funds	\$ 30,493,819		
Collective investment trust funds:			
Bond index fund	15,160,538		
Equity securities index fund	32,909,693		
Total investments measured at NAV	78,564,050		
Money market funds (exempt)	3,267,664		
Total Investments	\$ 146,360,324		

* 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, 2022

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				
Investments Measured at NAV	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Day)
Real estate funds ¹	\$ 30,493,819	\$ -	Daily	10 - 90
Collective investment trust funds:				
Bond index fund ²	15,160,538	-	Daily	1
Equity securities index fund ²	32,909,693	-	Daily	1
Total investments measured at NAV	<u>\$ 78,564,050</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 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 funds considered commingled in nature which are 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 funds are open for withdrawal daily and provide 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, 2022

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, 2022, the following table shows the distribution of the NMPP Plan's investments, by maturity:

Investment Type	Investments - 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	\$ 11,294,080	\$ -	\$ 7,508,337	\$ 3,785,743	\$ -
U.S. Agency Obligations	1,088,518	-	-	-	1,088,518
Corporate bonds	1,999,985	-	-	1,999,985	-
Total	<u>\$ 14,382,583</u>	<u>\$ -</u>	<u>\$ 7,508,337</u>	<u>\$ 5,785,728</u>	<u>\$ 1,088,518</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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was -8.98%. 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 City 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, 2022

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 anyone issuing company nor can the aggregate investment in anyone issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2022, 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 percentage 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.

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.

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

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

- 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, 2022

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, 2022:

		NMPP Plan	
		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	9/30/2022		
Debt securities:			
U.S. Treasury	\$ 11,294,080	\$ 11,294,080	\$ -
U.S. Agencies	1,088,518	-	1,088,518
Corporate bonds	1,999,985	-	1,999,985
Total Debt Securities	14,382,583	11,294,080	3,088,503
Equity securities:			
Common stock	20,545,795	20,545,795	-
Equity mutual fund	10,013,251	10,013,251	-
Total Equity Securities	30,559,046	30,559,046	-
Total Investments by Fair Value	44,941,629	\$ 41,853,126	\$ 3,088,503
Investments Measured at Net Asset Value (NAV)*			
Real estate funds	\$ 22,033,631		
Collective investment trust fund:			
Bond index fund	4,567,841		
Equity securities index funds	20,719,563		
Total investments measured at NAV	47,321,035		
Money market funds (exempt)	778,974		
Total Investments	\$ 93,041,638		

* 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.

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	\$ 22,033,631	\$ -	Daily	10 - 90
Collective investment trust fund				
Bond index fund ²	4,567,841	-	Daily	1
Equity securities ²	20,719,563	-	Daily	1
Total investments measured at NAV	<u>\$ 47,321,035</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 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.

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

NOTE 3. RECEIVABLES

Receivables as of September 30, 2022, for the City's individual major funds and nonmajor funds, in the aggregate, net of the allowances for uncollectable accounts, are as follows:

	General	CDBG Entitlement	CRA	Nonmajor Governmental	Water and Sewer	Stormwater	Internal Service Funds	Total
Receivables:								
Customer accounts	\$ 2,442,644	\$ -	\$ -	\$ -	\$ 20,971,755	\$ 1,460,924	\$ -	\$ 24,875,323
Due from component unit	203,225	-	252,236	-	-	-	-	455,461
Other - liens interest	3,690,666	-	-	-	581,288	-	-	4,271,954
Miscellaneous - receivable	751,924	16,670	4,100	317,424	377	-	-	1,090,495
Intergovernmental	1,762,085	313,508	-	1,827,886	-	-	35,295	3,938,774
Gross receivables	8,850,544	330,178	256,336	2,145,310	21,553,420	1,460,924	35,295	34,632,007
Less allowance for uncollectables	(4,268,671)	-	-	-	(3,771,230)	(226,569)	-	(8,266,470)
Total net receivables	\$ 4,581,873	\$ 330,178	\$ 256,336	\$ 2,145,310	\$ 17,782,190	\$ 1,234,355	\$ 35,295	\$ 26,365,537

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	Note 1		Note 2		Total	
September 30:	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 934,714	\$ 130,859	\$ 815,686	\$ 114,196	\$ 1,750,400	\$ 245,055
2024	934,714	98,145	815,686	85,647	1,750,400	183,792
2025	934,714	65,430	815,686	57,098	1,750,400	122,528
2026	934,712	32,715	815,688	28,549	1,750,400	61,264
	<u>\$ 3,738,854</u>	<u>\$ 327,149</u>	<u>\$ 3,262,746</u>	<u>\$ 285,490</u>	<u>\$ 7,001,600</u>	<u>\$ 612,639</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, 2022, totaled \$2,032,193. The loans are forgivable ratably over a ten-year period and therefore allowances have been made as of fiscal year end.

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

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.

The total taxable value of property, as established by the Miami-Dade County Property Appraiser, at July 1, 2021, upon which the 2022 budget was based, was approximately \$4.60 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, 2022, 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 \$252,667 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, 2022:

Funds	Interfund	
	Receivable	Payable
General Fund	\$ 1,143,579	\$ -
C.D.B.G. Entitlement Fund	-	101,765
	<u>1,143,579</u>	<u>101,765</u>
Non-major Funds:		
HOME Investment Partnership	-	132,465
Justice Assistance Grants	-	40,021
Miscellaneous and Other Grants	-	6,051
FEMA Disaster Recovery	-	266,594
North Miami Cagni Park Project	-	596,683
Total Non-major Funds	<u>-</u>	<u>1,041,814</u>
Total	<u>\$ 1,143,579</u>	<u>\$ 1,143,579</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, 2022

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

Interfund transfers for the year ended September 30, 2022, consisted of the following:

Transfers out		Transfers in			
Funds	General Fund	Debt Service Nonmajor Fund	E May Avil Library	Other Capital Project Funds	Total
General		\$ 1,446,443	\$ 47,514	\$ 143,344	\$ 1,637,301
American Rescue Plan Act	5,000,000	-	-	-	5,000,000
Building	-	51,895	-	-	51,895
2005 Recovery	55,526	-	-	-	55,526
Arch Creek Bridge	23,149	-	-	-	23,149
Miscellaneous & Other Grants	200,153	-	-	-	200,153
Water and sewer	-	204,444	-	-	204,444
Stormwater utility	-	29,076	-	-	29,076
Internal service	-	54,467	-	-	54,467
Total	<u>\$ 5,278,828</u>	<u>\$ 1,786,325</u>	<u>\$ 47,514</u>	<u>\$ 143,344</u>	<u>\$ 7,256,011</u>

Interfund Transfers

Bond covenants and City financial policies require the 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, 2022

NOTE 6. CAPITAL ASSETS

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

	<u>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	\$ 19,009,371	\$ -	\$ (32,120)	\$ -	\$ 18,977,251
Land - right-to-use	1,268,967 *	-	-	-	1,268,967
Construction in progress	2,248,977	1,746,147	-	(2,567,933)	1,427,191
Total capital assets, not being depreciated	<u>22,527,315</u>	<u>1,746,147</u>	<u>(32,120)</u>	<u>(2,567,933)</u>	<u>21,673,409</u>
Capital assets, being depreciated:					
Land improvements	19,549,528	-	(53,521)	-	19,496,007
Building and improvements	26,152,861	15,000,881	(261,132)	112,218	41,004,828
Buildings - right-to-use	1,788,641 *	-	-	-	1,788,641
Infrastructure	62,178,031	261,445	(59,297)	2,246,485	64,626,664
Machinery and equipment	21,082,169	194,114	(4,264,037)	209,230	17,221,476
Equipment - right-to-use	102,126 *	-	-	-	102,126
Library Books	2,439,410	31,925	-	-	2,471,335
Total capital assets, being depreciated	<u>133,292,766</u>	<u>15,488,365</u>	<u>(4,637,987)</u>	<u>2,567,933</u>	<u>146,711,077</u>
Less accumulated depreciation for:					-
Land improvements	(14,800,702)	(331,373)	25,123	-	(15,106,952)
Building and improvements	(12,908,100)	(564,414)	157,248	-	(13,315,266)
Buildings - right-to-use	(152,076) *	-	-	-	(152,076)
Infrastructure	(32,652,671)	(1,155,586)	38,216	-	(33,770,041)
Machinery and equipment	(17,017,622)	(1,335,185)	4,417,400	-	(13,935,407)
Equipment - right-to-use	(30,659) *	-	-	-	(30,659)
Library Books	(2,312,370)	(52,185)	-	-	(2,364,555)
Total accumulated depreciation	<u>(79,874,200)</u>	<u>(3,438,743)</u>	<u>4,637,987</u>	<u>-</u>	<u>(78,674,956)</u>
Total capital assets, being depreciated, net	<u>53,418,566</u>	<u>12,049,622</u>	<u>-</u>	<u>2,567,933</u>	<u>68,036,121</u>
Governmental activities capital assets, net	<u>\$ 75,945,881</u>	<u>\$ 13,795,769</u>	<u>\$ (32,120)</u>	<u>\$ -</u>	<u>\$ 89,709,530</u>

* Beginning balance was restated with the implementation of GASB 87, *Leases*, at October 1, 2021.

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

NOTE 6. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 653,080	\$ -	\$ -	\$ -	\$ 653,080
Construction in progress	506,448	2,235,056	-	(302,309)	2,439,195
Total capital assets, not being depreciated	1,159,528	2,235,056	-	(302,309)	3,092,275
					-
Capital assets, being depreciated:					-
Land improvements	1,249,069	-	-	-	1,249,069
Building and improvements	2,522,999	-	-	-	2,522,999
Infrastructure	92,868,077	654,375	-	24,908	93,547,360
Machinery and equipment	7,024,626	252,068	(503,644)	277,401	7,050,451
Equipment - right-to-use	7,969 *	-	-	-	7,969
Total capital assets, being depreciated	103,672,740	906,443	(503,644)	302,309	104,377,848
					-
Less accumulated depreciation for:					-
Land improvements	(142,507)	(640)	-	-	(143,147)
Building and improvements	(1,114,758)	(76,632)	-	-	(1,191,390)
Infrastructure	(48,100,211)	(2,443,122)	-	-	(50,543,333)
Machinery and equipment	(5,868,307)	(300,838)	503,644	-	(5,665,501)
Equipment - right-to-use	(2,382) *	-	-	-	(2,382)
Total accumulated depreciation	(55,228,165)	(2,821,232)	503,644	-	(57,545,753)
					-
Total capital assets, being depreciated, net	48,444,575	(1,914,789)	-	302,309	46,832,095
Business-type activities capital assets, net	<u>\$ 49,604,103</u>	<u>\$ 320,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,924,370</u>

* Beginning balance was restated with the implementation of GASB 87, *Leases*, at October 1, 2021.

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

Governmental activities:	
General government	\$ 741,213
Public safety	246,333
Transportation and public works	848,451
Culture and recreation	642,554
Subtotal	2,478,551
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	960,192
Total depreciation expense – governmental activities	<u>\$ 3,438,743</u>
Business-type activities:	
Water and sewer	\$ 2,397,515
Stormwater	423,717
Total depreciation expense – business-type activities	<u>\$ 2,821,232</u>

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

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Debt payable:					
Pension obligation note-Series 2010	\$ 10,570,000	\$ -	\$ (1,020,000)	\$ 9,550,000	\$ 1,095,000
Unamortized bond discount	(334,868)	-	62,286	(272,582)	-
Right-to-use operating lease obligation *	3,159,734 *	-	(305,371)	2,854,363	302,135
Right-to-use capital lease obligation	-	14,538,269	(787,500)	13,750,769	1,073,625
Capital lease obligation	1,435,403	-	(478,202)	957,201	418,693
Total debt payable	<u>14,830,269</u>	<u>14,538,269</u>	<u>(2,528,787)</u>	<u>26,839,751</u>	<u>2,889,453</u>
Other liabilities:					
Compensated absences	6,005,217	4,765,316	(1,831,765)	8,938,768	2,727,811
Landfill closure	7,633,050	262,898	-	7,895,948	-
Total OPEB liability	12,657,083	961,511	-	13,618,594	-
Net pension liability	32,468,082	-	(32,973,547)	(505,465) **	-
Net pension liability - FRS and HIS	4,319,753	9,313,420	-	13,633,173	-
Claims payable (risk)	4,352,779	110,267	(650,896)	3,812,151	-
Claims payable (other)	435,864	-	-	435,864	-
Total other liabilities	<u>67,871,828</u>	<u>15,413,412</u>	<u>(35,456,208)</u>	<u>47,829,033</u>	<u>2,727,811</u>
Governmental activities - long-term liabilities	<u>\$ 82,702,097</u>	<u>\$ 29,951,681</u>	<u>\$ (37,984,995)</u>	<u>\$ 74,668,784</u>	<u>\$ 5,617,264</u>

* Beginning balance was restated October 1, 2021, with the implementation of GASB 87, Leases.

** The actuarial valuation report for the City's CTS Pension Plan reported significant reduction in the net pension liability resulting in a net pension asset instead of a liability for the allocation to the governmental activities.

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.

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

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.
- Events of default shall be deemed to have occurred if the City fails to make any payment of principal or interest when the same becomes due and payable; default in the performance of any part of the agreement; and/or any petition to declare bankruptcy.
- Events 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
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	1,350,000	436,450	1,786,450
2027	1,450,000	338,575	1,788,575
2028-2029	3,220,000	354,162	3,574,162
Total	<u>\$ 9,550,000</u>	<u>\$ 2,962,350</u>	<u>\$12,512,350</u>

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

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Debt payable:					
FMLC Series 2016 refunding (stormwater) - direct borrowing	\$ 405,000	\$ -	\$ (405,000)	\$ -	\$ -
Unamortized bond premiums	20,510	-	(20,510)	-	-
State revolving fund loans - direct borrowings	5,070,329	-	(294,977)	4,775,352	297,184
Right-to-use operating lease obligation *	7,970	*	(3,313)	4,657	1,410
Total debt payable	<u>5,503,809</u>	<u>-</u>	<u>(723,800)</u>	<u>4,780,009</u>	<u>298,594</u>
Other liabilities:					
Compensated absences	880,461	740,831	(306,285)	1,315,007	314,616
Total OPEB liability	2,009,290	139,710	-	2,149,000	-
Net pension liability	4,388,208	-	(3,279,809)	1,108,399	-
Net pension liability - FRS and HIS	811,771	926,387	-	1,738,158	-
Total other liabilities	<u>8,089,730</u>	<u>1,806,928</u>	<u>(3,586,094)</u>	<u>6,310,564</u>	<u>314,616</u>
Business-type activities - long-term liabilities	<u>\$ 13,593,539</u>	<u>\$ 1,806,928</u>	<u>\$ (4,309,894)</u>	<u>\$ 11,090,573</u>	<u>\$ 613,210</u>

* Beginning balance was restated with the implementation of GASB 87, Leases, at October 1, 2021.

Loans Payable

Stormwater Utility Loan - The debt service requirements to maturity on the FMLC Loan-Series 2016 were fully paid at September 30, 2022.

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.

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

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, 2022, the total loan amount disbursed and outstanding was \$2,143,349.

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.
- 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, 2022, the total loan amount disbursed and outstanding was \$2,632,002.

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

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

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.

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:									
2023	\$ 147,736	\$ 20,516	\$ 168,252	\$ 149,447	\$ 16,051	\$ 165,498	\$ 297,183	\$ 36,567	\$ 333,750
2024	149,047	19,218	168,265	150,360	15,138	165,498	299,407	34,356	333,763
2025	150,371	17,908	168,279	151,279	14,220	165,499	301,650	32,128	333,778
2026	151,708	16,584	168,292	152,203	13,295	165,498	303,911	29,879	333,790
2027	153,058	15,247	168,305	153,133	12,366	165,499	306,191	27,613	333,804
2028 - 2032	786,023	62,648	848,671	779,812	47,680	827,492	1,565,835	110,328	1,676,163
2033 - 2037	605,406	13,276	618,682	803,926	23,566	827,492	1,409,332	36,842	1,446,174
2038 - 2040	-	-	-	291,843	10,875	302,718	291,843	10,875	302,718
Total	\$ 2,143,349	\$ 165,397	\$ 2,308,746	\$ 2,632,003	\$ 153,191	\$ 2,785,194	\$ 4,775,352	\$ 318,588	\$ 5,093,940

Lease Obligations

Capital Leases

The City has entered into certain lease agreements as lessee for financing the acquisition of certain vehicles and equipment for use by different departments. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

Future principal and interest payments as of September 30, 2022, follows:

Fiscal year ending September 30:	Governmental Activities
2023	\$ 1,556,850
2024	1,627,107
2025	1,258,109
2026	1,214,123
2027	1,250,547
Thereafter	8,331,720
Total minimum lease payments	15,238,456
Less amount representing interest	(530,486)
Present value of minimum lease payments	<u>\$ 14,707,970</u>

The net book value of assets acquired through capital leases as of September 30, 2022, follows:

	Governmental Activities
Fleet	\$ 3,401,356
Equipment	253,542
Building	14,538,270
Total cost	18,193,168
Less accumulated depreciation	(3,485,198)
Total net book value	<u>\$ 14,707,970</u>

Operating Leases

The City leases certain copier and printing equipment used by several departments. Total cost for the leases was \$3,167,704 for the year ended September 30, 2022, for governmental activities (\$3,159,734) and business-type activities (\$7,970). The future minimum lease payments for these leases are as follows:

Fiscal year ending September 30:	Governmental Activities	Business-type Activities
2023	\$ 302,186	\$ 3,264
2024	281,137	1,577
2025	283,868	-
2026	230,459	-
2027	228,748	-
Thereafter	1,616,566	-
Total minimum lease payments	2,942,964	4,841
Less amount representing interest	(88,601)	(184)
Present value of minimum lease payments	<u>\$ 2,854,363</u>	<u>\$ 4,657</u>

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

The net book value of assets acquired through operating leases as of September 30, 2022, follows:

	Governmental Activities	Business-type Activities
Land	\$ 1,170,053	\$ -
Building	1,781,485	-
Equipment	85,560	7,970
Total cost	3,037,098	7,970
Less accumulated depreciation	(182,735)	(3,313)
Total net book value	<u>\$ 2,854,363</u>	<u>\$ 4,657</u>

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, 2022, follows:

	<u>Non Ad-Valorem Revenues Pledged</u>	
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	\$43,015,274	
Total future revenues pledged	\$12,512,350	
Term of commitment (years)	2010-2029	
Current year debt service	\$1,786,325	
Percentage of current year debt service to pledged revenues	4.15%	
	<u>Non Ad-Valorem Revenues Pledged</u>	
Business-Type Activities:		
Description of debt	FMLC Loan - Series 2016 (stormwater)	State Revolving Loans (drinking water)
Purpose of debt	Capital improvements	Capital improvements (drinking water)
Current revenue	\$2,411,117	\$34,302,822
Total future revenues pledged	\$0	\$5,093,940
Term of commitment (years)	2002-2022	2014-2036
Current year debt service	\$464,280	\$117,235
Percentage of current year debt service to pledged revenues	19.26%	0.34%

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

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 fifteen 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, 2022

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, 2022, the date of the latest actuarial valuation, plan participation consisted of the following:

Retirees and beneficiaries	178
Active plan members	<u>434</u>
	<u>612</u>

Total OPEB Liability

The City's total OPEB liability of \$15,767,594 was determined by an actuarial valuation as of September 30, 2022, measurement date.

Actuarial Assumptions and Other Inputs

Valuation Date: September 30, 2020

Measurement Date: September 30, 2021

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method - Entry-Age Normal

Inflation - 2.25%

Discount Rate – 2.19% - 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 2.19% (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 2.41% as of the previous measurement date.

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Salary Increases - Rates are those used in the respective October 1, 2020, actuarial valuations. For participants in the Florida Retirement System, salary rates are based on those used in the July 1, 2020, 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 those used in the respective October 1, 2020, actuarial valuations. For participants in Florida Retirement System, retirement rates are based on those used in the July 1, 2020, 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%

Mortality - Mortality rates are the same as used in the July 1, 2020, actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Healthcare Cost Trend Rates - Trend rate starting at 10.2% for claims costs and premiums (based on actual premium rates effective January 1, 2021), and thereafter trend based on the Getzen Model, with trend rate decreasing to 6.00% effective January 1, 2022, and gradually decreasing to an ultimate trend rate of 3.99%.

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

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

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the total OPEB liability for the fiscal year ended September 30, 2022, were as follows:

Balance at September 30, 2021	<u>\$ 14,666,373</u>
Changes for the year:	
Service cost	677,099
Interest	364,610
Difference between expected and actual experience	-
Changes in assumptions	488,387
Benefits payments	<u>(428,875)</u>
Net changes	<u>1,101,221</u>
Balance at September 30, 2022	<u><u>\$ 15,767,594</u></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 2.19%, 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:

	1 % Decrease	Current Discount Rate Assumption	1 % Increase
	1.19%	2.19%	3.19%
Total OPEB liability	<u>\$ 18,336,147</u>	<u>\$15,767,594</u>	<u>\$ 13,731,397</u>

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:

	1 % Decrease	Current Healthcare Cost Trend Rate Assumption	1 % Increase
Total OPEB liability	<u>\$ 14,679,577</u>	<u>\$15,767,594</u>	<u>\$ 17,051,700</u>

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the fiscal year ended September 30, 2022, the City recognized OPEB expense of \$624,207.

Deferred inflow and outflow of resources related to OPEB are as follows:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (846,481)
Changes in assumptions and other inputs	1,424,833	(1,218,557)
	1,424,833	(2,065,038)
City contributions made subsequent to the measurement date	499,485	-
	<u>\$ 1,924,318</u>	<u>\$ (2,065,038)</u>

The deferred outflows of resources totaling \$499,485, resulting from City contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the fiscal year ending September 30, 2023. 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
2023	\$ (417,502)
2024	(261,097)
2025	180,959
2026	(129,871)
2027	(110,371)
Thereafter	97,677
Total	<u>\$ (640,205)</u>

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 2022, is based on recommended funding requirements, as determined by a self-insurance actuarial review as of September 30, 2022, performed by outside actuary consultants.

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

NOTE 9. SELF-INSURANCE (Continued)

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, 2022, the City's risk retention for certain types of risk is as follows:

<u>Line of Coverage</u>	<u>Retention/Deductible</u>	<u>Coverage After Retention/Deductible</u>
Self-insured:	Worker's compensation	
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 coverage	
Property, multi-peril	\$5,000 general & 5% named storm	\$66,844.63 (bldg) and \$13,984,250 (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	\$150,000 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.

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.

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

NOTE 9. SELF-INSURANCE (Continued)

Estimated Claims Liability

The estimated claims liability of \$3,812,150 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:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>
Estimated claims liability - beginning of year	\$ 2,136,745	\$ 2,216,034	\$ 4,352,779	\$ 3,280,045
Current year claims and changes in estimates	(171,697)	281,964	110,267	1,819,525
Claim payments	<u>(398,121)</u>	<u>(252,775)</u>	<u>(650,896)</u>	<u>(746,791)</u>
Estimated claims liability - end of year	<u>\$ 1,566,927</u>	<u>\$ 2,245,223</u>	<u>\$ 3,812,150</u>	<u>\$ 4,352,779</u>

The City carries Excess Workers' Compensation insurance to secure statutory worker's compensation coverage in excess of the self-insured retention. In 2022, 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 in cases where payments have been made through the Workers' Compensation Third Party Administrator, in excess of the self-insured retention. The City recovered \$21,247 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.

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.

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

On February 15, 2016, the City closed the CTS Retirement System to new participants. After the closure, new employees 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 508, 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 policies are determined by the Boards of Trustees and are 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**.

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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, 2021, (beginning of year valuation date); however, employer contribution requirements for the year ended September 30, 2022, were based on October 1, 2021, 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, 2021, follows:

Inactive plan members and beneficiaries currently receiving benefits	67
Inactive plan members entitled but not yet receiving benefits	1
Active plan members	<u>79</u>
Total members	<u>147</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 the age of 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.

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

interest determined at the discretion of the Board of Trustees. The interest rate was **0.00%** for 2022. Employer and state contributions for the fiscal year ended September 30, 2022, was 62.31% 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 \$82,682.

Net Pension Liability

Components of the net pension liability of the City as of September 30, 2022:

	<u>NMPP Plan</u>
Total pension liability	\$124,763,419
Plan fiduciary net position	<u>(105,037,575)</u>
Net pension liability	<u>\$ 19,725,844</u>
Plan fiduciary net position as a percentage of total pension liability	84,19%

Actuarial Assumptions

The actuarial valuation of the liabilities was determined as of the beginning of the year, October 1, 2020, (based on the actuarial valuation results as reported in the October 1, 2020, actuarial valuation) and rolled forward to the September 30, 2021, measurement date.

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 – 7.10%

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

Mortality – The mortality tables are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB- 2010 Headcount Weighted Safety Employee Female Table (preretirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB- 2010 Safety Healthy Retiree Female Table

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

(post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2019, Actuarial Valuation of the Florida Retirement System (FRS).

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 weighing 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, 2022, are summarized in the following table:

NMPP Plan		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	48.00%	7.50%
International equity	12.00%	8.50%
Domestic bonds	21.00%	2.50%
International bonds	0.00%	3.50%
Real Estate	19.00%	4.50%
Alternative assets	0.00%	6.00%

Discount Rate - A single discount rate of 7.10% 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 7.10%. 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 (7.10%) was applied.

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

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, 2022:

	NMPP Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2021	<u>\$ 116,637,565</u>	<u>\$ 84,248,015</u>	<u>\$ 32,389,550</u>
Changes for the year			
Service cost	\$ 2,728,817	-	2,728,817
Interest	8,368,131	-	8,368,131
Changes in benefit terms	-	-	-
Difference between actual & expected experience	1,753,351	-	1,753,351
Assumption changes	1,560,253	-	1,560,253
Benefit payments	(6,225,983)	-	(6,225,983)
Refunds	(58,715)	-	(58,715)
Contributions - employer	-	4,545,250	(4,545,250)
Contributions - employer (from State/Share Plan)	-	186,255	(186,255)
Contributions - non-employer contributing entity	-	-	-
Contributions - member	-	845,591	(845,591)
Net investment income	-	21,777,391	(21,777,391)
Benefit payments	-	(6,225,983)	6,225,983
Refunds	-	(58,715)	58,715
Administrative expense	-	(280,229)	280,229
Net changes	<u>8,125,854</u>	<u>20,789,560</u>	<u>(12,663,706)</u>
Balance at September 30, 2022	<u>\$ 124,763,419</u>	<u>\$ 105,037,575</u>	<u>\$ 19,725,844</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 7.10%, 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 higher than the single discount rate:

	NMPP Plan		
	Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.10%	7.10%	8.10%
Net pension liability	<u>\$ 37,177,514</u>	<u>\$ 19,725,844</u>	<u>\$ 5,403,572</u>

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

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, 2022, the City recognized pension expense of \$3,567,307. At September 30, 2022, 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
Differences between expected and actual experience	\$ 4,606,344	\$ (1,607,544)
Assumptions changes	3,022,861	(1,714,561)
Net difference between projected and actual earnings on pension plan investments	3,793,718	(13,116,954)
	11,422,923	(16,439,059)
Employer contributions made subsequent to the measurement date	5,118,324	-
	<u>\$ 16,541,247</u>	<u>\$ (16,439,059)</u>

The deferred outflows of resources related to the Plan, totaling \$5,118,324 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, 2023. 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
2023	\$ (606,176)
2024	(252,134)
2025	(1,690,519)
2026	(2,768,546)
2027	301,239
Total	<u>\$ (5,016,136)</u>

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.

CITY OF NORTH MIAMI, FLORIDA
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SEPTEMBER 30, 2022

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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, 2020; however, the required employer contribution for the fiscal year ended September 30, 2022, is based on the October 1, 2021, 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, 2020, follows:

Inactive plan members and beneficiaries currently receiving benefits	223
Inactive plan members entitled but not yet receiving benefits	5
Active plan members	<u>159</u>
Total members	<u>387</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.

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 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.

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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 2022. Employer contributions for the fiscal year ended September 30, 2022, was 30.98% of covered payroll. The total employer contribution on the statement of changes in fiduciary net position is \$3,358,941 for 2022.

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 \$2,579 for the fiscal year ended September 30, 2022, and is reported as other contributions; the balance to be received as of September 30, 2022, was \$42,972. 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, 2022 follows:

	<u>CTS Retirement System</u>
Total pension liability	\$148,079,967
Plan fiduciary net position	<u>(167,202,879)</u>
Net pension liability	<u><u>\$ (19,122,912)</u></u>
Plan fiduciary net position as a percentage of total pension liability	112.91%

Actuarial Assumptions

The total pension liability was measured as of September 30, 2021, and determined by an actuarial valuation as of October 1, 2020, using the following actuarial assumptions and applied to all prior periods included in the measurement:

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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 – 6.75%

Retirement Age – Experience-based table of rates

Mortality – The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB- 2010 Headcount Weighted Below Median Retiree Female Table (post- retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2019.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

CTS Retirement System		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	48.00%	7.50%
International equity	12.00%	8.50%
Domestic bonds	24.00%	2.50%
International bonds	0.00%	3.50%
Real Estate	16.00%	4.50%
Alternative assets	0.00%	6.24%

Discount Rate – A single discount rate of 6.75% 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 6.75%. 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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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 (6.75%) 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, 2022:

	CTS Retirement System		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2021	<u>\$ 146,483,549</u>	<u>\$ 142,016,811</u>	<u>\$ 4,466,738</u>
Changes for the year			
Service cost	1,896,893	-	1,896,893
Interest	9,685,488	-	9,685,488
Benefit changes (changes in assumption)	-	-	-
Difference between actual & expected experience	(205,083)	-	(205,083)
Assumption changes	-	-	-
Benefit payments	(9,682,490)	-	(9,682,490)
Refunds	(100,969)	-	(100,969)
Other	2,579	-	2,579
Contributions - employer	-	3,623,990	(3,623,990)
Contributions - employer (from State/Share Plan)	-	2,579	(2,579)
Contributions - non-employer contributing entity	-	5,951	(5,951)
Contributions - member	-	800,962	(800,962)
Net investment income	-	30,973,032	(30,973,032)
Benefit payments	-	(9,682,490)	9,682,490
Refunds	-	(100,969)	100,969
Administrative expense	-	(436,987)	436,987
Net changes	<u>1,596,418</u>	<u>25,186,068</u>	<u>(23,589,650)</u>
Balance at September 30, 2022	<u>\$ 148,079,967</u>	<u>\$ 167,202,879</u>	<u>\$ (19,122,912)</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 (asset), if it were calculated using a single discount rate of 6.75% 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 higher than the single discount rate:

	CTS Retirement System		
	Single Discount Rate Assumption		
	1% Decrease	6.75%	1% Increase
	5.75%	6.75%	7.75%
Net pension (asset)	<u>\$ (1,117,578)</u>	<u>\$ (19,122,912)</u>	<u>\$ (34,127,663)</u>

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

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, 2022, the City recognized pension expense of \$2,118,840. At September 30, 2022, 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
Differences between expected and actual experience	\$ 1,213,862	\$ (136,722)
Assumptions changes	145,623	(835,044)
Net difference between projected and actual earnings on pension plan investments	1,141,765	(19,296,191)
	2,501,250	(20,267,957)
Employer contributions made subsequent to the measurement date	3,358,941	-
	<u>\$ 5,860,191</u>	<u>\$ (20,267,957)</u>

The deferred outflows of resources related to the CTS Retirement System, totaling \$3,358,941 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, 2023. 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
2023	\$ (4,558,735)
2024	(4,202,211)
2025	(4,713,820)
2026	(4,291,941)
Total	<u>\$ (17,766,707)</u>

Pension Plans Administered by the State of Florida

The City provides retirement benefits to the Mayor, four (4) City Council Members, the City Clerk 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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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 \$2,900,726 for the fiscal year ended September 30, 2022.

The Annual Comprehensive 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.

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.

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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.

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>%Value</u>
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.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Required Contributions for fiscal year 2022 were as follows:

Class ⁽²⁾	Percent of Gross Salary	
	Employee ⁽²⁾	Employer ⁽¹⁾
FRS, Regular	3.00%	10.82%
FRS, Special Risk	3.00%	25.89%
FRS, Elected Council Officers	3.00%	51.42%
FRS, Senior Management Service	3.00%	29.01%

(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 \$1,893,079 and employees' contributions amounted to \$311,289 for the fiscal year ended September 30, 2022.

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

On September 30, 2022, the City reported a liability of \$12,458,053 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2022 fiscal year contributions relative to the participating members. At June 30, 2022, the City's proportionate share was 0.0335% compared to 0.0295% in the prior year. For the fiscal year ended September 30, 2022, the City recognized pension expense of \$2,900,726 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
Changes of Assumptions	\$ 1,534,261	\$ -
Difference between expected and actual experience	591,686	-
Difference between projected and actual investment earnings	822,604	-
Changes in proportion and differences between City FRS contributions and proportionate share of contributions	2,945,480	-
	5,894,031	-
City FRS contributions subsequent to the measurement date	391,626	-
Total	<u>\$ 6,285,657</u>	<u>\$ -</u>

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

The deferred outflows of resources related to pensions, totaling \$391,626, 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, 2023.

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
2023	\$ 1,178,806
2024	1,178,806
2025	1,178,806
2026	1,178,806
2027	1,178,807
	<u>\$ 5,894,031</u>

Actuarial Assumptions

The FRS actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2021, applied to all periods included in the measurement:

Inflation - 2.40%

Salary Increases - 3.25% average, including inflation

Investment Rate of Return – 6.70%, 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, 2021, 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.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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:

FRS				
Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
	<u>100%</u>			
Assumed inflation-mean			2.4%	1.3%

⁽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.

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 or higher than the current discount rate:

	FRS		
	1% Decrease	Current Discount Rate	1% Increase
	5.70%	6.70%	7.70%
City's proportionate share of the net pension liability	<u>\$ 21,545,346</u>	<u>\$ 12,458,053</u>	<u>\$ 4,859,995</u>

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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, 2022, 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, 2022, 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.

The City's contributions to the HIS totaled \$124,824 for the fiscal year ended September 30, 2022.

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

At September 30, 2022, the City reported a net pension liability of \$2,913,280 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, 2021. The City's proportionate share of the net pension liability was based on the City's 2022 fiscal year contributions relative to the 2022 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was 0.02751%.

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$150,715 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	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 88,425	\$ (12,819)
Changes of Assumptions	166,991	(452,896)
Net difference between projected and actual earnings on HIS pension plan investments	4,218	-
Changes in proportion and differences between City HIS contributions and proportionate share of contributions	1,195,829	(280)
	<u>1,455,463</u>	<u>(465,995)</u>
City HIS contributions subsequent to the measurement date	43,206	-
Total	<u>\$ 1,498,669</u>	<u>\$ (465,995)</u>

The deferred outflows of resources related to pensions, totaling \$43,207 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, 2023.

The amount reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2023	\$ 198,336
2024	198,336
2025	198,336
2026	198,336
2027	198,338
Total	<u>\$ 991,682</u>

Actuarial Assumptions

The HIS plan's actuarial valuation was determined using the following actuarial assumptions as of June 30, 2022, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates - Investment Rate of Return	3.54%

CITY OF NORTH MIAMI, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

The actuarial assumptions used in July 1, 2022, 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 3.54%. 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 2.16%, 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 or higher than the current discount rate:

	HIS		
	Decrease	Current Discount Rate	Increase
	2.54%	3.54%	4.54%
City's proportionate share of the net pension liability	\$ 3,333,029	\$ 2,913,400	\$ 2,565,943

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	SUMMARY - PENSION RELATED ITEMS			
	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources	Pension Expenses
North Miami Police Pension Plan	\$ 19,725,844	\$ 16,439,059	\$ 11,422,923	\$ 3,567,307
Clair T. Singerman Employee Retirement System	(19,122,912) **	20,267,957	2,501,250	2,118,840
Florida Retirement System	12,458,053	-	6,285,657	2,900,726
Retiree Health Insurance Subsidy Program	2,913,280	465,995	1,498,668	150,715
Total	\$ 15,974,265	\$ 37,173,011	\$ 21,708,498	\$ 8,737,588

** Current year actuarial valuation for net pension liability (NPL) was significantly reduced resulting in a net pension asset. Prior year NPL was \$4,466,738.

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

NOTE 11. DEFINED CONTRIBUTION PLANS

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 \$546,906 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 2022, the City contributed approximately \$91,487 into this Plan, which is administered through a third party administrator.

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 \$21,608 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.

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

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

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, 2022, the liability assumed by the developer for remediation and closure is approximately \$19.8 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 \$19.8 million is not reported in the City's financial statements for post-closure cost. The City has reported a landfill closure liability of approximately \$7.9 million at year end related to the site.

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, 2022, and uncertainties remains as to the ultimate cost of the remediation and closure of the landfill site.

During 2022, the City incurred no site closure costs as no new areas were completed in the current year. 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.

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

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

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, 2022:

Restricted assets:	
Cash in bank (money market fund)	\$ 5,906,015
	<u> </u>
Beginning balance - October 1, 2021	\$ 5,897,344
Interest	8,846
Disbursements	<u>(175)</u>
Ending balance - September 30, 2021	<u>\$ 5,906,015</u>

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, 2022, 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, 2022, disbursements of \$175 were made from the account, and no additional deposits, other than interest received of \$8,846 were made.

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

The City has active construction projects as of September 30, 2022. The projects include park facilities improvements, infrastructure redevelopment and improvement and various water, wastewater, and drainage projects. At year end, the City's outstanding commitments related to these projects amounted to approximately \$18.5 million.

Lawsuits

- The City is a defendant in several other lawsuits as of September 30, 2022, 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.
- The City is likely to be involved in a probable lawsuit related to fraudulent activities with its pension plans. As a result of the incident, the City is currently reviewing the matter to assess whether there are any legal remedies available to the City. The criminal component of the case is progressing through the court system: civil actions will follow once the criminal proceedings have concluded.

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.

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 option. 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 2022, the City reported basic rents, additional rents and bifurcated lease payments of \$1,230,893.

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

NOTE 15. FUND DEFICITS

The following City funds had fund balance deficits as September 30, 2022:

<u>Fund</u>	<u>Fund Deficits</u>
Special Revenue Funds:	
FEMA Disaster Recovery	\$ 266,594
HOME Investment Partnership	89,498
Other special revenue funds	<u>792,687</u>
Total	<u>\$ 1,148,779</u>

NOTE 16. RESTATEMENT – PRIOR PERIOD ADJUSTMENT

The beginning net position restricted for pension benefits as of October 1, 2021, for both pension fiduciary plans was restated as a result of the correction of errors related to incorrect recording of the net increase/(decrease in fair value of investments and cash in-transit. The adjustments are summarized in the following table:

Statement of Net Position	City Pension Plans	
	<u>CTS</u>	<u>NMPP</u>
Balances October 1, 2021, as previously reported	<u>\$ 167,202,879</u>	<u>\$ 105,037,573</u>
Restatement:		
Cash	900,000	-
Net investments	<u>(920,265)</u>	<u>(620,665)</u>
Total restatement	<u>(20,265)</u>	<u>(620,665)</u>
Balances October 1, 2021, as restated	<u>\$ 167,182,614</u>	<u>\$ 104,416,908</u>

NOTE 17. SUBSEQUENT EVENTS

The City was named in a class action lawsuit alleging miscalculation of utility bills in contradiction with the established code of ordinances. The City entered into a settlement agreement and paid \$173,440 in December 2022, in the form of account credits as final settlement of the lawsuit.



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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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 21,737,028	\$ 21,737,028	\$ 21,702,323	\$ (34,705)
Utility and communication taxes	4,951,914	4,951,914	4,979,466	27,552
Charges for services	13,155,445	15,499,300	12,610,388	(2,888,912)
Return on investment - utility	3,171,822	3,171,822	3,171,822	-
Franchise fees	4,294,905	4,294,905	4,974,564	679,659
Fines and forfeitures	442,120	442,120	496,286	54,166
Intergovernmental	8,873,004	8,898,360	10,755,004	1,856,644
Licenses and permits	942,257	942,257	968,403	26,146
Interest	349,320	349,320	353,953	4,633
Other earnings	2,376,713	3,031,504	3,311,536	280,032
Rents and royalties	1,460,425	1,460,425	1,393,852	(66,573)
Total revenues	61,754,953	64,778,955	64,717,597	(61,358)
EXPENDITURES				
General Government:				
Mayor and city council	1,656,077	1,720,802	1,611,862	108,940
City manager	2,225,306	2,254,556	2,185,045	69,511
City clerk	544,625	584,625	545,566	39,059
Financial services	3,287,770	3,272,770	3,122,551	150,219
Legal	1,313,739	1,466,582	1,490,008	(23,426)
Human resources	721,723	732,518	759,372	(26,854)
Information technology	2,205,979	2,262,842	1,911,598	351,244
Management and budget	574,520	574,520	522,684	51,836
Procurement and purchasing	616,877	616,877	554,962	61,915
Non-departmental	1,650,938	1,226,100	883,700	342,400
Total general government	14,797,554	14,712,192	13,587,348	1,124,844
Public Safety:				
Police	28,666,191	28,544,696	28,539,273	5,423
Code enforcement	5,226,041	5,226,041	5,000,608	225,433
Citizen investigative board	-	265,164	222,817	42,347
Total public safety	33,892,232	34,035,901	33,762,698	273,203
Physical Environment				
Public works	1,559,811	1,571,787	1,629,123	(57,336)
Transportation	2,778,586	2,790,441	2,618,969	171,472
Total physical environment	4,338,397	4,362,228	4,248,092	114,136
Economic Environment:				
Community planning and development	1,740,098	2,345,182	1,943,169	402,013
Housing and social services	1,230,870	1,993,429	1,625,297	368,132
Total economic environment	2,970,968	4,338,611	3,568,466	770,145
Culture and Recreation:				
Parks and recreation	5,141,658	5,170,564	5,404,493	(233,929)
Library	918,352	914,750	915,377	(627)
MOCA	1,372,743	1,372,743	1,479,809	(107,066)
Total culture and recreation	7,432,753	7,458,057	7,799,679	(341,622)
Debt service	425,800	488,834	1,231,884	(743,050)
Capital outlay	1,116,805	2,602,688	18,203,630	(15,600,942)
Total expenditures	64,974,509	67,998,511	82,401,797	(14,403,286)
Excess (deficiency) of revenues over (under) expenditures	(3,219,556)	(3,219,556)	(17,684,200)	(14,464,644)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	2,900,000	2,900,000
Transfers in	4,666,000	4,666,000	5,278,828	612,828
Transfers out	(1,446,444)	(1,446,444)	(1,637,301)	(190,857)
Total other financing sources (uses)	3,219,556	3,219,556	24,223,291	21,003,735
Net change in fund balance (deficit)	\$ -	-	6,539,091	\$ 6,539,091
Fund balance (deficit), beginning			3,897,875	
Fund balance (deficit), ending			\$ 10,436,966	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CRA
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 11,090,096	\$ 11,090,096	\$ 8,017,080	\$ (3,073,016)
Interest and other earnings	54,500	215,367	292,202	76,835
Carry over surplus	2,972,732	4,307,031	-	(4,307,031)
Total revenues	14,117,328	15,612,494	8,309,282	(7,303,212)
EXPENDITURES				
General government	2,336,779	2,728,461	6,081,213	(3,352,752)
Community planning and development	7,468,894	8,572,378	1,532,462	7,039,916
Total expenditures	9,805,673	11,300,839	7,613,675	3,687,164
Excess (deficiency) of revenues over (under) expenditures	4,311,655	4,311,655	695,607	(3,616,048)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Appropriated fund balance	4,311,655	4,311,655	-	(4,311,655)
Net change in fund balances	\$ -	\$ -	695,607	\$ (7,927,703)
Fund balances - beginning			4,828,598	
Fund balances - ending			\$ 5,524,205	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
C.D.B.G.
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 800,118	\$ 2,172,738	\$ 990,882	\$ (1,181,856)
Total revenues	800,118	2,172,738	990,882	(1,181,856)
EXPENDITURES				
Housing and economic development	775,118	2,147,726	934,540	1,213,186
Debt service	-	-	3,889	(3,889)
Capital outlay	25,000	25,012	6,339	18,673
Total expenditures	800,118	2,172,738	944,768	1,227,970
Excess (deficiency) of revenues over (under) expenditure:	-	-	46,114	46,114
OTHER FINANCING SOURCES (USES)				
Lease liabilities issued	-	-	6,339	-
Transfers in	-	-	-	-
Total other financing source	-	-	6,339	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	52,453	<u>\$ 46,114</u>
Fund balances - beginning			28,837	
Fund balances (deficit) - ending			<u>\$ 81,290</u>	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LANDFILL CLOSURE
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and other earnings	\$ 5,897,292	\$ 5,897,292	\$ 8,846	\$ (5,888,446)
Total revenues	<u>5,897,292</u>	<u>5,897,292</u>	<u>8,846</u>	<u>(5,888,446)</u>
EXPENDITURES				
Physical environment	5,897,292	5,897,292	175	5,897,117
Total expenditures	<u>5,897,292</u>	<u>5,897,292</u>	<u>175</u>	<u>5,897,117</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	8,671	8,671
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>8,671</u>	<u>\$ 8,671</u>
Fund balances - beginning			5,897,344	
Fund balances - ending			<u>\$ 5,906,015</u>	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN (ARPA)
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and other earnings	\$ -	\$ 1,889,286	\$ 9,677,259	\$ 7,787,973
Total revenues	-	1,889,286	9,677,259	7,787,973
EXPENDITURES				
General government	-	1,393,319	1,272,907	120,412
Capital outlay	-	495,967	313,612	182,355
Total expenditures	-	1,889,286	1,586,519	302,767
Excess (deficiency) of revenues over (under) expenditures	-	-	8,090,740	8,090,740
Net change in fund balances				
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(5,000,000)	(5,000,000)
Total other financing source (uses)	-	-	(5,000,000)	(5,000,000)
Net change in fund balances	\$ -	\$ -	3,090,740	\$ 3,090,740
Fund balances (deficits) - beginning			4,609,901	
Fund balances (deficits) - ending			\$ 7,700,641	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

September 30, 2022

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).

Between September 3 and September 18, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. 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:

1. The following departments had significant positive variances due primarily to staff positions that were budgeted but were not filled in the current year.
 - Mayor and city council department positive variance of \$108,940;
 - Financial services positive variance of \$150,219;
 - Information technology positive variance of \$351,244;
 - Code enforcement positive variance of 225,433;
 - Transportation positive variance of \$171,472;
 - Community planning and development positive variance of \$402,013;
2. Non-departmental had a positive variance of \$342,400 due primarily to expenditure shortfall for the grant writer contract (a saving of approximately \$261,000), fund reserve that was not utilized (a saving of approximately \$205,000) and excess expenditure of approximately (\$151,000) for bank charges.
3. Economic environment had an overall positive variance of \$770,145 due primarily to the Housing and Social Services reduced grants to residents for general housing rehabilitation resulting in budget savings of approximately \$258,000 and approximately \$100,132 savings for unfilled budgeted staff positions. Community Planning and Development had savings of resulted in savings of \$402,013.
4. Culture and recreation had an overall negative variance of (\$341,622) due primarily to the Parks and Recreation department's expenditures for events that were not budgeted resulting in the negative variance of approximately (\$234,000). Also, negative variance of approximately (\$107,000) for MOCA for expenditures that were not budgeted.

CITY OF NORTH MIAMI, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

September 30, 2022

5. Debt service had a negative variance of (\$743,050) due primarily to the implementation of GASB 87, *Leases*, which resulted in the recognition of lease obligations which were not anticipated in the budget.
6. Capital outlay had a negative variance of \$15,600,942 due primarily to the implementation of GASB 87, *Leases*, which resulted in recognizing approximately \$16.4 million for leased buildings, lands and equipment. The amounts were not anticipated in the budget.
7. The positive variance of \$2,900,000 for proceeds from sale of capital assets was due to the sale of the Gwen Margolis Community Center which was not anticipated in the budget.
8. Transfers in had a positive variance of \$612,828 due to closing out dormant funds that had residual fund balances owed to the general fund was not anticipated in the budget and underbudgeted amount for transfer to the debt service fund.
9. Transfers out had a negative variance of (\$190,857) due primarily to closing out dormant fund balances that were due from the general fund.

Two public hearings are conducted to obtain taxpayers' comments as required by Truth in Millage (TRIM) legislation. Prior to September 28 (unless preempted by TRIM) as stated in the City's Charter, the budget is legally enacted through passage of an ordinance.

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.

Budget amendments, according to the Budget Resolution, allow for administrative approval. During fiscal year 2022, budget amendments to general fund revenues and expenditures totaled \$3,030,003. \$1.016 million was from fiscal 2021 purchase order roll-overs; \$1.861 million in re-appropriations for various parks and recreation, housing and social services and police department capital projects, P3 consultant and community planning and development re-districting project; and \$153,000 for various grants and donations.

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
NORTH MIAMI POLICE PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability								
Service cost	\$ 2,728,817	\$ 2,745,074	\$ 2,884,226	\$ 2,874,281	\$ 2,736,585	\$ 2,688,621	\$ 2,364,576	\$ 2,474,226
Interest	8,368,131	8,192,391	7,986,311	7,175,820	7,112,421	6,699,774	6,407,038	5,987,806
Difference between actual & expected experience	1,753,351	1,490,024	(2,846,387)	5,426,628	(586,971)	(722,729)	(2,551,912)	-
Assumption changes	1,560,253	(2,593,823)	1,471,145	1,422,393	2,910,987	1,055,450	973,319	-
Benefit payments	(6,225,983)	(5,351,111)	(4,686,763)	(4,550,105)	(4,280,161)	(2,859,026)	(2,992,356)	(3,537,499)
Refunds	(58,715)	-	(71,572)	(18,657)	(32,663)	(160,092)	-	(72,946)
Net change in total pension liability	8,125,854	4,482,555	4,736,960	12,330,360	7,860,198	6,701,998	4,200,665	4,851,587
Total pension liability - beginning	116,637,565	112,155,010	107,418,051	95,087,691	87,227,493	80,525,495	76,324,830	71,473,243
Total pension liability - ending (a)	\$ 124,763,419	\$ 116,637,565	\$ 112,155,011	\$ 107,418,051	\$ 95,087,691	\$ 87,227,493	\$ 80,525,495	\$ 76,324,830
Plan fiduciary net position								
Contributions - employer	\$ 4,545,250	\$ 4,682,955	\$ 4,724,031	\$ 3,884,945	\$ 3,744,407	\$ 3,558,223	\$ 3,358,659	\$ 3,194,000
Contributions - employer (from State/Share Plan)	186,255	197,038	184,085	82,682	82,682	82,682	82,682	82,682
Contributions - non-employer contributing entity	-	-	-	-	-	494,141	-	-
Contributions - member	845,591	875,237	907,850	932,232	1,153,440	1,014,411	846,576	791,906
Net investment income	21,777,391	3,509,502	420,126	8,694,199	6,933,826	5,759,158	1,672,653	4,798,319
Benefit payments	(6,225,983)	(5,351,111)	(4,686,763)	(4,550,107)	(4,280,161)	(2,859,026)	(2,992,356)	(3,537,499)
Refunds	(58,715)	-	(71,573)	(18,657)	(32,663)	(160,092)	-	(72,946)
Administrative expense	(280,229)	(270,751)	(253,291)	(227,839)	(159,823)	(136,260)	(126,435)	(132,094)
Net change in plan fiduciary net position	20,789,560	3,642,870	1,224,465	8,797,455	7,441,708	7,753,237	2,841,779	5,124,368
Plan fiduciary net position - beginning	84,248,015	80,605,145	79,380,680	70,583,225	63,141,517	55,388,280	52,546,501	47,422,133
Plan fiduciary net position - ending (b)	105,037,575	84,248,015	80,605,145	79,380,680	70,583,225	63,141,517	55,388,280	52,546,501
Net pension liability - ending (a) - (b)	\$ 19,725,844	\$ 32,389,550	\$ 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	84.19%	72.23%	71.87%	73.90%	74.23%	72.39%	68.78%	68.85%
Covered payroll	\$ 8,887,506	\$ 8,936,209	\$ 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	221.95%	362.45%	326.36%	281.43%	270.51%	262.20%	282.38%	285.55%
Measurement Date	10/1/2021	10/1/2020	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
CLAIR T. SINGERMAN EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 1,896,893	\$ 1,908,045	\$ 1,812,287	\$ 1,759,663	\$ 1,959,651	\$ 2,659,600	\$ 2,438,790	\$ 2,250,457
Interest	9,685,488	9,617,391	9,216,810	8,939,070	8,775,025	9,099,037	8,937,243	8,638,765
Benefit changes	-	(2,353,306)	1,601,838	1,522,923	4,504,616	(6,839,780)	-	-
Difference between actual & expected experience	(205,083)	2,635,026	3,067,379	1,551,666	2,228,073	(1,266,151)	(2,263,638)	-
Benefit payments	(9,682,490)	(7,613,250)	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(100,969)	(22,347)	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Other	2,579	2,368	2,595	1,901	1,657	1,423	1,253	1,253
Net change in total pension liability	1,596,418	4,173,927	7,310,998	6,150,709	10,145,433	(3,570,957)	1,984,336	3,765,690
Total pension liability - beginning	146,483,549	142,309,622	134,998,624	128,847,915	118,702,482	122,273,439	120,289,103	116,523,413
Total pension liability - ending (a)	\$ 148,079,967	\$ 146,483,549	\$ 142,309,622	\$ 134,998,624	\$ 128,847,915	\$ 118,702,482	\$ 122,273,439	\$ 120,289,103
Plan fiduciary net position								
Contributions - employer	\$ 3,623,990	\$ 4,018,087	\$ 5,537,669	\$ 5,135,715	\$ 4,924,792	\$ 5,900,606	\$ 5,452,219	\$ 4,024,959
Contributions - employer (from State/Share Plan)	2,579	2,368	2,595	1,901	1,657	1,423	1,253	1,253
Contributions - non-employer contributing entity	5,951	108,396	194,266	195,277	103,860	92,782	145,792	171,222
Contributions - member	800,962	833,994	824,981	813,650	788,484	920,667	853,456	789,599
Net investment income	30,973,032	11,308,249	6,279,184	12,802,737	12,071,492	11,084,389	548,641	9,493,224
Benefit payments	(9,682,490)	(7,613,250)	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(100,969)	(22,347)	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Administrative expense	(436,987)	(362,800)	(344,954)	(333,039)	(262,418)	(250,675)	(235,209)	(284,291)
Net change in plan fiduciary net position	25,186,068	8,272,697	4,103,830	10,991,727	10,304,278	10,524,106	(363,160)	7,071,181
Plan fiduciary net position - beginning	142,016,811	133,744,114	129,640,284	118,648,557	108,344,279	97,820,173	98,183,333	91,112,152
Plan fiduciary net position - ending (b)	167,202,879	142,016,811	133,744,114	129,640,284	118,648,557	108,344,279	97,820,173	98,183,333
Net pension liability - ending (a) - (b)	\$ (19,122,912)	\$ 4,466,738	\$ 8,565,508	\$ 5,358,340	\$ 10,199,358	\$ 10,358,203	\$ 24,453,266	\$ 22,105,770
Plan fiduciary net position as a percentage of total pension liability	112.91% *	96.95%	93.98%	96.03%	92.08%	91.27%	80.00%	81.62%
Covered payroll	\$ 12,267,117	\$ 12,384,844	\$ 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	-155.89% *	36.07%	71.42%	44.69%	86.18%	89.15%	200.56%	197.84%
Measurement Date	10/1/2021	10/1/2020	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.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CLAIR T. SINGERMAN EMPLOYEES RETIREMENT SYSTEM
LAST NINE 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%
2021	3,629,523	3,629,941	(418)	12,267,117	29.59%
2022	3,358,941	3,358,941	-	10,840,493	30.99%

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, 2020

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	6.75%
Retirement Age	Experience-based table of rates
Mortality	The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2020.

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 NINE 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%
2021	4,731,505	4,731,505	-	8,887,506	53.24%
2022	5,118,324	5,118,324	-	8,214,176	62.31%

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, 2020

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 Dollar, 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	7.20%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The mortality tables are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Mortality tables are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2020 Actuarial Valuation of the Florida Retirement System (FRS).

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 SEVEN 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	\$ 208,324	137.94%	84.88%
2017	0.0136%	4,039,330	2,617,041	154.35%	83.89%
2018	0.0142%	4,285,357	4,627,929	92.60%	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%
2021	0.0295%	2,230,477	8,413,638	26.51%	96.40%
2022	0.0335%	12,458,053	9,941,301	125.32%	82.89%

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	-	\$ 600,141	1.79%
2017	355,375	355,375	-	3,170,437	11.21%
2018	405,469	405,469	-	5,110,969	7.93%
2019	589,729	589,729	-	6,654,954	8.86%
2020	880,143	880,143	-	8,336,804	10.56%
2021	1,124,875	1,124,875	-	8,784,640	12.81%
2022	1,428,745	1,428,745	-	10,376,113	13.77%

Note: The amounts presented for each fiscal year were determined as of June 30th (for NPL) and September 30th (for Contributions). The schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available are being presented. 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 SEVEN 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	\$ 208,324	1.67%	0.97%
2017	0.0092%	5,731,935	2,617,041	58.64%	0.50%
2018	0.0137%	1,447,001	4,627,929	31.27%	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%
2021	0.0236%	2,901,047	8,413,638	34.48%	3.56%
2022	0.0275%	2,913,278	9,941,301	29.30%	4.81%

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	-	\$ 600,141	0.07%
2017	49,166	49,166	-	3,170,437	1.55%
2018	74,141	74,141	-	5,110,969	1.45%
2019	104,664	104,664	-	6,654,954	1.57%
2020	135,039	135,039	-	8,336,804	1.62%
2021	139,016	139,016	-	8,784,640	1.58%
2022	166,432	166,432	-	10,376,113	1.60%

Note: The amounts presented for each fiscal year were determined as of June 30th (for NPL) and September 30th (for Contributions). The schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available are being presented. 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 NINE 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%
2020	8.02%	4.94%
2021	22.28%	25.96%
2022	-8.70%	-8.98%

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.

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balance at September 30, 2021	\$ 14,666,373	\$ 15,328,265	\$ 12,722,294	\$ 14,965,694
Changes for the year:				
Service cost	677,099	767,179	568,651	712,084
Interest	364,610	435,487	499,472	539,189
Difference between expected and actual experience	-	(754,813)	-	(964,046)
Changes in assumptions	488,387	(590,616)	2,037,665	(1,985,898)
Benefits payments	(428,875)	(519,129)	(499,817)	(544,729)
Net changes	<u>1,101,221</u>	<u>(661,892)</u>	<u>2,605,971</u>	<u>(2,243,400)</u>
Balance at September 30, 2022	<u>\$ 15,767,594</u>	<u>\$ 14,666,373</u>	<u>\$ 15,328,265</u>	<u>\$ 12,722,294</u>
 Covered-Employee Payroll	 \$ 35,734,888	 \$ 27,945,304	 \$ 24,908,751	 \$ 23,950,722
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 44.12%	 56.42%	 61.54%	 53.12%

Notes to Schedule:

- 1 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.
- 2 There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

See notes to the required supplementary information.



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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.
- **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.
- **State Housing Initiative Program (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.
- **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. This fund was closed out as of fiscal year 2022, and the residual amount transferred to the general fund.
- **FEMA Disaster Recovery** – This fund is used to account to accumulate expenditures relating to specific disaster recovery reimbursable by FEMA.
- **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.
- **Building** – This fund is used to account for building permits and other building and zoning activities.
- **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 benefiting 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. This fund was closed out as of fiscal year 2022, and the residual amount transferred to the general fund.
- **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. This fund was closed out as of fiscal year 2022, and the residual amount transferred to the general fund.
- **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, 2022**

	Special Revenue						
	HOME Investment Partnership	Neighborhood Stabilization Program	Local Housing (SHIP)	2005 Recovery	FEMA Disaster Recovery	Police Training	Law Enforcement Trust
ASSETS							
Pooled cash and cash equivalents	\$ -	\$ 1,201,307	\$ 282,023	\$ -	\$ -	\$ 6,924	\$ 423,299
Pooled investments	-	-	-	-	-	-	-
Accounts receivables, net of allowance	-	-	-	-	-	-	83,888
Due from other governments and entities	81,992	-	-	-	134,369	1,035	-
Prepays, deposits and other current assets	-	-	-	-	-	-	328
Restricted cash	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	81,992	1,201,307	282,023	-	134,369	7,959	507,515
LIABILITIES							
Vouchers payable	1,076	2,699	868	-	-	-	3,695
Construction contracts payable	-	-	-	-	-	-	-
Accrued payroll and benefits	2,154	624	-	-	-	-	-
Due to other funds	132,465	-	-	-	266,594	-	-
Unearned revenues	-	927,070	284,607	-	-	-	-
Other liabilities and deposits	-	7,286	-	-	-	-	-
Total liabilities	135,695	937,679	285,475	-	266,594	-	3,695
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - from other sources	35,795	-	-	-	134,369	-	-
Total deferred inflows of resources	35,795	-	-	-	134,369	-	-
FUND BALANCES							
Non-spendable	-	-	-	-	-	-	-
Restricted	-	263,628	-	-	-	7,959	503,820
Assigned	-	-	-	-	-	-	-
Unassigned (deficit)	(89,498)	-	(3,452)	-	(266,594)	-	-
Total Fund Balances/(deficits)	(89,498)	263,628	(3,452)	-	(266,594)	7,959	503,820
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 81,992	\$ 1,201,307	\$ 282,023	\$ -	\$ 134,369	\$ 7,959	\$ 507,515

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue							
	Federal Forfeiture	Justice Assistance Grants	Half-Cent Transportation Surtax	Developer Impact Fees	Building Fund	Miscellaneous & Other Grants	MOCA	Total Special Revenue Funds
ASSETS								
Pooled cash and cash equivalents	\$ 49,622	\$ -	\$ 3,163,880	\$ 1,261,397	\$ 1,848,132	\$ -	\$ 1,530,410	\$ 9,766,994
Pooled investments	-	-	-	-	-	-	961,795	961,795
Accounts receivables, net of allowance	-	-	-	-	-	-	233,536	317,424
Due from other governments and entities	-	47,881	1,190,564	-	-	404,581	-	1,860,422
Prepays, deposits and other current assets	-	-	-	-	-	-	69,521	69,849
Restricted cash	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	49,622	47,881	4,354,444	1,261,397	1,848,132	404,581	2,795,262	12,976,484
LIABILITIES								
Vouchers payable	1,118	-	387,126	-	57,542	2,025	180,999	637,148
Construction contracts payable	-	-	29,972	-	-	-	-	29,972
Accrued payroll and benefits	-	-	11,941	-	46,928	-	-	61,647
Due to other funds	-	40,021	-	-	-	6,051	-	445,131
Unearned revenues	-	47,881	1,543,558	-	-	42,366	-	2,845,482
Other liabilities and deposits	-	-	-	-	677,276	-	-	684,562
Total liabilities	1,118	87,902	1,972,597	-	781,746	50,442	180,999	4,703,942
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - from other sources	-	-	-	-	-	386,297	-	556,461
Total deferred inflows of resources	-	-	-	-	-	386,297	-	556,461
FUND BALANCES								
Non-spendable	-	-	-	-	-	-	69,521	69,521
Restricted	48,504	-	2,381,847	1,261,397	1,066,386	-	1,869,220	7,402,761
Assigned	-	-	-	-	-	-	567,853	567,853
Unassigned (deficit)	-	(40,021)	-	-	-	(32,158)	107,669	(324,054)
Total Fund Balances/(deficits)	48,504	(40,021)	2,381,847	1,261,397	1,066,386	(32,158)	2,614,263	7,716,081
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 49,622	\$ 47,881	\$ 4,354,444	\$ 1,261,397	\$ 1,848,132	\$ 404,581	\$ 2,795,262	\$ 12,976,484

(Continued)

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

	Debt Service	Capital Projects						Total Nonmajor Governmental Funds
	Pension Obligation Bonds	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	\$ 7,534	\$ -	\$ -	\$ 142,287	\$ -	\$ -	\$ 142,287	\$ 9,916,815
Pooled investments	-	-	-	-	-	-	-	961,795
Accounts receivables, net of allowance	-	-	-	-	-	-	-	317,424
Due from other governments and entities	-	1,920	-	48,574	-	-	50,494	1,910,916
Prepays, deposits and other current assets	-	-	-	-	-	-	-	69,849
Restricted cash	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	7,534	1,920	-	190,861	-	-	192,781	13,176,799
LIABILITIES								
Vouchers payable	-	39,263	-	-	-	-	39,263	676,411
Construction contracts payable	-	-	-	19,933	-	-	19,933	49,905
Accrued payroll and benefits	-	-	-	-	-	-	-	61,647
Due to other funds	-	596,683	-	-	-	-	596,683	1,041,814
Unearned revenues	-	-	-	-	-	-	-	2,845,482
Other liabilities and deposits	-	-	-	-	-	-	-	684,562
Total liabilities	-	635,946	-	19,933	-	-	655,879	5,359,821
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - from other sources	-	-	-	-	-	-	-	556,461
Total deferred inflows of resources	-	-	-	-	-	-	-	556,461
FUND BALANCES								
Non-spendable	-	-	-	-	-	-	-	69,521
Restricted	7,534	-	-	170,928	-	-	170,928	7,581,223
Assigned	-	-	-	-	-	-	-	567,853
Unassigned (deficit)	-	(634,026)	-	-	-	-	(634,026)	(958,080)
Total Fund Balances/(deficits)	7,534	(634,026)	-	170,928	-	-	(463,098)	7,260,517
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 7,534	\$ 1,920	\$ -	\$ 190,861	\$ -	\$ -	\$ 192,781	\$ 13,176,799

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue						
	HOME Investment Partnership	Neighborhood Stabilization Program	State Housing Initiative Program (SHIP)	2005 Recovery	FEMA Disaster Recovery	Police Training	Law Enforcement Trust
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-
Charges for services:							
Sanitation fees	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	504,793	54,191	51,707	-	-	7,034	131,208
Licenses and permits	-	-	-	-	-	-	-
Interest and other earnings	-	-	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-	-
Total revenues	504,793	54,191	51,707	-	-	7,034	131,208
EXPENDITURES							
Current:							
General government	-	-	-	-	15,063	-	-
Public safety	-	-	-	-	-	-	117,873
Physical environment: transportation	-	-	-	-	-	-	-
Housing and social services	307,623	68,203	51,947	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community planning and development	-	1,409	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	59,450	-	-	-	-	-
Total expenditures	307,623	129,062	51,947	-	15,063	-	117,873
Excess (deficiency) of revenues over (under) expenditures	197,170	(74,871)	(240)	-	(15,063)	7,034	13,335
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(55,526)	-	-	-
Total other financing sources (uses)	-	-	-	(55,526)	-	-	-
Net change in fund balances/(deficits)	197,170	(74,871)	(240)	(55,526)	(15,063)	7,034	13,335
Fund balances/(deficits), beginning	(286,668)	338,499	(3,212)	55,526	(251,531)	925	490,485
Fund balances (deficits), ending	\$ (89,498)	\$ 263,628	\$ (3,452)	\$ -	\$ (266,594)	\$ 7,959	\$ 503,820
							(Continued)

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CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue						
	Federal Forfeiture	Justice Assistance Grants	Half-Cent Transportation Surtax	Developer Impact Fees	Building Fund	Miscellaneous & Other Grants	Total Special Revenue Funds
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-
Charges for services:							
Sanitation fees	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-
Other	-	-	15,944	385,927	-	87,123	488,994
Franchise fees	-	-	19,696	-	-	-	19,696
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	26,549	3,800,207	-	-	665,450	7,602,964
Licenses and permits	-	-	-	-	2,905,969	-	2,905,969
Interest and other earnings	-	-	389,378	27,380	-	1,754,683	2,171,441
Rents and royalties	-	-	-	-	-	-	-
Total revenues	-	26,549	4,225,225	413,307	2,905,969	665,450	13,189,064
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	15,063
Public safety	21,843	47,881	-	-	2,324,456	121,751	2,633,804
Physical environment: transportation	-	-	1,655,193	-	-	-	1,655,193
Housing and social services	-	-	-	-	-	-	427,773
Culture and recreation	-	-	-	-	-	13,665	3,434,611
Community planning and development	-	-	-	-	-	-	1,409
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	808,459	-	4,641	85,336	957,886
Total expenditures	21,843	47,881	2,463,652	-	2,329,097	220,752	9,125,739
Excess (deficiency) of revenues over (under) expenditures	(21,843)	(21,332)	1,761,573	413,307	576,872	444,698	4,063,325
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	4,641	-	4,641
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(51,895)	(200,153)	(307,574)
Total other financing sources (uses)	-	-	-	-	(47,254)	(200,153)	(302,933)
Net change in fund balances/(deficits)	(21,843)	(21,332)	1,761,573	413,307	529,618	244,545	3,760,392
Fund balances/(deficits), beginning	70,347	(18,689)	620,274	848,090	536,768	(276,703)	3,955,689
Fund balances (deficits), ending	\$ 48,504	\$ (40,021)	\$ 2,381,847	\$ 1,261,397	\$ 1,066,386	\$ (32,158)	\$ 7,716,081

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>Debt Service</u>		<u>Capital Projects</u>					
	<u>Pension Obligation Bonds</u>	<u>North Miami Cagni Park Project</u>	<u>E May Avil Library</u>	<u>Transportation Gas Tax</u>	<u>Arch Creek Bridge</u>	<u>Other Capital Project Funds</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-	-
Charges for services:								
Sanitation fees	-	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	488,994
Franchise fees	-	-	-	-	-	-	-	19,696
Fines and forfeitures	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	287,943	-	-	287,943	7,890,907
Licenses and permits	-	-	-	-	-	-	-	2,905,969
Interest and other earnings	-	-	-	-	-	23	23	2,171,464
Rents and royalties	-	-	-	-	-	-	-	-
Total revenues	-	-	-	287,943	-	23	287,966	13,477,030
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	15,063
Public safety	-	-	-	-	-	-	-	2,633,804
Physical environment: transportation	-	-	-	-	-	-	-	1,655,193
Housing and social services	-	-	-	-	-	-	-	427,773
Culture and recreation	-	-	-	-	-	-	-	3,434,611
Community planning and development	-	-	-	-	-	-	-	1,409
Debt service:								
Principal retirement	1,020,000	-	-	-	-	-	-	1,020,000
Interest and fiscal charges	766,325	-	-	-	-	-	-	766,325
Capital outlay	-	539,349	-	228,067	-	-	767,416	1,725,302
Total expenditures	1,786,325	539,349	-	228,067	-	-	767,416	11,679,480
Excess (deficiency) of revenues over (under) expenditures	(1,786,325)	(539,349)	-	59,876	-	23	(479,450)	1,797,550
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-	4,641
Transfers in	1,786,325	-	47,514	-	-	143,344	190,858	1,977,183
Transfers out	-	-	-	-	(23,149)	-	(23,149)	(330,723)
Total other financing sources (uses)	1,786,325	-	47,514	-	(23,149)	143,344	167,709	1,651,101
Net change in fund balances/(deficits)	-	(539,349)	47,514	59,876	(23,149)	143,367	(311,741)	3,448,651
Fund balances/(deficits), beginning	7,534	(94,677)	(47,514)	111,052	23,149	(143,367)	(151,357)	3,811,866
Fund balances (deficits), ending	\$ 7,534	\$ (634,026)	\$ -	\$ 170,928	\$ -	\$ -	\$ (463,098)	\$ 7,260,517

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

	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Totals</u>
ASSETS			
Current assets:			
Pooled cash and cash equivalents	\$ 4,047,156	\$ 6,625,200	\$ 10,672,356
Pooled investments	1,371,589	-	1,371,589
Grants receivables from other governments	-	35,295	35,295
Inventories and supplies	-	61,373	61,373
Prepays and deposits	135,495	5,382	140,877
Total current assets	<u>5,554,240</u>	<u>6,727,250</u>	<u>12,281,490</u>
Non-current assets:			
Capital assets, net	-	2,581,966	2,581,966
Total assets	<u>5,554,240</u>	<u>9,309,216</u>	<u>14,863,456</u>
DEFERRED OUTFLOW OF RESOURCES			
OPEB related items	12,120	27,797	39,917
Pension related items	300,869	470,127	770,996
Total deferred outflow of resources	<u>312,989</u>	<u>497,924</u>	<u>810,913</u>
LIABILITIES			
Current liabilities:			
Vouchers payable	63,834	95,339	159,173
Construction contracts payable	-	2,023	2,023
Accrued payroll and benefits	16,375	19,001	35,376
Compensated absences	38,428	62,280	100,708
Bonds, notes, leases payable	-	367,984	367,984
Total current liabilities	<u>118,637</u>	<u>546,627</u>	<u>665,264</u>
Non-current liabilities:			
Bonds, notes and lease payable	-	448,799	448,799
Compensated absences	20,608	413,656	434,264
Claims payable	3,812,150	-	3,812,150
Net pension liability	1,859	677,147	679,006
Total OPEB liability	128,792	272,925	401,717
Total non-current liabilities	<u>3,963,409</u>	<u>1,812,527</u>	<u>5,775,936</u>
Total liabilities	<u>4,082,046</u>	<u>2,359,154</u>	<u>6,441,200</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	13,154	21,298	34,452
Pension related items	376,004	585,007	961,011
Total deferred inflows of resources	<u>389,158</u>	<u>606,305</u>	<u>995,463</u>
NET POSITION			
Net investment in capital assets	-	1,763,160	1,763,160
Unrestricted	1,396,025	5,078,521	6,474,546
Total net position	<u>\$ 1,396,025</u>	<u>\$ 6,841,681</u>	<u>\$ 8,237,706</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, 2022

	Risk Management	Fleet Management	Totals
OPERATING REVENUES			
Premiums and charges for services provided to other funds	\$ 2,353,492	\$ 3,707,830	\$ 6,061,322
Other revenues	28,907	154,687	183,594
Total operating revenues	<u>2,382,399</u>	<u>3,862,517</u>	<u>6,244,916</u>
OPERATING EXPENSES			
Personnel services	454,063	1,006,818	1,460,881
Materials, supplies, services and other operating expenses	838,622	1,757,594	2,596,216
Claims cost	110,267	-	110,267
Depreciation	-	960,192	960,192
Total operating expenses	<u>1,402,952</u>	<u>3,724,604</u>	<u>5,127,556</u>
Operating income	<u>979,447</u>	<u>137,913</u>	<u>1,117,360</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	11,520	-	11,520
Gain from sale of capital assets	-	134,550	134,550
Interest expense	-	(28,257)	(28,257)
Total non-operating revenues (expenses)	<u>11,520</u>	<u>106,293</u>	<u>117,813</u>
Income before transfers	<u>990,967</u>	<u>244,206</u>	<u>1,235,173</u>
TRANSFERS			
Transfers out	(21,916)	(32,551)	(54,467)
Total transfers out	<u>(21,916)</u>	<u>(32,551)</u>	<u>(54,467)</u>
Change in net position	969,051	211,655	1,180,706
Net position - beginning	426,974	6,630,026	7,057,000
Net position - ending	<u><u>\$ 1,396,025</u></u>	<u><u>\$ 6,841,681</u></u>	<u><u>\$ 8,237,706</u></u>

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

	Risk Management	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from other funds for premiums and charges for services	\$ 2,353,492	\$ 3,707,830	\$ 6,061,322
Other cash receipts	28,907	154,687	183,594
Payments to employees	(454,063)	(1,006,818)	(1,460,881)
Payments to suppliers	(1,546,840)	(1,627,298)	(3,174,138)
Payments for claims	(110,267)	-	(110,267)
Net cash provided by operating activities	<u>271,229</u>	<u>1,228,401</u>	<u>1,499,630</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out - pension debt service	(21,916)	(32,551)	(54,467)
Net cash used for noncapital financing activities	<u>(21,916)</u>	<u>(32,551)</u>	<u>(54,467)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital leases	-	(427,493)	(427,493)
Interest paid on capital leases	-	(28,257)	(28,257)
Acquisition and construction of capital assets	-	(140,104)	(140,104)
Proceeds from sale of capital assets	-	134,551	134,551
Net cash used for capital and related financing activities	<u>-</u>	<u>(461,303)</u>	<u>(461,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(11,520)	-	(11,520)
Interest earnings	11,520	-	11,520
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in pooled cash and cash equivalents	249,313	734,547	983,860
Pooled cash and cash equivalents at beginning of year	3,797,843	5,890,653	9,688,496
Pooled cash and cash equivalents a end of the year	<u>\$ 4,047,156</u>	<u>\$ 6,625,200</u>	<u>\$ 10,672,356</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income	\$ 979,447	\$ 137,913	\$ 1,117,360
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	960,192	960,192
Changes in assets, liabilities, deferred inflows and outflows of resources:			
(Increase) decrease in accounts receivable	26,415	10,772	37,187
(Increase) decrease in grants receivable from other governments	-	(26,754)	(26,754)
(Increase) decrease in inventories and supplies	-	(12,829)	(12,829)
(Increase) decrease in prepaids and deposits	(35,530)	1,925	(33,605)
(Increase) decrease in deferred outflows of resources	37,195	42,806	80,001
Increase (decrease) in vouchers payable	(42,566)	23,105	(19,461)
Increase (decrease) in accrued payroll and benefits	(21)	2,108	2,087
Increase (decrease) in compensated absences	(61,063)	196,438	135,375
Increase (decrease) in claims payable	(540,629)	-	(540,629)
Increase (decrease) in other post-employment benefits obligation	8,357	26,158	34,515
Increase (decrease) in net pension liability	(285,289)	(344,938)	(630,227)
Increase (decrease) in deferred inflows of resources	184,913	211,505	396,418
Net cash provided by operating activities	<u>\$ 271,229</u>	<u>\$ 1,228,401</u>	<u>\$ 1,499,630</u>
Non-cash investing, capital and financing activities:			
Capital lease financing	\$ -	\$ -	\$ -
Total non-cash investing, capital and financing activities:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

	691 CTS Plan	748 Police Plan	Totals
ASSETS			
Cash	\$ 1,070,649	\$ 905,468	\$ 1,976,117
Investments:			
Short term investments (money market funds)	3,267,664	778,974	4,046,638
U.S. Treasuries	11,406,339	11,294,080	22,700,419
U.S. Agency obligations	1,386,021	1,088,518	2,474,539
Corporate bonds	3,003,133	1,999,985	5,003,118
Common stock	32,764,501	20,545,795	53,310,296
Equity mutual funds	15,968,616	10,013,251	25,981,867
Real estate funds	30,493,819	22,033,631	52,527,450
Bond Index Funds	15,160,538	4,567,841	19,728,379
Index funds (equity securities)	32,909,693	20,719,563	53,629,256
Total investments	<u>146,360,324</u>	<u>93,041,638</u>	<u>239,401,962</u>
Receivables:			
Plan members' contributions	12,804	14,273	27,077
Share Plan	45,551	-	45,551
Receivable from broker on investments sold	495,224	453,570	948,794
Accrued interest	91,100	80,857	171,957
Accrued dividends	32,689	19,190	51,879
Total receivables	<u>677,368</u>	<u>567,890</u>	<u>1,245,258</u>
Other assets	<u>5,911</u>	<u>6,909</u>	<u>12,820</u>
Total assets	<u>148,114,252</u>	<u>94,521,905</u>	<u>242,636,157</u>
LIABILITIES AND NET POSITION RESTRICTED FOR PENSION BENEFITS			
Liabilities:			
Accounts payable and accrued liabilities	65,858	26,605	92,463
Payable to broker for investments purchased	34,429	-	34,429
Benefits payable	10,515	-	10,515
Total liabilities	<u>110,802</u>	<u>26,605</u>	<u>137,407</u>
	<u>\$ 148,003,450</u>	<u>\$ 94,495,300</u>	<u>\$ 242,498,750</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>691 CTS Plan</u>	<u>748 Police Plan</u>	<u>Totals</u>
ADDITIONS			
Contributions:			
Employer	\$ 3,358,941	\$ 5,035,642	\$ 8,394,583
Plan members	698,719	962,068	1,660,787
Other	<u>2,579</u>	<u>82,682</u>	<u>85,261</u>
Total contributions	<u>4,060,239</u>	<u>6,080,392</u>	<u>10,140,631</u>
Investment income:			
Net depreciation in fair value of investments	(16,616,346)	(10,906,912)	(27,523,258)
Interest	848,760	502,152	1,350,912
Dividends	<u>2,441,617</u>	<u>1,617,602</u>	<u>4,059,219</u>
Gross investment income	(13,325,969)	(8,787,158)	(22,113,127)
Less investment expenses	<u>(898,246)</u>	<u>(655,199)</u>	<u>(1,553,445)</u>
Net investment income	<u>(14,224,215) *</u>	<u>(9,442,357) *</u>	<u>(23,666,572)</u>
Total additions	<u>(10,163,976)</u>	<u>(3,361,965)</u>	<u>(13,525,941)</u>
DEDUCTIONS			
Benefits paid to Plan members:			
Normal retirement - pension benefits	7,726,642	5,496,346	13,222,988
Lump sum retirement	668,047	653,457	1,321,504
Refunds of contributions	<u>187,849</u>	<u>27,341</u>	<u>215,190</u>
Total benefits paid to plan members	8,582,538	6,177,144	14,759,682
Administrative expenses	<u>432,650</u>	<u>382,499</u>	<u>815,149</u>
Total deductions	<u>9,015,188</u>	<u>6,559,643</u>	<u>15,574,831</u>
Change in net position	(19,179,164)	(9,921,608)	(29,100,772)
Net position restricted for pension benefits - beginning, as restated **	<u>167,182,614 **</u>	<u>104,416,908 **</u>	<u>271,599,522</u>
Net position restricted for pension benefits - ending	<u>\$ 148,003,450</u>	<u>\$ 94,495,300</u>	<u>\$ 242,498,750</u>

* Net investment income shows negative due to significant depreciation in fair value of investments

** The beginning restricted net position for pension benefits was restated. See NOTE 16

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds							
	Home Investment Partnership				Neighborhood Stabilization Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ 300,531	\$ 742,364	\$ 504,793	\$ (237,571)	\$ 169,008	\$ 261,061	\$ 54,191	\$ (206,870)
Interest and other earnings	-	-	-	-	-	-	-	-
Total revenues	<u>300,531</u>	<u>742,364</u>	<u>504,793</u>	<u>(237,571)</u>	<u>169,008</u>	<u>261,061</u>	<u>54,191</u>	<u>(206,870)</u>
EXPENDITURES								
Housing and social services	300,531	742,364	307,623	434,741	69,008	89,142	68,203	20,939
Community planning and development	-	-	-	-	-	-	1,409	(1,409)
Capital outlay	-	-	-	-	100,000	171,919	59,450	112,469
Total expenditures	<u>300,531</u>	<u>742,364</u>	<u>307,623</u>	<u>434,741</u>	<u>169,008</u>	<u>261,061</u>	<u>129,062</u>	<u>131,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>197,170</u>	<u>197,170</u>	<u>-</u>	<u>-</u>	<u>(74,871)</u>	<u>(74,871)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>197,170</u>	<u>197,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(74,871)</u>	<u>(74,871)</u>
Fund balances - beginning			<u>(286,668)</u>				<u>338,499</u>	
Fund balances - ending			<u><u>(89,498)</u></u>				<u><u>263,628</u></u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Special Revenue Funds								
	State Housing Initiative Program (SHIP)				FEMA Disaster Recovery			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ 273,203	\$ 398,061	\$ 51,707	\$ (346,354)	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>273,203</u>	<u>398,061</u>	<u>51,707</u>	<u>(346,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
General government	-	-	-	-	-	11,434	15,063	(3,629)
Housing and social services	273,203	398,061	51,947	346,114	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>273,203</u>	<u>398,061</u>	<u>51,947</u>	<u>346,114</u>	<u>-</u>	<u>11,434</u>	<u>15,063</u>	<u>(3,629)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(240)</u>	<u>(240)</u>	<u>-</u>	<u>(11,434)</u>	<u>(15,063)</u>	<u>(3,629)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	11,434	-	(11,434)
Transfers out	-	-	-	-	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,434</u>	<u>-</u>	<u>(11,434)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(240)</u>	<u>\$ (240)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(15,063)</u>	<u>\$ (15,063)</u>
Fund balances (deficits) - beginning			(3,212)				(251,531)	
Fund balances (deficits) - ending			<u>\$ (3,452)</u>				<u>\$ (266,594)</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds							
	Police Training				Law Enforcement Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 7,034	\$ 7,034	\$ -	\$ 330,500	\$ 131,208	\$ (199,292)
Interest and other earnings	-	-	-	-	-	-	-	-
Total revenues	-	-	7,034	7,034	-	330,500	131,208	(199,292)
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	315,500	117,873	197,627
Capital outlay	-	-	-	-	-	15,000	-	15,000
Total expenditures	-	-	-	-	-	330,500	117,873	212,627
Excess (deficiency) of revenues over (under) expenditures	-	-	7,034	7,034	-	-	13,335	13,335
Net change in fund balances	\$ -	\$ -	7,034	\$ 7,034	\$ -	\$ -	13,335	\$ 13,335
Fund balances (deficits) - beginning			925				490,485	
Fund balances (deficits) - ending			<u>\$ 7,959</u>				<u>\$ 503,820</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds							
	Federal Forfeiture				Justice Assistance Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ 53,162	\$ -	\$ (53,162)	-	285,572	26,549	(259,023)
Total revenues	-	53,162	-	(53,162)	-	285,572	26,549	(259,023)
EXPENDITURES								
Public safety	-	43,162	21,843	21,319	-	253,081	47,881	205,200
Capital outlay	-	10,000	-	10,000	-	32,491	-	-
Total expenditures	-	53,162	21,843	31,319	-	285,572	47,881	205,200
Excess (deficiency) of revenues over (under) expenditures	-	-	(21,843)	(21,843)	-	-	(21,332)	(53,823)
Net change in fund balances	\$ -	\$ -	(21,843)	\$ (21,843)	\$ -	\$ -	(21,332)	\$ (21,332)
Fund balances (deficits) - beginning			70,347				(18,689)	
Fund balances - ending			\$ 48,504				\$ (40,021)	
								Continued

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds							
	1/2 Cent Transportation				Developer Impact Fees			
	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 - other	\$ 31,000	\$ 31,000	\$ 15,944	\$ (15,056)	\$ -	\$ -	\$ 385,927	\$ 385,927
Franchise fees	-	-	19,696	19,696	-	-	-	-
Intergovernmental	3,725,495	4,989,566	3,800,207	(1,189,359)	-	-	-	-
Interest and other earnings	-	-	389,378	389,378	-	-	27,380	27,380
Total revenues	<u>3,756,495</u>	<u>5,020,566</u>	<u>4,225,225</u>	<u>(795,341)</u>	<u>-</u>	<u>-</u>	<u>413,307</u>	<u>413,307</u>
EXPENDITURES								
Physical environment: transportation	2,446,495	2,382,394	1,655,193	727,201	-	-	-	-
Capital outlay	1,310,000	2,638,172	808,459	1,829,713	-	-	-	-
Total expenditures	<u>3,756,495</u>	<u>5,020,566</u>	<u>2,463,652</u>	<u>2,556,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,761,573	1,761,573	-	-	413,307	413,307
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,761,573</u>	<u>1,761,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>413,307</u>	<u>413,307</u>
Fund balances (deficits) - beginning			620,274				848,090	
Fund balances (deficits) - ending			<u>\$ 2,381,847</u>				<u>\$ 1,261,397</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds							
	Building Fund				Miscellaneous & Other Grants			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 17,367	\$ 184,893	\$ 665,450	\$ 480,557
Licenses and permits	2,927,988	2,927,988	2,905,969	(22,019)	-	-	-	-
Interest and other earnings	-	-	-	-	-	14,626	-	(14,626.00)
Total revenues	<u>2,927,988</u>	<u>2,927,988</u>	<u>2,905,969</u>	<u>(22,019)</u>	<u>17,367</u>	<u>199,519</u>	<u>665,450</u>	<u>(14,626)</u>
EXPENDITURES								
General government	-	-	-	-	-	14,626	-	14,626
Public safety	2,876,093	2,876,093	2,324,456	551,637	-	157,348	121,751	35,597
Culture and recreation	-	-	-	-	11,185	25,244	13,665	11,579
Capital outlay	-	-	-	-	6,182	2,301	85,336	(83,035)
Total expenditures	<u>2,876,093</u>	<u>2,876,093</u>	<u>2,324,456</u>	<u>551,637</u>	<u>17,367</u>	<u>199,519</u>	<u>220,752</u>	<u>(35,859)</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>51,895</u>	<u>51,895</u>	<u>581,513</u>	<u>529,618</u>	<u>-</u>	<u>-</u>	<u>444,698</u>	<u>(50,485)</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	(51,895)	(51,895)	(51,895)	-	-	-	(200,153)	200,153
Total other financing source (uses)	<u>(51,895)</u>	<u>(51,895)</u>	<u>(51,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,153)</u>	<u>200,153</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>529,618</u>	<u>\$ 529,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>244,545</u>	<u>\$ 149,668</u>
Fund balances (deficits) - beginning			<u>536,768</u>				<u>(276,703)</u>	
Fund balances (deficits) - ending			<u>\$ 1,066,386</u>				<u>\$ (32,158)</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
(UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Debt Service Fund			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget
			(Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Debt service	1,786,325	1,786,325	-
Total expenditures	1,786,325	1,786,325	-
Excess (deficiency) of revenues over (under) expenditures	(1,786,325)	(1,786,325)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	1,786,325	1,786,325	-
Transfers out	-	-	-
Total other financing source (uses)	1,786,325	1,786,325	-
Net change in fund balances (deficits)	\$ -	\$ -	\$ -
Fund balances (deficits) - beginning			7,534
Fund balances - ending			\$ 7,534

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Capital Projects Funds						
	North Miami Cagni Park Project				Transportation Gas Tax		
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Variance with Final Budget (Negative)
	Original	Final			Original	Final	
REVENUES							
Intergovernmental	\$ -	\$ 1,102,335	\$ -	\$ (1,102,335)	\$ 280,520	\$ 280,520	\$ 287,943
Interest and other earnings	-	-	-	-	-	-	-
Total revenues	-	1,102,335	-	(1,102,335)	280,520	280,520	287,943
EXPENDITURES							
Capital outlay	-	1,102,335	539,349	562,986	248,138	248,138	228,067
Total expenditures	-	1,102,335	539,349	562,986	248,138	248,138	228,067
Excess (deficiency) of revenues over (under) expenditures	-	-	(539,349)	(539,349)	32,382	32,382	59,876
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Total other financing source (uses)	-	-	-	-	-	-	-
Net change in fund balances (deficits)	\$ -	\$ -	(539,349)	\$ (539,349)	\$ 32,382	\$ 32,382	59,876
Fund balances (deficits) - beginning			(94,677)				111,052
Fund balances - ending			<u>\$ (634,026)</u>				<u>\$ 170,928</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 Annual Comprehensive 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>	150-155
Revenue Capacity	
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	156-161
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>	162-169
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>	170-172
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>	173-174

Sources: Unless otherwise noted the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



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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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:			*Restated		* *Restated					
Net investment in capital assets	\$ 66,674,275	\$ 67,178,164	\$ 55,314,367	\$ 61,274,246	\$ 61,365,386	\$ 62,452,076	\$ 63,668,765	\$ 71,535,115	\$ 72,855,470	\$ 89,647,376
Restricted	17,939,652	16,375,077	17,238,381	8,644,742	9,412,706	8,443,236	7,428,554	15,394,117	22,102,939	26,233,974
Unrestricted	<u>(11,995,241)</u>	<u>(10,892,183)</u>	<u>(35,615,832)</u>	<u>(32,812,317)</u>	<u>(32,309,472)</u>	<u>(42,688,281)</u>	<u>(49,355,131)</u>	<u>(52,633,002)</u>	<u>(51,595,112)</u>	<u>(54,476,477)</u>
Total governmental activities net position	<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>\$ 21,742,188</u>	<u>\$ 34,296,230</u>	<u>\$ 43,363,297</u>	<u>\$ 61,404,873</u>
Business-type activities:										
Net investment in capital assets	\$ 36,003,493	\$ 38,424,467	\$ 39,868,520	\$ 38,449,795	\$ 39,310,886	\$ 40,449,030	\$ 43,997,155	\$ 44,346,083	\$ 43,971,484	\$ 44,983,239
Restricted	18,099,926	18,099,926	13,060,381	-	-	-	-	-	-	-
Unrestricted	<u>7,835,776</u>	<u>12,040,052</u>	<u>20,113,189</u>	<u>36,997,374</u>	<u>37,264,087</u>	<u>37,311,231</u>	<u>34,044,526</u>	<u>34,626,452</u>	<u>32,335,528</u>	<u>31,463,292</u>
Total business-type activities net position	<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>	<u>\$ 76,307,012</u>	<u>\$ 76,446,531</u>
Net position:										
Net investment in capital assets	\$ 102,677,768	\$ 105,602,631	\$ 95,182,887	\$ 99,724,041	\$ 100,676,272	\$ 102,901,106	\$ 107,665,920	\$ 115,881,198	\$ 116,826,954	\$ 134,630,615
Restricted	36,039,578	34,475,003	30,298,762	8,644,742	9,412,706	8,443,236	7,428,554	15,394,117	22,102,939	26,233,974
Unrestricted	<u>(4,159,465)</u>	<u>1,147,869</u>	<u>(15,502,643)</u>	<u>4,185,057</u>	<u>4,954,615</u>	<u>(5,377,050)</u>	<u>(15,310,605)</u>	<u>(18,006,550)</u>	<u>(19,259,584)</u>	<u>(23,013,185)</u>
Total net position	<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>\$ 99,783,869</u>	<u>\$ 113,268,765</u>	<u>\$ 119,670,309</u>	<u>\$ 137,851,404</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.

TABLE 2

CITY OF NORTH MIAMI, FLORIDA
CHANGES IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
EXPENSES										
Governmental activities:										
General government	\$ 13,670,164	\$ 17,919,295	\$ 18,721,535	\$ 19,969,995	\$ 20,424,384	\$ 26,879,421	\$ 24,976,815	\$ 24,471,010	\$ 26,003,696	\$ 27,366,575
Public safety	27,150,284	26,006,919	26,983,295	25,166,834	30,837,393	30,386,983	34,892,457	37,929,647	37,374,754	35,114,652
Physical environment	6,699,659	3,020,021	1,665,406	1,526,731	388,242	591,810	338,808	3,879,546	10	175
Transportation and public works	5,677,229	-	5,605,540	5,771,515	5,954,245	7,806,930	8,035,250	5,841,175	6,960,208	6,782,642
Economic environment (Housing & Social Services)	4,203,130	3,513,528	1,069,839	1,119,540	1,823,347	979,480	1,191,742	2,309,283	3,824,796	2,954,077
Parks and community services (Culture & recreation)	7,352,980	7,204,954	10,905,337	10,623,998	11,722,459	13,023,252	13,157,580	15,738,792	10,152,424	11,937,545
Community planning and development	-	-	1,931,045	2,175,156	1,693,997	4,647,836	4,865,507	3,380,630	3,876,505	3,752,746
Interest and fiscal charges (6)	984,926	2,221,435	1,256,720	1,225,739	1,265,498	1,166,356	1,667,794	1,264,361	1,196,756	1,044,825
Total governmental activities expenses	<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>	<u>89,389,149</u>	<u>88,953,237</u>
Business-type activities:										
Water and sewer	22,478,172	23,951,276	26,685,028	28,538,868	30,434,388	32,023,616	32,068,870	30,792,646	34,199,794	34,372,843
Stormwater	<u>2,641,893</u>	<u>2,248,332</u>	<u>2,123,669</u>	<u>1,848,527</u>	<u>2,513,502</u>	<u>2,707,044</u>	<u>2,490,524</u>	<u>2,807,175</u>	<u>2,984,224</u>	<u>2,285,700</u>
Total business-type activities expenses	<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>	<u>37,184,018</u>	<u>36,658,543</u>
Total expenses	<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>	<u>\$ 126,573,167</u>	<u>\$ 125,611,780</u>

(Continued)

TABLE 2

CITY OF NORTH MIAMI, FLORIDA
CHANGES IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 12,762,768	\$ 11,304,253	\$ 7,034,086	\$ 13,660,794	\$ 12,401,125	\$ 13,391,131	\$ 13,657,832	\$ 17,104,504	\$ 17,819,969	\$ 18,826,154
Public safety	3,123,181	4,723,934	6,646,252	4,512,782	5,487,160	5,485,203	4,756,368	4,098,398	4,824,106	5,114,138
Physical environment	2,728,755	2,573,756	1,915,022	3,020,822	3,887,943	2,233,747	3,062,052	2,484,512	3,431,794	4,129,411
Transportation and public works	147,453	132,658	835,931	88,368	47,346	40,025	2,959,562	19,730	38,391	45,975
Economic environment (Housing & Social Services)	573,625	467,411	1,394,763	-	-	-	-	-	-	-
Parks and community services (Culture & recreation)	359,463	118,730	2,785,645	2,993,270	3,278,530	3,592,542	977,624	455,915	425,689	479,776
Community planning and development	-	-	134,132	777,851	584,838	550,107	268,313	352,937	352,660	924,621
Operating grants and contributions	8,382,304	7,006,123	3,603,994	5,353,062	5,956,341	6,692,586	5,829,519	8,138,621	16,105,745	16,591,019
Capital grants and contributions	<u>99,709</u>	<u>794,857</u>	<u>6,677,318</u>	<u>544,232</u>	<u>670,841</u>	<u>317,960</u>	<u>301,146</u>	<u>264,018</u>	<u>271,837</u>	<u>287,942</u>
Total governmental activities program revenues	<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>	<u>43,270,191</u>	<u>46,399,036</u>
Business-type activities:										
Charges for services:										
Water and sewer	28,528,757	30,523,694	34,849,639	32,195,213	31,600,606	33,629,399	31,388,997	31,173,723	32,164,680	34,483,056
Stormwater	2,479,164	2,525,987	2,287,685	2,598,048	2,610,940	2,552,977	2,639,510	2,404,654	2,429,775	2,411,117
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<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>	<u>34,594,455</u>	<u>36,894,173</u>
 Total program revenues	 <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>	 <u>\$ 77,864,646</u>	 <u>\$ 83,293,209</u>
 NET (EXPENSE) REVENUE										
Governmental activities	\$ (37,561,114)	\$ (32,764,430)	\$ (37,111,574)	\$ (36,628,327)	\$ (41,795,441)	\$ (53,178,767)	\$ (57,313,537)	\$ (61,895,809)	\$ (46,118,958)	\$ (42,554,201)
Business-type activities	<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>	<u>(2,589,563)</u>	<u>235,630</u>
Total (expense) revenue	<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>	<u>\$ (48,708,521)</u>	<u>\$ (42,318,571)</u>

(Continued)

TABLE 2

CITY OF NORTH MIAMI, FLORIDA
CHANGES IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2013</u> ^(1 & 2)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
Taxes:										
Property taxes	\$ 17,773,329	\$ 16,156,844	\$ 17,138,805	\$ 18,708,191	\$ 19,194,672	\$ 20,975,744	\$ 22,739,789	\$ 25,070,539	\$ 27,888,626	\$ 29,719,403
Utility service tax	2,986,873	3,328,202	4,210,073	4,311,844	4,343,095	4,034,989	4,453,176	4,297,833	4,463,924	4,620,753
Communication service tax	1,556,784	1,407,118	1,415,105	1,308,539	1,212,133	1,203,462	1,073,231	1,032,010	1,064,829	1,111,553
Franchise taxes	3,459,702	3,662,902	3,539,715	3,742,335	4,356,029	3,992,099	4,084,241	4,193,023	3,877,296	4,974,564
Unrestricted investment earnings	155,253	75,073	86,549	259,140	98,716	235,600	259,593	195,619	332,420	(126,423)
Miscellaneous	40,996,820	14,204,424	12,290,361	23,539,227	13,710,937	14,599,586	17,997,399	31,280,916	17,319,288	20,062,407
Transfers	<u>3,716,203</u>	<u>210,292</u>	<u>187,739</u>	<u>205,115</u>	<u>241,808</u>	<u>228,835</u>	<u>241,265</u>	<u>223,493</u>	<u>239,642</u>	<u>233,520</u>
Total governmental activities	<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>	<u>55,186,025</u>	<u>60,595,777</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	10,457	55,368	299,700	105,956	321,223	1,053,572	1,175,791	163,682	137,409
Transfers	<u>(3,716,203)</u>	<u>(210,292)</u>	<u>(187,739)</u>	<u>(205,115)</u>	<u>(241,808)</u>	<u>(228,835)</u>	<u>(241,265)</u>	<u>(223,493)</u>	<u>(239,642)</u>	<u>(233,520)</u>
Total business-type activities	<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>	<u>(75,960)</u>	<u>(96,111)</u>
Total	<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>	<u>55,110,065</u>	<u>60,499,666</u>
CHANGE IN NET POSITION										
Governmental activities	33,083,850	6,280,425	1,756,773	15,446,064	1,361,949	(7,908,452)	(6,464,843)	4,397,624	9,067,067	18,041,576
Business-type activities	<u>2,171,653</u>	<u>6,650,238</u>	<u>8,196,256</u>	<u>4,500,451</u>	<u>1,127,804</u>	<u>1,544,104</u>	<u>281,420</u>	<u>930,854</u>	<u>(2,665,523)</u>	<u>139,519</u>
Total	<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>	<u>\$ 6,401,544</u>	<u>\$ 18,181,095</u>

(1) In fiscal year 2013 miscellaneous includes \$30M landfill closure and \$6M for intergovernmental

(2) 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General fund:			* Restated							
Non-spendable	\$ 1,607,840	\$ 313,403	\$ 141,595	\$ 49,197	\$ 79,227	\$ 87,743	\$ 127,422	\$ 199,956	\$ 213,923	\$ 353,152
Restricted	-	-	-	-	-	1,190,000	7,549,440	7,000,000	7,000,000	7,000,000
Committed	6,500,000	6,500,000	-	-	-	-	-	-	-	-
Assigned	5,602,529	5,604,450	4,544,241	-	-	-	-	-	-	-
Unassigned	<u>6,539,393</u>	<u>4,371,591</u>	<u>9,114,161</u>	<u>(396,516)</u>	<u>(4,921,302)</u>	<u>(9,460,185)</u>	<u>(21,357,402)</u>	<u>(12,218,700)</u>	<u>(3,316,048)</u>	<u>3,083,814</u>
Total general fund	<u>\$ 20,249,762</u>	<u>\$ 16,789,444</u>	<u>\$ 13,799,997</u>	<u>\$ (347,319)</u>	<u>\$ (4,842,075)</u>	<u>\$ (8,182,442)</u>	<u>\$ (13,680,540)</u>	<u>\$ (5,018,744)</u>	<u>\$ 3,897,875</u>	<u>\$ 10,436,966</u>
All other governmental funds:										
Non-spendable	2,165,527	734,719	913,562	-	30,524	60,906	85,029	61,849	90,422	99,208
Restricted	18,450,787	16,603,444	16,928,309	18,734,688	19,018,489	16,865,784	16,806,263	14,280,369	19,617,483	26,763,687
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	1,736,361	2,800,546	535,690	374,794	260,605	785,729	258,445	591,002	567,853
Unassigned	<u>-</u>	<u>(259,248)</u>	<u>(965,261)</u>	<u>(544,321)</u>	<u>(960,234)</u>	<u>(5,094,005)</u>	<u>(5,842,303)</u>	<u>(1,527,688)</u>	<u>(1,122,361)</u>	<u>(958,080)</u>
Total all other governmental funds	<u>\$ 20,616,314</u>	<u>\$ 18,815,276</u>	<u>\$ 19,677,156</u>	<u>\$ 18,726,057</u>	<u>\$ 18,463,573</u>	<u>\$ 12,093,290</u>	<u>\$ 11,834,718</u>	<u>\$ 13,072,975</u>	<u>\$ 19,176,546</u>	<u>\$ 26,472,668</u>

* 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES										
Taxes	\$ 26,992,235	\$ 24,051,638	\$ 25,497,860	\$ 27,004,717	\$ 28,003,594	\$ 29,388,710	\$ 31,514,118	\$ 33,913,803	\$ 36,607,698	\$ 39,693,129
Charges for services	5,857,578	8,418,568	8,025,835	8,982,469	9,682,205	10,428,442	12,260,943	10,472,838	12,983,775	13,099,382
Return on investment - utility ⁽¹⁾	-	-	-	-	-	2,479,828	2,717,132	2,809,024	3,149,940	3,171,822
Fines and forfeitures	3,251,870	2,621,393	2,829,842	1,249,133	1,061,091	899,657	682,350	527,272	532,329	496,286
Intergovernmental	8,952,044	13,604,235	15,063,947	13,970,999	15,785,674	15,146,231	17,899,963	18,238,137	27,500,529	29,314,052
Licenses and permits	1,927,293	2,046,697	2,428,695	2,015,318	3,790,191	3,749,809	3,084,316	2,582,178	3,438,291	3,874,372
Other (including interest)	8,575,254	4,998,962	4,357,063	8,144,393	6,869,743	5,861,113	7,146,703	7,636,307	7,114,426	7,531,853
Total revenues	<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>	<u>91,326,988</u>	<u>97,180,896</u>
EXPENDITURES										
General government	13,065,334	13,601,116	10,244,783	13,235,866	14,433,923	19,903,764	14,681,817	16,965,183	17,905,868	20,956,531
Public safety	24,656,128	24,589,073	26,374,717	26,211,652	28,977,056	28,433,232	36,229,740	36,201,345	33,829,377	36,396,502
Physical environment (Transportation & Public Works) ⁽⁴⁾	9,271,605	2,994,813	4,977,118	3,816,477	4,087,042	4,493,213	3,443,049	9,761,318	5,956,893	5,903,460
Transportation	4,638,210	5,335,652	4,548,595	4,911,156	4,883,548	4,632,752	2,801,521	-	-	-
Economic environment (Housing and Social Services) ⁽³⁾	-	-	1,026,725	1,267,140	1,555,253	895,341	1,356,648	2,218,381	3,080,185	2,987,610
Parks and community services (Culture & recreation)	5,970,868	6,337,376	7,610,932	10,298,060	10,849,824	12,021,487	12,334,120	11,235,237	8,891,312	11,234,290
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	3,824,963	3,477,040
Debt service:										
Principal retirement	752,390	585,000	625,000	779,197	877,292	1,022,527	542,144	1,042,068	1,094,348	2,212,652
Interest and fiscal charges ⁽²⁾	930,203	1,494,225	1,150,357	1,123,491	789,728	761,523	1,321,680	899,363	839,338	809,446
Capital outlay	3,541,649	2,993,386	3,773,231	1,912,530	2,841,065	2,750,721	2,309,530	2,368,393	2,143,473	20,248,883
Total expenditures	<u>66,855,448</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>	<u>77,565,757</u>	<u>104,226,414</u>
Excess (deficiency) of revenues over (under) expenditures:	<u>(11,299,174)</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>	<u>13,761,231</u>	<u>(7,045,518)</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	178,707	83,218	-	4,400,914	-	-	6,145	18,250,000	966,241	2,900,000
Capital leases and installment purchase	-	-	-	-	629,483	-	-	253,543	-	-
Proceeds from debt	-	-	-	-	-	-	-	-	-	17,692,744
Transfers in	2,956,476	1,850,954	2,765,531	2,068,702	1,971,534	2,720,102	2,404,018	1,784,369	6,785,200	7,256,011
Contributions	2,628,702	1,523,031	3,101,299	-	-	-	-	-	-	-
Transfers out	(1,714,136)	(1,584,667)	(2,524,588)	(1,829,936)	(1,671,752)	(2,435,564)	(2,111,489)	(1,511,952)	(6,492,482)	(6,968,024)
Total other financing sources (uses)	<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>	<u>1,258,959</u>	<u>20,880,731</u>
Net change in fund balances (deficits)	<u>\$ (7,249,425)</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>	<u>\$ 15,020,190</u>	<u>\$ 13,835,213</u>
Debt service (excluding issuance costs)										
as a percentage of noncapital expenditures	2.7%	3.6%	2.9%	3.0%	2.5%	2.4%	2.4%	2.4%	2.6%	3.6%

(1) As of 2018 return on investment excluded from charges for services and shown as a separate line item

(2) In 2010, Includes swap termination payment of \$4,120,000.

(3) Housing and Social Services as of 2020

(4) Transportation and Public Works combined for presentation as of 2021



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)

Fiscal Year	Property Tax	Franchise Tax	Sales and Use Tax	Utility Service Tax	Communication Services Tax	Total
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
2021	27,888,626	3,877,296	716,372	4,463,924	1,064,829	38,011,047
2022	29,719,403	4,974,564	752,840	4,620,753	1,111,553	41,179,113
Change 2013-2022	67.21%	43.79%	-0.90%	54.70%	-28.60%	55.18%

TABLE 6

CITY OF NORTH MIAMI, FLORIDA
ASSESSED VALUE OF ALL TAXABLE PROPERTY ⁽¹⁾ (Unaudited)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal</u>	(1) <u>Centrally Assessed Property</u>	<u>Taxable Gross Total</u>	<u>Real Estate Adjustments</u>	<u>Net Assessed Property Value</u>	(2) <u>Total Direct Tax Rate</u>
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
2021	3,814,093,740	163,549,849	2,305,388	3,979,948,977	25,693,729	3,954,255,248	7.500
2022	4,425,478,056	177,465,009	2,501,535	4,605,444,600	70,466,266	4,534,978,334	7.400

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	<u>City of North Miami</u>			<u>Miami-Dade County</u>			School District	So. Fl. Water Mgt.	Total Millage
	<u>Operating Millage⁽¹⁾</u>	<u>Debt Service Millage</u>	<u>Total</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total</u>			
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
2021	7.500	0.000	7.500	4.667	0.508	5.175	6.079	0.1061	18.860
2022	7.400	0.000	7.400	4.620	0.485	5.106	5.674	0.0948	18.274

Source: Miami-Dade County Property Appraiser.

⁽¹⁾ Includes general operations and library.

TABLE 8

CITY OF NORTH MIAMI, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS (Unaudited)
CURRENT YEAR AND TEN YEARS AGO

<u>Taxpayer</u>	2022			2013		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of total City Taxable Assessed Value</u>
City of North Miami	\$ 104,645,531	1	2.63%	\$ -	-	-
OPLH IV LLC	96,679,640	2	2.43%	-	-	-
Florida Power & Light	91,608,439	3	2.30%	-	-	-
BRE Portofino MF Property Owner	87,490,000	4	2.20%	-	-	-
Countyline Auto Center Inc	55,612,782	5	1.40%	-	-	-
1490 North 123rd LLC	38,689,047	6	0.97%	-	-	-
Public Super Markets Inc.	26,865,971	7	0.68%	-	-	-
Causeway Square LLC	23,600,000	8	0.59%	-	-	-
G1R Florida LLC	20,486,659	9	0.51%	-	-	-
RK Causeway Plaza LLC	18,600,000	10	0.47%	-	-	-
				-		-
City of North Miami	-	-	-	198,000,744	1	2.69%
BRE Portofino MF Property Owner	-	-	-	88,074,393	2	2.59%
Florida Power & Light	-	-	-	75,754,262	3	1.90%
Countyline Auto Center Inc	-	-	-	59,538,700	4	1.73%
1490 North 123rd LLC	-	-	-	41,611,063	5	1.29%
Public Super Markets Inc.	-	-	-	25,314,134	6	1.27%
Causeway Square LLC	-	-	-	22,781,000	7	0.93%
G1R Florida LLC	-	-	-	21,213,795	8	0.87%
RK Causeway Plaza LLC	-	-	-	17,898,324	9	0.71%
NMB Partners LLC	-	-	-	16,707,000	10	0.66%
Totals	\$ 564,278,069		14.18%	\$ 566,893,415		15%

Source: Miami-Dade County Property Appraiser

TABLE 9

CITY OF NORTH MIAMI, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾ (Unaudited)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Levy ⁽²⁾</u>	<u>(3) Current Tax Collected</u>	<u>Percent of Current Taxes Collected</u>	<u>(3) Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio Tax Collections to Total Tax Levy</u>
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%
2021	28,605,703	26,765,365	93.57%	1,123,262	27,888,626	97.49%
2022	32,748,538	28,755,268	87.81%	964,135	29,719,403	90.75%

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 1,000 Gallons	Capital Improvement Fees				Sanitation	Recycling	Stormwater	
	(1)	(2)		As a percentage of			(5)	(6)						
	Base Rate per 5,000 Gallons	Rate per 1,000 gallons Over Minimum		Water rates			Water	Sewer			Annual Charge	Monthly Charge	(4) Monthly Charge Per ERU	
	Residential	Commercial	Residential	Commercial	2014		Residential	Commercial	Residential	Commercial				
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
2021	13.02	1.97	1.79	N/A	N/A	N/A	4.59	N/A	N/A	N/A	N/A	393.00	N/A	7.12
2022	13.79	2.09	1.90	N/A	N/A	N/A	5.00	N/A	N/A	N/A	N/A	407.16	N/A	7.12

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	Population (1)	Per Capita	(Restated) Percentage of Personal Income (1)
	Notes Payable	Capital Leases	Capital Leases	Loan Payable (2)	SRF Loan Payable				
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%
2021	10,235,131	1,435,403	-	425,510	5,070,329	17,166,373	62,146	276	1.33%
2022	9,277,418	14,707,970	-	-	4,775,352	28,760,740	59,229	486	2.29%

(1) Divided by the Per Capita Personal Income From Table 19 - Demographic and Economic Statistics

(2) 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

<u>Fiscal Year</u>	<u>(1) Population*</u>	<u>(2) Assessed Value*</u>	<u>(3) Gross Bonded Debt*</u>	<u>Net Bonded Debt*</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
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%	-
2021	62	\$ 3,954,255	-	-	0%	-
2022	59	\$ 4,534,978	-	-	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.

TABLE 13

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS (1) (Unaudited)
(IN THOUSANDS)
SEPTEMBER 30, 2022

<u>Jurisdiction</u>	<u>Taxable Property Value</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To North Miami</u>	<u>Amount Applicable To North Miami</u>
Direct:				
City of North Miami (1)	\$ 4,425,478	\$ 9,277,418	-	\$ -
Overlapping:				
Miami-Dade County (2)	439,151,346	2,347,105	1.01% (4)	23,653
Miami-Dade County Schools (3)	428,837,004	859,577	1.03% (4)	8,871
Total overlapping debt		3,206,682		32,523
Total direct and overlapping debt		<u>\$ 12,484,100</u>		<u>\$ 32,523</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, 2021, amounts and Net General Obligation Bonded Debt Outstanding figures are as of September 30, 2021

(3) Source: School Board of Miami-Dade County Division of Accounting - Taxable Property Value reflects July 1, 2021 amounts and Net General Obligation Bonded Debt Outstanding figures are as of June 30, 2021.

(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 2021 preliminary taxable value.

TABLE 14

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</u> <u>Year</u>	<u>Principal</u>	<u>Interest ⁽²⁾</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>General</u> <u>Governmental</u> <u>Expenditures ⁽³⁾</u>	<u>Ratio of</u> <u>Debt Service</u> <u>to General</u> <u>Governmental</u> <u>Expenditures</u>
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%
2021	950	835	1,785	77,162	2.0%
2022	1,020	766	1,786	103,458	2.0%

(1) Includes debt service for general obligation and special obligation debt.

(2) Includes debt issuance and other costs.

(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

<u>Fiscal Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest (3)</u>		
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 (4)	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	34,720	31,487	3,233	737	79	816	3.96
2021	34,654	34,164	489	678	154	832	0.59
2022	36,894	33,775	3,119	723	61	784	3.98

(1) Total operating revenues, plus interest income and operating grants.

(2) Total operating expenses excluding depreciation.

(3) Including fiscal charges.

(4) In fiscal year 2016 the revenue amounts were revised as a result of a restatement

TABLE 16

CITY OF NORTH MIAMI, FLORIDA
FISCAL YEAR BUDGETED AND HISTORIC NON-AD VALOREM FUNDS (Unaudited)
FISCAL YEAR ENDED SEPTEMBER 30, 2022

<u>Sources of Funds</u>	(6) 2023 (Budgeted)	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General government funds (1):								
Franchise fees	\$ 4,423,028	\$ 4,294,905	\$ 4,369,008	\$ 4,376,529	\$ 4,323,846	\$ 4,132,730	\$ 3,938,066	\$ 3,474,031
Utility taxes	3,764,093	3,915,623	3,763,707	3,663,407	3,517,469	3,681,003	3,672,003	3,513,956
Communication services tax	1,047,087	1,036,291	1,000,000	1,200,000	1,165,811	1,297,205	1,620,000	1,308,539
Licenses and permits	958,056	942,257	907,257	7,326,202	4,901,352	4,029,604	3,715,830	2,015,318
Intergovernmental revenues (2)	8,627,766	8,151,004	7,634,489	8,559,325	7,702,962	7,549,406	6,942,319	7,645,393
Charges for services (3)	7,491,090	5,579,832	6,923,914	6,006,557	4,937,245	5,498,383	4,583,081	9,843,445
Fines and forfeitures	408,053	442,120	646,600	718,300	1,054,633	786,836	735,830	1,249,133
Other (5)	<u>5,749,123</u>	<u>5,453,310</u>	<u>6,710,843</u>	<u>8,436,766</u>	<u>6,598,372</u>	<u>9,572,444</u>	<u>3,650,801</u>	<u>6,612,323</u>
Total general government non-ad valorem funds	<u>32,468,296</u>	<u>29,815,342</u>	<u>31,955,818</u>	<u>40,287,086</u>	<u>34,201,690</u>	<u>36,547,611</u>	<u>28,857,930</u>	<u>35,662,138</u>
Enterprise funds (4):								
Water and sewer utility	46,231,967	46,437,852	49,973,082	59,532,531	49,372,814	51,109,343	51,453,090	32,195,213
Stormwater utility	<u>3,034,424</u>	<u>3,655,000</u>	<u>4,305,197</u>	<u>4,138,138</u>	<u>4,389,308</u>	<u>4,356,721</u>	<u>2,795,257</u>	<u>2,598,048</u>
Total enterprise funds non-ad valorem funds	<u>49,266,391</u>	<u>50,092,852</u>	<u>54,278,279</u>	<u>63,670,669</u>	<u>53,762,122</u>	<u>55,466,064</u>	<u>54,248,347</u>	<u>34,793,261</u>
Total non-ad valorem funds	<u>\$ 81,734,687</u>	<u>\$ 79,908,194</u>	<u>\$ 86,234,097</u>	<u>\$ 103,957,755</u>	<u>\$ 87,963,812</u>	<u>\$ 92,013,675</u>	<u>\$ 83,106,277</u>	<u>\$ 70,455,399</u>

(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.

(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)	(3) City of North Miami 2010 Taxable Promissory Note (Pension)			Non-Ad Valorem Funds (2)	Coverage Ratio Percentage
		Principal	Interest	Total		
2023	1,787,375	1,095,000	692,375	1,787,375	79,908,194	44.71
2024	1,787,988	1,175,000	612,988	1,787,988	79,908,194	44.69
2025	1,787,800	1,260,000	527,800	1,787,800	79,908,194	44.70
2026	1,786,450	1,350,000	436,450	1,786,450	79,908,194	44.73
2027	1,788,575	1,450,000	338,575	1,788,575	79,908,194	44.68
2028	1,788,449	1,555,000	233,449	1,788,449	79,908,194	44.68
2029	1,785,713	1,665,000	120,713	1,785,713	79,908,194	44.75
	\$ 12,512,350	\$ 9,550,000	\$ 2,962,350	\$ 12,512,350	\$ 559,357,358	

(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 ended September 30 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 refunded in February 2010 through the issuance of City of North Miami Taxable Promissory Note, Series 2010.

TABLE 18

CITY OF NORTH MIAMI, FLORIDA
DEBT SERVICE PAYABLE FROM PORTIONS OF THE NON-AD VALOREM FUNDS
(Unaudited)

<u>Year</u>	<u>2010 Taxable Promissory Note (Pension)</u>
2023	1,787,375
2024	1,787,988
2025	1,787,800
2026	1,786,450
2027	1,788,575
2028	1,788,449
2029	1,785,713
Total	<u>\$ 12,512,350</u>

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**

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>Personal Income (in thousands)</u>	<u>(2) Per Capita Personal Income</u>	<u>(3) Median Age</u>	<u>(4) School Enrollment</u>	<u>(5) Unemployment Rate Percentage</u>
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
2021	62,146	\$ 1,274,668	\$ 20,751	36	332,776	4.7
2022	59,229	\$ 1,300,161	\$ 21,166	36	331,483	1.7

(1) U.S. Census Bureau

(2) Data 2021 based on U.S. Census of Population 2020. Data for 2015 and 2021 reflects 2015, and 2021 inflation adjusted dollars, respectively.

(3) U.S. Census Bureau, Census 2020.

(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>	<u>2022</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Miami-Dade Public Schools	916	1	3.06	-	-	-
City of North Miami (Including Police Dept.)	522	2	1.74	409	3	1.36
Villa Marie Nursing Home	400	4	1.33	400	4	1.33
Florida International University	381	3	1.27	450	2	1.50
Sunshine Family Medical Center	300	5	-	-	-	-
Publix Super Markets	272	6	0.91	250	5	0.83
Lexus Of North Miami	250	7	0.83	184	7	0.61
Costco	231	8	0.77	-	-	-
Fountain Manor Nursing & Rehab	178	9	0.59	-	-	-
Best Western	164	10	0.55	-	-	-
Total	<u>3,614</u>		<u>11.06</u>	<u>1,693</u>		<u>5.65</u>
Estimated Labor Force	29,969			29,969		

Source: Economic Development Division Miami-Dade Beacon Council 2021-2022

TABLE 21

CITY OF NORTH MIAMI, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
General government	66	51	58	58	80	86	88	76	108	126
Public safety	170	176	159	159	149	151	155	144	149	143
Transportation	38	8	42	42	55	51	50	46	40	6
Personnel services	4	5	6	6	6	6	6	4	4	5
Culture and recreation	63	73	54	54	56	54	57	49	25	36
Economic environment	9	9	10	10	10	8	7	11	15	15
Business-type activities:										
Water & sewer utility	50	38	42	42	49	51	49	46	42	48
Stormwater	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>15</u>	<u>12</u>	<u>14</u>	<u>8</u>	<u>5</u>
Total	<u>409</u>	<u>369</u>	<u>380</u>	<u>380</u>	<u>412</u>	<u>422</u>	<u>424</u>	<u>390</u>	<u>391</u>	<u>384</u>

Source: City Personnel Department



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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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public safety:										
Police: (1)										
Physical arrests	3,226	3,961	3,218	1,563	1,448	1,442	1,218	1,013	968	772
Traffic citations	33,729	28,247	23,728	16,332	11,718	13,023	8,923	5,758	7,991	5,365
Parking citations	1,644	2,102	2,229	2,644	2,018	2,566	2,953	1,861	1,606	1,704
Number of calls for service	49,961	47,218	50,177	46,664	46,610	53,529	48,065	63,769	75,404	68,122
Fire: (2)										
Number of calls answered	9,097	9731	9838	10,163	9,070	11,842	9,208	9,412	12,928	8,059
Culture and recreation: (3)										
Athletic field permits issued (rentals):										
Soccer	256	360	310	325	295	125	95	1	1	2
Football	58	102	78	64	45	-	-	4	3	2
Baseball	3	29	27	45	57	51	50	-	2	3
Basketball	2	67	25	48	148	178	120	6	0	7
Other(Rugby, Kickball, Field Hockey)	22	46	35	56	28	15	16	6	1	6
Membership (yearly):										
Tennis	12	15	8	4	4	1	25	37	21	24
Swim	N/A	1	2	0	0	-	1	0	0	0
Adult center	57	175	119	132	90	166	162	58	0	33
Afterschool	44	81	31	21	26	58	32	7	0	24
Camp program participants	846	929	1,152	1,737	1,119	1,226	1,199	16	0	135
Youth athletic participants (all sports)	524	615	448	655	583	841	632	50	0	35
Adult participants (all sports)	88	150	0	125	748	150	195	0	0	0
Water: (4)										
Daily average treatment in gallons (plant)	7,882,500	7,894,603	7,558,849	6,876,175	5,403,781	3,188,301	5,272,111	6,915,479	6,077,068	6,447,507
Average daily consumption in gallons	12,491,240	12,347,589	13,300,054	11,499,644	12,517,534	12,689,616	12,958,383	13,264,301	13,086,849	12,734,136
Solid waste:										
Refuse and trash collected (tons) (5)	-	-	-	-	15,658.00	11,101	10,941	11,885	11,938	21,766
Stormwater:										
Equivalent and commercial residential units (ERU's)	34,653	34,934.00	35,495	35,394	35,237	35,188	36,334	36,704	36,778	36,484

(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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public safety:										
Police:										
Stations (including off-site locations)	1	1	2	2	2	2	1	1	1	1
Patrol units	64	64	64	64	68	68	93	71	88	89
Transportation:										
Streets (miles)	136	136	136	136	113	113	109	109	109	132
Street lights (FPL and City owned) ⁽¹⁾	4,397	4,397	4,447	4,447	2,623	2,623	2,623	2,623	2,752	2,752
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	17	16	17	18	19	19	19
Park acreage	549	549	549	549	549	549	549	549	549	550
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	25	25	25	25	25	25	25	25	25	27
Community centers	7	7	7	7	7	7	7	7	8	9
Water:										
Water mains (miles)	311	311	311	311	311	311	311	312	316	320
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	9,300,000	9,300,000	9,300,000
Fire hydrants	927	927	927	927	935	941	941	959	969	971
Sewage system:										
Miles of storm sewers	38	38	38	38	38	39	39	39	39	39
Miles of sanitary sewers	175	175	175	175	175	175	175	175	175	178
Solid waste:										
Collection trucks	2	2	-	-	-	-	-	-	-	-

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.

(1) 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 THE UNIFORM GUIDANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**CITY OF NORTH MIAMI, FLORIDA
COMPLIANCE SECTION
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**INDEPENDENT AUDITOR'S 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**

To the 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, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

7300 Biscayne Blvd. | Suite 200
Miami, FL 33138
(786) 888-4534

Report on Compliance and Other Matters

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

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.



Miami, Florida
June 29, 2023



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

7300 Biscayne Blvd. | Suite 200
Miami, FL 33138
(786) 888-4534

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Miami, Florida
June 29, 2023

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

<u>FEDERAL AGENCY/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>GRANT OR IDENTIFYING NUMBER</u>	<u>PASS THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
<i>U.S. Department of Housing And Urban Development</i>				
Community Development Block Grant Entitlement	14.218	B-15-MC-12-0039		\$ 22,083
Community Development Block Grant Entitlement	14.218	B-16-MC-12-0039		49,717
Community Development Block Grant Entitlement	14.218	B-17-MC-12-0039		17,547
Community Development Block Grant Entitlement	14.218	B-18-MC-12-0039		2,163
Community Development Block Grant Entitlement	14.218	B-19-MC-12-0039		49,825
Community Development Block Grant Entitlement	14.218	B-20-MC-12-0039		231,648
Community Development Block Grant Entitlement - Corona Virus	14.218	B-20-MW-12-0039		270,679
Community Development Block Grant Entitlement	14.218	B-21-MC-12-0039		<u>294,765</u>
Sub-Total				<u>938,427</u>
Home Investment Partnerships Program	14.239	M-16-MC-12-0231		31,545
Home Investment Partnerships Program	14.239	M-17-MC-12-0231		37,601
Home Investment Partnerships Program	14.239	M-18-MC-12-0231		67,716
Home Investment Partnerships Program	14.239	M-19-MC-12-0231		32,310
Home Investment Partnerships Program	14.239	M-20-MC-12-0231		90,405
Home Investment Partnerships Program	14.239	M-21-MC-12-0231		<u>55,902</u>
Sub-Total				<u>315,479</u>
Neighborhood Stabilization Program 1	14.264	B-08-MN-12-0019		78,878
Neighborhood Stabilization Program 3	14.264	B-11-MN-12-0019		<u>49,157</u>
Sub-Total				<u>128,035</u>
<i>Total U.S. Department of Housing and Urban Development</i>				<u>1,381,941</u>
<i>U.S. Department of Justice</i>				
<i>Pass Through the State of Florida Office of the Attorney General</i>				
<i>Office of Justice Program - Bureau of Justice Assistance</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-DJ-BX-0641		<u>33,256</u>
<i>Pass Through the State of Florida Office of the Attorney General</i>				
Crime Victim Assistance / Victim's Intervention Program Grant (VOCA) FY 19/20	16.575	VOCA-2020-City of North Miami Police-00537		<u>111,171</u>
Bulletproof Vest Partnership Grant Program-03	16.607	2020		<u>21,162</u>
				<u>21,162</u>
<i>Pass Through Miami-Dade County</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-02957-MAPX		975
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ-BX-0900		<u>33,256</u>
Sub-Total				<u>34,231</u>
<i>Total U.S. Department of Justice</i>				<u>199,820</u>

See Notes to Schedule.

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

<u>FEDERAL AGENCY/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>GRANT OR IDENTIFYING NUMBER</u>	<u>PASS THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
<i>U.S. Department of Treasury</i>				
Equitable Sharing Program	21.016	N/A		<u>25,006</u>
<i>Pass Through Miami-Dade County</i>				
Coronavirus Relief Fund	21.019	07-698-7692		<u>10,737</u>
Sub-Total				<u>10,737</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027			<u>6,586,517</u>
<i>Total United States Department of Treasury</i>				<u>6,622,260</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 8,204,021</u>

See Notes to Schedule.

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

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of the City of North Miami, Florida (the City) for the year ended September 30, 2022.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net positions, or cash flows of the City.

Basis of Accounting

The expenditures in the accompanying Schedule are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the City becomes obligated for a payment as a result of the receipt of the related goods or services.

Note 3 - Contingencies

Grant monies received and disbursed by the City are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures.

Management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program cannot be determined at this time.

Note 4 - Subrecipients

Of the federal awards presented in the Schedules, the City did not provide any amounts to subrecipients.

Note 5 - Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes X None Reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major Federal programs

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes X None Reported

Type of Auditors' Report issued on Compliance for Major Federal Programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance ?

___ Yes X No

Identification of Major Federal Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Programs</u>
---	--

14.239	Home Investment Partnerships Program
--------	--------------------------------------

21.027	Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
--------	--

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

___ Yes X No

Section II - Financial Statement - Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section III - Prior Year Findings - Financial Statement Audit

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.

Current Year Status

The City is still in the process of reconciling and updating the capital assets module of the financial reporting system.

Current Year's Views of Responsible Officials and Planned Corrective Action

Management continues its multi-year process to accurately catalog the City's capital assets inventory and enhance the internal controls surrounding their acquisition, tracking and disposal. The project started with reconciling the Land asset class in fiscal year 2020 and has continued with Machinery and Equipment. With the implementation of GASB Statement 87, the City's Leases were fully inventoried this fiscal year. This process of capital assets reconciliation will continue so that all capital asset categories are presented accurately in our records and financial reports.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section III - Prior Year Findings - Financial Statement Audit (cont'd)

2020-03 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section III - Prior Year Findings - Financial Statement Audit (cont'd)

2020-03 Water & Sewer and Stormwater Accounts Receivables (cont'd)

Current Year Status

Similar increasing Water & Sewer and Stormwater Accounts Receivables trend noted through fiscal year 2022. Accounts receivables increase from, \$18,076,427 to, \$19,016,545 increase of approximately \$.94 million.

Current Year's Views of Responsible Officials and Planned Corrective Action

The City continues to devise strategies to improve and increase collection of the outstanding accounts receivable balances related to water and sewer, and stormwater. For residential single household and commercial accounts, some of the measures taken already include: stepping up shut-offs of non-paying customers, extending payment plans, and offering customers information regarding various utility billing assistance programs. For multi-family unit accounts, we continue to work with amenable customers offering payment plans; however, the City has engaged outside attorneys to take legal action to gain compliance for those customers unwilling to comply. The recording of liens against the properties with balances due has always been, and will continue to be, an option for collections, but it is more of a long-term strategy.

An initiative currently under consideration, is a plan to change the City's utility billing frequency from quarterly to monthly. This will make the bills more fiscally manageable for the customers and also increase the turnover of the accounts receivable balances because of the higher frequency of collection. Another initiative underway is screening customers' credit worthiness with an external service provider to determine the initial deposit to charge based on risk of delinquency. This will also help to offset any outstanding unpaid balances if customers abandon their accounts with amounts due. We expect to see the accounts receivable balances start to come down once the initiatives mentioned above are fully implemented. In the meantime, we continue to work on increasing collections.

Section IV - Federal Award —Current Year Findings and Questioned Costs

None reported.

Section V - Federal Award —Prior Year Findings and Questioned Costs

None reported.

**MANAGEMENT LETTER IN ACCORDANCE WITH CHAPTER 10.550, RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and Member of the City Council
City of North Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the City of North Miami, Florida (the City), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 29, 2023. 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 Reporting Requirements

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 Each Major Federal Program 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 schedule, which are dated June 29, 2023, should be considered in conjunction with this management letter.

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Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

North Miami Office

1801 NE 123rd Street | Suite 314
North Miami, FL 33181
(786) 743-7108

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 Section III – Status of Prior Year Findings and Recommendations to Improve Financial Management.

Tabulation of Uncorrected Findings			
Current Year Finding #	Finding Title	2020-21 FY Finding #	2019-20 FY Finding #
2020-02 Repeat Finding	Capital Assets	2020-02	IC2020-02
2020-03 Repeat Finding	Water & Sewer and Stormwater Accounts Receivables	2020-03	ML 2020-02
2023-01	General Fund Deficit	ML 2020-01	ML 2019-01

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. The name or official title and legal authority of the Primary government and component units are disclosed in Note 1 to 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 met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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. See recommendation reported as ML 2023-01 Appendix A.

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and 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.



Miami, Florida

March 4, 2024

Addendum To City of North Miami Management Letter Dated June 29, 2023.

CITY OF NORTH MIAMI, FLORIDA
APPENDIX A - CURRENT YEAR'S FINDING AND RECOMMENDATION
TO IMPROVE FINANCIAL MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

ML 2023-01 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 fund balance (deficit) from September 30, 2016 through 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

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.

In fiscal year 2020, the City relied on a one-time land sale transaction to fund a portion of the General Fund's operating activities.

For fiscal year 2021 the General Fund reported a fund balance in the amount of \$3,897,785. The City received American Rescue Plan Act funding, of which \$5,000,000 was used to offset the General Fund deficit fund balance.

For fiscal year 2022 the city reported general fund balance in the amount of \$10,436,966, the City received American Rescue Plan Act funding, of which \$5,000,000 was used to fund general fund operations. Additionally, the city also relied on proceeds from the sale of capital assets to fund General Fund operations. While the deficit has been cured for now, the city should be cognizant with the budget process to ensure that expenditures do not exceed revenues and create a re-emergence of the general fund deficit condition.

CITY OF NORTH MIAMI, FLORIDA
APPENDIX A - CURRENT YEAR'S FINDING AND RECOMMENDATION
TO IMPROVE FINANCIAL MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Current Year's Findings and Recommendation to Improve Financial Management (cont'd)

ML 2023-01 General Fund Deficit (cont'd)

	2021	2022
Revenues	\$ 62,032,059	\$ 64,717,597
Expenditures	(57,645,640)	(82,401,797)
Excess of revenue over expenditures	4,386,419	(17,684,200)
Transfers and other items, net	4,530,200	24,223,291
Change in fund balance	8,916,619	6,539,091
Beginning fund balance(deficit)	(5,018,744)	3,897,875
Ending fund balance (deficit)	\$ 3,897,875	\$ 10,436,966

Recommendation

We recommend that management and those charged with governance develop a long-term financial plan to maintain ongoing positive General Fund's fund balance. 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 there is not a re-emergence of the general fund deficit condition.

Current Year's Views of Responsible Officials and Planned Corrective Action

The City recognizes and acknowledges the importance of sound budget preparation and management practices in reducing the risk of operating deficits and negative fund balances for the General Fund.

The City's General Fund suffered escalating fund deficits starting in fiscal year 2016 (\$347,319), and culminating with a (\$14,697,136) fund deficit in fiscal year 2020. At that point, the City made some important changes to its budgetary practices and presented a 5-year plan to reverse fund deficit through revenue growth and diversification, and expenditure control. Since then, the City was able to hasten the fund deficit recovery thru the sales of city land, a city facility, and by applying two (2) \$5 million allocations from its American Rescue Plan Act (ARPA) award toward revenue losses suffered during the COVID-19 Pandemic. These one-time cash infusions have helped the City to turnaround the general fund deficit in a far shorter time period than could have been anticipated at the end of fiscal year 2019.

The City is mindful that the use of one-time funds is not a sustainable strategy to maintain the fiscal health of the General Fund. Learning from the missteps of the fund deficit years, the City plans to improve the current \$10,436,966 fund balance by sustainably growing and diversifying revenues, supplementing funding for projects through sensible grants for operations and programs, obtaining low-interest intergovernmental loans for capital projects, along with controlling expenditure growth when possible.

CITY OF NORTH MIAMI, FLORIDA
APPENDIX A - CURRENT YEAR'S FINDING AND RECOMMENDATION
TO IMPROVE FINANCIAL MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Current Year's Findings and Recommendation to Improve Financial Management (cont'd)

ML 2023-01 General Fund Deficit (cont'd)

Current Year's Views of Responsible Officials and Planned Corrective Action (cont'd)

Additionally, the City and its Community Redevelopment Agency (CRA) are renegotiating the percentage of Tax Increment Financing (TIF) ad valorem taxes that the City remits to the CRA on an annual basis. Given that the CRA comprises 60% of the City's area and the Inter-local TIF agreement uses a 2004 Index Year, the incremental increases in property taxes within the CRA boundaries for the years since have benefitted the CRA considerably more than the City. As economic development increased property values over the years, the allocation to the CRA has increased steadily. As such, the objective is to renegotiate the agreement to allow the City to more equitably share in the increased ad valorem tax revenue.

All these will contribute to the continued fiscal health of the City's General Fund going forward.



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

To the Honorable Mayor and Member of the City Council
City of North Miami, Florida

We have examined the City of North Miami (the "City") compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* for the year ended September 30, 2022. 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, 2021 to September 30, 2022.

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.



Miami, Florida
June 29, 2023





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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022

NorthMiamiFL.gov