

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending September 30, 2020
CITY OF MIAMI BEACH, FLORIDA



City of Miami Beach, Florida

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

Alina T. Hudak
City Manager

John Woodruff
Chief Financial Officer

Report prepared by: Finance Department

Cover picture
Convention Center Park
Miami Beach, Florida
<http://www.miamibeachfl.gov/>

**City of Miami Beach, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020**

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MIAMIBEACH

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INTRODUCTORY SECTION

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

May 27, 2021

Honorable Mayor and Members of the City Commission:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Miami Beach, Florida (the "City"), for the fiscal year ended September 30, 2020.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, business-type activities, fiduciary activities, and discretely presented component units of the City. All disclosures necessary to enable the reader to gain an understanding of the financial activities of the City have been included.

Management of the City is responsible for establishing and maintaining an effective internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that complete and accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statutes require an annual audit by independent certified public accountants and for the City Commission to appoint an audit committee to make the selection of the independent auditor. RSM US LLP was selected by the audit committee and then approved by the City Commission. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City's basic financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 as amended, the State of Florida Single Audit Act in accordance with the Uniform Guidance and Florida Rules of the Auditor General, Section 10.550. 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 audited government's internal controls and compliance with applicable laws and regulations and federal, state, and county programs. This internal control structure is subject to periodic evaluation by management and the Internal Audit Department of the City. These reports are available in the City's separately issued Single Audit Report.

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

Profile of the Government

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, Chapter 7672, Laws of Florida (1917). The City is governed by an elected Mayor and six Commissioners. The City operates under a Commission-Manager form of government. The term for the Mayor is two years, with a lifetime term limit of three two-year terms. The term for the Commissioners is four years, with a lifetime term limit of two four-year terms. The Commission is responsible, among other things, for passing ordinances, adopting the budget, approval of property tax levies, authorizing and approving debt secured by the full faith and credit of the City or any of its revenue streams, appointing committees, and hiring the City's manager, clerk, attorney, and inspector general. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments with the consent of the City Commission.

The accompanying financial statements present the City and its component units, entities that the City is considered financially responsible. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The City provides a full range of services. These services include police and fire protection, recreational activities, cultural events, sanitation services, water, sewer and storm water services, public transportation, neighborhood and community services, and the construction and maintenance of streets and infrastructure. This report includes activities of the Miami Beach Visitor and Convention Authority, Miami Beach Employee's Retirement Plan, the City Pension Fund for Firefighters and Police Officers, Firemen's and Policemen's Relief and Pension Funds, Other Post-Employment Benefits (OPEB) Trust, the Miami Beach Health Facilities Authority, and the Miami Beach Redevelopment Agency (the "Agency").

The annual budget serves as the foundation for the City's financial planning and control. Prior to the first public hearing required by state law, the City Commission is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means for funding them. After Commission review and two public hearings, the budget is adopted. The budget is approved by fund and department. Management may transfer amounts between line items within a department as long as the transfer does not result in an increase in the department's budget. Increases to funds or a department budgets and transfers between departments require Commission approval. Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the capital projects fund, which adopts project-length budgets. Budget-to-actual comparisons are provided in the required supplementary information section of this report for the general fund, the resort tax special revenue fund, and the Miami Beach Redevelopment Agency special revenue fund. Funds and grants that have multi-year project budgets are not presented in the statements.

Local Economy

Located on a seven 7-mile barrier island, the City of Miami Beach (the "City") is surrounded by the Atlantic Ocean to the east and Biscayne Bay to the west. An award-winning travel destination, the City is often parceled out by three (3) main districts: South Beach, Mid-Beach, and North Beach. Each of these districts has a distinct culture and identity, offering a dazzling array of amenities catering to residents and tourists. Overall, the City is internationally recognized as a distinctive tourist and cultural destination, a vibrant business and residential community with world-class art, culture, dining, nightlife, events, and shopping.

The population of Miami Beach is approximately 92,334, with a median household income of \$55,007 and a median age of 40. The City's labor force consists of 56,650 individuals; the primary industries are office and administrative services (13.89%), food preparation and serving (13.2%), sales (13.27%), and executive, managers, & administrators (11.06%). The City's tourism and hospitality industry provide a foundation for revenue generated through room nights and resort taxes. Simultaneously, the newly renovated Miami Beach Convention Center plays host to major conferences and shows worldwide.

Despite challenges faced in 2020 due to the impact of COVID-19, the City was recognized by the tourism industry, solidifying a reputation as one of the world's leading travel destinations. Honors include World's Best Destination by the World Travel Awards, Culture and Arts category gold prize, beating out long standing winner Los Vegas. The City also received silver prizes for Family Destination and Honeymoon Destination categories by

We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community.

Travel Weekly's Magellan Awards.

The COVID-19 Pandemic has significantly affected the global and local travel and tourism industry sector. The negative impact of the pandemic on the City's hotel and international tourism is and continues to be reflected in data. As experienced by most destination cities, Miami Beach is experiencing a decline in tourism, hotel occupancy, as of December 2020, down 38.8% from 2019 and RevPar down 33.7% from 2019. However, as in past years the City continues to attract the interest of notable events, conventions and conferences including, but not limited to the Miami Boat Show, Orange Bowl, South Beach Wine and Food Festival, Art Basel, Design Miami, Miami Beach Gay Pride Festival, Art Deco Weekend, Seatrade Cruise Global Annual Meeting, eMerge America's Technology Conference, Florida Super-Con, Air & Sea Show, Jeweler's International Showcase, and the Miami International Auto Show.

In recent years, the City has diversified beyond its traditional tourism-based economy to become a leading multi-industry business center to include arts and entertainment, healthcare, and financial services industries. Miami Beach is beginning to see an increase in the growth of an entrepreneurial and tech community as well. The city is host to the eMerge Americas Conference, the premier technology event connecting startups, venture capitalists, higher education institutions, governments, entrepreneurs and innovators from all over the Americas.

Various initiatives have helped establish, maintain and grow the city's business community by promoting the city's image, supporting businesses, real estate development, and diversifying the economy. Through the Vacant Storefront Cover program, a conceptual streetscape project, and lighting enhancements among other projects, the City dedicated resources to ensure that commercial corridors reflect an appealing aesthetic and promote activity. In response to the COVID-19 pandemic, the City focused on helping the business community adapt by developing the MB Standard safety protocol, administering grant programs, creating a dedicated resource center, and modifying the business tax licensing payment process.

The City is prioritizing economic development in targeted areas by executing strategic projects and initiatives to maximize the positive economic impact on the City of Miami Beach. The City is in the process of creating a Community Redevelopment Agency in North Beach, recently receiving approval of the Finding of Necessity by Miami-Dade County. The North Beach CRA would build on highly successful CRA's in South Beach and City Center to catalyze investment and accelerate development and quality of life improvements. The recent strategic initiative to transition South Beach's Mixed-Entertainment District into the Art Deco Cultural District will have a lasting impact on the city's world-renowned leisure and tourism center.

Miami Beach continues to be home to some of the country's most sought after commercial real estate. As Starwood Capital, a major private investment firm, relocates and expands in the burgeoning Collins Park Arts District, Lincoln Road continues to rank as Florida's most expensive retail leasing location. The City's lifeblood hospitality industry features the world's most recognizable restaurants and hotels, from innovative new development in the Faena district to the historic architecture along Ocean Drive. Miami Beach also features some of the nation's most expensive residential zip codes, continually supported by strong international investment and an influx of nationally known investors and CEOs.

New Convention Center Hotel

In November 2018, voters approved the leasing of city land for a new 800 room Convention Center Hotel. An adjacent connected hotel is essential to completing the state-of-the-art Miami Beach Convention Center campus, which will enable the City of Miami Beach to be more competitive in attracting world-class events and meetings.

The development of an adjacent convention center hotel has been contemplated for more than two decades. In that span, the City has solidified its brand as an international destination for tourism, arts and culture, shopping, dining and entertainment. This privately funded hotel will help make Miami Beach a more competitive convention destination and is anticipated to generate millions in annual revenue to benefit residents.

On July 31, 2018 the city entered into a long-term lease agreement with MB Mixed Use Investment, LLC for the new Convention Center Hotel project.

General Obligation Improvement Program

In November, 2018 voters approved all three ballot items of the proposed \$439 million General Obligation Bond, which addresses critical infrastructure needs for the city's parks, recreation facilities and cultural facilities (\$169 million); neighborhood and infrastructure (\$198 million); and police, fire and public safety (\$72 million).

The bond program is comprised of 57 projects, including creating a new North Beach community center and funding for 41 Street revitalization, which are intended to create town centers that will allow residents to enjoy themselves closer to their homes; boosting lighting, adding more license plate readers and upgrading the public safety radio system to enhance safety; replacing two aging fire stations that have nearly reached their endpoints; refurbishing many of our parks and repairing cultural centers; neighborhood resiliency improvements and beautification to compliment the planned storm water and water/sewer projects; and much more. Twenty-five percent of this G.O. Bond directly addresses the effects of climate change, while many of the other projects address other resiliency challenges.

Implementation of the bond program will be transformative in enhancing the quality of life and property values of the City of Miami Beach. The first tranche of G.O. bonds were sold on April 16, 2019. The pricing of the G.O. bonds generated tremendous investor interest, with \$342 million in orders for \$162 million in tax-exempt bonds. This solid demand enabled the City to reduce yields in the final pricing resulting in lower than anticipated interest rates that resulted in a savings of \$28 million over the 30-year life of the bonds.

Of the total 57 projects, 39 are in Tranche 1 (some projects span multiple tranches). As of March 2021, 30 of the Tranche 1 projects are in some form of "Active" status and 7 other projects are fully completed. Approximately \$36 million has been spent, and another \$22 million is encumbered. On April 21, 2021 the City Commission approved a revised implementation plan for the G.O. Bond Program to take advantage of historically low interest rates that effectively reduces the total number of planned bond issuances from, four to three. This allows the City to start key projects sooner than originally planned such as the Ocean Drive Improvement project, Washington Avenue Corridor project, and 41st Street Corridor project.

Resiliency

With a vision of a prosperous and resilient future for the City of Miami Beach, the Mayor and City Commission adopted the Miami Beach Strategic Plan Through the Lens of Resilience on July 17, 2019. The strategic plan is an innovative effort to tackle challenges head on with an integrated approach to create quality-of-life opportunities for the local community with both traditional government and progressive resilience-building actions.

The strategic plan was created to compliment the development of Resilient305, an intergovernmental resilience strategy that was co-produced by the City of Miami Beach, the City of Miami and Miami-Dade County and was launched officially on May 30, 2019 by the Greater Miami and the Beaches. Greater Miami and the Beaches was organized first in 2016 when Miami Beach was selected by the Rockefeller Foundation's 100 Resilient Cities program (100RC), a global initiative to make urban cities more resilient to the physical, social, and economic challenges they face in the ever-changing 21st century. As part of this unique effort, 100RC brought expert consultants, community partnerships and other resources together to assist the three involved municipalities as they crafted Resilient305. Resilient305 recently released an annual report of progress available on www.resilient305.com

Urban resilience is the capacity of individuals, communities, institutions, businesses and systems within a city to survive, adapt and grown, no matter what kinds chronic stresses and acute shocks they experience. One of the City's top resilience stresses is sea level rise, and the City has made a commitment to invest in aging infrastructure, adapt to sea level rise, and use the best available science to do so. This includes elevating roads, upgrading its gravity-based stormwater infrastructure with tidal control valves, pump stations, pipes, and other innovative structures to improve drainage. The City has also updated the land development regulations to incorporate climate adaptation and resilience, such increasing sea wall height, increasing base flood elevation, establishing freeboard above FEMA base flood elevation, requiring sea level rise and resiliency review criteria for Land Use Boards, introducing additional commercial height standards, and increasing set-backs and open space

for single family homes. The natural resources, including the coral reef tract and the beach and our mature sand dune system protect the eastern side of our island from wave energy and storm surge events.

Recently adopted plans and strategies to address the climate resilience include the 2040 Comprehensive Plan, the Water and Sewer Master Plan, the Jacobs Engineering Blue Green Infrastructure Plan, Road Elevation Strategy and Neighborhood Project Prioritization Plan; Buoyant City: Historic District Resiliency Adaptation Guidelines, and the Urban Forestry Master Plan. In addition, the City participates in longer term Army Corps of Engineers studies to reduce risks from storm surge and sea level rise.

The Miami Beach Strategic Plan through the Lens of Resilience defines the top implementable actions to increase resilience today and for years to come.

Budgeting

Although the development of our budget this year has been challenging, especially due to the impacts of COVID-19, through rigorous review and good leadership, the Adopted Work Plan and Budget for fiscal year ended September 30, 2020 was balanced and enables the City to continue delivering outstanding, enhanced services to our residents, businesses and visitors, and continuing structural enhancements to ensure the long-term sustainability of the City.

Adopted tax rates: The millage rate is the tax per dollar of assessed value of property. The rate is expressed in “mills”, where one mill is one-tenth of a cent (\$0.001). The City Commission adopted a total combined millage rate for the City of 6.0221 mills. The total adopted operating millage is 5.7288 mills, including a general operating millage rate of 5.6298 mills, a general fund Pay-As-You Go capital rate of 0.0755 and a general fund capital renewal and replacement rate of 0.0235 mills. The adopted voted debt service millage rate increased from 0.1600 to 0.2933, an increase of 0.1333 mills.

Property Values and Ad Valorem Taxes: On July 1, 2019, the City received the “2019 Certification of Taxable Value” from the Property Appraiser’s Office stating that the taxable value for the City of Miami Beach is \$40.1 billion, including \$302.5 million in new construction. The preliminary 2019 value represents an increase of \$1.2 billion or 3.1 percent more than the July 1, 2018, Certification of Taxable Value of \$38.9 billion.

Determining the Voted Debt Service Millage Levy: The general obligation debt service payment for fiscal year 2020 was approximately \$11.8 million. Based on the July 1, 2019 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.2933 mills. This represents an increase of 0.1333 mills.

Efficiencies and Reductions: As with the preparation of budgets for the last eleven years, departments continued to analyze and present their budgets from two perspectives: 1) reviewing for potential efficiencies, reorganizations to reduce cost, etc., without impacting services; and 2) performing a modified zero-based analysis of each department budget, identifying potential service reduction alternatives versus core functions. As part of the fiscal year 2020 budget adopted in September 2019, the Finance & Economic Resiliency Committee requested that departments submit lists of potential reductions and efficiencies totaling 10 percent of their 2019 budgets. Across all funds, a total of \$3.1 million of reductions were adopted including 28 full-time positions and 11 part-time positions.

Debt Administration

The general obligation debt rating of the City remained at Aa2 with Moody’s and AA+ with Standard and Poor’s. Under current state statutes, general obligation bonded debt issued by the City is subject to a legal limitation based on 15% of total assessed value of real and personal property. At September 30, 2020, the total net debt applicable to the limit as of percentage of debt limit is 3.03%.

The City continues to responsibly manage its debt financing. No new bonds were issued during the fiscal year. Outstanding general and special obligation debt was reduced by \$20 million. Energy Savings loan obligation was refinanced to a saving of \$0.4 million over 6 years. The City drew \$2.3 million from the equipment

line to finance the purchase of fleet vehicles to facilitate the vehicle replacement program. In the coming year the City will continue to evaluate the source of funding for the replacement program. To manage the parking receipts cash flow and take advantage of declining interest rates, the City also refinanced the 2010 parking revenue bonds. This resulted in a saving of \$8.9 million over 20 years and reduced the principal payment for fiscal year 2021 by \$1.8 million. Net reduction in other outstanding debt including revenue bonds, was \$14.8 million for the fiscal year. In the coming year, the City will also refinance a portion of the outstanding water and sewer revenue bonds to take advantage of declining interest rates. For more details on debt, see Note 10. For details on the debt coverage ratio compliance, see statistical section beginning on pg. 140 of this report.

Impact of COVID-19

The City of Miami Beach is highly dependent on the tourism and hospitality industry. Due to COVID-19, the City experienced significant impacts to City revenues. To navigate the financial impact of COVID-19, the City swiftly re-projected its fiscal year 2020 revenues and created and implemented various budget balancing plans. The key to balancing the fiscal year 2020 budget was to (1) aggressively reduce costs as much as possible to mitigate the projected revenue loss and (2) judiciously use our reserves to make up the difference. The budget balancing plans that were implemented did not rely on the uncertain possibility of federal or state relief programs. Due to the effectiveness of various cost savings measures, the fiscal year 2020 budget was able to be balanced only using approximately \$300,000 of General Fund reserves and \$5.0 million of Resort Tax reserves. Following the end of the fiscal year, we have received over \$30 million of CARES Act funding through Miami-Dade County that will be used to replenish the reserves and address any potential COVID-19 related shortfalls in the fiscal year 2021 Budget.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. This was the thirty-third (33) consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied 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 comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2019. In order, to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the comprehensive annual financial report was made possible by the dedicated work and tireless efforts of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Mayor and City Commission, preparation of this report would not have been possible.

Sincerely,



Alina T. Hudak
City Manager



John Woodruff
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Miami Beach
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

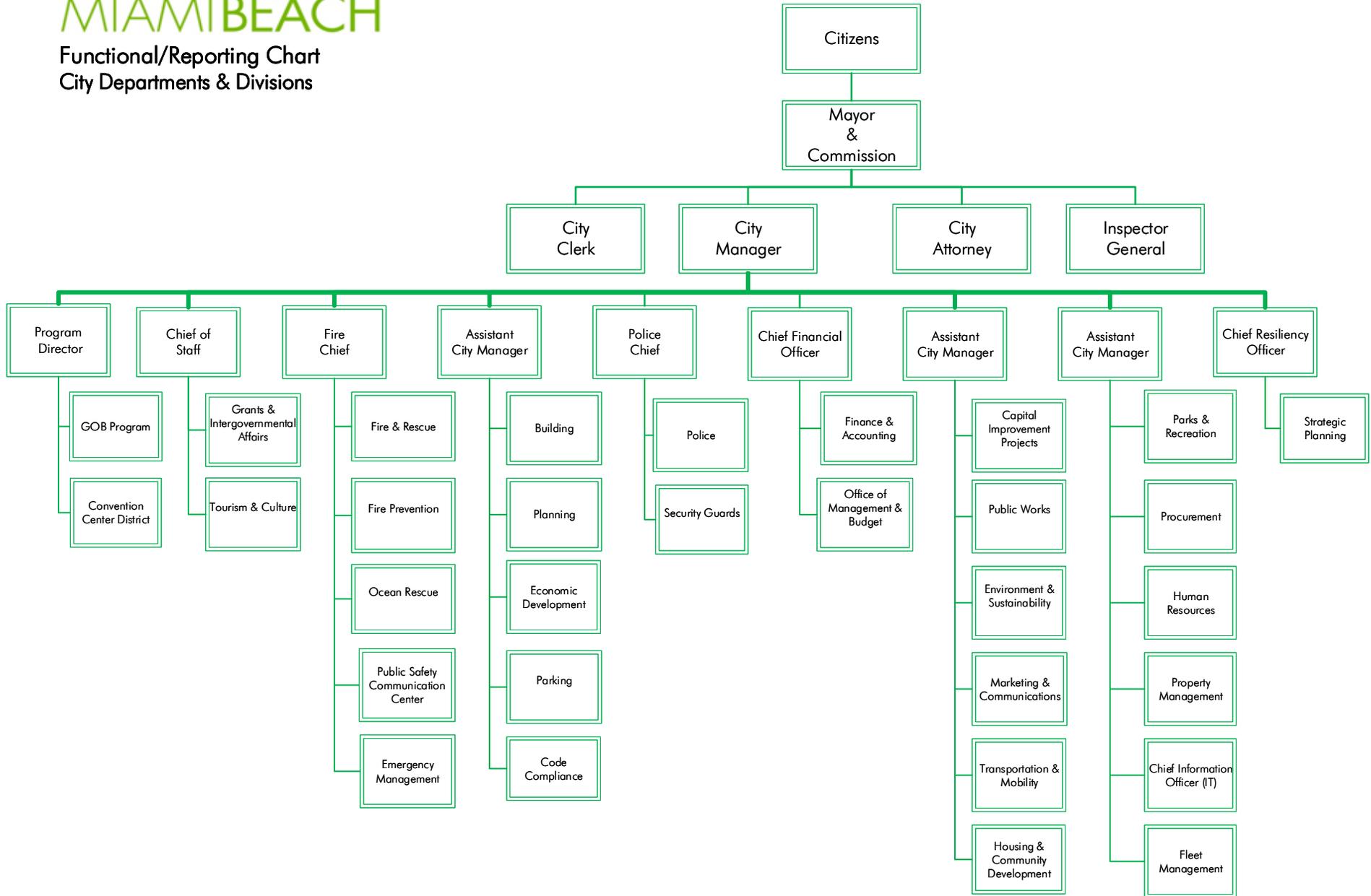
September 30, 2019

Christopher P. Morill

Executive Director/CEO

MIAMI BEACH

Functional/Reporting Chart City Departments & Divisions



Note: The City hired a new City Manager on April 21, 2021. As of the date of issuance of this report, the City's Organizational chart and direct reports have not been finalized. Several departments have been temporary reassigned due to a vacant Assistant City Manager position.

CITY OF MIAMI BEACH, FLORIDA
List of Elected Officials and Administration

September 30, 2020

City Commission

Dan Gelber, Mayor

Ricky Arriola, Commissioner
Michael Góngora, Commissioner
Steven Meiner, Commissioner
David Richardson, Commissioner
Mark Samuelian, Commissioner
Micky Steinberg, Commissioner

Administration

Alina T. Hudak, City Manager

John Woodruff, Chief Financial Officer

Eric Carpenter, Assistant City Manager
Mark Taxis, Assistant City Manager

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Miami Beach Florida Employees' Retirement Plan, the City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters' Relief and Pension Fund which collectively represent 81% of total assets/deferred outflows, 88% of total net position/fund balance and 57% of total revenues/additions of the aggregate remaining fund information opinion unit. Those financial 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 the City of Miami Beach Florida Employees' Retirement Plan, the City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters' Relief and Pension Fund, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Miami Beach Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters' Relief and Pension Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Miami Beach, Florida, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension plans and other post-employment benefits fund schedules and the budgetary comparison information for the General Fund, Resort Tax Fund and Miami Beach Redevelopment Agency Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated May 27, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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.

RSM US LLP

Miami, Florida
May 27, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

Our discussion and analysis of the City of Miami Beach’s (the “City”) financial performance provides an overview of the City’s financial activities for the year ended September 30, 2020. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2020 by \$1.1 billion (net position). Of this amount, \$1.5 billion was in net investments in capital assets. Additionally, \$248.9 million was restricted by laws, agreements, or debt covenants. The City has a negative unrestricted net position of \$668.8 million.
- During fiscal year 2020, the City’s net position decreased by \$30 million. Of this amount, there was decrease in governmental activities of approximately \$540 million in governmental activities and an increase of \$510 million in business-type activities. For governmental activities, revenues for charges for services decreased \$33 million or 30%, operating grants and contributions decreased by \$5.7 million or 20.8% increase over prior year, and capital grants and contributions decreased \$9 million or 55%. Additionally, transfers out increased \$491 million which primarily related to transfers to the Convention Center. For business-type activities, charges for services decreased by \$8 million or 4%. Parking revenues decreased by approximately \$17 million or 37% and building revenues of \$11 million was recorded in business-type for fiscal year 2020. Transfers of \$491 relate mainly to Convention Center renovations.
- Overall, the City’s assets and deferred outflows had a net increase of \$54 million. Major changes were attributed to increase of \$38 million in additions to capital assets and \$51 million increase in deferred outflow primarily attributed to \$48 million increase in City’s OPEB actuarial estimates. These balances were offset reductions in cash and investments and due from other governments.
- The City’s overall liabilities and deferred inflows increased from \$2.4 billion to \$2.5 billion. Major changes are attributed to increases in OPEB liabilities of \$81 million dollars and increases of \$1million in related deferred inflows. Additional increases can be attributed to increases of \$30 million related to MBERP pension liabilities along with a decrease of \$17 million in deferred outflows and increase of \$45 million in City’s MBF&P pension liabilities offset by decrease of \$17 million in related deferred outflows.
- At September 30, 2020, the City’s governmental funds had fund balances totaling \$536 million a decrease of \$64 million 11% compared to prior year.
- At September 30, 2020, the General Fund had a fund balance of \$95 million this is a decrease of \$20 million or 17% compared to prior year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the City’s net position changed during each fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Both the statement of net position and the statement of activities of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities of the City include general government, public safety, physical environment, transportation, economic development, human services, and culture and recreation. The business-type activities of the City include storm water, water, sewer, parking, convention center, sanitation, and Miami Beach Redevelopment Agency's parking and leasing operations.

The government-wide financial statements include not only the City itself, but also a legally separate Visitor and Convention Authority and a legally separate Health Facilities Authority. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. Governmental fund financial statements focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, resort tax special revenue fund, Miami Beach Redevelopment Agency special revenue fund, and capital projects fund which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, its resort tax special revenue fund, and its Miami Beach Redevelopment Agency's special revenue fund. A budgetary comparison statement has been provided for all of the above funds to demonstrate compliance with the fund's budget. The City also adopts a multi-year capital budget which is not included in this report but can be found at the City's website.

Proprietary Funds

The City maintains eight different types of enterprise 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 storm water utilities, water and sewer utilities, parking, convention center complex, sanitation, building and Miami Beach Redevelopment Agency's parking and leasing. The City maintains seven internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management, property management, central services, risk management self-insurance, health self-insurance and communications operations and Office of the Inspector General. Since these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements separate information for the storm water utilities, water and sewer, parking, and convention center complex, which are considered to be major funds of the City. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements within the supplemental information section of this report.

Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements within supplemental information section of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The fiduciary funds include the four Pension Trust Funds, one OPEB Trust Fund and one general agency fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented immediately following the required supplemental information.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Government-wide Financial Analysis

The table below summarizes the statement of net position:

CITY OF MIAMI BEACH						
Net Position						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 772,079	\$ 701,020	\$ 490,493	\$ 525,624	\$ 1,262,573	\$ 1,226,644
Capital assets	1,198,757	760,491	793,599	1,270,017	1,992,356	2,030,508
Total assets	<u>1,970,836</u>	<u>1,461,511</u>	<u>1,284,092</u>	<u>1,795,641</u>	<u>3,254,928</u>	<u>3,257,152</u>
Deferred outflows	195,019	239,581	26,330	33,760	221,349	273,341
	<u>195,019</u>	<u>239,581</u>	<u>26,330</u>	<u>33,760</u>	<u>221,349</u>	<u>273,341</u>
Long-term liabilities						
outstanding	1,627,787	1,742,257	615,724	646,761	2,243,511	2,389,018
Other liabilities	69,373	59,871	46,114	27,649	115,487	87,520
Total liabilities	<u>1,697,160</u>	<u>1,802,128</u>	<u>661,838</u>	<u>674,410</u>	<u>2,358,998</u>	<u>2,476,538</u>
Deferred inflows	32,546	3,248	3,927	640	36,472	3,888
	<u>32,546</u>	<u>3,248</u>	<u>3,927</u>	<u>640</u>	<u>36,472</u>	<u>3,888</u>
Net position:						
Net investment in capital assets	536,178	605,401	388,124	864,487	924,302	1,469,888
Restricted	201,931	175,187	70,589	73,753	272,520	248,940
Unrestricted	(301,960)	(884,872)	185,945	216,112	(116,015)	(668,760)
Total net position	<u>\$ 436,149</u>	<u>\$ (104,284)</u>	<u>\$ 644,658</u>	<u>\$1,154,352</u>	<u>\$ 1,080,807</u>	<u>\$ 1,050,068</u>

Net position may serve, over time, as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded its liabilities and deferred inflows at September 30, 2020 by \$1.1 billion which represents a change of \$30 million or 2.8% compared to prior year.

The largest portion of the City's net position, net investments in capital assets is \$1.5 billion in net position which include land, building, infrastructure, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. These capital assets are used by the City to provide services to citizens and consequently the assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$248.9 million or 24% represents resources that are subject to external restrictions on how they may be used. This includes but is not limited to grant proceeds, Redevelopment Agency tax increments, Resort Tax proceeds, impact fees, Interlocal agreements, and debt service requirements. The remaining balance of net position is negative and represents unrestricted net position. Unrestricted net position is a negative \$668.8 million, consists of negative \$884.9 million from governmental activities and a positive \$216.1 million from business type activities. The large deficit in governmental activities is being driven by the long-term obligations for pensions and OPEB which will be funded over time.

At the end of the current fiscal year, the City as a whole is able to report a positive net position. The City's net position decreased by \$30 million, or 2.8%, during the current fiscal year. Governmental activities accounted for a decrease of \$540 million and business type activities accounted for an increase of \$510 million. Most of this change is due to transfer of capital assets from Government Wide to Convention Center Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

City of Miami Beach Changes in Net Position - Governmental Activities for the fiscal year ended September 30, 2020 (in thousands)

	2019	2020	% of Total Rev/Exp/Other
Revenues:			
Program revenues:			
Charges for services	\$ 108,725	\$ 75,629	16.5 %
Operating grants and contributions	27,574	21,838	4.8
Capital grants and contributions	17,096	7,667	1.7
General revenues:			
Taxes:			
Property taxes, levied for general purposes	183,060	188,644	41.1
Property taxes, levied for debt services	5,929	11,265	2.5
Resort tax	88,246	54,972	12.0
Tax increments	72,525	56,578	12.3
Utility	13,269	12,720	2.8
Local business tax	5,455	5,381	1.2
Communication Service Tax	3,562	3,517	0.8
Miscellaneous	1,979	1,416	0.3
Unrestricted investment earnings	23,295	18,887	4.1
Total revenues	550,715	458,514	100.0 %
Expenses:			
General government	60,119	62,225	12.3
Public safety	274,382	292,093	57.5
Physical environment	17,588	14,582	2.9
Transportation	31,086	24,207	4.8
Economic environment	9,042	12,112	2.4
Human services	4,052	4,468	0.9
Culture and recreation	70,959	66,385	13.1
Interest on long-term debt	29,300	31,727	6.2
Total expenses	496,528	507,799	100.0 %
Changes in net position before transfers	54,187	(49,285)	
Transfers	(1,080)	(491,148)	100.0
Total Other Financing Uses	(1,080)	(491,148)	100.0 %
Change in net position	53,107	(540,433)	
Net position - beginning	528,416	436,149	
Restatement	(145,374)	-	
Net position - ending	\$ 436,149	\$ (104,284)	

Governmental Activities

Governmental activities decreased by \$540 million. Key elements of the fluctuation are as follows:

Governmental activities revenues consisted of program revenues which amounted to \$105.1 million and general revenues which amounted to \$353.4 million, for a total of \$458.4 million. Property tax revenue for general purposes which represents 38% of total revenues was \$188.6 million. This is an increase of \$5.6 million or 3.1% from the prior year.

Property taxes are levied by the City based on the Miami-Dade County property appraisers determined property values in the City. The Miami-Dade County Property Appraiser determined that certified taxable property values in the City increased from \$40.1 billion in 2019 to \$41.7 billion, an increase of \$1.6 billion or 3.8%. The City's operating millage rate for 2020 was 5.7288 millage same as prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Charges for services which represent 16.5% of total revenues were \$75.6 million. This amount is a decrease of \$33.1 million or 30.4% over the prior year. These charges at the government wide statement level are primarily derived from Parks and Recreation (including Golf Courses) user fees, ambulance fees, off duty services, franchise fees, rents and leases, license, permits, fines, forfeitures and administrative fees from enterprise funds and some forms of intergovernmental revenues. Most of the reduction was due to decreased income due to economic effects of Covid-19. Also, City Commission agreed to reduced or cancel fees on tenets, cancelled fines and other initiatives to assist constituents during the economic challenges.

Tax increment revenue which represents 12% of revenues was \$56.6 million. This amount is a decrease of \$16 million or 22% from the prior year. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the "County") multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations. Fluctuations in tax increment revenue are based on real estate property values City wide.

Resort tax which represents 12% of revenues was \$55 million which is a decrease of \$33 million or 38% from the prior year. Resort tax is a 4% tax on the rent of a room or rooms in any hotel, motel, rooming house or apartment house and 2% on the total sales price of all food and beverage (included beer and wine sold at retail in any restaurant). Fluctuations in resort tax revenues are based on the fluctuations in the sales of the above items and vary from one year to another based on the economy.

Intergovernmental revenues totaled \$29.5 million for the year. Intergovernmental revenue decreased by \$15.2 million or 34% from the prior year. These revenues are derived from federal and state grantors for various City initiatives, such as community development or state housing initiatives, impact fees, special assessments, other tax sources, and capital project grants. Unrestricted investment earnings total \$18.9 million for the year. Unrestricted investment earnings decreased by \$4.4 million or 19% from prior year.

Governmental activities expense consisted of functional expenses for the City's general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation and interest on long-term debt. These functional expenses amounted to \$508 million. Significant portions of these expenses were in the public safety, general government and culture and recreation functions.

Public safety function expense was \$292.1 million and represents 57.7 % of total expenses. The City's public safety function includes the personnel and operations for police, fire, ocean rescue, building operations, emergency 911 services and other. In addition, grant funded expenses for police, fire and other public safety activities are reported under this category. Total public safety expenses increased by \$17.7 million or 6.5% from the prior year. The increase in public safety expenditures are primarily related to pension and OPEB expenditures.

General government function expense was \$62.2 million and represents 12.3% of total expense and increased \$2 million compared to prior year. The City's general government function includes the City attorney's office, public works department, planning department, capital investment and upkeep office, budget and finance office, office of procurement, city manager's office, city clerk's office, human resources office and other special projects.

Culture and recreation function expense was \$66.4 million and represents 13.1% of total expenses. The City's culture and recreation function includes expenses for grant funded culture and recreation activities, the City's parks and recreation department, Office of Tourism and Cultural Development, golf course operations, and a variety of arts, cultural and entertainment programs. Expenses in this function had a net decrease of \$4.6 million or 6.4% from the prior year. The decrease relates to contract maintenance costs for activities such as security, environmental, and OPEB related deferred inflow and outflow.

During fiscal year 2020, approximately \$480 million in capital assets were transferred from governmental funds to the business type funds. These amounts were reclassified to Convention Center fund and consisted mostly of building and furniture and fixtures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The table below summarized the changes in net position for the City's business type activities.

CITY OF MIAMI BEACH Changes in Net Position - Business-type Activities for the fiscal year ended September 30, 2020 (in thousands)

	<u>2019</u>	<u>2020</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 199,623	\$ 191,386	86.24 %
Operating grants and contributions	12,374	9,896	4.46
General revenues:			
Unrestricted investment earnings	9,436	6,568	2.96
Tax increments	-	14,060	6.34
Total revenues	<u>221,433</u>	<u>221,910</u>	<u>100 %</u>
Expenses:			
Storm water	23,113	25,392	12.5 %
Water	30,480	27,892	13.7
Sewer	43,845	41,736	20.5
Parking	51,426	39,267	19.3
Convention Center	22,505	25,792	12.7
Sanitation	21,649	18,060	8.9
Building (see note. 15)	-	20,467	10.1
Redevelopment Agency's Parking	4,754	4,259	2.1
Redevelopment Agency's Leasing	445	541	0.3
Total expenses	<u>198,217</u>	<u>203,406</u>	<u>100 %</u>
Increase in net position before transfers and gain on sale of capital assets	23,216	18,504	
Gain on sale of assets	81	41	
Transfers	1,081	491,148	
Total Other Finances Sources (uses)	<u>1,162</u>	<u>491,189</u>	
Change in net position	24,378	509,693	
Net position - beginning	617,536	644,658	
Restatement	2,744		
Net position - ending	<u>\$ 644,658</u>	<u>\$ 1,154,351</u>	

Business-type activities

Business-type activities increased the City's net position by \$510 million, key elements of the net increase are as follows:

- The Storm Water Utility fund had an increase in net position of \$20 million. Operating revenues increased by \$217 thousand or 0.7 from the prior year. Expenses increased \$2.4 million or 20%. However, net non-operating revenue was \$4.7 million an increase of \$13 million compared to \$8 million expense in 2019. These balances included \$14 million in intergovernmental revenues, \$1.7 million in interest income and \$11 million in interest and fiscal charges. The monthly storm water rate includes fees to cover debt service on \$256 million of outstanding storm water revenue bonds. On October 18, 2017, the City passed an ordinance to adjust the Stormwater rate by the Consumer Price Index (CPI) published by the Bureau of Labor Statistics for All Urban Consumers, Miami-Fort Lauderdale area. in Fiscal year 2020, the rate increased to \$24.82 per Equivalent Resident Unit (ERU) an increase of \$0.70 compared to prior year.
- The Water and Sewer fund had an increase in net position of \$14.7 million a decrease of \$4 million or 23% compared to prior year. Operating revenues decreased by \$8.1 million or 9% and operating expenses decreased by \$4.8 million or 7% from the prior year. Net non-operating expenses were \$4.4 million and

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

consisted of \$6.8 million in interest and fiscal charges and \$2.5 in interest income. The monthly water and sewer rates include fees to cover debt service on \$154.5 million of outstanding water and sewer revenue bonds. The consumption rates on residential units vary from \$0.286 to \$0.736 based on the units of consumption. (A unit = 1,000 gallons). Base facility charges for a residential unit vary from \$8.50 for a ¾ inch meter size to \$12.83 for a 4 inch meter. For commercial and multi-family, the base facility charge ranges from \$8.50 for a ¾ inch meter to \$1,360.67 for a 12 inch meter. Additionally, there is a consumption charge for the water that varies on the meter size from \$0.360 per unit to \$0.579 per unit. Sewer rates are also based on water consumption with a flat base facility charge. The sewer consumption rate is \$1.014 per 1,000 gallons of water usage and a base facility charge of \$9.19 for residential units. The commercial and multi-family base facility charges vary from \$9.19 for a ¾ inch meter to \$1,626.49 for a 12 inch meter.

- The Parking System fund had a decrease of \$3.1 million in net position. Operating revenues decreased by \$17 million or 35% and operating expenses also decreased by \$12.6 million or 27% from the prior year. Net non-operating expenses were \$819 thousand and consisted of \$4.7 million in interest and fiscal charges, \$1.2 million in interest income as well as \$2.7 million. The changes in parking revenues and expenses can be directly correlated to economic declines attributed to the Covid-19 pandemic. Most notable are the declines in meter or street parking revenues, which declined \$9.6 million or 34% compared to prior year. There was also significant declines in garage parking revenues from \$16.9 million in 2019 to \$10.6 million in 2020, a decrease of 37%. The decrease in expense is attributed to decreased operations as a result of closures of parking garages and City operations as well as additional cost savings measures adopted City wide during the height of the Covid-19 pandemic.
- The Convention Center fund had an increase in net position of \$479 million. The Convention Center was reopened for events during fiscal year 2019 and was closed for a period of time in 2020 due to Covid-19. The majority of this increase is attributed to transfer of \$480 million of capital assets to Convention Center Fund. These contributions primarily relate to building and related assets of the Convention Center being transferred from governmental activities capital projects funds to the Convention Center Fund. Operating revenues increased by \$8.6 million or 108%, due to Super Bowl LIV events in January 2020. Operating expenses increased by \$3.1 million or 13.6% from the prior year. Net non-operating revenues were \$7.7 million consisting of \$436 thousand in interest income and \$7.2 million in intergovernmental revenue. Intergovernmental revenues decreased by \$2.6 million or 27% from the prior year due to decreased Convention Development Tax (CDT) funding from Miami-Dade County. The Convention Center's largest operating expenses were contractual services and personal services costs.
- Other Enterprise funds, which include the Sanitation, Building, Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds, had a decrease in net position of \$1.5 million. The Parking funds accounts for the Anchor garage and Penn garage. The Leasing funds accounts for the Anchor Shoppe and Penn Shoppe. In the combined funds, operating revenues increased by \$8 million or 36% and operating expenses increased by \$15.9 million 60% over prior year. Increases in both revenues and expenses are the mostly related to the Building Fund created in fiscal 2020 and added to this group of funds (see note 15).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds.

Governmental Funds (in thousands)						
	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Govern- mental Funds	Total Govern- mental Funds
Fund balances						
Sep. 30, 2019	\$ 115,169	\$ 29,411	\$ 52,258	\$ 303,279	\$ 100,372	\$ 600,489
Revenues	288,483	55,742	57,483	18,786	35,845	456,339
Expenditures	(309,400)	(15,839)	(19,670)	(64,832)	(90,258)	(499,999)
Other financing sources (uses)	477	(47,139)	(30,206)	2,939	53,719	(20,210)
Fund balances						
Sept. 30, 2020	<u>\$ 94,729</u>	<u>\$ 22,175</u>	<u>\$ 59,865</u>	<u>\$ 260,172</u>	<u>\$ 99,678</u>	<u>\$ 536,619</u>

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 funding requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's general fund is required to adopt an annual budget prepared on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP). Surpluses from any prior fiscal years cannot be appropriated in future fiscal years.

The General fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the General fund was \$94.7 million a decrease of \$20.4 million or 18% compared to prior year. This consisted of \$87.5 million reserves for emergencies and 9.7 million in unrealized gains and \$4.9 million in encumbrances carried forward.

The General fund's net decrease in fund balance for the fiscal year was \$20.4 million. Overall revenues had a net decrease of \$29 million or 4% over the prior year. Ad-valorem tax, which is 65% of the General fund revenue collected (excluding transfers), increased by \$11.9 million or 6.7%. There were also a decrease in permit fees of \$12.9 million or 54% over the prior year. Expenditures in the general fund decreased by \$13 million or 4%, can be attributed to reduction in culture and recreation expenses of \$4.2 million, public safety costs of \$7.5 million and general government expense of 41.6 million, due to cost savings as a result of the economic impact of Covid-19 and other cost cutting measures implemented by the City.

The Resort Tax fund accounts for the collection of special tax levied city-wide on food, beverage and room rents used to support tourist related activities. At the end of the current fiscal year, fund balance of the resort tax fund was \$22.2 million decrease of \$7.5 million or 26% from the prior fiscal year. Resort tax collected during the year was \$55 million, a decrease of 11% from the prior year mainly attributed to economic decline due to Covid-19. Net other financing uses was \$47.1 million, a decline of \$19.6 million or 29.4% and expenditures also decreased by \$5.7 million or 26.5% compared to prior fiscal year.

The Miami Beach Redevelopment Agency (the Agency) Special Revenue Fund accounts for the operations of the Miami Beach Redevelopment Agency, a tax increment district of the City. The Agency was established in 1976 under the provisions of Chapter 163 of the Florida Statutes to spur development and redevelopment in the South Shore and City Center/Historic Convention Village Redevelopment and Revitalization Area of the City. Tax increments collected during the year was \$56.6 million, which is an increase of \$3.5 million or 6.5%, and net other financing uses decreased by \$20 million or 40%. Expenditures increased by \$1.4 million or 7.4%. The fund balance of the Miami Beach Redevelopment Agency Special Revenue Fund increased by \$7.6 million or 14.6%.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

The City’s Capital Projects fund accounts for the funding of the City’s capital program. The primary resources are obtained from the issuance of City debt, tax increments and intergovernmental revenues. Intergovernmental revenues were \$16 million an increase of \$14 million compared to prior year while Tax incremental revenues recorded for this fund decreased 100% or \$19 million, for fiscal year 2020. Tax increment revenue was allocated to the Storm Water, Enterprise fund. Overall, total revenues decreased \$11.1 million or 37%. Net other financing sources decreased approximately \$173 million from prior fiscal year. In prior year, the City issued bonds which accounted for the significant changes compared to prior year.

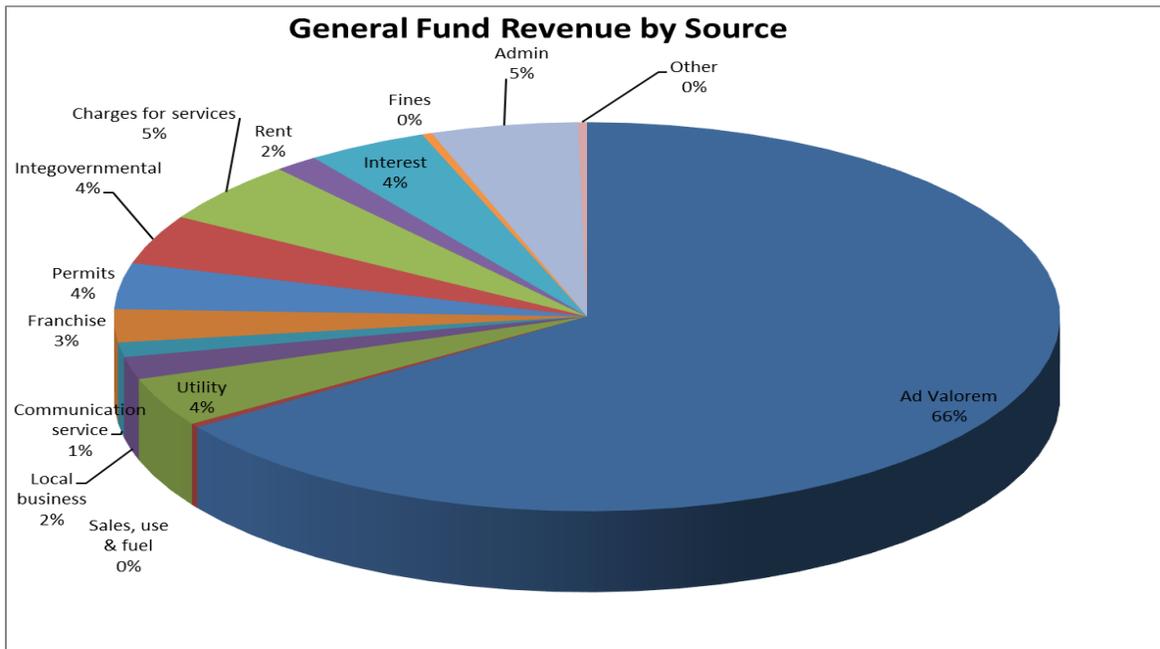
The other governmental funds consist of the City’s debt service funds and other special revenue funds, which accounts primarily for grants and current debt service. Ad Valorem tax collected for debt service was \$11.2 million an increase of \$5.3 million or 89%, while special revenues balances decreased by \$5.6 million or 19%. Net other financing sources, which totaled \$53.7 million, decreased by \$7.5 million or 12% compared to \$61.2 million last fiscal year. Expenditures in the fund increased by \$8.4 million or 8.5%. The fund balance decreased by \$690 thousand less than 1% from the prior year.

General Fund Budgetary Highlights

The following information is presented to assist the reader in comparing the original budget (adopted budget), and the final amended budget (amended budget), and reflects how actual results compare to these budgeted amounts. The amended budget can be modified after the end of the fiscal year. Detailed budget information can be found in the RSI section of this document.

During the year, there was a \$18.6 million negative variance between final budget revenues and actual revenues due to impacts from COVID-19. There were also a \$23.1 million positive variance between the final budget expenditures and actual expenditures resulting in expenditures being under budget. The overall fiscal year 2020 surplus of \$4.5 million is primarily due to the implementation of aggressive cost saving measures that were rapidly implemented to offset the unplanned revenue losses from COVID-19. Some of the cost-saving measures taken included:

- Freezing all non-essential expenditures
- Freezing all vacant positions (139 full-time and 112 part-time)
- Eliminating all non-essential overtime
- Furloughing 49 full-time and 192 part-time positions
- Decreasing contracted services
- Repurposing employees to provide important services like assisting displaced workers applying for unemployment, delivering meals to seniors, and helping businesses with federal recovery programs



**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

**CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2020**

**General Fund Revenues
Fiscal Year Ended September 30, 2020
(in thousands)**

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Revenue over Total Revenue
Revenues				
Taxes:				
Property	\$ 187,563	\$ 187,563	\$ 188,609	59.4 %
Sales, use and fuel taxes	1,015	1,015	927	0.3
Utility	12,043	12,043	11,764	3.7
Local business	5,883	5,883	5,381	1.7
Communication service	3,846	3,846	3,517	1.1
Total tax revenue	<u>210,350</u>	<u>210,350</u>	<u>210,198</u>	<u>66.2</u>
Revenues other than taxes:				
Franchise fees	8,106	8,106	7,910	2.5
Permits	12,982	11,880	11,053	3.5
Intergovernmental	11,502	11,502	11,861	3.7
Charges for services	18,474	19,141	14,855	4.7
Rents and leases	5,427	5,427	4,325	1.4
Interest income	3,461	3,461	11,905	3.8
Fines and forfeits	1,756	1,432	991	0.3
Administrative fees	21,497	21,497	14,499	4.6
Other	752	752	886	0.3
Transfers in	42,337	42,337	28,817	9.1
Total revenues other than taxes	<u>126,294</u>	<u>125,535</u>	<u>107,102</u>	<u>33.8</u>
Total revenues	<u>\$ 336,644</u>	<u>\$ 335,885</u>	<u>\$ 317,300</u>	<u>100.0 %</u>

**General Fund Expenditures
Fiscal Year Ended September 30, 2020
(in thousands)**

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Revenue over Total Revenue
General government	\$ 53,869	\$ 57,436	\$ 48,565	14.4 %
Public safety	223,946	211,677	208,801	61.8
Physical Environment	4,785	4,910	4,525	1.3
Transportation	6,106	6,093	4,914	1.5
Economic Environment	2,860	2,960	2,204	0.7
Human Services	3,229	3,763	2,570	0.8
Culture and recreation	43,273	44,271	37,125	11.0
Capital Outlay	602	897	559	0.2
Debt service	145	145	136	0.0
Transfers Out	9,982	28,646	28,342	8.4
Total expenditures	<u>\$ 348,796</u>	<u>\$ 360,797</u>	<u>\$ 337,741</u>	<u>100.0 %</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2020 amounts to \$2 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, water & sewer distribution, storm drainage systems, lighting systems, sidewalks, curbs, signage, equipment, street improvements, air rights and parks, which are detailed as follows (net of accumulated depreciation):

	Capital Assets (in thousands)					
	Governmental		Business-Type		Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 59,085	\$ 59,092	\$ 25,848	\$ 25,848	\$ 84,933	\$ 84,940
Intangible assets	4,182	4,182	4,318	4,318	8,500	8,500
Construction						
work-in-progress	698,242	264,156	372,061	255,476	1,070,303	519,632
Building, Structures & Parking Lots	312,333	308,470	126,124	725,501	438,456	1,033,971
Furniture, Fixtures & Equipment	28,458	29,138	37,657	36,328	66,115	65,466
Infrastructure	96,458	95,452	227,591	222,546	324,048	317,998
Total	\$ 1,198,757	\$ 760,490	\$ 793,599	\$ 1,270,017	\$ 1,992,356	\$ 2,030,507

The City has developed various capital improvement programs to improve the quality of life of its residents. Major projects include citywide water, wastewater and storm water improvements, streetscape enhancements and improvements to parks, beaches, and fire stations. Major capital asset events completed during the current fiscal year included the following:

- \$2.9 Million - GO Bond Project #26 replaced the roofs of the Colony Theatre, Miami City Ballet and Filmore with new sustainable roofs.
- \$4.9 Million – Altos Del Mar – This North Beach Park has been transformed with a new defined entry plaza on Collins Avenue, new beach walkways, sand volleyball courts, amphitheater type seating, a modern restroom facility, open lawn areas for potential outdoor community events, landscape with irrigation and a turtle-friendly lighting system.
- \$9.2 Million- Convention Center Park/Pride Park - This highly anticipated project transformed the parking lot located across from the Miami Beach Convention Center into a 5.8-acre park with approximately 500 new trees and stunning public art. Park features include open lawn spaces, shade areas, walkways, lighting, a veterans memorial, public restroom facility and a flexible area space.
- \$15.4 Million - Flamingo Park Parkwide Improvements and Outdoor Fitness Area – covering 36+ acres of land. In this project the City completed construction to enhance the park for the Miami Beach community. The project improved the open green spaces, shared use areas, common walkways and perimeter space around the park. The City also created an outdoor fitness area which provides facilities for a full body workout and flexibility for multiple individuals to workout at once. Three of the stations are wheelchair accessible, allowing those with mobility impairments to exercise in an outdoor gym tailored to their needs.
- \$12 million - Middle Beach Recreational Corridor Ph II, Section 2 – This section of the MBRC runs from 46 Street to 53 Street, providing connectivity northward along the beach up to 79 Street. This beachside amenity is truly a multi-modal path; the MBRC is an on-grade, Americans with Disabilities Act (ADA)-accessible, paver pathway that supports the use of bicycles, pedestrians and other non-motorized means of transportation. The MBRC project is part of the Atlantic Greenway Network. More than 27,000 native plants were installed along this corridor to enhance the dunes.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

- \$48 million - Palm & Hibiscus - Beautify the islands with new landscaping installed along Palm Avenue, Fountain Street, and neighborhood medians.
- \$1.2 Million - Crespi Park GO Bond Projects, (GO#3) and(GO#52) The projects consisted of replacing the perimeter estate fencing, constructing a new walking/jogging path and painting the pavilion. Also included upgrade of the sports lighting to a modern LED technology system to illuminate outdoor areas while also saving energy. GO Bond Projects (GO#52) also upgraded Sports lighting at Normandy Isle Park, Stillwater Park and Tatum Park.
- \$935 thousand - Pocket Park – Located at 2001 North Bay Road, Pocket Park sits at the nexus of three of the city’s residential streets - North Bay Road, Sunset Drive and 20 Street. Pocket Park capitalized on a relatively small piece of land (9,429 square-feet) and features a unique design with non-traditional play equipment such as outdoor climbing walls, climbable corn stalks, play mounds and a colorful play surface. The park also includes picnic benches, shade sails, circular benches wrapped around showcase shade trees, and a "blank canvas" white wall dividing the play area from residential space for future works of art.

The City continues in its commitment to provide excellent services and create progressive and scenic environments for its constituents, demonstrating this commitment are continuing construction projects noted as follows:

<ul style="list-style-type: none"> • Nautilus Traffic Calming Phase 1 • Intelligent Transportation System • Meridian Avenue Bicycle Lanes • Jefferson Avenue and 15th St Beacons • #42 Nautilus Traffic Calming • Scott Rakow Gym Floors GO Bond Project (GO#18) • Scott Rakow Pool GO Bond Project (GO#18) • Lummus Park GO Bond Project (GO#8) • Marjory Stoneman Douglas Park GO Bond Project (GO#9) • Fairway Park Pavilion GO Bond Project, (GO#4) • Allison Park Redesign • Belle Isle Park Playground Shade & PIP • Fairway Park Improvements (Phase I) • Indian Beach Park Playground • South Pointe Park, Cutwalk Remediation Study • South Pointe Park Lighting • 1st Street-Alton Rd to Washington • 41st Street Corridor Lighting Enhancement 	<ul style="list-style-type: none"> • Drainage System Water Quality Pilot • GO#37: Sidewalk Improvements • GO#38: Street Pavement • GO#39: Seawalls & Shorelines • GO#53: Security for Public Spaces • Indian Creek Street Drainage Improvements • Restorative Treewell-Ph 3 • Restorative Treewell-Ph 4 • Right-of-Way Landscaping • SCADA and PLC Systems • Sewer Pump Station Odor Control • Smart Lighting Master Plan • Street Lighting Improvements • Valve Replacement Program • Wastewater Manhole Rehabilitation • Wastewater Stations Rehabilitation • Water & Wastewater Mains and Rehab • Water Meter Replacement Program • Water Pump Stations Improvements • West Avenue Phase II Citywide Seawall Rehab • DERM & EPA Consent Decree • Citywide Bridges • Bioswale Pilot Project
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Additional information on the City’s capital assets can be found in Note 6 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Long-term Debt

Outstanding Debt General Obligation, Special Obligation, Revenue Bonds and Loans (in thousands)

	Governmental activities		Business-type activities		Total	
	2019	2020	2019	2020	2019	2020
General obligation	\$ 172,685	\$ 168,435	\$ -	\$ -	\$ 172,685	\$ 168,435
Special obligation	485,485	473,620	-	-	485,485	473,620
Revenue bonds	-	-	509,385	469,200	509,385	469,200
Loans	18,088	20,894	-	-	18,088	20,894
Other debt	8,090	7,397	-	32,439	8,090	39,836
Total	\$ 684,348	\$ 670,346	\$ 509,385	\$ 501,639	\$ 1,193,733	\$ 1,171,985

At September 30, 2020 Governmental activities had a net debt decrease of \$14 million or 2.0% while business-type activities debt decreased by \$7.7 million or 1.5%. The City's debt administration is discussed in the transmittal letter and details can be found in note 10 and 19 to the financial statements

Bond Ratings

The City continues to meet its financial needs through prudent use of its revenues and effective debt financing programs. The City's financial strength and thorough financial management practices are reflected in its general obligation bond ratings, which are among the highest levels attained by Florida Cities. Following are the credit ratings assigned by the two primary credit rating agencies in the financial market:

- Aa2 Moody's Investor Services
- AA+ Standard & Poor's Corporation

New Funds

At October 1, 2019, the City created 2 new funds to record assets, liabilities, fund balances and related revenues and expenses pertaining to Building and the Office of the Inspector General (OIG). These balances and related activities were previously recorded in the General Fund of the City. The Building fund is an enterprise fund included as a non-major enterprise fund for financial statement reporting. The OIG fund was formed by merging the Internal Audit department and Office of the Inspector General operations. It is considered an internal service fund for purposes of financial statement reporting and is included in the Combining Statement of Net Position-Internal Service and Combining Statement of Revenues, Expenses and Changes in Fund Net Position -Internal Service Funds. The transfer of fund balances for both the Building and OIG funds, resulted in a net change of \$11.8 million from the General Fund to these proprietary funds. For more information related to this change see note 15 of notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City of Miami Beach's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The City of Miami Beach, Finance Department, 1700 Convention Center Drive, Miami Beach, Florida 33139.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION (DEFICIT)
September 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 574,609,202	\$ 245,366,328	\$ 819,975,530	\$ 5,814,313
Cash with fiscal agent	250,000	-	250,000	-
Receivables (net)	9,950,966	23,903,041	33,854,007	-
Due from other governments	8,054,720	-	8,054,720	155,906
Internal balances	30,051	(30,051)	-	-
Prepaid expenses	3,655,690	685,471	4,341,161	-
Inventories	480,472	2,614,727	3,095,199	-
Restricted cash and investments	103,989,169	253,085,127	357,074,296	-
Capital assets not being depreciated:				
Land	59,092,333	25,848,303	84,940,636	-
Intangible assets	4,181,941	4,318,059	8,500,000	-
Construction in progress	264,155,458	255,475,725	519,631,183	-
Capital assets net of accumulated depreciation:				
Buildings and Structures/Parking Lots	70,282,242	725,500,993	795,783,235	-
Permanent improvements	238,188,124	-	238,188,124	-
FF&E, Meters and Hydrants	29,138,294	36,328,131	65,466,425	98,592
Infrastructure- Mains & Lines	95,451,865	222,545,511	317,997,376	-
Total assets	<u>1,461,510,527</u>	<u>1,795,641,365</u>	<u>3,257,151,892</u>	<u>6,068,811</u>
DEFERRED OUTFLOWS OF RESOURCES				
Employees Retirement Plan	51,481,613	18,464,124	69,945,737	240,397
Police & Fire Retirement Plan	85,373,740	-	85,373,740	-
OPEB	101,975,239	8,469,637	110,444,876	184,827
Unamortized refunding costs	750,951	6,826,710	7,577,661	-
Total deferred outflows of resources	<u>239,581,543</u>	<u>33,760,471</u>	<u>273,342,014</u>	<u>425,224</u>
LIABILITIES				
Accounts payable	19,621,386	8,379,456	28,000,842	3,506
Retainage payable	20,253,837	5,804,775	26,058,612	-
Accrued expenses	10,826,951	3,734,663	14,561,614	708,716
Accrued interest payable	6,134,807	2,393,852	8,528,659	-
Unearned revenue	2,819,143	1,868,179	4,687,322	-
Deposits	210,545	5,467,346	5,677,891	-
Due to other governments	4,608	945	5,553	-
Noncurrent liabilities:				
Due within one year	44,640,950	12,659,766	57,300,716	-
Due in more than one year				
Other long-term liabilities	760,147,820	536,917,509	1,297,065,329	25,693
Net Pension Liability - MBERP	175,490,005	62,940,323	238,430,328	819,464
Net Pension Liability - MBF&P	349,680,815	-	349,680,815	-
Net OPEB Liability	412,297,633	34,243,716	446,541,349	747,277
Total liabilities	<u>1,802,128,500</u>	<u>674,410,530</u>	<u>2,476,539,030</u>	<u>2,304,656</u>
DEFERRED INFLOWS OF RESOURCES				
Employees Retirement Plan	1,347,059	483,128	1,830,187	6,290
OPEB	1,888,141	156,822	2,044,963	3,422
Unearned other revenues	12,473	-	12,473	-
Total deferred inflows of resources	<u>3,247,673</u>	<u>639,950</u>	<u>3,887,623</u>	<u>9,712</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	605,400,743	864,486,887	1,469,887,630	98,592
Restricted for:				
Debt Service	1,259,091	72,159,460	73,418,551	-
Economic development	62,054,250	-	62,054,250	-
Capital Improvement	34,813,606	-	34,813,606	-
Convention center	-	280,778	280,778	-
Transportation	55,254,783	-	55,254,783	-
Public safety	650,702	-	650,702	-
Human services	50,437	-	50,437	-
Quality of life improvement	20,665,868	-	20,665,868	-
Water and sewer system	-	1,312,506	1,312,506	-
Culture & recreation	438,773	-	438,773	-
Unrestricted	(884,872,356)	216,111,725	(668,760,631)	4,081,075
Total net position (deficit)	<u>\$ (104,284,103)</u>	<u>\$ 1,154,351,356</u>	<u>\$ 1,050,067,253</u>	<u>\$ 4,179,667</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 62,224,763	59,790,297	5,965,306	-	\$ 3,530,840	\$ -	\$ 3,530,840	\$ -
Public safety	292,092,564	8,142,676	5,390,540	94,322	(278,465,026)	-	(278,465,026)	-
Physical environment	14,581,897	-	1,654,896	20,325	(12,906,676)	-	(12,906,676)	-
Transportation	24,206,724	-	3,497,823	5,349,670	(15,359,231)	-	(15,359,231)	-
Economic environment	12,112,613	-	2,593,478	-	(9,519,135)	-	(9,519,135)	-
Human services	4,468,149	-	2,125,874	-	(2,342,275)	-	(2,342,275)	-
Culture and recreation	66,385,409	7,695,901	610,036	2,202,715	(55,876,757)	-	(55,876,757)	-
Interest on long-term debt	31,726,759	-	-	-	(31,726,759)	-	(31,726,759)	-
Total governmental activities	<u>507,798,878</u>	<u>75,628,874</u>	<u>21,837,953</u>	<u>7,667,032</u>	<u>(402,665,019)</u>	<u>-</u>	<u>(402,665,019)</u>	<u>-</u>
Business-type activities:								
Storm Water	25,392,320	30,887,007	9,814	-	-	5,504,501	5,504,501	-
Water	27,892,435	32,616,071	-	-	-	4,723,636	4,723,636	-
Sewer	41,735,473	48,907,482	-	-	-	7,172,009	7,172,009	-
Parking	39,266,530	31,760,569	2,661,733	-	-	(4,844,228)	(4,844,228)	-
Convention Center	25,791,880	16,752,351	7,221,321	-	-	(1,818,208)	(1,818,208)	-
Sanitation	18,059,925	15,902,906	3,137	-	-	(2,153,882)	(2,153,882)	-
Building	20,467,467	11,423,991	-	-	-	(9,043,476)	(9,043,476)	-
Redevelopment Agency's								
Parking	4,259,381	2,524,406	-	-	-	(1,734,975)	(1,734,975)	-
Redevelopment Agency's								
Leasing	540,934	611,797	-	-	-	70,863	70,863	-
Total business-type activities	<u>203,406,345</u>	<u>191,386,580</u>	<u>9,896,005</u>	<u>-</u>	<u>-</u>	<u>(2,123,760)</u>	<u>(2,123,760)</u>	<u>-</u>
Total primary government	<u>\$ 711,205,223</u>	<u>\$ 267,015,454</u>	<u>\$ 31,733,958</u>	<u>\$ 7,667,032</u>	<u>(402,665,019)</u>	<u>(2,123,760)</u>	<u>(404,788,779)</u>	<u>-</u>
Component units:								
Visitor and Convention	\$ 2,672,869	\$ -	\$ -	\$ -	-	-	-	(2,672,869)
Health Facilities	175	-	-	-	-	-	-	(175)
Total component units	<u>\$ 2,673,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,673,044)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					188,643,920	-	188,643,920	-
Property taxes, levied for debt service					11,264,955	-	11,264,955	-
Resort taxes					54,972,321	-	54,972,321	1,739,660
Tax increment					56,577,471	14,060,262	70,637,733	-
Utility taxes					12,720,319	-	12,720,319	-
Local business tax					5,381,019	-	5,381,019	-
Communication service tax					3,517,226	-	3,517,226	-
Miscellaneous					1,412,181	-	1,412,181	-
Gain (loss) on sale of capital assets					3,171	41,298	44,469	-
Unrestricted investment earnings					18,886,768	6,567,663	25,454,431	12,128
Transfers					(491,147,811)	491,147,811	-	-
Total general revenues and transfers					<u>(137,768,460)</u>	<u>511,817,034</u>	<u>374,048,574</u>	<u>1,751,788</u>
Change in net position					<u>(540,433,479)</u>	<u>509,693,274</u>	<u>(30,740,205)</u>	<u>(921,256)</u>
Net position - beginning					<u>436,149,376</u>	<u>644,658,082</u>	<u>1,080,807,458</u>	<u>5,100,923</u>
Net position (deficit) - ending					<u>\$ (104,284,103)</u>	<u>\$ 1,154,351,356</u>	<u>\$ 1,050,067,253</u>	<u>\$ 4,179,667</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 100,317,956	\$ 19,970,481	\$ 61,319,814	\$ 291,418,672	\$ 105,009,503	\$ 578,036,426
Receivables (net of allowance for uncollectibles)	3,131,966	2,872,327	-	65,699	333,751	6,403,743
Accrued interest	2,381,461	-	-	119,008	44	2,500,513
Due from other funds	4,461,276	-	-	-	323,299	4,784,575
Due from other governments	101,379	-	-	7,192,205	748,664	8,042,248
Prepays	9,255	-	-	-	34,385	43,640
Total assets	<u>\$ 110,403,293</u>	<u>\$ 22,842,808</u>	<u>\$ 61,319,814</u>	<u>\$ 298,795,584</u>	<u>\$ 106,449,646</u>	<u>\$ 599,811,145</u>
LIABILITIES						
Accounts payable	\$ 4,505,536	\$ 157,062	\$ 139,832	\$ 6,949,979	\$ 2,221,369	\$ 13,973,778
Retainage payable	-	-	-	19,446,372	790,625	20,236,997
Accrued expenditures	8,160,350	193,196	245,452	1,077,824	745,972	10,422,794
Environmental Remediation	70,000	-	-	2,653,000	-	2,723,000
Unearned revenues	2,360,238	-	-	-	458,905	2,819,143
Deposits	80,360	-	-	-	130,185	210,545
Due to other governments	2,204	-	-	-	2,404	4,608
Due to other funds	393,833	317,485	1,069,205	1,249,511	1,724,490	4,754,524
Total liabilities	<u>15,572,521</u>	<u>667,743</u>	<u>1,454,489</u>	<u>31,376,686</u>	<u>6,073,950</u>	<u>55,145,389</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable other revenues	101,379	-	-	7,247,124	698,030	8,046,533
Total deferred inflows of resources	<u>101,379</u>	<u>-</u>	<u>-</u>	<u>7,247,124</u>	<u>698,030</u>	<u>8,046,533</u>
FUND BALANCES						
Nonspendable	9,255	-	-	-	34,385	43,640
Restricted	-	22,175,065	59,865,325	241,435,659	62,570,722	386,046,771
Committed	64,701,035	-	-	27,529,081	38,022,204	130,252,320
Assigned	18,721,680	-	-	94,319	-	18,815,999
Unassigned	11,297,423	-	-	(8,887,285)	(949,645)	1,460,493
Total fund balances	<u>94,729,393</u>	<u>22,175,065</u>	<u>59,865,325</u>	<u>260,171,774</u>	<u>99,677,666</u>	<u>536,619,223</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 110,403,293</u>	<u>\$ 22,842,808</u>	<u>\$ 61,319,814</u>	<u>\$ 298,795,584</u>	<u>\$ 106,449,646</u>	<u>\$ 599,811,145</u>

The notes to the financial statements are an integral part of this statement.

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

Total fund balances - governmental funds \$ 536,619,223

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$	58,483,813	
Intangible assets		4,181,941	
Construction in progress		263,292,751	
Building and structures		126,411,908	
Permanent improvements		395,394,372	
Machinery and equipment		30,240,602	
Infrastructure		247,670,932	
Accumulated depreciation		<u>(389,008,089)</u>	
Total capital assets			736,668,230

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable		(642,055,000)	
Loans payable		(14,896,992)	
Net premium on bonds		(57,720,506)	
Compensated absences		(28,375,479)	
Environmental remediation		(4,674,000)	
Accrued interest payable		(6,134,807)	
Net OPEB liability		(401,601,447)	
Net pension liability - MBERP		(155,177,332)	
Net pension liability - MBF&P		<u>(349,680,815)</u>	
Total long term liabilities			(1,660,316,378)

Unavailable revenues that meet the criteria for recognition in the Statement of Activities. 9,034,258

In governmental funds, deferred outflows and inflows of resources relating to pensions and deferred refunding costs are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred refunding costs		750,951	
Deferred outflows of resources relating to MBERP		45,522,705	
Deferred outflows of resources relating to MBF&P		85,373,740	
Deferred outflows of resources relating to OPEB		99,329,709	
Deferred inflows of resources relating to MBERP		(1,191,139)	
Deferred inflows of resources relating to OPEB		<u>(1,839,157)</u>	
			227,946,809

Internal service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, OIG and communications to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 45,763,755

Net position of governmental activities \$ (104,284,103)

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 188,609,176	\$ -	\$ -	\$ -	\$ 11,242,125	\$ 199,851,301
Sales, use and fuel	926,585	-	-	-	3,530,092	4,456,677
Special taxing districts	-	-	-	-	229,394	229,394
Utility	11,764,215	-	-	-	956,104	12,720,319
Resort	-	54,972,321	-	-	-	54,972,321
Local business	5,381,019	-	-	-	-	5,381,019
Tax increment	-	-	56,577,471	-	-	56,577,471
Communication service	3,517,226	-	-	-	-	3,517,226
Other	-	-	-	-	2,278,619	2,278,619
Franchise fees	7,909,621	-	-	-	-	7,909,621
Permits	11,053,206	-	-	-	33,767	11,086,973
Intergovernmental	11,860,878	-	-	15,960,725	7,445,188	35,266,791
Charges for services	14,854,643	-	-	-	5,297,248	20,151,891
Rents and leases	4,325,280	-	-	-	1,337,357	5,662,637
Interest	11,905,398	713,625	905,908	2,716,407	1,008,960	17,250,298
Fines and forfeitures	990,843	-	-	-	394,779	1,385,622
Administrative fees	14,498,675	-	-	-	-	14,498,675
Special assessment	-	24,784	-	8,996	-	33,780
Impact fees	-	-	-	-	1,194,875	1,194,875
Other	885,892	31,164	-	100,000	896,002	1,913,058
Total revenues	288,482,657	55,741,894	57,483,379	18,786,128	35,844,510	456,338,568
EXPENDITURES						
Current:						
General government	48,565,020	948,230	1,690,000	194,967	2,364,638	53,762,855
Public safety	208,800,974	6,042,552	4,625,580	411,221	10,332,213	230,212,540
Physical environment	4,525,014	-	5,619,638	1,858,567	2,097,930	14,101,149
Transportation	4,914,387	78,165	-	1,580,241	7,377,414	13,950,207
Economic environment	2,203,720	-	6,492,101	-	2,738,491	11,434,312
Human services	2,569,661	-	-	-	1,520,638	4,090,299
Culture and recreation	37,125,243	8,768,350	913,632	3,644,580	3,589,614	54,041,419
Capital Outlay	559,169	-	329,404	57,142,603	6,650,999	64,682,175
Debt service:						
Principal retirement	-	-	-	-	22,058,149	22,058,149
Interest and fiscal charges	136,354	1,239	-	-	31,527,595	31,665,188
Total expenditures	309,399,542	15,838,536	19,670,355	64,832,179	90,257,681	499,998,293
Excess (deficiency) of revenues over (under) expenditures	(20,916,885)	39,903,358	37,813,024	(46,046,051)	(54,413,171)	(43,659,725)
OTHER FINANCING SOURCES (USES)						
Premium on refunding bonds issued	-	-	-	-	7,155,665	7,155,665
Payment to escrow agent	-	-	-	-	(7,131,002)	(7,131,002)
Sale of capital assets	2,171	-	-	-	-	2,171
Transfers in	28,817,501	-	-	2,939,000	53,706,343	85,462,844
Transfers out	(28,342,186)	(47,139,395)	(30,205,597)	-	(12,000)	(105,699,178)
Total other financing sources (uses)	477,486	(47,139,395)	(30,205,597)	2,939,000	53,719,006	(20,209,500)
Net change in fund balances	(20,439,399)	(7,236,037)	7,607,427	(43,107,051)	(694,165)	(63,869,225)
Fund balances - beginning of year	\$ 115,168,792	\$ 29,411,102	\$ 52,257,898	\$ 303,278,825	\$ 100,371,831	\$ 600,488,448
Fund balances - end of year	\$ 94,729,393	\$ 22,175,065	\$ 59,865,325	\$ 260,171,774	\$ 99,677,666	\$ 536,619,223

The notes to the financial statements are an integral part of this statement.

**CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

Net change in fund balance - total governmental funds \$ (63,869,225)

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 those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital outlay	\$	64,682,176	
Contributions proprietary funds, net		(479,245,560)	
Deletions		(720,807)	
Depreciation expense		<u>(23,598,310)</u>	
Excess of capital outlay over depreciation expense			(438,882,501)

The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations is an expenditure in the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the current year, these amounts consist of:

Loans:			
Addition to Loans		32,107	
Loans principal payment		6,010,649	
Bonds:			
Bonds principal retirement		16,115,000	
Amortization of unamortized refunding costs		(289,921)	
Amortization of net bond premium(s)		<u>3,842,311</u>	
Total long term-debt retirement and related transactions			25,710,146

Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Environmental remediation		(1,895,440)	
Change in compensated absences		(3,276,305)	
Change in accrued interest expense		<u>83,180</u>	
Total additional expense			(5,088,565)

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contribution was:

Pension Changes:			
Change in Deferred Outflow in MBERP & MBF&P		(492,476)	
Change in Deferred Inflow in MBERP & MBF&P		29,232,385	
Change in Liability in MBERP & MBF&P		(50,659,719)	
OPEB Changes:			
Change in Deferred Outflow		43,728,940	
Change in Deferred Inflow		(1,198,221)	
Change in Liability		<u>(73,113,211)</u>	
			(52,502,302)

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes and grants (7,079,132)

Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, OIG and communications to individual funds. 1,278,100

Change in net position of governmental activities \$ (540,433,479)

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 54,485,048	\$ 65,044,177	\$ 52,154,060	\$ 21,673,591	\$ 52,009,452	\$ 245,366,328	\$ 100,561,945
Cash with fiscal agent	-	-	-	-	-	-	250,000
Restricted cash and investments:							
Revenue bonds covenant	8,460,406	18,328,775	12,074,342	-	-	38,863,523	-
Accounts receivable (net of allowance for uncollectibles)	3,516,900	10,226,442	5,397,356	3,276,944	1,482,802	23,900,444	58,986
Accrued interest receivable	1,891	136	570	-	-	2,597	-
Due from other governments	-	-	-	-	-	-	12,472
Due from other funds	-	-	-	-	388,019	388,019	-
Prepaid expenses	-	-	483,440	90,403	123,673	697,516	3,612,050
Inventories	-	2,614,727	-	-	-	2,614,727	480,472
Total current assets	<u>66,464,245</u>	<u>96,214,257</u>	<u>70,109,768</u>	<u>25,040,938</u>	<u>54,003,946</u>	<u>311,833,154</u>	<u>104,975,925</u>
Noncurrent assets:							
Restricted cash and investments:							
Customer deposits and advance sales	-	6,941,713	19,720	3,786,882	361,636	11,109,951	-
Impact fees	-	1,312,506	-	-	-	1,312,506	-
Interlocal agreement	-	-	-	280,228	-	280,228	-
Revenue bonds covenant	96,355,249	96,183,921	8,979,749	-	-	201,518,919	-
Capital assets:							
Land	12,874	1,492,598	18,844,498	2,089,371	3,408,962	25,848,303	608,520
Intangible assets	-	-	4,318,059	-	-	4,318,059	-
Buildings and structures	15,793,267	8,791,852	169,759,649	584,202,563	32,402,613	810,949,944	2,655,538
Parking lots	-	-	10,545,474	-	-	10,545,474	-
Mains and lines	99,368,633	196,358,874	-	-	-	295,727,507	-
Meters and hydrants	-	13,221,458	17,386,639	-	-	30,608,097	-
Machinery and equipment	4,193,168	54,657,438	7,774,112	6,200,253	5,024,328	77,849,299	65,279,091
Construction in progress	174,019,787	76,771,391	2,605,666	-	2,078,881	255,475,725	862,707
Less accumulated depreciation	(22,896,590)	(97,849,195)	(68,808,460)	(35,529,446)	(16,221,995)	(241,305,686)	(45,583,829)
Total capital assets (net of accumulated depreciation)	<u>270,491,139</u>	<u>253,444,416</u>	<u>162,425,637</u>	<u>556,962,741</u>	<u>26,692,789</u>	<u>1,270,016,722</u>	<u>23,822,027</u>
Total noncurrent assets	<u>366,846,388</u>	<u>357,882,556</u>	<u>171,425,106</u>	<u>561,029,851</u>	<u>27,054,425</u>	<u>1,484,238,326</u>	<u>23,822,027</u>
Total assets	<u>433,310,633</u>	<u>454,096,813</u>	<u>241,534,874</u>	<u>586,070,789</u>	<u>81,058,371</u>	<u>1,796,071,480</u>	<u>128,797,952</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pensions - MBERP	1,336,251	2,859,867	5,367,899	171,097	8,729,010	18,464,124	5,958,908
Deferred refunding cost	5,771,970	588,431	466,309	-	-	6,826,710	-
OPEB	520,038	1,398,394	2,276,750	85,616	4,188,839	8,469,637	2,645,530
Total deferred outflows of resources	<u>7,628,259</u>	<u>4,846,692</u>	<u>8,110,958</u>	<u>256,713</u>	<u>12,917,849</u>	<u>33,760,471</u>	<u>8,604,438</u>
LIABILITIES							
Current liabilities:							
Accounts payable	851,569	4,314,626	1,069,768	1,724,750	418,743	8,379,456	5,647,610
Retainage payable	2,786,825	519,916	2,237,555	45,577	214,902	5,804,775	16,840
Accrued expenses	1,338,373	1,461,032	1,372,795	1,561,781	406,579	6,140,560	404,157
Due to other funds	-	-	-	-	418,070	418,070	-
Due to other governments	-	-	945	-	-	945	-
Bonds payable	4,350,000	4,455,000	85,000	-	-	8,890,000	-
Loans/leases payable	-	-	-	-	-	-	2,242,941
Deposits	-	5,111,986	525	290,650	64,185	5,467,346	-
Accrued compensated absences	167,640	306,075	388,224	4,278	843,608	1,709,825	407,815
Unearned revenues	-	529,012	213,665	943,611	181,891	1,868,179	-
Environmental remediation liability	-	-	-	-	8,000	8,000	-
Insurance claims incurred but not reported	-	-	-	-	-	-	1,356,000
Pending insurance claims	-	-	-	-	-	-	8,715,000
Total current liabilities	<u>9,494,407</u>	<u>16,697,647</u>	<u>5,368,477</u>	<u>4,570,647</u>	<u>2,555,978</u>	<u>38,687,156</u>	<u>18,790,363</u>
Noncurrent liabilities:							
Pending insurance claims	-	-	-	-	-	-	7,222,380
Insurance claims incurred but not reported	-	-	-	-	-	-	28,736,547
Deposits	-	1,829,727	31,062	2,552,621	115,560	4,528,970	-
Accrued compensated absences	71,515	325,693	874,089	12,207	1,245,312	2,528,816	1,319,772
Net pension liability - MBERP	4,554,999	9,748,685	18,298,039	583,238	29,755,362	62,940,323	20,312,673
Net OPEB liability	2,102,572	5,653,867	9,205,162	346,155	16,935,960	34,243,716	10,696,186
Loans/leases payable	-	-	32,431,335	-	-	32,431,335	4,343,337
Revenue bonds payable (net of unamortized premium)	271,684,789	163,987,514	63,808,026	-	-	499,480,329	-
Total noncurrent liabilities	<u>278,413,875</u>	<u>181,545,486</u>	<u>124,647,713</u>	<u>3,494,221</u>	<u>48,052,194</u>	<u>636,153,489</u>	<u>72,630,895</u>
Total liabilities	<u>287,908,282</u>	<u>198,243,133</u>	<u>130,016,190</u>	<u>8,064,868</u>	<u>50,608,172</u>	<u>674,840,645</u>	<u>91,421,258</u>
DEFERRED INFLOWS OF RESOURCES							
Other unearned revenue	-	-	-	-	-	-	12,472
Pensions - MBERP	34,964	74,830	140,455	4,477	228,402	483,128	155,920
OPEB	9,629	25,892	42,156	1,585	77,560	156,822	48,985
Total deferred inflows of resources	<u>44,593</u>	<u>100,722</u>	<u>182,611</u>	<u>6,062</u>	<u>305,962</u>	<u>639,950</u>	<u>217,377</u>
NET POSITION							
Net investment in capital assets	77,611,645	152,226,278	71,532,870	556,917,164	26,477,887	884,765,844	17,235,749
Restricted:							
Interlocal agreement	-	-	-	280,778	-	280,778	-
Impact Fees	-	1,312,506	-	-	-	1,312,506	-
Debt covenant	18,460,406	43,328,775	12,074,342	-	-	73,863,523	-
Unrestricted	56,913,966	63,732,091	35,839,819	21,058,630	16,584,199	194,128,705	28,528,006
Total net position	<u>\$ 152,986,017</u>	<u>\$ 260,599,650</u>	<u>\$ 119,447,031</u>	<u>\$ 578,256,572</u>	<u>\$ 43,062,086</u>	<u>\$ 1,154,351,356</u>	<u>\$ 45,763,755</u>

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for services	\$ 30,861,128	\$ 80,720,609	\$ 29,184,748	\$ 16,631,701	\$ 12,646,831	\$ 170,045,017	\$ 93,331,425
Permits, rentals, and other	25,879	802,945	2,575,821	120,650	17,816,269	21,341,564	2,422,327
Total operating revenues	<u>30,887,007</u>	<u>81,523,554</u>	<u>31,760,569</u>	<u>16,752,351</u>	<u>30,463,100</u>	<u>191,386,581</u>	<u>95,753,752</u>
Operating expenses:							
Personal services	4,341,766	6,933,674	12,413,906	10,376,765	26,046,549	60,112,660	16,599,963
Operating supplies	117,697	210,706	45,854	369,704	286,293	1,030,254	2,834,702
Contractual services	2,931,770	40,721,413	9,134,849	5,652,628	8,326,980	66,767,640	16,169,613
Utilities	286,450	1,151,168	2,387,283	3,252,155	241,594	7,318,650	2,212,992
Insurance	-	-	238,187	70,227	-	308,414	15,857,937
Internal charges	518,000	3,222,000	4,104,977	1,948,678	4,343,000	14,136,655	2,073,000
Depreciation	3,654,954	5,807,447	5,211,459	1,447,917	1,348,801	17,470,578	5,307,084
Administrative fees	2,265,000	2,400,000	46,023	1,067,068	1,591,000	7,369,091	1,227,000
Claims and judgments	-	-	-	-	-	-	31,708,522
Other operating	136,642	1,934,776	844,326	1,311,478	553,329	4,780,551	466,186
Total operating expenses	<u>14,252,279</u>	<u>62,381,184</u>	<u>34,426,864</u>	<u>25,496,620</u>	<u>42,737,546</u>	<u>179,294,493</u>	<u>94,456,999</u>
Operating income (loss)	<u>16,634,728</u>	<u>19,142,370</u>	<u>(2,666,295)</u>	<u>(8,744,269)</u>	<u>(12,274,446)</u>	<u>12,092,088</u>	<u>1,296,753</u>
Nonoperating revenues (expenses):							
Intergovernmental	14,070,076	-	2,661,733	7,221,321	3,137	23,956,267	17,739
Interest and fiscal charges	(11,066,238)	(6,813,249)	(4,276,873)	-	-	(22,156,360)	(169,414)
Gain (loss) on disposal of capital assets	-	-	46,667	(6,329)	960	41,298	1,000
Interest income	1,741,003	2,454,492	1,215,915	436,218	720,035	6,567,663	1,636,470
Total nonoperating revenues (expenses)	<u>4,744,841</u>	<u>(4,358,757)</u>	<u>(352,558)</u>	<u>7,651,210</u>	<u>724,132</u>	<u>8,408,868</u>	<u>1,485,795</u>
Income (loss) before contributions and transfers	<u>21,379,569</u>	<u>14,783,613</u>	<u>(3,018,853)</u>	<u>(1,093,059)</u>	<u>(11,550,314)</u>	<u>20,500,956</u>	<u>2,782,548</u>
Capital contributions	-	-	-	479,178,295	-	479,178,295	67,265
Special Item (Note 15)	-	-	-	-	(10,596,311)	(10,596,311)	(1,197,713)
Transfers in	-	-	-	2,500,000	20,956,336	23,456,336	-
Transfers out	(1,388,002)	(22,000)	(72,000)	(1,017,000)	(347,000)	(2,846,002)	(374,000)
Change in net position	<u>19,991,567</u>	<u>14,761,613</u>	<u>(3,090,853)</u>	<u>479,568,236</u>	<u>(1,537,289)</u>	<u>509,693,274</u>	<u>1,278,100</u>
Net position - beginning	<u>132,994,450</u>	<u>245,838,037</u>	<u>122,537,884</u>	<u>98,688,336</u>	<u>44,599,375</u>	<u>644,658,082</u>	<u>44,485,655</u>
Net position - ending	<u>\$ 152,986,017</u>	<u>\$ 260,599,650</u>	<u>\$ 119,447,031</u>	<u>\$ 578,256,572</u>	<u>\$ 43,062,086</u>	<u>\$ 1,154,351,356</u>	<u>\$ 45,763,755</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash flows from operating activities:							
Receipts received from customers	\$ 30,483,962	\$ 82,399,394	\$ 31,712,775	\$ 18,943,043	\$ 12,571,844	\$ 176,111,018	\$ 95,749,605
Payments to suppliers	(3,953,382)	(45,924,333)	(14,241,543)	(9,772,978)	(11,158,790)	(85,051,026)	(36,314,322)
Payments on behalf of and to employees	(3,266,470)	(7,813,971)	(12,031,917)	(10,090,807)	(10,908,968)	(44,112,133)	(13,270,436)
Payments for claims and judgments	-	-	-	-	-	-	(28,471,926)
Payments for interfund services used	(2,783,000)	(5,622,000)	(4,150,055)	(3,015,746)	(7,496,309)	(23,067,110)	(3,182,000)
Receipts for other operating revenues	-	-	-	-	17,643,233	17,643,233	-
Net cash provided by (used in) operating activities	20,481,110	23,039,090	1,289,260	(3,936,488)	651,010	41,523,982	14,510,921
Cash flows for non-capital financing activities:							
Contributions from other governments	14,070,076	-	2,661,733	7,221,321	3,137	23,956,267	17,739
Residual equity transfer	-	-	-	-	(10,596,311)	(10,596,311)	(1,197,713)
Transfers in	-	-	-	2,500,000	20,675,336	23,175,336	-
Transfers out	(1,388,002)	(22,000)	(72,000)	(1,017,000)	(66,000)	(2,565,002)	(374,000)
Net cash provided by (used in) non-capital financing activities	12,682,074	(22,000)	2,589,733	8,704,321	10,016,162	33,970,290	(1,553,974)
Cash flows from capital and related financing activities:							
Proceeds from loan	-	-	31,560,000	-	-	31,560,000	2,283,570
Payment on loan/lease	-	-	-	-	-	-	(1,806,080)
Loan issuance costs	-	-	871,335	-	-	871,335	-
Interest and fiscal charges	(11,849,756)	(7,401,068)	(4,601,710)	-	-	(23,852,534)	(169,876)
Principal paid on bonds	(4,185,000)	(4,360,000)	(80,000)	-	-	(8,625,000)	-
Payment to escrow agency	-	-	(31,560,000)	-	-	(31,560,000)	-
Purchase of capital assets	(6,937,364)	(3,914,638)	(1,625,286)	(1,721,819)	(780,772)	(14,979,879)	(5,852,600)
Proceeds from sale of capital assets	-	-	46,665	-	960	47,625	-
Net cash provided by (used in) capital and related financing activities	(22,972,120)	(15,675,706)	(5,388,996)	(1,721,819)	(779,812)	(46,538,453)	(5,544,986)
Cash flows from investing activities:							
Interest on investments	1,755,265	2,455,574	1,220,197	436,219	720,035	6,587,290	1,636,470
Net cash provided by investing activities	1,755,265	2,455,574	1,220,197	436,219	720,035	6,587,290	1,636,470
Net change in cash and investments	11,946,329	9,796,958	(289,806)	3,482,233	10,607,395	35,543,109	9,048,431
Cash and investments - beginning of year	147,354,374	178,014,134	73,517,677	22,258,468	41,763,693	462,908,346	91,763,514
Cash and investments - end of year	\$ 159,300,703	\$ 187,811,092	\$ 73,227,871	\$ 25,740,701	\$ 52,371,088	\$ 498,451,455	\$ 100,811,945
Classified as:							
Current assets	\$ 62,945,454	\$ 83,372,952	\$ 64,228,402	\$ 21,673,591	\$ 52,009,452	\$ 284,229,851	\$ 100,811,945
Noncurrent assets	96,355,249	104,438,140	8,999,469	4,067,110	361,636	214,221,604	-
Total cash and investments	\$ 159,300,703	\$ 187,811,092	\$ 73,227,871	\$ 25,740,701	\$ 52,371,088	\$ 498,451,455	\$ 100,811,945
Noncash transactions affecting financial position:							
Change in construction and related liabilities	\$ (251,972)	\$ 279,814	\$ 193,407	\$ (1,092)	\$ -	\$ 220,157	\$ -
Capital contributions	-	-	-	479,881,905	-	479,881,905	34,097
Change in deferred refunding costs	287,926	120,405	249,977	-	-	658,308	-
Change in bond discount/premium	(1,043,460)	(681,920)	(31,644)	-	-	(1,757,024)	-
Total noncash transactions affecting financial position	\$ (1,007,506)	\$ (281,701)	\$ 411,740	\$ 479,880,813	\$ -	\$ 479,003,346	\$ 34,097

(continued)

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020
(continued)

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating income (loss)	\$ 16,634,728	\$ 19,142,370	\$ (2,666,295)	\$ (8,744,269)	\$ (12,274,446)	\$ 12,092,088	\$ 1,296,753
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:							
Depreciation	3,654,954	5,807,447	5,211,459	1,447,917	1,348,801	17,470,578	5,307,084
Provision for uncollectible accounts	943,067	1,617,912	(845)	-	70,077	2,630,211	(132)
Changes in assets/liabilities and deferred inflows:							
(Increase) decrease in pension deferred inflow	(284,483)	(678,566)	(1,334,334)	(26,356)	(1,065,106)	(3,388,845)	(1,307,488)
(Increase) decrease in OPEB deferred inflow	(2,029)	21,786	21,339	1,269	59,900	102,265	31,949
(Increase) decrease in pension deferred outflow	(133,471)	(23,189)	184,964	(55,007)	(3,858,702)	(3,885,405)	(448,900)
(Increase) decrease in OPEB deferred outflow	491,281	(1,042,191)	(470,823)	(58,216)	(2,656,915)	(3,736,864)	(1,167,541)
(Increase) decrease in pension liability	989,432	1,339,528	1,836,923	239,099	15,317,638	19,722,620	3,978,606
(Increase) decrease in OPEB liability	(1,870)	(320,982)	154,588	184,274	6,266,585	6,282,595	1,964,255
(Increase) decrease in inventories	-	(650,857)	-	-	-	(650,857)	(17,272)
(Increase) decrease in accounts receivable	(1,346,112)	(1,374,447)	245,301	2,848,718	(272,782)	100,678	(4,015)
(Increase) decrease in due from other funds	-	-	-	-	(173,053)	(173,053)	-
(Increase) decrease in due from other governments	-	-	-	-	-	-	(12,330)
(Increase) decrease in prepaid expense	-	-	(93,976)	105,138	(6,452)	4,710	(315,121)
Increase (decrease) in accounts payable	(124,923)	(1,213,298)	(1,512,021)	(210,761)	(1,601,612)	(4,662,615)	2,136,361
Increase (decrease) in accrued expenses	(357,164)	(289,499)	(90,092)	1,087,828	(160,803)	190,270	(432,756)
Increase (decrease) in deposits	-	103,363	1,892	(290,649)	(27,646)	(213,040)	-
Increase (decrease) in due to other governments	-	-	945	-	(137)	808	-
Increase (decrease) in due to other funds	-	-	-	-	(1,519,731)	(1,519,731)	-
Increase (decrease) in unearned revenues	-	529,012	(294,142)	(367,377)	112,804	(19,703)	12,330
Increase (decrease) in environmental remediation liability	-	-	-	(101,386)	8,000	(93,386)	-
Increase in pending insurance claims	-	-	-	-	-	-	(56,615)
(Decrease) in insurance claims incurred but not reported	-	-	-	-	-	-	3,293,211
Increase (decrease) in accrued compensated absences	17,700	70,701	94,377	3,290	1,084,590	1,270,658	252,542
Total adjustments	3,846,382	3,896,720	3,955,555	4,807,781	12,925,456	29,431,894	13,214,168
Net cash provided by operating activities	\$ 20,481,110	\$ 23,039,090	\$ 1,289,260	\$ (3,936,488)	\$ 651,010	\$ 41,523,982	\$ 14,510,921

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	<u>Trust Funds</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 4,473,491	\$ 19,899,753
Receivables:		
Accounts, net	-	153,437
Accrued interest	1,637,653	-
Contributions	2,513,145	-
Other	246,180	-
Prepaid expenses	4,487	-
Investments:		
Short-term investments	24,320,944	-
U.S. Government securities	29,659,824	-
Corporate bonds and notes	198,053,577	-
Bond Funds	171,539,646	-
Foreign Bonds and private placements	55,677,074	-
Common stocks and index funds	826,336,016	-
Foreign stocks	165,702,523	-
Real estate funds	182,860,326	-
Infrastructure investments	41,163,521	-
Mutual funds	87,530,806	-
Total investments	<u>1,782,844,257</u>	<u>-</u>
 Total assets	 <u>\$ 1,791,719,213</u>	 <u>\$ 20,053,190</u>
Liabilities		
Accounts payable	638,362	986,856
Deposits	-	19,066,334
 Total liabilities	 <u>\$ 638,362</u>	 <u>\$ 20,053,190</u>
Net Position		
Restricted for OPEB benefits	40,398,372	
Restricted for pension benefits	1,750,682,479	
Total Net Position	<u><u>\$ 1,791,080,851</u></u>	

The notes to the financial statements are an integral part of this statement.

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Trust Funds
Additions:	
Contributions -	
Employer	\$ 83,133,166
Employee	15,798,765
State of Florida	2,278,619
Total contributions	101,210,550
Investment Income -	
Net increase in fair value of investments	122,343,270
Interest and dividends income	37,954,595
Other income	17,435
	160,315,300
Investment management expenses	(6,647,406)
Net investment income	153,667,894
Total additions	254,878,444
Deductions:	
Benefit paid	132,202,424
Contributions refunded	1,225,911
Administrative expenses	1,861,217
Total deductions	135,289,552
Net increase	119,588,892
Net position - amount restricted for pension and OPEB benefits - beginning of year	1,671,491,959
Restricted for OPEB benefits	40,398,372
Restricted for pension benefits	1,750,682,479
Net position - amount restricted for pension and OPEB benefits - end of year	\$ 1,791,080,851

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

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of the City of Miami Beach, Florida (the City) have been prepared in accordance with Accounting Principles Generally Accepted in the United State of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, Chapter 7672, Laws of Florida (1917). The City is governed by an elected mayor and six-member commission. The City operates under a Commission-Manager form of government.

Financial accountability includes such aspects as appointment of governing body members, budget review, approval of property tax levies, outstanding debt secured by the full faith and credit of the City or its revenue stream, and responsibility for funding deficits.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable, or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units presented herein, although legally separate entities, are substantively the same as the governing body of the primary government, and management of the primary government has operational responsibility for the component unit. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The component units are described below.

1. Blended Component Units:

Miami Beach Redevelopment Agency

The Miami Beach Redevelopment Agency (the Agency) was created under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. The Agency's Board of Directors is the City Commission. The Agency's executive director is the City Manager. The Agency's budget is adopted by its directors, and over 50% of the Agency's operating revenue is derived from the City's tax increment contributions.

Normandy Shores Local Government Neighborhood Improvement District

The Miami Beach Normandy Shores Local Government Neighborhood Improvement District (the "NSNID") was created under Chapter 163.506, of the Florida Statutes. The NSNID's Board of Directors is the City Commission. The NSNID's revenues are derived from ad valorem taxes. The NSNID is accounted for as a blended component unit in the City's Governmental Funds financial statements under the column entitled, "Other Governmental Funds". It is also reported in the supplementary information, Non-Major Special Revenue Funds under the column "Other Special Revenue Fund". The budget and rates charged are determined by the City and approved by City Commission.

Biscayne Point Security Guard Special Taxing District (BPSG)

The City of Miami Beach's ("City") Mayor and City commission and the Miami-Dade ("County") Board of County Commissioners ("Board") approved the creation of the Biscayne Point Security Guard Special Taxing District in City Resolution No. 90-19910 and County Ordinance No. 90-52 amended by County Ordinance No. 07-62 to provide 24 hour security guard services to Biscayne Point. City Resolution No. 2017-30123 ratified and approved transfer of control from the County to the City. The City has an Interlocal Agreement with the Miami-Dade County,

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

Florida, Office of the Property Appraiser (Property Appraiser) for the collection of non-ad valorem assessments in accordance with Florida Statutes Sections 197.3632 and 197.3635, to fund the operations and maintenance of the Biscayne Point Security Guard Special Taxing District. The BPSG revenue is accounted for as a blended component unit in the City's Governmental Funds financial statements under the column entitled, "Other Governmental Funds". It is also reported in the supplementary information, Non-Major Special Revenue Funds under the column "Other Special Revenue Fund". The budget and fees are determined by the City and approved by the City Commission.

2. Discretely Presented Component Units-Governmental Fund Type:

Miami Beach Health Facilities Authority

The Miami Beach Health Facilities Authority (the Authority) was created under the Health Facilities Authorities Law, Chapter 154, Part III of the Florida Statutes. The Authority's Board is appointed by the City Commission, serves a four-year term and is subject to reappointment. The revenue of the Authority is derived from fees generated from the sale of bonds to finance health facilities within Miami Beach. The City receives all funds of the Authority in excess of operational needs of the Authority. Debt issued under the oversight of the Authority is not debt of the City or the Authority and therefore is not included in the accompanying financial statements. The Authority is accounted for as a discretely presented component unit in the City's financial statements. The Authority accounts for its financial activities using only a general fund.

Miami Beach Visitor and Convention Authority

The Miami Beach Visitor and Convention Authority (the VCA) was created under Chapter 67-930, Section 8, of the Florida Statutes. The VCA is reported as a discretely presented component unit in the City's financial statements based on (a) The VCA is led by a seven-member board appointed by the City Commission to administer a portion of the collections of the municipal resort tax in order to promote tourism and convention business (b) VCA is financially dependent on the City.

Standalone financial statements are prepared for the Agency and Visitors and Convention Authority and can be obtained by contacting the City of Miami Beach at:

City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the government-wide Statement of Net Position, both the governmental and business-type activities columns reflect a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category, and 2) grants and contributions that are restricted to meeting the

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

operational or capital requirements of a particular functional category. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is necessary to explain the adjustments necessary to reconcile the fund based financial statements to the government-wide presentation.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

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

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 fund and fiduciary fund financial statements, except for the agency fund which has no measurement focus and is reported using the accrual basis of accounting. Revenues, including charges for services are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally 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, pensions, pollution remediation obligation and other postemployment benefits are recorded only when payment is due, or when the City has made a decision to fund those obligations with current available resources.

Property taxes, when levied for, charges for services, franchise taxes, licenses, grants and intergovernmental revenues, when all eligibility requirements are met, and interest associated with the current fiscal period, if measurable and available, have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable when the City receives the cash.

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

Governmental funds – typically are used to account for tax-supported activities. The City reports the following major governmental funds:

- The *General Fund* – is the City’s primary operating fund. It accounts for all financial resources that relate to the general operations of the City, except those required to be accounted for in another fund.
- The *Resort Tax Special Revenue Fund* – accounts for the collection of the special tax levied city-wide on food, beverage and room rents used to support tourist related activities.
- The *Miami Beach Redevelopment Agency – Special Revenue Fund* accounts for the operations of the Miami Beach Redevelopment Agency, a tax increment district of the City. The Agency was established in 1976 under the provisions of Chapter 163 of the Florida Statutes to spur development and redevelopment in the South Pointe and City Center/Historic Convention Village Redevelopment and Revitalization Area of the City. The South Pointe District under the jurisdiction of the Agency has expired and South Pointe is now under jurisdiction of the City.
- The *Capital Projects Fund* – accounts for proceeds of the City’s bond sales and other revenues whose expenditure is restricted to the construction and acquisition of major capital assets.

Proprietary funds – are used to account for activities supported, at least in part, by fees or charges. The City reports the following major proprietary funds:

- The *Storm Water Utility Fund* – accounts for the storm water utility operations of the City.
- The *Water and Sewer Fund* – accounts for the water and sewer operations of the City.
- The *Parking System Fund* – accounts for the parking operations of the City.
- The *Convention Center Complex Fund* – accounts for the Convention Center operations of the City.

Other fund types:

Internal service funds - account for services provided to other departments or agencies of the government. The internal service operations include:

- *Fleet Management Fund* – accounts for the warehouse operations and the purchase and maintenance of the City’s fleet of vehicles.
- *Property Management Fund* – accounts for the cleaning, operating and renovations of City buildings.
- *Central Services Fund* – accounts for the operation of the office supplies warehouse, central printing function and central mail facility.
- *Risk Insurance Fund* – accounts for the City’s Risk insurance operations, both retained and insured.
- *Health Insurance Fund* – accounts for the City’s Health insurance operations, both retained and insured.

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

- *Communications Fund* – accounts for centralized telecommunications and information technology operations.
- *Office of Inspector General Fund* – accounts for all activities related to audits and reviews of City programs, contracts and expenditures.

Fiduciary Funds - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other Governments and other funds. The City reports the following fiduciary fund types:

- *Pension trust funds* include:
 - Retirement System for Miami Beach Employees’,
 - Retirement System for Firefighters and Police Officers,
 - Policemen’s Relief and Pension Fund,
 - Firemen’s Relief and Pension Fund, and
 - Post-Employment Benefits Other Than Pensions (OPEB).
- *General Agency fund* – this fund accounts for general deposits held by the City until obligations are met or refunds are made.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City’s enterprise funds and the General Fund as well as cost reimbursement transactions between the enterprise funds and various other functions of City government. Elimination of these charges would distort the direct costs and program revenues reported for those sectors. The following describes the four basic types of *interfund transactions* made during the year and the related accounting policies:

1. Transactions for services rendered or facilities provided are recorded as revenue in the receiving fund and expenditures, either as internal charges or administrative fees, in the disbursing fund;
2. Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund;
3. Transactions which are recurring annual transfers between two or more budgetary funds are recorded as transfers in and out; and
4. Transactions recording capital contributions between funds are recorded in the proprietary funds and are net to zero in the government-wide statement of activities. The governmental funds do not record capital assets or capital transfers of assets.

Amounts reported as *program revenues* include: charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included in general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include

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the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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 as they are needed.

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

1. *Cash and investments*

All cash and investments are reflected as pooled cash and investments except for amounts held by fiscal agent. Cash and investments consist of demand deposits with banks, United States Treasury Obligations, State or Municipal Obligations, Money Market Funds, and cash held at investment institutions. Investments are recorded at fair value, except for those investments with remaining maturities of one year or less at the time of purchase, which are recorded at amortized cost. For the purpose of the Statement of Cash Flows for the Proprietary Fund Types, pooled cash and investments are considered cash and cash equivalents.

The cash and investments for the retirement system are maintained in separate cash and investment accounts. The retirement system investments are held in United States Treasury Obligations, loans guaranteed by Government agencies, Mutual and Money Market Funds, General Obligation or Revenue Bonds issued by States and Municipalities, dividend paying stocks of domestic corporations, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations. The retirement system's investments are recorded at fair value. Please refer to Note 3 for more detailed information regarding the City's investments.

2. *Receivables and payables*

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, balances of interfund amounts receivable or payable have been reflected. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for uncollectible accounts. Accounts receivable in excess of 90 days that are not deemed collectible, comprise the allowance for uncollectible accounts.

Following are the significant components of the receivables due to the City at September 30, 2020:

- a. Water, Sewer and Waste Fees – This amount represents the unpaid, unbilled and billed charges for various fines and municipal services;
- b. Taxes, Franchise Fees and Rents – This amount represents Ad Valorem taxes, including delinquent taxes, communication and utility taxes, along with franchise fees and rent payments due by September 30, 2020, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30,

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2020, but not collected as of that date;

- d. Storm Water Receivable – This amount represents the unpaid, billed charges for treating water runoff from impervious areas;
- e. Accrued Interest Receivable – This amount represents the interest earned but not collected on the City's investments at September 30, 2020; and
- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2020.

3. *Inventories and prepaids*

Material and supplies in inventory are reported as current assets of the proprietary funds and on the government-wide financial statements at cost. Governmental funds inventory is stated at cost and accounted for on the consumption basis. Fund balance includes a nonspendable amount for the amount of the inventory since inventories are not available for appropriation and expenditure.

Expenditures made for services that will benefit periods beyond September 30, 2020 are recorded as prepaid items in the government-wide financial statements. Accordingly a portion of fund balance has been reserved to indicate that these funds are not available for appropriation.

4. *Restricted assets*

Certain proceeds of the storm water enterprise fund revenue bonds, water and sewer enterprise fund revenue bonds, and the parking system enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Certain proceeds in the Convention center complex enterprise fund are restricted as a result of an interlocal agreement between Miami-Dade County and the City to fund the cost of capital improvements to the Convention Center. Customer deposits are restricted for in the water and sewer fund, Parking system fund, Convention center fund and other non-major enterprise funds. The governmental fund types report unspent bond proceeds as restricted on the statement of net position.

5. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or at valuations, which approximate cost. In the case of initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. Gifts or contributions of property received are recorded at their estimated acquisition value at the time received by the City. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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Property, plant, and equipment of the City, as well as the component units, is depreciated over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Capital Assets Category	Capitalizing Threshold	Estimated Useful Life (in years)
Land	Capitalize all	Not depreciable
Intangible assets	Capitalize all	Not depreciable
Construction in progress	\$ 100,000	Not depreciable
Building and structure	100,000	50 years
Permanent improvements	100,000	Limited to useful life of bldg. not to exceed 35 years
Furniture and equipment	5,000	7 years
Motor vehicles	5,000	5 years
Motor vehicles greater than \$50,000	50,000	10 years
Maintenance and heavy moving equipment	5,000	15 years
Infrastructure	100,000	30-50 years

In the governmental funds, capital assets are recorded as expenditure and no depreciation expense is recorded.

The City assesses the carrying value of capital assets whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with GAAP. Impaired capital assets no longer used by the City are reported using GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The City did not record any impairment charges related to its property as of September 30, 2020 as there were no indicators of impairment.

6. *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. When terminated, an employee is paid for accumulated vacation leave and a percent of unused sick leave hours, subject to certain limitations. All vacation and sick pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt principal payments are reported as debt service expenditures.

8. *Unearned revenue*

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the fund financial statements.

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9. *Deferred outflows/inflows of resources*

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category.

- a. Deferred loss on refunding is reported in the government-wide and proprietary fund statements of net position. Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The difference that results from the refunding is not a separate 'loss' transaction, but rather a reduction of the interest savings to be obtained in the future by substituting the new interest rate for the old. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- b. Deferred outflows of resources related to the Miami Beach Employees' Retirement System (MBERP) and Miami Beach Retirement Systems for Firefighters and Police Officers (MBF&P) pension plans are recognized when the City makes contributions subsequent to the measurement date and when there are differences between expected and actual experience. Differences between expected and actual experience and changes in assumptions are deferred and amortized over the average of the expected remaining service lives of employees who are provided with benefits through the pension plans. Employer contributions made subsequent to the measurement date are deferred and recognized as a reduction of the net pension liability in the subsequent reporting year. Net Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred outflows of resources related to pensions are only reported on the proprietary funds and the government-wide financial statements.
- c. Deferred outflows of resources relating to OPEB are recognized when the City makes contributions subsequent to the measurement date, when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the deferrals, and differences between expected and actual investment earnings. The net difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category.

- d. Deferred inflows of resources related to the MBERP and MBF&P pension plans are reported when changes in the net pension liability are not included in the pension expense of the actuarially calculated net pension liability, such as differences between projected and actual investment earnings. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred inflows of resources related to pensions are only reported on the proprietary funds and the government-wide financial statements.
- e. Deferred inflows of resources relating to OPEB are recognized when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the deferrals, and differences between expected and actual

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investment earnings. The difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.

- f. Deferred inflow of resources related to unavailable other revenues are grants received in advance when eligibility requirements except timing requirements have been met.

10. *Net position/ fund balance*

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

On June 5, 1996, the City Commission adopted Resolution No. 96-22014 which appropriated \$10 million into a reserve for contingencies in the General Fund. This resolution called for this reserve to remain at 11% of the General Fund operating budget of the ensuing year. On February 18, 1998, the City Commission adopted Resolution No. 98-22661 which defined a public emergency for which funds could be used as well as stipulating that expenditure specifically requires a 5/7 vote rather than a majority of the Commission.

On September 21, 2006, the Commission adopted Resolution No. 2006-26341 which stated that in addition to the 11% of General Fund operating budget emergency reserve, the City shall have a goal to maintain a General Fund reserve for contingencies equal to 6% of the General Fund operating budget. In combination with the 11% of emergency reserve, this represents 2 months of the General Fund operating budget expenditures. If the reserve for contingencies level falls below the 6% level, a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

On July 22, 2014, the City's Resort Tax Reserve Fund Policy was amended to state the goal is reserve 3 months of total fund revenue of the 2% resort tax fund. The minimum acceptable reserve is to be 2 months of operating expenses or 2 months of total revenues. The policy was established to ensure the continuity of operations of both the Resort Tax Fund and the General Fund.

On September 11, 2020, the City Commission adopted Resolution No. 2020-30954, which amended and restated Resolution No. 2006-26341, stating that in light of the City's vulnerability to storm events and dependence on volatile Resort Tax revenues, the General Fund Reserve Policy increased the required reserve for emergencies from 11% to 17% and increased the goal for reserve for contingencies from 6% to 8% and effectively increase the total reserve target from 17% to 25%, or from 2 months to 3 months of the City's General Fund Operating budget.

When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

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The City reports the following fund balance classifications for the governmental fund balance:

- Non-spendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples on non-spendable fund balance include inventories and/or prepaid expenses.
- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Commission through an ordinance or resolution which are equally binding as the highest decision-making authority. The Commission adopts a City resolution, which includes the amount to be committed and the reason for the commitment. Only an adopted resolution by the Commission can establish, modify or rescind the commitment.
- Assigned Fund Balance – amounts that are constrained by the City Commission’s or an official delegated by the governing body’s (City Manager) intent to be used for specific purposes but are neither restricted nor committed. Fund balance is primarily assigned based on the City’s budgeting policy. Some amounts are approved and assigned by the City commission subsequent to September 30, 2020.
- Unassigned Fund Balance – may include residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- a. Net Investment in Capital Assets – is intended to reflect the portion of net position which are associated with capital assets net of accumulated depreciation, less outstanding capital assets related debt, net of unspent bond and issuance of debt and deferred refunding losses and gains.
- b. Restricted Net Position – have third party (statutory, bond covenant or granting agency) limitations on their use or enabling legislation.
- c. Unrestricted Net Position – have no third-party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Commission has the unrestricted authority to revisit or alter these managerial decisions.

11. *Restricted component of net position*

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2020, the Government-wide statement of net position reported \$175,187,510 in governmental activities’ restricted net position. Of this amount, \$173,928,419 is restricted as a result of enabling legislation.

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12. *Use of estimates*

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows and disclosure of contingent assets and liabilities, deferred outflows and inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's estimates.

13. *Risk management*

The City is exposed to various risks of loss from civil liability to other parties (automobile liability, general liability, police professional liability, public official liability); statutory workers' compensation benefits for injured employees; and the theft or accidental damage to City property (buildings and business contents).

The City established an internal service Risk Insurance Fund (the "Fund") to account for its risk financing activities. The Fund charges the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end, including claims incurred but not yet reported. The Fund pays for all claims and judgments made against the City for accidental losses for which the City is self-insured, and the premium costs for insurance policies to protect the City's property.

14. *Employee benefit plans*

The City provides separate defined benefit pension plans for general employees and for police and fire department personnel. The City no longer offers benefits under a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) to new employees. However, current employees are still participating in the plan. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 Plan and the 401(a) Plan are not included in the City's financial statements.

For 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 MBERP and MBF&P and additions to and deletions from the systems' 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 discussed in Note 16. Investments are reported at fair value.

15. *Post-employment benefits other than pensions (OPEB)*

Pursuant to Section 112.08, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City has a single employer OPEB plan with benefits based on age and date of employment. The City has established an irrevocable trust fund to hold the assets of the OPEB plan. OPEB liabilities reported in the statement of activities are typically liquidated from the general fund. Please refer to Note 17 for more information.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the net position of OPEB and additions to and deletions from the systems' net position have been determined

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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 discussed in Note 17. Investments are reported at fair value.

16. Health self-insurance

Pursuant to City Code Chapter 78, Article II, Sections 78 through 81, the City provides for employees health care coverage with the cost of such coverage shared between the employee and the City. In addition, the collective bargaining agreements of the American Federation of State, County and Government Supervisors Association (GSA) all require the City to provide group health care coverage to their members. Currently the City provides its active, full-time employees and retirees the opportunity to purchase group health care coverage (medical and dental). The City's group health plan excludes coverage for members of the Fraternal Order of Police (FOP) and the International Association of Fire Fighters (IAFF). FOP members are eligible to participate in the City's dental plan. The City and the employee/ retiree contribute to the cost of this coverage, at different rates, based on the plan elected. Municipal Employees (ASFCME), the Communication Workers of America (CWA), and the plan elected.

The City established an internal service Health Insurance Fund (the "Fund") to account for Medical and Dental activities. Revenues from employee and City premiums are recorded in the Fund. The Fund pays for all claims and the premium cost of "stop loss" insurance coverage. Both medical and dental claims are administered by a third-party service provider.

17. Recent accounting pronouncements adopted/implemented

GASB Statement No.95 was adopted in fiscal 2020. The GASB issued Statement No. 95 to provide temporary relief to governments and other stakeholders affected by the Covid-19 Pandemic. This Statement postpones the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. Some effective dates were postponed for one year, for example Statement 84, Fiduciary Activities and Statement No. 93 – Replacement of Interback Offered Rates. The effective dates of the following were postponed by 18 months, Statement No. 87, Leases and Implementation Guide 2019-3, Leases.

NOTE 2 - Stewardship, Compliance, and Accountability

Fund Balance/Net Position

At September 30, 2020, the following funds had negative balances, Sanitation - \$7.1 million, Office of Inspector General - \$1.9 million, Building - \$752k , Property Management - \$235k and City's Community Development Block Grant (CDBG) \$146k, the CDBG fund's negative fund balance is primarily due to grant expenditures pending reimbursement.

NOTE 3 - Deposits and Investments

City's Pooled Portfolio Investments:

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

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The City's Investments are made based on prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. If the yield of the portfolio can be improved by the sale of an investment, prior to its maturity, with the reinvestment of the proceeds, then this provision is allowed. As a means of limiting exposure to fair value losses, the City's investment policy limits maturity of its investments to seven (7) years or less.

As of September 30, 2020, the City had the following investments in its portfolio:

City's Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
U.S. Government Agencies	\$ 172,344,685	\$ 45,025,870	\$ 127,318,815
U.S. Government Treasuries	165,578,457	104,927,870	60,650,587
Commercial paper	2,318,192	426,911	1,891,281
Corporate bonds	50,863,512	13,954,534	36,908,978
Israeli Bonds	9,500,000	8,500,000	1,000,000
FLCLASS Pool	576,212,027	576,212,027	-
Total	<u>\$ 976,816,873</u>	<u>\$ 749,047,212</u>	<u>\$ 227,769,661</u>

Concentration of Credit Risk

The City's investment plan limits the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. The investment policy allows for a maximum of 100% of the portfolio in U.S. Government Securities, Money Market Mutual Funds and Intergovernmental Investment Pool, 50% in U.S. Agencies, 80% in Federal Instrumentalities, 5% in State of Israel Bonds, 15% in Mortgage/Asset-Backed Securities, 25% in Florida Prime Fund, Interest Bearing Time Certificates, Repurchase Agreements, Commercial Paper and Florida League of Cities, Inc. Mutual Funds, 40% in Corporate Notes, 20% in Bankers Acceptances and State and/or Local Government Taxable and/or Tax-exempt Debt, and Externally Managed Funds requiring specific approval by the City Commission, There were no individual investments that represent 5% or more of total investments at September 30, 2020.

Credit Risk

This 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. State law limits investments in commercial paper and corporate bonds rated in one of the top two ratings issued by the Nationally Recognized Statistical Rating Organization (NRSROs). It is the City's policy to limit its exposure in these investment types to the top rating issued by NRSROs. U.S. government agencies are only implicitly guaranteed by the U.S. Government. U.S. Government Treasuries explicitly guaranteed by the U. S. Government are not considered to have credit risk exposure.

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As of September 30, 2020, the City's investments were rated by Moody's Investors Service and Standard & Poor's as follows:

Investment Type	Issuer	Standard & Poor's	Moody's	Reported Value
US Securitized Products				
	FHLB	AA+	Aaa	\$ 66,206,275
	FNMA	AA+	Aaa	42,955,080
	FHLMC	AA+	Aaa	8,249,680
	FFCB	AA+	Aaa	54,933,650
				<u>\$ 172,344,685</u>
US Government Treasuries:				
	U. S. Government	AA+	Aaa	165,578,457
				<u>\$ 165,578,457</u>
Commercial Paper:				
	FNMA	AA+	Aaa	\$ 426,911
	FHLMC	AA+	Aaa	1,891,281
				<u>\$ 2,318,192</u>
Corporate Bonds:				
	Johnson & Johnson SR	AAA	Aaa	\$ 6,370,196
	Apple Inc.	AA+	Aa1	6,861,140
	Microsoft Corp.	AAA	Aaa	3,010,530
	Chevron Corp.	AA	Aa2	10,196,350
	Berkshire Hathaway	AA	Aa2	3,550,438
	Exxon Mobil	AA+	Aaa	6,750,650
	Wal-Mart	AA	Aa2	14,124,208
				<u>\$ 50,863,512</u>
Israeli Bonds:				
	State of Israel	A+	A1	\$ 9,500,000
				<u>\$ 9,500,000</u>
FLCLASS	Local Government Inv. Pool	AAAm	N/A	<u>\$ 576,212,027</u>
Total				<u>\$ 976,816,873</u>

Fair Value Measurement: GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB No. 72 defines fair value as the price that would be received to sell an asset.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the 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 based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

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The City has the following recurring fair value measurements as of September 30, 2020:

Investments by Fair Value Level	Balance	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Securitized Products	\$ 172,344,685	\$	\$ 172,344,685
U.S. Government Treasuries	165,578,457		165,578,457
Commercial Paper	2,318,192		2,318,192
Corporate Bonds	50,863,512		50,863,512
State of Israel Bonds	9,500,000		9,500,000
Total Debt Securities	<u>400,604,846</u>		
Investments measured at Net Asset Value (FL CLASS)	576,212,027	576,212,027	
Total Investments	<u>\$ 976,816,873</u>	<u>\$ 576,212,027</u>	<u>\$ 400,604,846</u>

Investments Measures at the NAV:

FLCLASS	Fair Value	Redemption Frequency	Notice Period
		<u>\$ 576,212,027</u>	Daily

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under F.S. 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAAM rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is 435 days as of September 30, 2020.

The City's cash and investments held at September 30, 2020 (including restricted cash and cash with paying agent) are shown below:

Schedule of cash and investments by fund:

General	\$ 100,317,956
Resort Tax	19,970,481
Redevelopment Agency	61,319,814
Capital Projects	291,418,672
Storm Water	159,300,703
Water & Sewer	187,811,092
Parking	73,227,871
Convention Center Complex	25,740,701
Internal Service	100,811,945
Agency	19,899,753
Nonmajor Governmental	105,009,503
Nonmajor Enterprise	<u>52,371,088</u>
Total cash and investments (Excl. Pension Trust Funds)	<u>\$ 1,197,199,579</u>

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Custodial Credit Risk

For an investment, custodial credit risk 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 in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the City's deposits may not be returned to it.

Deposits

All deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, United States governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the City. The security cannot be released, substituted or sold without the City's approval and release of the security.

Investments

The City's investment policy requires that securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City's name and all securities are registered in the City's name.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, the City is required to adjust interest earnings on the financial statements to reflect unrealized gains and losses due to year over year changes in the market value of the City's investment portfolio. As of September 30, 2020, the City's investment portfolios have an unrealized gain of approximately \$9.7 million. The City primarily utilizes a buy and hold to maturity investment strategy and unrealized gains and losses are not recognized for securities held to maturity.

Employee Retirement Systems Investments:

The City has adopted ordinances which govern the investment of funds for all of the Employee's Retirement Systems (the System). Each Plan is allowed to invest in a wide range of instruments including but not limited to United States Treasury obligations, loans guaranteed by government agencies, Mutual and Money Market funds, Private Placement, Real Estate funds, General Obligation or Revenue Bonds issued by states and municipalities, dividend paying stocks of domestic corporations, International Equity Funds, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations. Each Plan has a Board of Trustees who authorizes the investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity an investment has, the greater the sensitivity of fair value changes due to its dependence on the market interest rate.

Information about the sensitivity of fair value of the System's investments to market interest rate fluctuations is provided in the table below that shows the distribution of the Systems fixed income investment by maturity at September 30, 2020.

**CITY OF MIAMI BEACH, FLORIDA
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City Pension Fund for Firefighters and Police Officers:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
U.S. government securities	\$ 21,498,636	\$ 1,534,170	\$ 4,358,600	\$ 13,087,923	\$ 2,517,943
Corporate bonds and notes	192,775,251	9,186,182	83,806,229	99,782,840	-
U.S Treasuries	7,286,254	-	-	2,506,355	4,779,899
International Private Placement	54,665,590	262,395	20,346,533	26,059,087	7,997,575
Total	\$ 276,225,731	\$ 10,982,747	\$ 108,511,362	\$ 141,436,205	\$ 15,295,417

Miami Beach Employees' Retirement Plan:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
Fixed income bond funds	\$ 171,539,646	\$ 2,230,876	\$ 133,562,330	\$ 13,485,029	\$ 22,261,411
Fixed securities	680,979	-	121,931	135,731	423,317
Total	\$ 172,220,625	\$ 2,230,876	\$ 133,684,261	\$ 13,620,760	\$ 22,684,728

Firemen's Relief and Pension Fund:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	More 6-10	More than 10
U.S. government securities	\$ 370,185	\$ -	\$ -	\$ 172,573	\$ 197,612
Corporate bonds and notes	4,085,036	126,982	1,788,254	2,169,800	-
Total	\$ 4,455,221	\$ 126,982	\$ 1,788,254	\$ 2,342,373	\$ 197,612

Policemen's Relief and Pension Fund:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
U.S. government securities	\$ 508,749	\$ -	\$ 336,500	\$ 172,249	\$ -
Corporate bonds and notes	2,327,325	259,364	824,099	1,162,326	81,536
Total	\$ 2,836,074	\$ 259,364	\$ 1,160,599	\$ 1,334,575	\$ 81,536

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Credit Risk and Concentration of Credit Risk

The System's investment policy utilizes portfolio diversification in order to control credit risk. The Systems has no limit imposed on fixed income securities issued directly by the U.S. Government or any agency or instrumentality thereof. The City pension fund for firefighters and police officers' limits corporate debt securities (bonds, notes, debentures at the time of purchase) to only the highest three categories of quality by any of the following listed services: Moody's, Standards and Poor's or Fitch's Manual. Any issue which is downgraded to investment grade fourth category may be held. Any issue if downgraded below investment grade by two of the three of the above-mentioned ratings services must either be sold or specifically approved for retention by the Board. Commercial paper must be rated Moody's P1 or Standard and Poor's A1. Bonds issued by the State of Israel may also be purchased. The City employee's retirement system limits commercial paper to those rated only in the highest category. Other fixed income securities that are classified "Investment Grade" in the top four rating by Standard & Poor's and Moody's can also be purchased. The firefighters and police officers pension funds follow state law, which limits investments in debt securities to those with the top three ratings issued by a nationally recognized statistical rating organization. There were no individual investments that represent five percent or more of the total investments at September 30, 2020.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan has exposure through international holding in a private placement trust fund. The Plan has exposure to currency fluctuations at September 30, 2020 as follows:

Country	Estimated Holdings of the City's Pension for Firefighters Policemen of the Total Private Placement Fund (Valued in U.S. Dollars)
Australia	\$ 1,366,640
Brazil	470,124
Canada	2,438,086
China	1,645,434
Euro	22,287,161
Indonesia	1,284,642
Japan	13,868,660
Mexico	1,038,646
Romania	1,585,302
South Africa	595,855
South Korea	1,361,173
Sweden	1,585,302
Switzerland	491,990
United Kingdom	4,646,575
	\$ 54,665,590

**CITY OF MIAMI BEACH, FLORIDA
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Credit risk is generally measured by the assignment of a rating by a nationally recognized rating organization. The following table discloses credit ratings by investment type at September 30, 2020:

City Pension Fund for Firefighters and Police Officers:

	Fair Value	Percentage of Portfolio
U.S. Government Securities	28,784,890	10.42 %
Quality rating of credit risk debt securities		
A1	\$ 24,592,139	8.90
A2	46,825,712	16.95
A3	69,082,418	25.01
Aa1	5,892,770	2.13
Aa2	4,039,353	1.46
Aa3	6,663,195	2.41
Aaa	23,632,727	8.56
Aa	5,843,752	2.12
A	12,157,627	4.40
Baa1	24,716,056	8.95
Baa2	3,041,772	1.10
Bbb	16,847,935	6.10
Bb	3,088,605	1.12
B	1,016,780	0.37
Total fixed income securities	<u>\$ 276,225,731</u>	<u>100.00 %</u>

Miami Beach Employees' Retirement Plan:

	Fair Value	Percentage of Portfolio
Quality rating of credit risk debt securities		
AAA-A-	\$ 90,851,137	52.75 %
BBB-B-	34,244,238	19.88
Below B	12,345	0.01
Not Provided	47,112,905	27.36
Total credit risk debt securities	<u>\$ 172,220,625</u>	<u>100.00 %</u>

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Firemen's Relief and Pension Fund:

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 370,185	8.31	%
Quality rating of credit risk debt securities			
Aaa	283,240	6.36	
Aa1	278,050	6.24	
Aa2	99,398	2.23	
Aa3	110,266	2.47	
Baa1	1,094,320	24.56	
A1	164,714	3.70	
A2	664,648	14.92	
A3	1,390,400	31.21	
Total credit risk debt securities	4,085,036	91.69	
Total fixed income securities	\$ 4,455,221	100.00	%

Policemen's Relief and Pension Fund:

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 508,749	17.94	%
Quality rating of credit risk debt securities			
AAA	271,608	9.58	
AA3	110,266	3.89	
A1	226,767	8.00	
A2	300,777	10.61	
A3	621,286	21.91	
BAA1	796,121	28.08	
Total credit risk debt securities	2,326,825	82.06	
Total fixed income securities	\$ 2,835,574	100.00	%

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As of September 30, 2020, the total pension system had the following cash and investments in its portfolio:

		Fair Value
Short term investments	\$	24,320,944
U.S. government securities		29,659,824
Corporate bonds and notes		198,053,577
Bond funds		171,539,646
Foreign bonds		55,677,074
Common stocks and index funds		826,336,016
Foreign stocks		165,702,523
Real estate funds		182,860,326
Infrastructure investments		41,163,521
Mutual funds		87,530,806
Total cash and investments	\$	1,782,844,257

Fair Value Measurement: GASB Statement No. 72, addressed the accounting and financial reporting issues related to fair value measurements and defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the 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 based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

Investments are reported at fair value. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Fair value for stocks is determined by using the closing price listed on the national securities exchanges at September 30. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. Commercial paper, time deposits and short-term investment pools are valued at cost, which approximates fair value.

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The City Pension Fund for Firefighters and Police Officers has the following recurring fair value measurements as of September 30, 2020:

Investments by fair value level	2020	Fair Value Measurements Using	
		Level 1	Level 2
Equity securities			
Common stocks	\$ 392,947,783	\$ 392,947,783	\$ -
Commingled domestic equity funds	133,614,814	133,614,814	-
Commingled international equity funds	50,084,640	-	50,084,640
Total equity securities	<u>576,647,237</u>	<u>526,562,597</u>	<u>50,084,640</u>
Debt securities			
Government and agency obligations	28,784,890	7,286,254	21,498,636
Municipal/provincial obligations	-	-	-
Corporate bonds	191,763,767	-	191,763,767
International corporate bonds	1,011,484	-	1,011,484
International private placement	54,665,590	-	54,665,590
Total debt securities	<u>276,225,731</u>	<u>7,286,254</u>	<u>268,939,477</u>
Mutual funds	32,473,684	-	32,473,684
Total investments by fair value level	<u>\$ 885,346,652</u>	<u>\$ 533,848,851</u>	<u>\$ 351,497,801</u>
Investments measured at the net asset value			
Real estate fund	98,590,809		
Total investments measured at net asset value	<u>98,590,809</u>		
Money market funds (exempt)	20,219,571		
Total investments	<u>\$ 1,004,157,032</u>		

Short-term investment funds: These consist primarily of money market funds, commercial paper and similar instruments with maturities of less than one year. Short-term investments are reported at fair value or at cost or amortized cost, which approximates fair value. For those investments which are reported at fair value, the investments are valued using similar methodologies as described within the debt securities section below.

Equity securities: These include common stock, domestic and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2020. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, and foreign debt securities (included in international fixed income in the Statement of Fiduciary Net Position). These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and

**CITY OF MIAMI BEACH, FLORIDA
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other assumptions based upon the specifics of the investment's type.

Real estate: Real estate funds are valued using their respective net asset value ("NAV") as of September 30, 2020. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

The Plans valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2020, are as follows:

	Investments Measured at the NAV		
	2020	Redemption Frequency	Redemption Notice Period
Real estate fund (1)	\$ 50,282,011	Quarterly	45 Days
Real estate fund (2)	48,308,798	Quarterly	45 Days
Total investments measured at the NAV	\$ 98,590,809		

There were no unfunded commitments at September 30, 2020.

(1) This fund is an open-ended, commingled real-estate fund with a diversified portfolio of income producing properties located throughout the United States. The investment is valued at NAV and redemption request must be received by the fund 45 days prior to quarter-end.

(2) This fund is an open-end, commingled real estate fund that invests in improved properties with stabilized occupancies. The assets have high quality physical features with strong locational factors allowing the investment to attain a strong competitive position with the assets' local sphere. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to quarter-end.

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The Miami Beach Employees' Retirement Plan has the following recurring fair value measurements as of September 30, 2020:

Investments by fair value level	2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Equity securities				
Domestic equities				
S&P Index	\$ 115,782,604	\$ -	\$ 115,782,604	\$ -
Large cap fund PLUS	114,658,147	-	114,658,147	-
Mid-cap index fund	28,763,568	-	28,763,568	-
Small-cap index	37,162,939	14,702,579	22,460,360	-
International equities				
International equity growth	82,424,714	-	82,424,714	-
Emerging markets core	33,070,618	33,070,618	-	-
Mutual fund equities (DROP)	14,528,192	14,528,192	-	-
Total equity securities	<u>426,390,782</u>	<u>62,301,389</u>	<u>364,089,393</u>	<u>-</u>
Fixed income	-			
Core bond index fund	46,810,804	-	46,810,804	-
Bond fund	124,728,842	-	124,728,842	-
Fixed Income Fund (DROP)	680,979	-	680,979	-
Total fixed income	<u>172,220,625</u>	<u>-</u>	<u>172,220,625</u>	<u>-</u>
Real estate strategic property fund	66,489,683	-	-	66,489,683
Total investments by fair value level	<u>\$ 665,101,090</u>	<u>\$ 62,301,389</u>	<u>\$ 536,310,018</u>	<u>\$ 66,489,683</u>

Investment measured at the net asset value (NAV)

Infrastructure fund	<u>41,163,521</u>
Total Investment measured at NAV	<u>41,163,521</u>
Short-term investment fund (exempt)	<u>1,916,044</u>
Total investments	<u>\$ 708,180,655</u>

Investments Measured at the NAV

	Fair Value	Redemption Frequency (if Currency Eligible)	Redemption Notice
Infrastructure Fund	<u>\$ 41,163,521</u>	Semi-annual	90 Days

At September 30, 2020, there were no unfounded commitments. This fund is focused on identifying a universe of investments that best meet the portfolio's risk management objectives. This involves the identification of investments that have assets predominantly invested in developed economies. Limits have been applied to country and regional exposure. The return pattern expected from global infrastructure is an inflationary return component plus a substantial premium, as well as competitive performance relative to the S&P Global Infrastructure Index. The fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments held by the fund less its liability.

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SEPTEMBER 30, 2020

The Firemen's Relief and Pension Fund had the following recurring fair value measurements as of September 30, 2020:

Investments by fair value level	2020	Fair Value Measurements Using	
		Level 1	Level 2
Equity Securities			
common stocks	\$ 11,503,606	\$ 11,503,606	\$ -
Total equity securities	<u>11,503,606</u>	<u>11,503,606</u>	<u>-</u>
Debt securities			
U.S. treasury securities	152,602	152,602	-
U.S. agency securities	217,583	-	217,583
Corporate bonds	4,085,036	-	4,085,036
Total debt securities	<u>4,455,221</u>	<u>152,602</u>	<u>4,302,619</u>
Total Investments by fair value level	<u>\$ 15,958,827</u>	<u>\$ 11,656,208</u>	<u>\$ 4,302,619</u>

Investments measured at the net asset value (NAV)

Real estate fund	<u>\$ 1,593,391</u>
Total investments measured at NAV	<u>1,593,391</u>
Money market funds (exempt)	<u>1,627,015</u>
Total investments	<u>\$ 19,179,233</u>

Investments Measured at the NAV

	Fair Value	Redemption Frequency (if Currency Eligible)	Notice Period
Real estate fund *	\$ 1,593,391	Quarterly	10 days

*Real estate fund: This fund is an open-ended, comingled real estate fund consisting primarily of real estate properties in the multifamily, industrial, office, retail and hotel sector. The investment is valued at NAV and redemption requests must be received by the fund 10 days prior to quarter end.

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SEPTEMBER 30, 2020**

The Policemen's Relief and Pension Fund have the following recurring fair value measurements as of September 30, 2020:

Investments by fair value level	2020	Fair Value Measurements Using <u>Level 1</u>
U.S. treasury securities	\$ 504,749	\$ 504,749
Equity Securities	6,605,134	6,605,134
Corporate bonds	<u>2,327,325</u>	<u>2,327,325</u>
Total debt securities	<u>9,437,208</u>	<u>9,437,208</u>
Total Investments by fair value level	<u>\$ 9,437,208</u>	<u>\$ 9,437,208</u>

Investments measured at the net asset value (NAV)

Real estate fund	<u>\$ 1,483,864</u>
Total investments measured at NAV	<u>1,483,864</u>
Money market funds (exempt)	<u>7,893</u>
Total investments	<u>\$ 10,928,965</u>

Investments Measured at the NAV

	<u>Fair Value</u>	<u>Redemption Frequency (if Currency Eligible)</u>	<u>Notice Period</u>
Real estate fund *	\$ 1,483,864	Quarterly	10 days

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the System's deposits may not be returned to it. Consistent with the System's investment policy, the investments are held by the System's custodial bank and registered in the System's name. All System's deposits are insured and or collateralized by a financial institution separate from the System's depository financial institution. At September 30, 2020, the Miami Beach Employees' Retirement Plan had an uninsured cash balance of approximately \$4,050,000 with one financial institution.

City's OPEB Trust Investments:

At September 30, 2020, the City's OPEB Trust Fund investments were comprised of \$550,421 in cash and money market accounts and \$39,847,951 in mutual funds.

Fair Value Measurement: GASB Statement No. 72, addressed the accounting and financial reporting issues related to fair value measurements and defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure

**CITY OF MIAMI BEACH, FLORIDA
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the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

The OPEB Trust had the following fair value measurements at September 30, 2020:

	2020
Investments measured at the net asset value (NAV)	
Mutual Funds	\$ 39,847,951
Total investments measured at the net asset value (NAV)	39,847,951
Total Investments	\$ 39,847,951

The OPEB Trusts' valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, are as follows:

	2020 Investments Measured at the NAV			
	2020	Unfunded Commitments	Redemption Frequency	Redemption Noticed Period
Mutual Fund	\$ 39,847,951	N/A	Daily	Same Day

The mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and transact at that price. They are determined to be actively traded.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the System's deposits may not be returned to it. Consistent with the City's investment policy, the investments are registered in the City's name. All City deposits are insured and or collateralized by a financial institution separate from the System's depository financial institution. At September 30, 2020, the Plan had an uninsured cash balance of approximately \$550,000 with one financial institution.

Discretely Presented Component Units: Component unit's cash and investment in the amount of \$5,814,313 consists of demand deposit and money market deposit accounts. These accounts are not subjected to interest rate risks, credit risks or concentration of credit risks. All deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, United States governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

For the Miami Beach Health Facilities Authority and the Miami Beach Visitor and Convention Authority, securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the component unit. The security cannot be released, substituted, or sold without the component unit's approval and release of the security.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 - Receivables

Receivables at September 30, 2020 for the City's individual major funds and nonmajor and internal service in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds/ Governmental Type Activities						
Fund Level:	General	Resort Tax	Capital Projects	Non Major Funds	Internal Service	Total
Receivables:						
Accounts	\$ 6,656,631	\$ 2,261,018	\$ -	\$ 592,174	\$ 122,815	\$ 9,632,638
Special Assessments	-	611,309	65,699	-	-	677,008
Gross receivables	6,656,631	2,872,327	65,699	592,174	122,815	10,309,646
Less: allowance for uncollectible accounts	(3,524,665)	-	-	(258,423)	(63,829)	(3,846,917)
Net receivables	\$ 3,131,966	\$ 2,872,327	\$ 65,699	\$ 333,751	\$ 58,986	\$ 6,462,729
Government Wide:						
Accrued Interest	2,381,461	-	119,008	44	-	2,500,513
Taxes	939,622	-	0	48,102	-	987,724
	\$ 6,453,049	\$ 2,872,327	\$ 184,707	\$ 381,897	\$ 58,986	\$ 9,950,966
Proprietary Funds/ Business Type Activities						
Fund Level:	Storm Water	Water and Sewer	Parking	Convention Center Complex	Nonmajor Funds	Total
Receivables:						
Accounts	\$ 6,669,831	\$ 15,543,079	\$ 5,427,914	\$ 3,276,944	\$ 2,303,326	\$ 33,221,094
Gross receivables	6,669,831	15,543,079	5,427,914	3,276,944	2,303,326	33,221,094
Less: allowance for uncollectible accounts	(3,152,931)	(5,316,637)	(30,558)	-	(820,524)	(9,320,650)
Net receivables	\$ 3,516,900	\$ 10,226,442	\$ 5,397,356	\$ 3,276,944	\$ 1,482,802	\$ 23,900,444
Accrued Interest	1,891	136	570	-	-	2,597
Net receivables	\$ 3,518,791	\$ 10,226,578	\$ 5,397,926	\$ 3,276,944	\$ 1,482,802	\$ 23,903,041

NOTE 5 - Property Taxes

Property values are assessed (levied) by the Miami-Dade County Property Appraiser as of January 1 of each year, at which time according to Florida Statute 197.122, taxes become an enforceable lien on property until discharged by payment or until barred under Chapter 95. Tax Bills are mailed in October and are payable upon receipt with discounts of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and seizure of personal property to satisfy unpaid property taxes. These procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 - Capital Assets

Capital asset activities for the year ended September 30, 2020, were as follows:

Primary Government

Governmental activities:

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 59,085,130	\$ 7,203	\$ -	\$ 59,092,333
Intangible assets	4,181,941	-	-	4,181,941
Construction work-in-progress	698,241,504	61,988,569	496,074,615	264,155,458
Total capital assets, not being depreciated	<u>761,508,575</u>	<u>61,995,772</u>	<u>496,074,615</u>	<u>327,429,732</u>
Capital assets, being depreciated:				
Building and structures	127,842,834	1,224,612	-	129,067,446
Permanent improvements	386,646,081	8,748,291	-	395,394,372
Furniture & fixtures	8,547,099	1,147,912	249,668	9,445,343
Machinery and equipment	82,574,297	8,862,153	5,362,100	86,074,350
Infrastructure	241,676,632	5,994,300	-	247,670,932
Total capital assets, being depreciated	<u>847,286,943</u>	<u>25,977,268</u>	<u>5,611,768</u>	<u>867,652,443</u>
Less: accumulated depreciation for:				
Building and structures	56,357,723	2,427,481	-	58,785,204
Permanent improvements	145,798,451	11,407,797	-	157,206,248
Furniture & fixtures	6,827,043	1,075,767	120,163	7,782,647
Machinery and equipment	55,836,676	6,994,342	4,232,266	58,598,752
Infrastructure	145,219,060	7,000,007	-	152,219,067
Total accumulated depreciation	<u>410,038,953</u>	<u>28,905,394</u>	<u>4,352,429</u>	<u>434,591,918</u>
Total capital assets, being depreciated, net	<u>437,247,990</u>	<u>(2,928,126)</u>	<u>1,259,339</u>	<u>433,060,525</u>
Governmental activities capital assets, net	<u>\$ 1,198,756,565</u>	<u>\$ 59,067,646</u>	<u>\$ 497,333,954</u>	<u>\$ 760,490,257</u>

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

Government Activities:

General government	\$ 7,594,865
Public safety	2,769,959
Physical environment	413,523
Transportation	9,461,357
Economic environment	306,899
Culture and recreation	8,358,791
Total depreciation expense – governmental	<u>\$28,905,394</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$5,307,084 of depreciation expenses for internal services.

**Primary Government
Business-type activities:**

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,848,303	\$ -	\$ -	\$ 25,848,303
Intangible assets	4,318,059	-	-	4,318,059
Construction work-in-progress	372,061,331	10,776,230	127,361,836	255,475,725
Total capital assets, not being depreciated	<u>402,227,693</u>	<u>10,776,230</u>	<u>127,361,836</u>	<u>285,642,087</u>
Capital assets, being depreciated:				
Buildings & Structure/Parking Lots	217,170,871	604,324,547	-	821,495,418
Mains & Lines	293,916,185	2,199,405	388,083	295,727,507
Meters & Hydrants	30,608,097	-	-	30,608,097
Furniture & fixtures, equipment	73,779,420	4,402,733	332,854	77,849,299
Total capital assets, being depreciated	<u>615,474,573</u>	<u>610,926,685</u>	<u>720,937</u>	<u>1,225,680,321</u>
Less: accumulated depreciation for:				
Buildings & Structure/Parking Lots	91,047,299	4,947,126	-	95,994,425
Mains & Lines	66,325,562	6,856,434	-	73,181,996
Meters & Hydrants	23,781,130	2,101,049	-	25,882,179
Furniture & fixtures, equipment	42,949,153	3,565,969	268,036	46,247,086
Total accumulated depreciation	<u>224,103,144</u>	<u>17,470,578</u>	<u>268,036</u>	<u>241,305,686</u>
Total capital assets, being depreciated, net	<u>391,371,429</u>	<u>593,456,107</u>	<u>452,901</u>	<u>984,374,635</u>
Governmental activities capital assets, net	<u>\$ 793,599,122</u>	<u>\$ 604,232,337</u>	<u>\$ 127,814,737</u>	<u>\$ 1,270,016,722</u>

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

<u>Business-type activities:</u>	
Storm Water	\$ 3,654,954
Water & Sewer	5,807,447
Parking Systems	5,211,459
Convention Center Complex	1,447,917
Nonmajor Enterprise	1,348,801
Total depreciation expense – business-type activities	<u>\$17,470,578</u>

**CITY OF MIAMI BEACH, FLORIDA
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In fiscal 2016, the City issued special obligation bonds of \$481.2 million for the purposes of renovating and expansion of the Convention Center. Resort Tax and RDA tax increment revenues are pledged as the repayment sources for the debt. The Convention Center was reopened for events in fiscal 2020 and the City transferred capital assets of approximately \$480 million from the Governmental Type Activities in the Government-Wide Statement of Net Position to Business-Type Activities and Convention Center Enterprise Fund Statement of Net Position. The capital assets transferred primarily consisted of building and furniture and fixtures funded by the issuance of special revenue bond debt. For purposes of financial reporting the assets are recorded in the Business Type Activities and Convention Center Enterprise Fund Statement of Net Position, while the corresponding debt is recorded in the Governmental Type Activities of the Statement of Net Position of the City. At September 30, 2020, the outstanding debt was \$456.1 million, as shown in note 10 item B.

NOTE 7 – Construction and other Commitments

At September 30, 2020, the City funds had active construction projects which includes, but is not limited to water; waste water and storm water improvements; as well as a variety of streetscape enhancement projects. The following table sets forth these commitments by fund:

Construction Encumbrance	
Resort Tax	\$ 10,265
Capital Project	57,236,540
Redevelopment Agency	1,080,587
Other Governmental	11,752,402
Internal Service	53,880
Storm Water Utility	57,223,216
Water & Sewer	15,363,479
Parking Systems	2,978,272
Convention Center Complex	763,438
Non-major Enterprise	301,056
	<u>\$ 146,763,135</u>

The City funds had the following encumbrance commitments at September 30, 2020:

Operating Encumbrance	
General	\$ 1,524,241
Resort Tax	3,872
Redevelopment Agency	209,362
Other Governmental	2,350,715
Internal Service	3,589,042
Storm Water Utility	170,772
Water & Sewer	973,472
Parking Systems	1,175,844
Convention Center Complex	128,473
Non-major Enterprise	276,709
	<u>\$ 10,402,502</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8 - Interfund Receivables, Payables and Transfers

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

Transfer To	Transfer From										Total	
	General	Resort Tax	Redevelopment Agency	Other Governmental	Storm Water	Water Sewer	Parking	Convention Center	Other Enterprise	Internal Service		
General	\$ -	\$ 24,403,501	\$ 4,414,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,817,501
Capital Projects	2,939,000	-	-	-	-	-	-	-	-	-	-	2,939,000
Other Governmental	6,913,850	21,465,894	23,291,597	12,000	472,002	22,000	72,000	1,017,000	66,000	374,000	53,706,343	
Convention Center	-	-	2,500,000	-	-	-	-	-	-	-	2,500,000	
Other Enterprise	18,489,336	1,270,000	-	-	916,000	-	-	-	281,000	-	20,956,336	
	<u>\$ 28,342,186</u>	<u>\$ 47,139,395</u>	<u>\$ 30,205,597</u>	<u>\$ 12,000</u>	<u>\$ 1,388,002</u>	<u>\$ 22,000</u>	<u>\$ 72,000</u>	<u>\$ 1,017,000</u>	<u>\$ 347,000</u>	<u>\$ 374,000</u>	<u>\$ 108,919,180</u>	

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, and (3) move unrestricted general revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Major transfers for the year were:

The General Fund transferred \$18.5 million of cash from building operations in the General Fund to a new Enterprise Building fund, \$5.7 million for debt service payments, \$1.2 million to other special revenue funds.

The resort tax fund transferred to the general fund \$24.4 million for citywide tourism-eligible expenses. The resort tax fund also transferred \$11.8 million for debt services, \$6.7 million for transportation, \$1.3 million to the Sanitation Fund and \$2.9 million to other funds to fund various south beach, middle and north beach approved projects.

Redevelopment Agency (RDA) Fund transferred \$4.4 million to the general fund for the annual reimbursement the City's expenses for Admin, community policing and capital maintenance, \$21.6 million to other governmental funds for debt service payments, \$1.5 million to Beach Renourishment.

Interfund Balance at September 30, 2020, consisted of the following:

Payable fund (Due To)	Receivable fund(Due From)						Total
	General Fund	Resort Taxes	Redevelopment	Capital	Other Governmental	Other Enterprise	
General Fund	\$ -	\$ -	\$ 1,069,205	\$ 1,249,511	\$ 1,724,490	\$ 418,070	\$ 4,461,276
Other Governmental	5,814	317,485	-	-	-	-	323,299
Other Enterprise	388,019	-	-	-	-	-	388,019
	<u>\$ 393,833</u>	<u>\$ 317,485</u>	<u>\$ 1,069,205</u>	<u>\$ 1,249,511</u>	<u>\$ 1,724,490</u>	<u>\$ 418,070</u>	<u>\$ 5,172,594</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditure occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made.

**CITY OF MIAMI BEACH, FLORIDA
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As of September 30, 2020, the General Fund was due a total of \$4.5 million, from other funds. Of that amount \$1.1 million is due from the Redevelopment Agency (RDA) for disbursements paid from the general depository pooled account pending reimbursement from the RDA fund. An interfund loan for the Sunset Island underground utilities project in the amount of \$1.5 million and \$192 thousand due from HOME grant fund account to cover temporary cash deficit. Capital project expenses paid from the general depository pooled account and need reimbursement from RDA 2015 Bonds Convention Center fund for \$222 thousand and \$1 million for RDA City Center Capital projects fund.

NOTE 9 - Operating Leases

The City serves as the lessor for tenants leasing various parking facilities, marina, and offices and retail facilities. The tenant leases are considered operating leases, which expire at various dates through fiscal year 2052. Future minimum lease receivables under the operating leases at September 30, 2020, are as follows:

<u>September 30</u>	<u>Business-type Operating Leases</u>	<u>Governmental Operating Leases</u>
2021	\$ 1,844,005	\$ 2,307,146
2022	1,684,345	2,078,961
2023	1,325,288	1,977,013
2024	1,339,662	1,965,011
2025	1,297,799	1,637,731
2026 and thereafter	16,939,075	8,100,746
	<u>\$ 24,430,174</u>	<u>\$ 18,066,608</u>

The following schedule provides an analysis of the City's investment in property under operating leases and property held for lease by major classes as of September 30, 2020:

Parking facilities	\$ 7,947,504
Recreational facilities	15,071,132
Retail space	51,121,003
Marina	5,654,752
	<u>79,794,391</u>
Less: Accumulated depreciation	<u>(51,010,853)</u>
Net book value of leased assets	<u>\$ 28,783,538</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 10 - Long-Term Debt

A. General Obligation Bonds – Governmental Activities

The City issues general obligation bonds to provide funds for the acquisition, construction and improvements of major capital facilities. General obligation bonds have been issued for governmental activities. The amount of outstanding general obligation bonds issued is \$168,435,000. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 20-year serial bonds.

The General Obligation Bonds outstanding at September 30, 2020 consist of the following:

<u>Issue Name</u>	<u>Interest Rate</u>	<u>Year Issued</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Outstanding 9/30/2020</u>
General Obligation - Series 2011	3.00-5.00	2011	2023	\$ 34,840,000	\$ 6,315,000
General Obligation - Series 2019	3.00-5.00	2019	2049	<u>162,225,000</u>	<u>162,120,000</u>
Total General Obligation Bonds				<u>\$ 197,065,000</u>	<u>\$ 168,435,000</u>

On December 1, 2011, the City issued \$34,840,000 in General Obligation Refunding Bonds, Series 2011. These Series of bonds were issued by the City for the purpose of (i) refunding the Series 2000 General Obligation Bonds maturing after December 1, 2011, and the Series 2003 General Obligation Bonds maturing on and after September 1, 2014 through and including September 1, 2023, and (ii) paying the costs of issuance of the Bonds. The General Obligation Refunding Bonds, Series 2011 will be payable from ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City. The Series 2011 Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1 and will mature serially through September 1, 2023.

On November 6, 2018, the electorate of the City of Miami Beach approved the issuance of \$439,000,000 of general obligation bonds, consisting of (i) \$169,000,000 for parks, recreational facilities, and cultural facilities, (ii) \$198,000,000 for neighborhoods and infrastructure, and (iii) \$72,000,000 for police, fire, public safety, and security improvements. As the overall \$439 million General Obligation Bond (GOB) program will be implemented over a period of approximately 10 to 12 years, rather than all at once, the City anticipates issuing tranches every 3 years. On May 2, 2019, the City issued the first tranche \$162,225,000 in General Obligation and Refunding Bonds, Series 2019. These Series of bonds were issued by the City for the purpose of (i) finance a portion of the costs of the City's (a) Public Safety Projects, (b) Neighborhood and Infrastructure Projects, and (c) Parks and Recreation and Cultural Facilities Projects; (ii) refunding the Series 2003 General Obligation Bonds maturing after September 1, 2033, and (iii) paying the costs of issuance of the Bonds. The General Obligation and Refunding Bonds, Series 2019 will be payable from ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City. The Series 2019 Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on November 1 and May 1 and will mature serially through May 1, 2049. At September 30, 2020, the City did not have any defeased General Obligation debt.

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Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending September 30	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2021	\$ 5,445,000	\$ 7,348,400	\$ 12,793,400
2022	4,390,000	7,096,050	11,486,050
2023	3,555,000	6,876,550	10,431,550
2024	5,165,000	6,698,800	11,863,800
2025	3,425,000	6,440,550	9,865,550
2026-2030	19,570,000	29,516,750	49,086,750
2031-2035	24,490,000	24,505,900	48,995,900
2036-2040	29,975,000	18,421,750	48,396,750
2041-2045	37,135,000	11,254,800	48,389,800
2046-2049	35,285,000	3,437,638	38,722,638
	\$ 168,435,000	\$ 121,597,188	\$ 290,032,188
Plus: Unamortized Bond Premium	17,719,745	-	17,719,745
	\$ 186,154,745	\$ 121,597,188	\$ 307,751,933

B. Special Obligation Bonds – Governmental Activities

At September 30, 2020 the outstanding principal of special obligation bond issues and repayment sources are as follows:

Issue Name	Repayment Source	Total Original Issue	Total Outstanding Principal
1985E Gulf Breeze Fixed Rate, Series E	Non ad-valorem	\$ 22,500,000	\$ 1,170,000
2015 Resort Tax Revenue Bonds	Resort tax revenue	194,920,000	177,520,000
2015A Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	286,245,000	278,535,000
2015B Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	35,850,000	16,395,000
Total Special Obligation Bonds		\$ 539,515,000	\$ 473,620,000

On August 1, 2001, the City executed a loan agreement with the City of Gulf Breeze, Florida, Local Government Pool. Gulf Breeze Series E, in the amount of \$22,500,000, principal is to be repaid in nineteen annual installments commencing December 1, 2002 with interest paid semi-annually. \$17,115,000 was used to repay the outstanding balance of the City Gulf Breeze, Florida Local Government Loan Program Series 1985C variable rate notes. \$14,977,000 was used to repay a portion of the outstanding principal from the Sunshine State Loan. The remaining funds was be used for the renovation and improvement of two City owned golf courses and their related facilities.

On December 15, 2015, the City issued \$194,920,000 in Series 2015 Resort Tax Revenue Bonds for the purpose of providing funds to finance a portion of the costs of acquiring and constructing renovations to the Convention Center and related improvements and pay the costs of issuing the Series 2015 bonds. The Series 2015 bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1.

In August 2007, the Resort Tax Refunding Bonds, Series 1996, were defeased. As a result, the outstanding balance of \$3,060,000 was removed from the governmental activities column of the statement of net position. At September 30, 2020, \$250,000 is still considered defeased. On December 15, 2015 the City issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue

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Refunding Bonds to provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Series 2005B; finance certain costs of acquiring and constructing renovations to the convention center and certain other improvements; and pay costs of issuance of the Series 2015A bonds. The Series 2015A bonds were issued with interest rates of 4.00% to 5.00% payable semiannually on February 1 and August 1.

On December 15, 2015 the City issued \$35,850,000 in taxable Series 2015B Tax Increment Revenue Refunding Bonds to provide for the advance refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 1998A; provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 2005A; and pay costs of issuance of the Series 2015B bonds. The Series 2015B bonds were issued with interest rates of 1.93% to 3.69% payable semiannually on February 1 and August 1.

On September 22, 2005, the City partially refunded/defeased the Tax Increment Revenue Bonds, Series 1998A by the issuance of the Series 2005A and 2005B tax increment revenue refunding bonds. On December 15, 2015, the City issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue Refunding Bonds to provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Series 2005B. At September 30, 2020, \$1,480,000 is still considered defeased.

At September 30, 2020, debt service requirements to maturity for special obligation bonds are as follows:

September 30	Principal	Interest	Total
2021	\$ 12,385,000	\$ 22,974,735	\$ 35,359,735
2022	11,685,000	22,481,115	34,166,115
2023	12,155,000	22,027,697	34,182,697
2024	11,885,000	21,480,725	33,365,725
2025	12,480,000	20,876,975	33,356,975
2026-2030	72,285,000	94,521,325	166,806,325
2031-2035	92,380,000	74,430,250	166,810,250
2036-2040	118,360,000	48,447,375	166,807,375
2041-2045	130,004,988	15,892,675	145,897,663
	<u>473,619,988</u>	<u>343,132,872</u>	<u>816,752,860</u>
Plus: Net unamortized Bond Premium	40,000,757	-	40,000,757
	<u>\$ 513,620,745</u>	<u>\$ 343,132,872</u>	<u>\$ 856,753,617</u>

For the fiscal year ended September 30, 2020, maximum annual debt service on the RDA tax increment bonds was \$21,729,597 and the tax increment revenues totaled \$56,577,471. Remaining outstanding principal and interest is \$504,236,572.

For the fiscal year ended September 30, 2020, maximum annual debt service on the Resort Tax bonds was \$12,454,750 and the Resort Tax revenues totaled \$54,972,321. Remaining outstanding principal and interest is \$311,317,050.

C. Revenue Bonds – Business-Type Activities

Parking Fund

On November 16, 2010, the City issued \$17,155,000 in Parking Revenue Refunding Bonds, Series 2010A and \$27,405,000 in Parking Revenue Bonds, Series 2010B. The Series 2010A Bonds were used issued by the City for the purpose of providing funds, together with other available moneys, to (i) current refund the City's outstanding Parking Revenue Bonds, Series 1997, previously issued in the

**CITY OF MIAMI BEACH, FLORIDA
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aggregate principal amount of \$21,000,000, (ii) fund a deposit to the Reserve Account and (iii) pay costs of issuance of the Series 2010A Bonds. The Series 2010A Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2022.

The Series 2010B Bonds were issued by the City for the purpose of providing funds, together with other available moneys, to (i) pay the costs of acquiring and constructing a new parking garage and other capital improvements to the Parking System, (ii) fund a deposit to the Reserve Account and (iii) pay costs of issuance of the Series 2010B Bonds. The Series 2010B Bonds were issued with interest rates of 4.00% to 5.00% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2040. The Parking Revenue Refunding Bonds, Series 2010A and Series 2010B were refunded, defeased and paid with Loan dated August 4, 2020. At September 30, 2020, no Parking obligations were considered defeased.

On December 15, 2015, the City issued \$58,825,000 in Parking Revenue Bonds, Series 2015. The Series 2015 Bonds were issued for the purpose of providing funds to finance a portion of the costs of constructing a new parking facility and improvements to a surface parking lot to service the City's convention center, which is being renovated, and pay the costs of issuing the Series 2015 Bonds. The Series 2015 Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1, and will mature through September 1, 2045.

Parking Revenue Fund indebtedness at September 30, 2020, is comprised of the following issued indebtedness:

Initial Issuance	Description	Outstanding Principal
\$ 58,825,000	Series 2015 Parking Revenue Bonds due in annual installments through 2045: interest at 3.00% - 5.00%	\$ 58,510,000
	Total bonds outstanding	<u>\$ 58,510,000</u>

The aggregate maturities of Long-Term Debt at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2021	85,000	2,921,800	\$ 3,006,800
2022	200,000	2,919,250	3,119,250
2023	1,110,000	2,911,250	4,021,250
2024	1,165,000	2,855,750	4,020,750
2025	1,220,000	2,797,500	4,017,500
2026-2030	7,085,000	13,009,000	20,094,000
2031-2035	9,040,000	11,051,750	20,091,750
2036-2040	11,540,000	8,553,250	20,093,250
2041-2045	27,065,000	4,191,750	31,256,750
	<u>58,510,000</u>	<u>51,211,300</u>	<u>109,721,300</u>
Plus: Net Unamortized Bond Premium	5,383,026	-	5,383,026
	<u>\$ 63,893,026</u>	<u>\$ 51,211,300</u>	<u>\$ 115,104,326</u>

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All parking revenue bonds are payable from and secured by a lien on and pledge of net revenues derived from the operation of the City's parking system. The total principal and interest remaining to be paid on all Parking bonds is \$128,793,966. Principal and interest paid for the current year and total customer net revenues were \$4,524,112 and \$7,137,259, respectively.

On August 4, 2020, the City entered into a new loan agreement which allowed the City to refinance the outstanding Parking Revenue Refunding Bonds Series 2010A and Series 2010B up to a maximum of \$32,431,335. The interest rate per annum equal to 1.850% computed based upon a 360-day year of twelve 30-day months on this loan agreement. The City shall pay the Bank interest hereon in arrears on March 1 and September 1 of each year. Commencing on September 1, 2020. The source of funds for repayment of the Loan is Parking Non-Ad Valorem Revenue (as defined in the Loan Agreement) of the City budgeted and appropriated for the purpose. The loan is expected to be repaid over a period of approximately 10 years.

The aggregate maturities of Parking loans at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Direct Borrowing/Loan		
	Principal	Interest	Total
2021	\$ -	\$ 599,980	\$ 599,980
2022	2,284,793	599,980	2,884,773
2023	1,425,461	557,711	1,983,172
2024	1,452,232	531,340	1,983,572
2025	1,481,599	504,474	1,986,073
2026-2030	7,821,232	2,101,117	9,922,349
2031-2035	8,570,027	1,350,522	9,920,549
2036-2040	9,395,991	527,809	9,923,800
	\$ 32,431,335	\$ 6,772,932	\$ 39,204,267

Water and Sewer Fund

On February 1, 2010, the City obtained \$40,000,000 from the City of Gulf Breeze Revenue Refunding Bonds, Series 2010 issued to advance refund the remaining outstanding City of Gulf Breeze, Florida Local Government Loan Program Floating Rate Demand Revenue Bonds, Series 1985J (as originally issued the "1985J" Bonds" and with respect to the refunded portion, the "Refunded 1985J Bonds") in an estimated principal amount of \$40,000,000 on December 1, 2020 (Crossover Date). Interest on the Series 2010 Bonds is payable solely from investment earnings of Series 2010 Bond proceeds and earnings on amounts held in the Escrow Trust Fund created pursuant to the terms and provisions of a certain Escrow Trust Fund Agreement on February 1, 2010. On and after the Crossover Date and the payment and retirement of the Refunded 1985J Bonds in whole, until the Series 2010 Bonds are paid in full upon maturity, redemption or otherwise, the Series 2010 Bonds shall secured solely by the Revenues derived by the City from the Trust Estate relating solely to the Refunded 1985J Bonds in whole, until the Series 2010 Bonds are paid in full upon maturity or redemption.

On February 17, 2010, the City obtained three loans from the City of Gulf Breeze, Florida Local Government Loan Pool Program. The City used one of the loans from the City of Gulf Breeze, Florida, Series 1985J proceeds to pay the cost of certain improvements to its water and sewer utility. As evidence of such loans, the City's Water and Sewer Fund issued \$13,590,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1A, \$10,000,000 in Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B, \$30,000,000 in Water and Sewer Revenue Bonds, Taxable Series 2009J-1C. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The two refunding bonds were issued to

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partially refund the Water and Sewer Revenue Bonds, Series 2000, and the other bond was issued to construct various improvements and extensions to the Water and Sewer utility.

On December 14, 2017, the City issued \$115,180,000 in Water and Sewer Revenue and Refunding Bonds, Series 2017. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility and to fully refund the Series 2000, Series 2006B-2, and Series 2006 as of September 30, 2018. Principal is payable annually, interest is payable semiannually, and the issue bears interest of 3.00% to 5.00%.

At September 30, 2020, none of the bonds outstanding are considered defeased.

Indebtedness of the Water and Sewer Fund at September 30, 2020, is as follows:

Initial Issuance	Description	Outstanding Principal
\$ 13,590,000	2009J-1A Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2020: Interest at 4.10% - 4.50%	\$ 2,955,000
\$ 10,000,000	2009J-1B Water & Sewer Revenue Refunding Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2023: Interest at 4.82% - 5.00%	10,000,000
\$ 30,000,000	2009J-1C Water & Sewer Revenue Bonds Gulf Breeze Loan Series 1985J due in annual installments through 2039: Interest at 5.00%	30,000,000
\$ 115,180,000	2017 Water & Sewer Revenue and Refunding Bonds Due in semi-annual installments through 2047: Interest at 3.00 - 5.00%	111,555,000
	Total bonds outstanding	\$ 154,510,000

At September 30, 2020, none of the bonds outstanding are considered defeased.

The aggregate maturities of long-term debt as of September 30, 2020, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2021	\$ 4,455,000	\$ 7,272,794	\$ 11,727,794
2022	4,575,000	7,148,962	11,723,962
2023	4,805,000	6,916,213	11,721,213
2024	5,050,000	6,674,806	11,724,806
2025	5,210,000	6,512,900	11,722,900
2026-2030	23,480,000	28,871,250	52,351,250
2031-2035	23,290,000	23,104,575	46,394,575
2036-2040	29,755,000	16,644,225	46,399,225
2041-2045	36,635,000	9,763,200	46,398,200
2046-2047	17,255,000	1,304,750	18,559,750
	154,510,000	114,213,675	268,723,675
Plus:			
Net Unamortized bond Premium	13,932,514	-	13,932,514
	\$ 168,442,514	\$ 114,213,675	\$ 282,656,189

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All water & sewer revenue bonds are payable from and secured by a lien on and pledge of net revenues of the water and sewer utility and to the extent provided in the bond resolution, from impact fees, and from all moneys held in the funds and accounts established under the bond resolution. The total principal and interest remaining to be paid on the bonds is \$268,723,675.

Principal and interest paid for the current year and total customer net revenues were \$11,727,338 and \$28,792,940 respectively.

Storm Water

On February 17, 2010, the City obtained a loan from the City of Gulf Breeze, Florida Local Government Loan Pool Program. The City used this loan from the City of Gulf Breeze, Florida, Series 1985J proceeds to partially refund the Series 2000 bonds. As evidence of such loan, the City's Storm Water Fund issued \$16,185,000 in Storm Water Revenue Refunding Bonds, Taxable Series 2009J-2. The bonds will be repaid solely from pledged revenues of the Storm Water system. They are registered transcripts and insured.

On December 7, 2011, the City issued \$52,130,000 in Storm Water Revenue Bonds, Series 2011A and \$26,575,000 in Storm Water Revenue Refunding Bonds, Series 2011B. The Series 2011A Bonds were issued by the City for the purpose of providing funds to (i) pay the costs of certain capital improvements to its Storm Water Utility, (ii) fund a deposit to the Reserve Account, and (iii) pay the costs of issuing the Series 2011A Bonds. The Series 2011A Bonds were issued with interest rates of 4.00% to 5.25% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2041. The Series 2011B Bonds are being issued by the City for the purpose of providing funds, together with other available moneys of the City, to (i) refund, defease and redeem the outstanding Series 2000 Bonds, including interest to accrue to their redemption date, and (ii) paying the costs of such issuance, refunding, defeasance and redemption. The Series 2011B Bonds were issued with interest rates of 2.00% to 5.25% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2030. Both Series 2011A and 2011B Bonds will be repaid solely from pledged revenues of the Storm Water System. At September 30, 2020, \$44,270,000 and \$25,265,000 of the Series 2011A and 2011B bonds outstanding are considered defeased.

On August 5, 2015, the City issued \$99,590,000 in Stormwater Revenue Bonds, Series 2015. The Series 2015 Bonds were issued by the City for the purpose of providing funds to (i) finance a portion of the costs of certain capital improvements currently contemplated as part of the City's five year program to improve and enhance the effectiveness and reliability of the Stormwater Utility, and (ii) pay the costs of issuing the Series 2015 Bonds. The Series 2015 Bonds were issued with interest rates of 2.00% to 5.00% payable semiannually on March 1 and September 1, and will mature serially through September 1, 2045. The Series 2015 Bonds will be repaid solely from pledged revenues of the Stormwater System.

On December 22, 2017, the City issued \$156,550,000 in Stormwater Revenue and Refunding Bonds, Series 2017. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Stormwater utility and to partially advance refund (~92.8%) the Series 2011A and Series 2011B obligations as of September 30, 2018. Principal is payable annually, interest is payable semiannually, and the issue bears interest of 3.00% to 5.00%.

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Indebtedness of the Storm Water Fund at September 30, 2020, is as follows:

<u>Initial Issuance</u>	<u>Description</u>	<u>Outstanding Principal</u>
\$ 16,185,000	2009J-2 Storm Water Revenue Refunding Bonds Due in annual installments through 2020: Interest at 2.00% - 4.50%	\$ 1,915,000
\$ 52,130,000	2011A Storm Water Revenue Bonds Due in annual installments through 2041: Interest at 4.00% - 5.25%	1,285,000
\$ 26,575,000	2011B Storm Water Revenue Refunding Bonds Due in annual installments through 2030: Interest at 2.00% - 5.25%	155,000
\$ 99,590,000	2015 Storm Water Revenue Bonds Due in annual installments through 2045: Interest at 2.00% - 5.00%	97,775,000
\$ 156,550,000	2017 Storm Water Revenue and Refunding Bonds Due in annual installments through 2047: Interest at 3.00% - 5.00%	155,050,000
Total bonds outstanding		<u>\$ 256,180,000</u>

The aggregate maturities of long-term debt at September 30, 2020, are as follows:

Fiscal Year Ending September 30	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 4,350,000	\$ 11,594,206	\$ 15,944,206
2022	5,250,000	11,485,219	16,735,219
2023	5,505,000	11,231,794	16,736,794
2024	5,770,000	10,965,169	16,735,169
2025	6,050,000	10,683,669	16,733,669
2026-2030	34,990,000	48,682,125	83,672,125
2031-2035	43,085,000	40,592,975	83,677,975
2036-2040	53,045,000	30,622,063	83,667,063
2041-2045	67,015,000	16,656,250	83,671,250
2046-2047	31,120,002	2,353,000	33,473,002
	<u>256,180,002</u>	<u>194,866,470</u>	<u>451,046,472</u>
Plus Unamortized Premium	19,854,789	-	19,854,789
	<u>\$ 276,034,791</u>	<u>\$ 194,866,470</u>	<u>\$ 470,901,261</u>

All storm water revenue bonds are payable from and secured by a lien on and pledge of net revenues of the stormwater utility and from all moneys held in the funds and accounts established under the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$451,046,470. Principal and interest paid for the current year and total customer net revenues were \$16,002,582 and \$23,269,542 respectively.

D. Equipment Loan

On February 20, 2008, the City entered into a new loan agreement which allows the City to be reimbursed for the purchase of machinery and equipment up to a maximum of \$37,500,000. The interest rates on this loan agreement range from 1.9% to 4.5%.

On December 5, 2018, the City entered into an equipment loan agreement which allows the City to be reimbursed the purchase of vehicles and other equipment. The aggregate loan amount is for \$15,000,000 with funding available in \$500,000 disbursements. For advances payable over 60 months, the interest rate

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is the 3-year constant maturity Treasury Index multiplied by 75.50% plus 0.72%, for advances payable over 84 months, the interest rate is the 5-year constant maturity U.S. Treasury Index multiplied by 75.50% plus 0.71%, and for advances payable over 108 months, the interest rate is the 7 year constant maturity U.S. Treasury Index multiplied by 75.50% plus 0.94%.

At September 30, 2020, the City was indebted for \$5,996,817. These loans are recorded in the fleet internal service fund.

The aggregate maturities of the loan at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Direct Borrowing/Loan		
	Principal	Interest	Total
2021	\$ 1,612,862	\$ 95,612	\$ 1,708,474
2022	1,536,714	64,259	1,600,973
2023	1,406,628	34,436	1,441,064
2024	915,464	11,003	926,467
2025	486,021	2,783	488,804
thereafter	39,128	27	39,155
	<u>\$ 5,996,817</u>	<u>\$ 208,120</u>	<u>\$ 6,204,937</u>

On August 4, 2020, the City entered into a new loan agreement to refinance balances previously recorded as a lease, which allowed the City to refinance the outstanding equipment lease up to a maximum of \$7,155,665. The interest rate per annum equal to 1.850% computed based upon a 360-day year of twelve 30-day months on this loan agreement. The City shall pay the Bank interest hereon in arrears on March 1 and September 1 of each year. Commencing on September 1, 2020. The source of funds for repayment of the Loan (as defined in the Loan Agreement) is the City covenant to budget and appropriate funds for the purpose. This portion of the loan is expected to be repaid over a period of approximately 5 years.

Ending September 30	Direct Borrowing/Loan		
	Principal	Interest	Total
2021	\$ 1,217,807	\$ 132,380	\$ 1,350,187
2022	1,504,142	109,850	1,613,992
2023	1,591,784	82,024	1,673,808
2024	1,681,436	52,576	1,734,012
2025	1,160,496	21,469	1,181,965
	<u>\$ 7,155,665</u>	<u>\$ 398,299</u>	<u>\$ 7,553,964</u>

E. Capital Leases

On May 25, 2010, the City entered into an equipment lease purchase financing agreement in a principal amount of \$13,279,659, with interest at a fixed rate of 4.18% per annum, for the construction and purchase of energy savings equipment. At September 30, 2020 the total outstanding amount was refinanced with a Loan on August 4, 2020.

The City leases communication equipment which is classified under capital leases. The leased equipment is depreciated on a straight-line basis over 7 years. The accumulated amortization at September 30, 2020 on the debt was \$587,385, effective monthly interest rate relating to the lease is 3.06%. The equipment's original future present value of the minimum lease payments was \$1,409,725. The net book value of the leased asset at September 30, 2020 was \$822,340. Below is a schedule detailing the minimum lease payments and the related interest component of each payment. This amount is recorded in the IT Internal Service Fund.

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Fiscal Year Ending September 30	Direct Borrowing/Loan		
	Minimum Lease Payments	Interest	Present Value of the Minimum Lease Payments
	2021	\$ 308,307	\$ 18,010
2022	308,307	9,141	299,166
	\$ 616,614	\$ 27,151	\$ 589,463

F. Line of Credit

On May 21, 2014, the City of Miami Beach issued Resolution No. 2014-28599 which authorized the issuance of a line of credit not to exceed an aggregate principal amount of \$60 million to pay the costs of capital projects. The line of credit was obtained from one financial institution. The line of credit was renewed on July 29, 2016. Tax-exempt draws against the line of credit will have a variable interest rate of 70% of Libor rate plus 0.50%, and the taxable draws will have a variable rate equal to Libor rate plus 0.75%. For the period ending July 28, 2016, there will be an annual fee of 0.20% on the unused portion of the line of credit payable on a quarterly basis. For the periods commencing on July 29, 2016, the annual fee on the unused portion of the line of credit increased to 0.25%. The City shall pay the financial institution the entire unpaid principal balance together with all accrued and unpaid interest on May 30, 2018 (the "Maturity Date"). The Line was renewed on July 27, 2018 with Resolution 2018-30354. The annual fee for the line of credit is .25%. Tax-exempt draws against the line of credit will have a variable interest rate of 80% of Libor rate plus 0.55%, and the taxable draws will have a variable rate equal to Libor rate plus 0.75%. The line expired as of July 2020 and was not renewed.

G. Pension Loan

On September 1, 2005 the City issued \$53,030,000 in taxable Series 2005 Special Obligation Bonds for the purposes of, together with other legally available funds of the City, refunding the City's outstanding Series 1994 Taxable Special Obligation Bonds (Pension Funding Project) maturing September 1, 2015 and September 1, 2021, making the required payment with respect to a Hedge Agreement and paying the costs of issuing the Series 2005 and refunding the Refunded Bonds, including the premiums for the Bond Insurance Policy and Reserve Account Surety Bond. The Series 2005 bonds were issued with interest rates of 4.24% to 5.23% payable semiannually on March 1 and September 1.

On December 22, 2016 the City obtained a loan in the amount of \$19,679,000 to refund the outstanding Series 2005 taxable special obligation refunding bonds (as noted in the above paragraph). Interest of 1.69% is payable semiannually on March 1 and September 1, commencing on March 1, 2017. This loan fully refunded the \$53,030,000 in taxable Series 2005 Special Obligation Bonds.

The aggregate maturity of the pension loan obligations at September 30, 2020, is as follows:

Fiscal Year Ending September 30	Loan		
	Principal	Interest	Total
2021	\$ 1,149,000	\$ 19,418	\$ 1,168,418
Total	\$ 1,149,000	\$ 19,418	\$ 1,168,418

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H. Clean Water State Revolving Loan

On November 12, 2014, the City of Miami Beach entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. On November 24, 2020 Amendment No.1 to the Loan Agreement was executed. The semiannual loan payment amount is based on the total amount of \$7,697,180 which consist of the Loan principal, accrued Capitalized Interest plus the Loan Service Fee. Loan payments commenced on February 15, 2018 and semiannually thereafter on August 15 and February 15 of each year until all amounts due have been fully paid. The interest rate on this loan is 1.62% per annum. Loan disbursements from the State to the City will be made for reimbursements of allowable costs. The loan is recorded as a loan payable in the governmental activities of the City's government wide statements. As of September 30, 2020, \$7.5 million of allowable costs have been incurred by the City and \$7.5 million has been reimbursed from the State. The loan is secured by the Stormwater fund's pledged revenues and will be repaid with such funds.

The outstanding principal balance reported at September 30, 2020 is \$6,592,327 which consist of Loan Principal and Service Fee.

The aggregate maturities of the loan at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Loan			
	Principal	Interest	Service Fee	Total
2021	\$ 190,193	\$ 104,986	\$ 149,980	\$ 445,159
2022	345,267	99,892		445,159
2023	350,883	94,276		445,159
2024	356,590	88,569		445,159
2025	362,390	82,769		445,159
2026-2030	1,902,310	323,485		2,225,795
2031-2035	2,062,137	163,658		2,225,795
2036-2037	872,577	17,742		890,319
	<u>\$ 6,442,347</u>	<u>\$ 975,377</u>	<u>\$ 149,980</u>	<u>\$ 7,567,704</u>

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Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, is as follows:

	09.30.19 Ending Balance	Additions	Reductions	09.30.20 Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General Obligations	\$ 172,685,000	\$ -	\$ 4,250,000	\$ 168,435,000	\$ 5,445,000
Special Obligations	485,485,000	-	11,865,000	473,620,000	12,385,000
Plus: Unamortized Bond Premium	61,562,817	-	3,842,311	57,720,506	3,741,769
Less: Unamort Bond Discount	-	-	-	-	-
Less: Unamort deferred ref. cost (no longer inc)	-	-	-	-	-
Total bonds payable	<u>719,732,817</u>	<u>-</u>	<u>19,957,311</u>	<u>699,775,506</u>	<u>21,571,769</u>
Claims & judgements	42,793,331	31,708,521	28,471,926	46,029,926	8,715,000
Compensated absences	26,574,219	10,444,903	6,916,056	30,103,066	6,916,056
Energy Sav. Oblig. - Direct Placement	8,089,759	7,155,665	8,089,759	7,155,665	1,217,807
Net OPEB Liability	337,220,167	75,077,466	-	412,297,633	-
Pension Loan 2016	5,782,000	-	4,633,000	1,149,000	1,149,000
Loan Payable - Direct Borrowing	12,305,627	2,340,620	2,057,103	12,589,144	2,058,021
Env Remediation	3,886,092	3,840,000	329,092	7,397,000	2,723,000
Capital lease obligations - Direct Placement	871,153	-	281,690	589,463	290,297
Net Pension Liability - MBERP	165,867,421	9,622,584	-	175,490,005	-
Net Pension Liability - MBF&P	<u>304,665,075</u>	<u>45,015,740</u>	<u>-</u>	<u>349,680,815</u>	<u>-</u>
Governmental activity					
Long term liabilities	<u>1,627,787,661</u>	<u>185,205,499</u>	<u>70,735,937</u>	<u>1,742,257,223</u>	<u>44,640,950</u>
Business-type activities:					
Revenue bonds payable	509,385,000	-	40,185,000	469,200,000	8,890,000
Plus: Unamortized Bond Premium	41,270,254	-	2,099,925	39,170,329	2,051,941
Less: Unamort Bond Discount	<u>(342,901)</u>	<u>-</u>	<u>(342,901)</u>	<u>-</u>	<u>-</u>
Total bonds payable	<u>550,312,353</u>	<u>-</u>	<u>41,942,024</u>	<u>508,370,329</u>	<u>10,941,941</u>
Loan Payable - Direct Placement	-	32,431,335	-	32,431,335	-
Environmental remediation liability	101,386	8,000	101,386	8,000	8,000
Net OPEB Liability	27,961,121	6,928,630	646,035	34,243,716	-
Compensated absences	2,967,983	2,980,483	1,709,825	4,238,641	1,709,825
Deposits	10,209,356	5,254,306	5,467,346	9,996,316	5,467,346
Net Pension Liability - MBERP	<u>43,217,702</u>	<u>19,722,621</u>	<u>-</u>	<u>62,940,323</u>	<u>-</u>
Business-type activity					
Long term liabilities	<u>\$ 634,769,901</u>	<u>\$ 67,325,375</u>	<u>\$ 49,866,616</u>	<u>\$ 652,228,660</u>	<u>\$ 18,127,112</u>

The City's internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At September 30, 2020, \$1,727,588 in compensated absences \$589,463 in capital leases, and \$5,996,816 in loans payable are included in the above amounts for the internal service funds. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the internal service and general fund respectively.

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NOTE 11 - Governmental Fund – Fund Balance

Below is a table of fund balance categories and classifications at September 30, 2020 for the City's governmental funds.

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental	Total
Fund balances:						
Non-spendable:						
Prepays	\$ 9,255	\$ -	\$ -	\$ -	\$ 34,385	43,640
Total Prepaid	<u>9,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,385</u>	<u>43,640</u>
Restricted:						
General government	-	-	-	5,365,798	882,895	6,248,693
Public safety	-	-	-	27,178,547	751,243	27,929,790
Human services	-	-	-	-	218,440	218,440
Physical environment	-	-	-	1,968,213	75,779	2,043,992
Economic environment	-	-	59,865,325	5,983,986	2,382,193	68,231,504
Quality of Life Improvement	-	-	-	-	193,879	193,879
Transportation	-	-	-	133,000	55,441,855	55,574,855
Culture and recreation	-	22,175,065	-	98,698,729	1,365,347	122,239,141
Sewer Improvement	-	-	-	81,683	-	81,683
Street Improvement	-	-	-	21,506,975	-	21,506,975
Infrastructure	-	-	-	35,308,682	-	35,308,682
Communications	-	-	-	78,488	-	78,488
Capital Improvements	-	-	-	4,961,729	-	4,961,729
Neighborhood Improvement	-	-	-	24,304,605	-	24,304,605
South Pointe Improvement	-	-	-	15,865,224	-	15,865,224
Debt service	-	-	-	-	1,259,091	1,259,091
Total Restricted	<u>-</u>	<u>22,175,065</u>	<u>59,865,325</u>	<u>241,435,659</u>	<u>62,570,722</u>	<u>386,046,771</u>
Committed:						
Reserve-set aside for future budgets	4,891,000	-	-	-	-	4,891,000
Economic environment	-	-	-	-	413,233	413,233
General government	46,725	-	-	1,490,540	13,611	1,550,876
Public safety	82,000	-	-	77,044	-	159,044
Culture and recreation	24,000	-	-	6,837,502	25,212,952	32,074,454
Transportation	3,000	-	-	788,726	6,884,297	7,676,023
Human services	114,000	-	-	-	303,307	417,307
Physical environment	16,000	-	-	28,358	1,885,619	1,929,977
Public safety and health	59,524,310	-	-	-	-	59,524,310
Reserve pay as you go	-	-	-	13,201,999	-	13,201,999
Capital Reserve	-	-	-	5,104,912	-	5,104,912
Capital Renewal and Replacement	-	-	-	-	3,309,185	3,309,185
Total Committed	<u>64,701,035</u>	<u>-</u>	<u>-</u>	<u>27,529,081</u>	<u>38,022,204</u>	<u>130,252,320</u>
Assigned:						
General government	17,746,680	-	-	-	-	17,746,680
Planning	757,000	-	-	-	-	757,000
Public safety	66,000	-	-	-	-	66,000
Economic environment	65,000	-	-	-	-	65,000
Human services	23,000	-	-	94,319	-	117,319
Culture and recreation	64,000	-	-	-	-	64,000
Total Assigned	<u>18,721,680</u>	<u>-</u>	<u>-</u>	<u>94,319</u>	<u>-</u>	<u>18,815,999</u>
Unassigned:						
Non-funded Capital	-	-	-	(181,214)	-	(181,214)
Reimbursable grants funds	-	-	-	(8,673,602)	(949,645)	(9,623,247)
Residual fund balance	1,532,002	-	-	-	-	1,532,002
Unrealized gains	9,765,421	-	-	(32,469)	-	9,732,952
Total Unassigned	<u>11,297,423</u>	<u>-</u>	<u>-</u>	<u>(8,887,285)</u>	<u>(949,645)</u>	<u>1,460,493</u>
Total Fund Balance	<u>\$ 94,729,393</u>	<u>\$ 22,175,065</u>	<u>\$ 59,865,325</u>	<u>\$ 260,171,774</u>	<u>\$ 99,677,666</u>	<u>\$ 536,619,223</u>

The negative unassigned fund balance in the Capital projects funds is due to reimbursable grants pending reimbursement from the Florida Department of Transportation, Florida Division of Emergency Management and US Department of Agriculture, Natural Resource and Conservation Service, in the following projects: \$4.1 million in the A1A Indian Creek project, \$2.9 million for the Middle Beach Recreational Corridor project, and \$815 thousand for the Hazard Mitigation Window Retrofit project and \$269 thousand for Hurricane Irma Emergency Watershed Protection project. The negative unassigned fund balance in the other Special

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Revenue funds is primarily due to reimbursable grants pending reimbursement from Agencies for the Sunset Islands 3 & 4 undergrounding, Children’s Trust Grants and Police Department Grants.

NOTE 12 - Risk Management

The City is exposed to various risks of loss from civil liability to other parties (automobile liability, general liability, police professional liability, public official liability); statutory workers' compensation benefits for injured employees; and the theft or accidental damage to City property (buildings and business contents).

The City established an internal service Self-Insurance Fund (the “Fund”) to account for its risk financing activities. The Fund pays for all claims and judgments for which the City is liable, for self-insured programs, and the premium costs for insurance policies that protect the City's property and financial interests.

Insurance coverage is procured for losses to City buildings above various deductible amounts. The City maintains excess coverage with an independent insurance carrier solely for Workers Compensation. The City does not maintain excess coverage with independent insurance carriers for general, automobile, police professional and public official liability programs. Premiums are charged to the respective City funds and determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. There were no settlements in excess of applicable insurance for the past three years. During fiscal year 2020 the City paid \$5 million in property insurance premiums (including flood insurance).

The Fund derives revenue from all City departments through an allocation formula and from investment income earned on cash and investments within the Fund. The Fund accrues an amount based on an external actuarial computation which includes known claims and an estimate for claims incurred but not yet reported, regardless of the ultimate date of payment or disposition.

The following are the changes in the funds' claims liability amount during fiscal years 2020 and 2019 respectively:

	2020	2019
Unpaid claims, beginning of year	\$ 41,217,331	\$ 40,395,364
Incurred claims (includes incurred but not yet reported)	10,459,632	7,024,514
Less: claim payments	7,003,037	6,202,547
Unpaid claims, end of year	\$ 44,673,926	\$ 41,217,331

The City established an internal service Health Insurance Fund (the “Fund”) to account for Medical and Dental activities. Revenues from employee and City premiums are recorded in the Fund. The Fund pays for all claims and the premium cost of “stop loss” insurance coverage. Both medical and dental claims are administered by a third-party service provider.

The following are the changes in the funds' claims liability amount during fiscal years 2020 and 2019 respectively:

	2020	2019
Unpaid claims, beginning of year	\$ 1,576,000	\$ 1,810,000
Incurred claims (includes incurred but not yet reported)	21,248,889	21,438,819
Less: claim payments	21,468,889	21,672,819
Unpaid claims, end of year	\$ 1,356,000	\$ 1,576,000

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NOTE 13 - Pollution Remediation

GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, establishes accounting and financial reporting standards for pollution remediation obligations. The City has identified eight (8) sites that are undergoing pollution remediation activities. These sites and activities are as follows:

1. Miami Beach Golf Course Material Recovery Facility (MRF) Ammonia Investigation;
2. Miami Beach Golf Course Petroleum Cleanup;
3. Miami Beach Golf Course Arsenic Investigation MOP;
4. Normandy Shores Golf Course Arsenic Investigation MOP;
5. Maurice Gibb Park Hydrocarbon Investigation;
6. Fleet Management Mechanical Maintenance Facility Synthetic Oil and Hydrocarbon Investigations;
7. Former Par 3 Golf Course Arsenic Investigation;
8. Miami Beach Convention Center Arsenic Investigation; and
9. Collins Park Garage Hydrocarbon Remediation.

As of September 30, 2020, the City has recorded pollution remediation liabilities of:

<u>Fund</u>	<u>Description</u>	<u>Total Obligation</u>	<u>Current Obligation</u>
General Fund	Normandy Shores Golf Course Arsenic Investigation MOP	\$ 65,000	\$ 15,000
General Fund	Fleet Management Synthetic Oil & Hydrocarbon Investigations	1,000,000	55,000
Capital Projects	Collins Park Garage	1,050,000	30,000
Capital Projects	Former Par 3 Arsenic Investigation	4,000,000	1,900,000
Capital Projects	Maurice Gibb Park Hydrocarbon Contamination	782,000	600,000
Capital Projects	Miami Beach Convention Center Arsenic Investigation	500,000	123,000
Sanitation	Miami Beach Golf Course Materials Recovery Facility (MRF) Ammonia Contamination	8,000	8,000
		<u>\$ 7,405,000</u>	<u>\$ 2,731,000</u>

Other remediation or monitoring costs were deemed immaterial and will be paid from annual operating expenses. These obligations are estimates and are subject to change depending on price increases or reductions, technology, and changes in laws and regulations.

NOTE 14 - Significant Commitments and Contingencies

The City, in the normal course of operations, is a party to various other actions in which plaintiffs have alleged certain damages. In all cases, management does not believe the disposition of these matters will materially affect the financial position of the City. Probable losses are accrued in the City's Risk Self-Insurance fund.

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The City participates in several Federal and State assisted grant programs, which are subject to financial and compliance audits. Audits for these programs are to be conducted at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.

NOTE 15 – Special Item - New Building and Office of Inspector General Funds

October 1, 2019, the City created 2 new proprietary funds for the Building Department and the Office of the Inspector General. The activities related to these funds were previously recorded in the General Fund and government wide activities. As a result of the new funds certain allocations were calculated in order to transfer long term obligations pertaining to Pensions, OPEB and Compensated Absences. Current expenses for fiscal year 2020 were recorded in fund statements as deemed appropriate, however balances related to prior years were recorded as transfers and total obligations related to pension, OPEB and compensated absences were recorded in fund statements accordingly. Total balances transferred from the General Fund and government wide statements to the Building Fund and OIG Fund are detailed below, these balances are recorded as Special Items on the Government wide and respective fund statements.

Equity Transfer	<u>Buidling Fund</u>	<u>Office of Inspector General</u>	<u>Total tranferred from General Fund</u>
Net Pension Transfer	\$ 9,352,099	\$ 1,120,578	\$ 10,472,677
Net OPEB Transfer	352,753	19,716	372,469
Net Compensated Abscenses	891,459	57,419	948,878
Total Transfer per Fund	<u>\$ 10,596,311</u>	<u>\$ 1,197,713</u>	<u>\$ 11,794,024</u>

In addition, to the transfer noted above there was an additional transfer of \$18.5 million to the building fund which included cash balances from prior years.

NOTE 16 - Pension Plan

A. Miami Beach Employees' Retirement Plan (MBERP)

Summary of Significant Accounting Principles

The Plan financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date.

Investments are recorded at fair value, except for short-term investments which are reported at amortized cost, in the Statement of Plan Net Position. Fair value 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. The diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 The City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System

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(OASI) embodied in the Social Security Act. The Miami Beach Employees' Retirement Plan (the Plan) is a single employer defined benefit pension plan for general employees established by the City of Miami Beach, Florida (the City) effective March 18, 2006. The Miami Beach Employees' Retirement System was created under and by the authority of Chapter 18691, Laws of Florida, Act of 1937, as amended, by merging the "Retirement System for General Employees of the City of Miami Beach" created by Ordinance 1901 with the "Retirement System for Unclassified Employees and Elected Officials of the City of Miami Beach" created by Ordinance 88-2603, as amended. Members are full-time employees, classified and unclassified positions, who work more than 30 hours per week except for policemen and firemen and persons who elect to join the defined contribution retirement Plan sponsored by the City. Membership consisted of the following as of October 1, 2019 the date of the latest actuarial valuation:

Inactive plan members and beneficiaries currently receiving benefits	1,086
Inactive plan members entitled but not yet receiving benefits	208
Active plan members	1,254
Total members	2,548

The plan provides for retirement benefits as well as death and disability benefits at three different tiers depending on when the members entered the Plan.

The First Tier is for members who entered the Plan prior to the Second Tier Dates. The Second Tier is for members who entered the Plan on or after the Second Tier Dates but before the Third Tier Dates. The Third Tier is for members who entered the Plan on or after the Third Tier Dates. Both the Second Tier and Third Tier Dates were established when each of the unions bargained with the City to establish new guidelines for retirement benefits relating to employees associated with their Unions. The Second Tier Dates are April 30, 1993 for members of AFSCME; August 1, 1993 for those classified as Other and GSAF, and February 21, 1994 for members of CWA. The Third Tier Dates are September 30, 2010 for members of AFSCME, GSAF and for those classified as other, and October 27, 2010 for members of CWA.

Classified members administered under the First Tier are eligible for normal retirement at age 50 and five years of Creditable Service and are entitled to benefits of 3% of Final Average Monthly Earnings (FAME) multiplied by the first 15 years of Creditable Service plus 4% of FAME multiplied by years of service in excess of 15 years, with the total not to exceed 90% of FAME. First Tier unclassified members accrued 4% for creditable service before October 18, 1992. Unclassified First Tier members accrued 3% per year of service after October 18, 1992, with the total not to exceed 80% of FAME. Classified and unclassified members administered under the Second Tier are eligible for Normal Retirement at age 55 and five years of creditable service and are entitled to benefits of 3% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. Classified and unclassified members administered under the Third Tier are eligible for Normal Retirement at age 55 with at least 30 years of creditable service, or age 62 with at least five years of creditable service and are entitled to benefits of 2.5% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. For elected officials, City Manager or City Attorney, the benefit is 4% of FAME for each year of creditable service as an elected official, city manager or city attorney plus the retirement benefit as defined above for any other period of city employment, subject to a maximum of 80% of FAME.

Final average monthly earnings (FAME) means one-twelfth of the average annual earnings during the highest two paid years of credible service. For Unclassified First Tier members who became a member prior to October 18, 1992 and was continuously a member from that date until March 18, 2006, FAME is defined as the larger of one-twelfth average covered salary during the two highest paid years of creditable service or one-twelfth of the pay of the year immediately preceding March 18, 2006. Effective as of September 30, 2010, FAME for members who have obtained normal retirement age or are within 24 months from normal retirement age is defined as average covered salary during the two highest

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paid years of creditable service. FAME for those members who as of September 30, 2010 are between 24 and 36 months from normal retirement age is defined as average covered salary during the three highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 36 and 48 months from normal retirement age is defined as average covered salary during the four highest paid years of creditable service. FAME for those members who as of September 30, 2010 are more than 48 months from normal retirement age is defined as average covered salary during the five highest paid years of creditable service.

Any First Tier member who terminates employment may either request a refund of their own contributions plus interest, or receive their accrued benefit beginning at age 50, if at least five years of creditable service are completed. Any Second Tier member who entered on or after the Second Tier Date and who terminates employment after five years of creditable service may either request a refund of their own contributions plus interest or receive their accrued benefit beginning at age 55. Any Third Tier member who entered on or after the Third Tier Date and who terminates employment after five years of creditable service but prior to the normal or early retirement date shall be eligible to receive a normal retirement benefit at age 62.

Deferred Retirement Option Plan (DROP)

A DROP was enacted on January 28, 2009 by Ordinance 2009-3626. Under this Plan, First and Second Tier members who have attained eligibility for Normal Retirement may continue working with the City for up to three years, while receiving a retirement benefit that is deposited into a DROP account. Third Tier members may participate in a DROP account for up to five years. Effective July 17, 2013, Members within classifications in the CWA bargaining unit who were hired prior to October 27, 2010, and Members not included in any bargaining unit who were hired prior to September 10, 2010, may elect to retire for the purposes of the Plan but continue employment with the City for up to sixty months, and have their monthly retirement benefit paid into a DROP account during the DROP period. Effective October 1, 2013, any member within classifications in the GSAF bargaining may elect to retire for the purposes of the Program but continue employment with the City for up to sixty months, and have their monthly retirement paid into a DROP account during the DROP period. Effective April 23, 2014, members within classifications in the AFSCME bargaining unit who were hired prior to September 30, 2010, may elect to retire for the purposes of the Plan but continue employment with the City for up to sixty months, and have their monthly retirement benefits paid into a DROP account during the DROP period. The amount of the benefit is calculated as if the participant had retired on the date of DROP commencement. Upon termination with the City, the accumulated value of the DROP account is distributed to the participant. A member's creditable service, accrued benefit and compensation calculation shall be frozen.

A series of investment vehicles which are established by the board of trustees are made available to DROP participants to choose from. Any losses, charges, or expenses incurred by the participant in their DROP account are not made up by the City or the Trust, but shall be borne by the participant. Upon termination of employment, a member may receive distributions in accordance with the Plan.

A DROP participant shall not be entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there shall be no accidental death benefit for pension purposes. DROP participation does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement. First and Second Tier members receive an annual cost-of-living adjustment (COLA) of 2.5%. The COLA is not payable while members are in the DROP. For Third Tier members the COLA is 1.5%.

As of September 30, 2020, there were 127 members in the DROP and the value of DROP investment was \$15,209,171 which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$246,000 in loans were outstanding as of September 30, 2020.

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Funding Policy, Contributions Required and Contributions Made

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the members. All First Tier members who participate are required to contribute 12% of their covered salary to the Plan. All Second and Third Tier members are required to contribute 10% of their covered salary. The City Commission has the authority to increase or decrease contributions.

For the fiscal year ended September 30, 2020, the City was required to make contributions of \$31,475,030 or 35.7% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2018. For the year ended September 30, 2020, the employees contributed \$8,665,597 and buybacks were \$1,177,837.

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

For the year ended September 30, 2020, the City recognized pension expense of \$13,098,183. At September 30, 2020, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 909,756	\$ 1,836,477
Change in Assumptions	31,893,792	-
Net Difference between projected and actual earnings on pension plan investments	5,907,556	-
City contributions subsequent to the measurement date	31,475,030	-
	<u>\$ 70,186,134</u>	<u>\$ 1,836,477</u>

City contributions of \$31,475,030 subsequent to the measurement date that are reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Amorization of Net Deferred Inflows/OutFlows

Year	Amortization
2021	\$ 10,597,793
2022	10,574,835
2023	7,847,552
2024	7,636,012
2025	218,435
	<u>\$ 36,874,627</u>

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	39% %	7.03 %
Fixed income	28%	3.13
International equities	16%	8.68
Real estate	10%	6.05
Infrastructure	7%	7.50
Total	<u>100 %</u>	

Discount

A single discount rate of 7.50% was used to measure the total pension liability. This is a decrease of 0.10% from the discount rate of 7.6% used in the prior measurement. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.50%. 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 the total 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 (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The following table shows the components of the City's annual pension liability and related plan fiduciary net position measured as of September 30, 2019:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a-b)</u>
Balance at September 30, 2018	\$ 865,978,062	\$ 656,207,611	\$ 209,770,451
Changes for the year			
Service cost	16,171,537	-	16,171,537
Interest	65,045,122	-	65,045,122
Difference between expected and actual experience of the total pension liability	1,117,690	-	1,117,690
Changes of assumptions	10,022,465	-	10,022,465
Contributions - employer	-	31,864,304	(31,864,304)
Contributions - employee	-	8,512,207	(8,512,207)
Net investment income	-	23,328,881	(23,328,881)
Benefit payments	(51,014,104)	(51,014,104)	-
Refunds	(1,571,361)	(1,571,361)	-
Administrative expenses	-	(827,919)	827,919
Other	-	-	-
Net changes	<u>39,771,349</u>	<u>10,292,008</u>	<u>29,479,341</u>
Balances at September 30, 2019	<u>\$ 905,749,411</u>	<u>\$ 666,499,619</u>	<u>\$ 239,249,792</u>

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

The following presents the Plan's net pension liability calculated using a single discount rate of 7.50 percent, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.50%	7.50%	8.50%
\$ 350,397,153	\$ 239,249,792	\$ 147,338,079

B. Retirement System for Firefighters and Police Officers (MBF&P)

Summary of Significant Accounting Principles

The Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenues when due pursuant to actuarial valuations. Share plan contributions are recognized as revenues in the period in which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend rate.

Investments are recorded at fair value in the Statement of Fiduciary Net Position. Fair value 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. The diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates.

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The plan is a single employer defined benefit plan established by the City of Miami Beach, Florida (The "City") and was created under Chapter 23414, Laws of Florida, Special Acts of 1945, as amended through ordinance No. 2016-4035 adopted September 27, 2016. The Plan's governing board is the Board of Trustees, which comprises nine members: three of which are elected by the active and retired members of the fire department, three of which are elected by the active and retired members of the police department, and three of which are appointed by the mayor. Members are substantially all certified police officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following five tiers:

Tier One members are those hired prior to July 14, 2010.

Tier Two members are those hired on or after July 14, 2010, but prior to September 30, 2013.

Tier Three members are those hired on or after September 30, 2013, but prior to June 8, 2016 and July 20, 2016 for Fire Department and Police Department members, respectively.

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Tier Four members are those hired on or after June 8, 2016, but prior to May 8, 2019, for the Fire Department members and July 20, 2016, but prior to July 31, 2019 for the Police Department members. Tier Five members are those hired on or after May 8, 2019 and July 31, 2019 for the Fire Department and Police Department, respectively,

Tier One members

Members who met eligibility to retire prior to September 30, 2013 may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when age and length of creditable service equals to at least 70 years. Members eligible to retire on or after September 30, 2013 may retire on a service retirement pension upon the attainment of age 50 or, if earlier, the date when the member attains age 47 and length of creditable service equals to at least 70 years. or when the member reaches the 85% maximum pension benefit regardless of age.

Upon retirement, a member who met eligibility to retire on or before September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 15 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 15 years, provided that the pension does not exceed 90% of the average monthly salary. Members who met eligibility to retire on or after September 30, 2013 will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. All retirees and beneficiaries receiving a monthly pension as of September 30, 2010 will receive a 2.5% increase in benefits on October 1st of each year. Members that retire on or after September 30, 2010 will receive a 2.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Two members

Any member may retire on a service retirement pension upon the attainment of age 50 and the completion of at least 5 years of credible pension service or, if earlier, the date when the member attains age 48 plus the length of creditable service equals to at least 70 years or when the member reaches the 85% maximum pension benefit regardless of age.

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the three highest paid years prior to the date of retirement or the average of the last three paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Three members

Any member may retire on a service retirement pension upon the attainment of age 50 and the completion of at least 5 years of credible pension service or, if earlier, the date when the member attains age 48 plus the length of creditable service equals to at least 70 years or when the member reaches the 85% maximum pension benefit regardless of age. Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary

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for the five highest paid years prior to the date of retirement or the average of the last five paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Four and Tier Five members

Any member may retire on a service retirement pension upon the attainment of age 52 and the completion of at least 5 years of credible pension service or, if earlier, the date when the member attains age 48 plus the length of creditable service equals to at least 70 years.

Upon retirement, a member will receive a monthly pension, payable for life, equal to 3% of the average monthly salary, as defined in the Plan ordinance, for each of the first 20 years of creditable service and 4% of the average monthly salary for each year of creditable service in excess of 20 years, provided that the pension does not exceed 85% of the average monthly salary. The average monthly salary of the employee is computed based on the salary for the 5 highest paid years prior to the date of retirement or the average of the last 5 paid years to the employee prior to the date of retirement, whichever produces the greater benefit after consideration of the overtime limitations. For limitation and detailed information, please see the pension plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Any member of the plan who becomes totally and permanently disabled at any time as a result of illness or injury suffered in the line of duty may be retired on an accidental disability pension. For a service-connected disability, the minimum pension payable is 85% of monthly salary of the employee at the time of disability retirement, less any offset for worker's compensation. Any member who becomes totally or permanently disabled after 5 years of creditable service as a result of illness or injury not suffered in the line of duty may be retired on an ordinary disability retirement pension. Upon a non-service connected disability retirement, a member receives a monthly pension equal to the monthly pension benefit accrued to date of disability. The plan also has various pre-retirement death benefit.

If a member resigns or is lawfully discharged prior to 5 years of service, their contributions with 3% interest per annum are returned to them. The Plan also provides a special provision for vested benefits for members who terminate after 5 or 10 years of service.

The payment of retirement benefits is payable to the member for his or her life. Upon death of member, except those retiring prior to November 5, 2003, the standard benefit is a 75% joint and survivor annuity with a specified beneficiary as provided under the plan. The specified beneficiary will receive a survivor annuity equal to 100% of the total benefit for one year following the death of the member and thereafter 75% of the total benefit until death or remarriage. However, upon death, if the member has been married or in a domestic partnership for less than 10 years, the survivor annuity is payable only for the life expectancy of the deceased member at time of death.

In lieu of the standard benefit, the members may elect the actuarial equivalent of the 10-year certain and life annuity, with a designated beneficiary, any of the following, optional forms of payment:

- 75% joint and contingent survivor annuity with a designated beneficiary
- 66 $\frac{2}{3}$ % joint and contingent survivor annuity with a designated beneficiary
- 50% joint and contingent survivor annuity with a designated beneficiary
- 25% joint and contingent survivor annuity with a designated beneficiary
- 10 year certain and life annuity with a designated beneficiary

**CITY OF MIAMI BEACH, FLORIDA
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At September 30, 2020 the plan membership consisted of the following:

Active Members		494
Deferred Vested Members		20
Retired Members and beneficiaries:		
a. Service	737	*
b. Disabled	57	
		794
Total		1,308

* Including members in the DROP

Deferred Retirement Option Plan (DROP)

An active member of Tier One may enter into the DROP on the first day of any month after meeting eligibility to retire. Members who entered the DROP on or before September 30, 2015, shall be eligible to participate for a period not to exceed 72 months. Members who entered the DROP on or after October 1, 2015, shall be eligible to participate for a period not to exceed 96 months. All members shall receive a 2.5% COLA increase in benefits annually on the anniversary date of the member's entry into the DROP, in conjunction with a few annual exceptions.

An active member of Tier Two, Three or Four may enter into the DROP on the first day of any month after meeting eligibility to retire. Members who entered the DROP on or after October 1, 2015, shall be eligible to participate for a period not to exceed 96 months. All members shall receive a 1.5% COLA increase in benefits annually on the anniversary date of the member's entry into the DROP, in conjunction with a few annual exceptions.

Once a member enters the DROP, their monthly retirement benefit is fixed, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including earnings, is payable to them and they will begin to receive their normal retirement benefit.

At September 30, 2020, the total amount of the Deferred Retirement Option Plan payable, \$32,473,684 represents the balance of the self-directed participants as all the participants are now in the self-directed DROP.

Funding Policy, Contributions Required and Contributions Made

The City (the "Employer") is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable. All Tier One and Tier Two members are required to contribute 10% of their salary to the Plan, while all Tier Three, Four and Five members are required to contribute 10.5% of their salary to the Plan. The City Commission has the authority to increase or decrease contributions.

The actual contribution from the City of Miami Beach, and the State of Florida for active employees for the fiscal year ended September 30, 2020, was \$42,658,455 and \$120,549 respectively. Covered payroll excluding DROP members was \$66,441,610. The contribution required from the City and the State of Florida for the fiscal year ended September 30, 2020, was actuarially determined by the October 1, 2018 valuation to be \$42,307,243 subsequent to measurement date.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

For the year ended September 30, 2020, the City recognized pension expense of \$23,562,029. At September 30, 2020, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 14,561,482	\$ -
Change in assumptions	20,905,841	-
Net difference between projected and actual actual earnings on pension plan investments	7,599,174 -	- -
City contributions subsequent to measurement date	<u>42,307,243</u>	<u>-</u>
	<u>\$ 85,373,740</u>	<u>\$ -</u>

City contributions of \$42,307,243 subsequent to the reporting date that are reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending September 30		
2021	\$	15,372,326
2022		10,450,518
2023		9,532,775
2024		<u>7,710,878</u>
	<u>\$</u>	<u>43,066,497</u>

**CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2020**

The following methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2018. The actuarial valuation was rolled forward to the September 30, 2019 measurement date.

Valuation Date	October 1, 2018
Measurement Date	September 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Amortization Period	30 years
Asset Valuation Method:	5-year smoothed market
Inflation	3.00%
Payroll Growth	2.70%
Salary Increases	2.88% -10.49%
Cost of Living Increase	1.50% , 2.00% , or 2.50%
Investment Rate of Return	7.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Mortality Table, both sets forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.</p> <p>For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with scale MP-2018.</p> <p>For disabled male participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.</p>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Discount

A discount rate of 7.75% was used to measure the September 30, 2019 total pension liability; a decrease from the prior year rate of 7.80%. This discount rate was based on the expected rate of return on Fund investments of 7.75%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future expected benefit payments to current Fund members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability of the City

The components of the net pension liability of the Plan at September 30, 2020 were as follows:

Total Pension Liability	\$ 1,290,634,476
Plan Fiduciary Net Position	\$ (940,953,661)
Net Pension Liability	\$ 349,680,815

The Net Pension Liability is 526% of the covered payroll.

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

Target Asset Class	Assumed Asset Allocation
Domestic equities	50%
Fixed income	30
International equities	5
Real estate funds	10
Cash/short-term investments	5
Total	100%

Asset Class	<u>Long-Term Expected Rate of Return</u> Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate Funds	4.50%
Alternatives	5.55%

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
	\$ 1,229,168,051	\$ 924,502,976	\$ 304,665,075
Service cost	20,212,389	-	20,212,389
Interest	94,542,878	-	94,542,878
Difference between expected and actual experience of the total pension liability	7,883,134	-	7,883,134
Changes of assumptions	7,294,349	-	7,294,349
Contributions - employer		39,747,149	(39,747,149)
Contributions - employee		6,972,214	(6,972,214)
Net investment income		39,053,408	(39,053,408)
Benefit payments	(68,466,325)	(68,466,325)	-
Refunds	-	-	-
Administrative expenses	-	(855,761)	855,761
Other	-	-	-
	<u>61,466,425</u>	<u>16,450,685</u>	<u>45,015,740</u>
	<u>\$ 1,290,634,476</u>	<u>\$ 940,953,661</u>	<u>\$ 349,680,815</u>

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

The following presents the Plan's net pension liability calculated using the discount rate of 7.75 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	<u>\$517,515,953</u>	<u>\$349,680,815</u>	<u>\$212,909,443</u>

C. Florida's Federal-State Social Security Agreement

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955, the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. Instead, it provides eligible employees a comprehensive defined benefit pension plan. Contributions to Social Security for fiscal year 2020 and 2019 would have been \$11,772,376 and \$11,498,175 respectively. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare, and withholds taxes accordingly.

D. Firemen's and Police Relief and Pension Funds

The City's firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within City limits. This tax, which is collected from insurers by the State of Florida, is remitted to the Plans' Boards of Trustees. The City is under no obligation to make any further contributions to the plans. The excise taxes received from the State of Florida and remitted to the plans for the year ended September 30, 2020 was \$1,521,666 for firefighters and \$756,953 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year.

**CITY OF MIAMI BEACH, FLORIDA
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Plan benefits are allocated to participants based upon their service during the year and the level of funding received during the year. Participants are fully vested after 10 years of service with no benefits vested prior to 10 years of service, except those prior to June 1983. All benefits are paid in a lump sum format, except for the Police Relief Funds, where participants may also elect not to withdraw or to partially withdraw, his or her retirement funds.

E. Defined Contribution Retirement Plan-401(A)

Effective October 18, 1992 City's Ordinance No. 92-2813 provided for the creation of a Defined Contribution Retirement Plan (the "Plan") under section 401(A) of the internal revenue code of 1986. The Plan provides retirement and other related benefits for eligible employees as an option over the other retirement systems sponsored by the City.

Any person employed on or after October 18, 1992, in the unclassified service of the City, has the right to select the Plan as an optional retirement plan to the Unclassified Employees and Elected Officials Retirement System. At the time of the Ordinance, employees of the City who were members of the Unclassified Employee and Elected Official Retirement System (the "System") had the irrevocable right to elect to transfer membership from the System to the Plan for a limited period of time. Effective March 19, 2006 the Plan is no longer offered to new employees of the City. Employees participating in the Plan prior to March 19, 2006 were given the option to transfer membership to the System.

The Plan is administered by a Board of Trustees, which has the general responsibility for the proper operation and management of the Plan. The Plan complies with the provisions of section 401(A) of the Internal Revenue Code of 1986 and may be amended by the City Commission of the City. The City has no fiduciary responsibility for the Plan, consequently, amounts accrued for benefits are not recorded in the fiduciary fund.

Employees in the Plan hired prior to February 21, 1994 are required to contribute 10% of their salary while those hired subsequent to February 21, 1994 are required to contribute 8% of their salary. The City matches the employee's contribution 100%. The Plan of each employee is the immediate property of the employee. Employees have Nationwide Retirement Solutions or IMCA-RC as their plan administrator. In addition, the employee is responsible for the investment of their funds amongst choices of investment vehicles offered by their selected plan administrator.

Plan information as of and for the fiscal year ended September 30, 2020 is as follows:

Members in the Plan	22
City's contribution	\$ 108,809
Percentage of covered payroll	7.71%
Employees' contribution	108,797
Percentage of covered payroll	7.73%

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

F. Aggregate Pension Amounts

The below chart shows the aggregate fiscal year 2020 pension liabilities, deferred inflows, deferred outflows, and pension expenses by pension plan:

PRIMARY GOVERNMENT				
	Miami Beach Employees' Retirement System	Retirement System for Firefighters and Police Officers (MBF&P)	Total Government Primary	Component
<u>Account</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
Net Pension Liability	\$ 238,430,328	\$ 349,680,815	\$ 588,111,143	\$ 819,464
Pension assets	712,720,932	1,005,995,304	1,718,716,236	-
Deferred outflows	69,945,737	85,373,740	155,319,477	240,397
Deferred inflows	1,830,187	-	1,830,187	6,290
Pension expense	13,028,371	23,562,029	36,590,400	69,812

Financial Statements

Each of the Retirement Systems is audited separately. Complete financial statements can be obtained at the following offices:

City of Miami Beach Employee
Retirement System
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach Retirement System for
Firefighters and Police Officers
1691 Michigan Ave. Suite 555
Miami Beach, Florida 33139

Miami Beach Policemen's Relief
and Pension Fund
999 11th Street
Miami Beach, Florida 33139

Miami Beach Firemen's Relief and Pension
Fund
City of Miami Beach
2300 Pine Tree Drive
Miami Beach, Florida 33140

NOTE 17 - Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

Pursuant to Section 112.08, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City's single employer defined benefit Postemployment Benefit Plan (the "Plan") currently provides the following postemployment benefits:

1. Health and Dental Insurance - Employees hired prior to March 18, 2006 are eligible to receive a 50% health insurance contribution of the total premium cost. Employees hired after March 18, 2006, after vesting in City's retirement plans, are eligible to receive an offset to the retiree premium equal to \$10 per year of credible service, up to a maximum of \$250 per month until age 65 and \$5 per year of credible service up to a maximum of \$125, thereafter.

**CITY OF MIAMI BEACH, FLORIDA
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2. Life Insurance (\$1,000)- At September 30, 2008 and pursuant to resolution 2009-27024 the City established an OPEB Trust (the "Trust") and began funding its OPEB obligation. Stand-alone financial statements for the Trust are not prepared.

The City's plan's board is comprised of a Board of Trustees. The Board of Trustees is comprised of three members. The members are the City's Chief Financial Officer or designee, Budget and Performance Improvement Director or designee, and the Human Resources Officer or designee. Each member has a term of four years.

The determination of the net OPEB obligation at September 30, 2020 is based on a valuation date of September 30, 2020. At this time, the plan participation consisted of:

Active OPEB plan participants	2,296
Inactive members receiving benefit payments	1,359
Total	3,655

Funding Policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2020, the City paid \$8,886,242 in OPEB benefits on a pay-as-go basis. The City's net OPEB liability at September 30, 2020 was \$446,541,349. It is the City's intent to consider OPEB Trust funding during the annual budget process; however, no Trust contributions are legally or contractually required.

OPEB Plan Assets and Policies

The Plan's investment composition is controlled by the City's OPEB Trust investment policy as adopted by the OPEB Trustee and as limited by Florida Statute. 218.415. The Trustee utilizes an investment manager to invest the trust assets. The policy determines the maximum and minimum allocations between investment classes; as noted below. The investment policy may be amended with a majority vote of the OPEB Trustee members. It is the City's policy to maximize the returns of the plan's asset through diversification of equities and fixed income securities without a significant investment in cash or cash equivalents. The composition of the Plan's investments at September 30, 2020 is consistent with the Plan's investment policy is noted below:

	Allocation Mix		
	Minimum	Target	Maximum
Equity Investments	40%	60%	75%
Fixed Income	25%	39%	60%
Cash and Equivalents (Money Market)	0%	1%	100%

Please refer to note 3 for more detailed information regarding the OPEB Trusts' plan assets.

Rate of Return

As of September 30, 2020, the annual money-weighted rate of return, net of OPEB plan expenses, was 11.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The rate of return incorporates the timing and size of cash flows to determine an internal rate of return on a monthly accrual basis. Cash flows used in the calculation excludes reinvested dividends, unrealized and realized gains or losses, and other fees and

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

charges not converted into cash. Contributions are treated as a positive cash flow and benefit payments as a negative cash flow.

Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the postretirement benefit obligation. For unfunded plans, interest rate using a long-term expected rate of return on tax-exempt, high-quality municipal bond. For funded plans, the expected long-term rate of return on trust assets, to the extent the net fiduciary position is projected to be sufficient to provide the benefits. For partially funded plans or if a funded shortfall is projected, the interest rate is blended between the funded and the unfunded rate. 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 the total actuarially determined contribution rates and the member rate. The long-term expected rate of return on the 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 OPEB 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. For the fiscal year ended 2020, the discount rate was lowered from 3.75 to 2.69%, to more accurately reflect the activity of the trust. Although the expected long-term return on the trust is 7.07%, it is blended together with Bond Buyer 20-Bond GO index rate due to the plan not being fully funded. The City's current OPEB plan investment allocation is noted above.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30, 2020, were as follows:

Total OPEB Liability	\$	487,686,998
OPEB Plan Fiduciary Net Position		<u>40,398,372</u>
Net OPEB Liability	\$	<u><u>447,288,626</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		8.28%

Schedule of Deferred Inflows/Outflows

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 26,790,359	\$ -
Change in assumptions/inputs	83,728,097	-
Net difference between projected and actual investments	-	1,937,139
	<u>\$ 110,518,456</u>	<u>\$ 1,937,139</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

<u>Amorization of Net Deferred Inflows/OutFlows</u>	
<u>Year</u>	<u>Amortization</u>
2021	\$ 21,159,461
2022	21,387,782
2023	21,473,618
2024	21,436,536
2025	16,743,674
Thereafter	<u>6,380,247</u>
	<u>\$ 108,581,318</u>

PRIMARY GOVERNMENT

<u>Account</u>	Miami Beach OPEB Total	Total Primary Government	Component Unit
Net OPEB Liability	\$ 446,541,349	\$ 446,541,349	\$ 747,277
Trust Assets	40,398,372	40,398,372	-
Deferred outflows	110,518,456	110,518,456	184,827
Deferred inflows	1,937,139	1,937,139	3,422
Pension expense	33,104,672	33,104,672	151,925

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	September 30, 2019
Discount Rate	2.69 per annum. This was based on combination of the estimated long term rate of return from the City's OPEB trust and 20 year GO Bond rate of return @ 9/30/2020.
Asset Valuation Method	Fair Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	2.5% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Census Data	The census was provided by the City as of August 2019
Marriage Rate	It is assumed that 40% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 6.6 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 3/18/2006, and for FOP/IAFF employees hired after 07/14/2010, it is assumed that 40% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 generational table, split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study, and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-medicare Medical and Rx	6.0%	4.50%
Medicare Benefits	5.00	4.50
Stop Loss Fees	6.00	4.50
Administrative Fees	4.50	4.50

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The Per Capita Health Claim Costs for expected retiree claim costs were developed using historical claim experience through September 2020. For the police and fire plans, the claims were developed based on the premium equivalents and age adjusted. The annual age 60 and 70 claim costs for retirees and their spouses are as follows:

Per Capita Costs	Age 60	Age 70
Police	\$ 11,353	\$ 5,795
Fire	10,254	5,764
Other	11,446	6,420

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

		1% Decrease (1.69%)	Discount Rate (2.69%)	1% Increase (3.69%)
City	Net OPEB Liability	\$ 521,607,000	\$ 447,289,000	\$ 388,569,000

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend		
	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 387,699,000	\$ 447,289,000	\$ 521,641,000

NOTE 18 – Covid -19

In December 2019, a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America, producing sickness and death and negatively impacting the economy of the global community. The disease was declared a Public Health Emergency of International Concern on January 30, 2020, named "COVID-19" on February 11, 2020, and declared a pandemic on March 10, 2020, each by the World Health Organization. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate its effects have had, and are expected to continue to have, a detrimental impact on the financial markets of many countries and on the economies of areas throughout the United States, including the geographic area in which the City of Miami Beach, Florida (the "City") is located.

The City is highly dependent on tourism and the hospitality industry. Due to COVID-19, the City continues to experience some adverse impacts on its revenues. However, the City is committed to meeting its financial obligations and maintaining required debt payment and has met all debt payments for year ended September 30, 2020. To help mitigate the loss of revenues, the City continues to pursue options and opportunities to save costs. Although, there has been a negative impact as a result of COVID-19, the City currently expects that strong reserves produced by prudent fiscal planning will continue to provide assistance needed to help the City navigate the crisis. Additionally, economic stabilization measures and other forms of aid have been provided by the federal government to help local governments satisfy current and future financial obligations and replenish reserves. The economic outlook for the City continues to

**CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2020**

improve as the United States of America recovers from the pandemic, tourism is slowly improving and the hospitality industry for the City is on a steady incline.

NOTE 19 – Subsequent Event

In response to the economic impact and additional financial challenges placed on United States economy as a result of the Covid-19 pandemic, the federal government approved CARES Act to provide financial aid to States, Counties and other municipalities. The City received approximately \$38.5 million in CARES act funding after September 30, 2020.

On April 29, 2021 the Commission approved the refunding of the 2009J-1A, 1B, and 1C water and sewer revenue bonds which had a combined outstanding principal balance of \$42,955,000 at September 30, 2020. The refunding is scheduled to be completed in June 2021. Based on current market conditions, the net present value savings from refinancing the Outstanding Series 2009 Bonds would be approximately \$11 million, which is 28% of bonds refunded. The total savings over 18 years would be approximately \$13 million. The final maturity of the refunding will not be later than 2039, which is the final maturity of the Outstanding Series 2009 Bonds.

**REQUIRED SUPPLEMENTARY
INFORMATION (RSI)**

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES
MIAMI BEACH EMPLOYEES' RETIREMENT SYSTEM (MBERP)
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 31,475,030	\$ 31,864,304	\$ 31,892,485	\$ 29,358,098	\$ 27,783,852	\$ 26,317,983	\$ 25,602,030	\$ 21,222,051	\$ 17,583,191	\$ 14,474,678	\$ 17,137,394
Actual contribution	31,475,030	31,864,304	31,892,485	29,358,098	27,783,852	26,456,580	25,602,030	21,222,051	17,583,191	14,474,678	17,137,394
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (138,597)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 88,141,166	\$ 84,980,438	\$ 85,003,174	\$ 77,013,213	\$ 71,863,150	\$ 82,359,302	\$ 76,362,960	\$ 65,054,000	\$ 66,347,000	\$ 68,844,000	\$ 70,098,000
Actual contribution as a % of covered payroll	35.71%	37.50%	37.52%	38.12%	38.66%	32.12%	33.53%	32.62%	26.50%	21.03%	24.45%

Notes to Schedule of Contributions

Valuation Date October 1, 2018
Notes Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method Entry Age Normal
Amortization Method Level Dollar, Closed
Remaining Amortization Period 30 years
Asset Valuation Method 5-year smoothed market
Inflation 2.5%
Salary Increases 3.75% to 6.10% depending on service, including inflation
Investment Rate of Return 7.50%
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition
Mortality RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years

**CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES
RETIREMENT SYSTEM FOR FIREFIGHTERS AND POLICE OFFICERS (MBF&P)
(Unaudited)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 42,779,004	\$ 39,747,149	\$ 37,639,937	\$ 35,367,866	\$ 34,970,641	\$ 33,149,388	\$ 35,960,326	\$ 39,492,050	\$ 36,297,459	\$ 32,811,570
Actual contribution	42,779,004	39,747,149	37,639,937	35,367,866	34,970,641	33,149,388	35,960,326	39,492,050	36,297,459	32,811,570
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (excluding DROP)	\$ 66,272,092	\$ 66,441,610	\$ 64,181,403	\$ 59,907,167	\$ 56,759,632	\$ 56,545,113	\$ 50,740,542	\$ 47,164,030	\$ 53,273,735	\$ 49,041,435
Actual contribution as a % of covered payroll	64.55%	59.82%	58.65%	59.04%	61.61%	58.62%	70.87%	83.73%	68.13%	66.91%

Notes to Schedule of Contributions

Valuation Date Actuarially determined contributions are calculated as of October 1st - two years prior to the fiscal year in which contributions are reported.
Notes MBF&P actual contributions include certain Chapter 175/185 non-employer contribution amounts. These amounts are from the State of Florida.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method Entry Age Normal
Amortization Method Level Percentage, Closed
Remaining Amortization Period 30 years
Asset Valuation Method 5-year smoothed market
Inflation 3.00%
Payroll Growth 2.70%
Salary Increases 2.88% - 10.49%
Investment Rate of Return 7.75%
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition
Mortality For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.
For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.
For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements.
Cost-of-Living Increases 1.50%, 2.00% or 2.50%

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
MIAMI BEACH EMPLOYEES' RETIREMENT SYSTEM (MBERP)
(Unaudited)

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 16,171,537	\$ 15,232,372	\$ 13,720,496	\$ 12,906,811	\$ 11,795,411	\$ 12,306,795
Interest	65,045,122	63,015,047	57,800,541	56,164,518	54,152,569	51,809,378
Benefit changes	-	-	-	-	-	(1,183,267)
Differences between expected and actual experience	1,117,690	18,961	(4,242,257)	(2,210,692)	-	4,909,738
Changes of assumptions	10,022,465	4,771,684	52,573,659	11,676,037	11,026,357	-
Benefit payments	(51,014,104)	(49,726,168)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(1,571,361)	(1,381,297)	(905,574)	(948,535)	(941,310)	(1,143,866)
Other	-	-	-	-	311,076	311,077
Net change in total pension liability	39,771,349	31,930,599	74,370,721	35,687,296	40,470,087	29,508,455
Total pension liability - beginning	865,978,062	834,047,463	759,676,742	723,989,446	683,519,359	654,010,904
Total pension liability - ending	<u>\$ 905,749,411</u>	<u>\$ 865,978,062</u>	<u>\$ 834,047,463</u>	<u>\$ 759,676,742</u>	<u>\$ 723,989,446</u>	<u>\$ 683,519,359</u>
Plan fiduciary net position						
Contributions - employer	\$ 31,864,304	\$ 31,892,485	\$ 29,358,098	\$ 27,783,852	\$ 26,456,580	\$ 25,602,030
Contributions - member	8,512,207	8,242,590	7,871,072	7,341,533	7,310,183	7,373,407
Net investment income	23,328,881	51,285,893	70,646,599	55,818,905	(5,048,406)	51,773,646
Benefit payments	(51,014,104)	(49,726,168)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(1,571,361)	(1,381,297)	(905,574)	(948,535)	(941,310)	(1,143,866)
Administrative expenses	(827,919)	(730,118)	(703,539)	(677,509)	(706,283)	(668,851)
Other	-	-	(68,222)	-	-	-
Net change in plan fiduciary net position	10,292,008	39,583,385	61,622,290	47,417,403	(8,803,252)	45,434,966
Plan fiduciary net position - beginning	656,207,611	616,624,226	555,001,936	507,584,533	516,387,785	470,952,819
Plan fiduciary net position - ending	<u>\$ 666,499,619</u>	<u>\$ 656,207,611</u>	<u>\$ 616,624,226</u>	<u>\$ 555,001,936</u>	<u>\$ 507,584,533</u>	<u>\$ 516,387,785</u>
City's net pension liability	\$ 239,249,792	\$ 209,770,451	\$ 217,423,237	\$ 204,674,806	\$ 216,404,913	\$ 167,131,574
Plan fiduciary net position as a percentage of the total pension liability	73.59%	75.78%	73.93%	73.06%	70.11%	75.55%
Covered payroll	\$ 84,980,438	\$ 85,003,174	\$ 77,013,213	\$ 71,863,150	\$ 82,359,302	\$ 76,362,960
Net pension liability as a percentage of covered payroll	281.54%	246.78%	282.32%	284.81%	262.76%	218.86%

Notes 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 is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

From fiscal year 2019 to 2020, the discount rate used to determine the net pension liability decreased from 7.60% to 7.50%.
From fiscal year 2018 to 2019, the discount rate used to determine the net pension liability decreased from 7.65% to 7.60%.
From fiscal year 2017 to 2018, the discount rate used to determine the net pension liability decreased from 7.70% to 7.65%.
From fiscal year 2016 to 2017, the discount rate used to determine the net pension liability decreased from 7.85% to 7.70%.
From fiscal year 2015 to 2016, the discount rate used to determine the net pension liability decreased from 8.00% to 7.85%.

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
RETIREMENT SYSTEM FOR FIREFIGHTERS AND POLICE OFFICERS (MBF&P)
(Unaudited)

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 20,212,389	\$ 18,462,961	\$ 17,530,982	\$ 17,803,602	\$ 16,098,560	\$ 14,763,595
Interest	94,542,878	91,544,984	87,422,136	82,627,847	78,415,039	75,108,912
Benefit changes	-	-	(9,688,441)	-	-	-
Differences between expected and actual experience	7,883,134	11,814,591	141,740	14,588,712	12,428,547	7,685,043
Changes of assumptions	7,294,349	6,951,571	34,969,254	2,447,885	5,686,196	-
Benefit payments, including refunds of member contributions	(68,466,325)	(75,460,821)	(58,574,937)	(54,861,660)	(62,686,716)	(53,605,094)
Net change in total pension liability	61,466,425	53,313,286	71,800,734	62,606,386	49,941,626	43,952,456
Total pension liability - beginning	1,229,168,051	1,175,854,765	1,104,054,031	1,041,447,645	991,506,019	947,553,563
Total pension liability - ending	\$ 1,290,634,476	\$ 1,229,168,051	\$ 1,175,854,765	\$ 1,104,054,031	\$ 1,041,447,645	\$ 991,506,019
Plan fiduciary net position						
Contributions - City and State	\$ 39,747,149	\$ 37,639,937	\$ 35,367,866	\$ 34,970,641	\$ 33,149,388	\$ 35,960,326
Contributions - member	6,972,214	6,593,715	6,198,244	5,984,397	5,944,414	5,258,974
Net investment income	39,053,408	82,094,851	85,791,174	70,539,300	5,689,333	72,259,674
Benefit payments, including refunds of member contributions	(68,466,325)	(75,460,821)	(58,574,937)	(54,861,660)	(62,686,716)	(53,605,094)
Administrative expenses	(855,761)	(802,106)	(769,079)	(826,044)	(777,493)	(905,130)
Net change in plan fiduciary net position	16,450,685	50,065,576	68,013,268	55,806,634	(18,681,074)	58,968,750
Plan fiduciary net position - beginning	924,502,976	874,437,400	806,424,132	750,617,498	769,298,572	710,329,822
Plan fiduciary net position - ending	\$ 940,953,661	\$ 924,502,976	\$ 874,437,400	\$ 806,424,132	\$ 750,617,498	\$ 769,298,572
City's net pension liability	\$ 349,680,815	\$ 304,665,075	\$ 301,417,365	\$ 297,629,899	\$ 290,830,147	\$ 222,207,447
Plan fiduciary net position as a percentage of the total pension liability	72.91%	75.21%	74.37%	73.04%	72.07%	77.59%
Covered payroll	\$ 66,441,610	\$ 64,181,403	\$ 59,907,167	\$ 56,759,632	\$ 56,545,113	\$ 57,545,593
Net pension liability as a percentage of covered payroll	526.30%	474.69%	503.14%	524.37%	514.33%	386.14%

Notes 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 is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

For September 30, 2020, investment rate of return decreased from 7.8% to 7.75%. For September 30, 2019, investment return was decreased from 7.85% to 7.80%. There were no changes to the investment return for the period ending September 30, 2018. For September 30, 2017, investment return was decreased from 7.90% to 7.85% and the mortality assumptions were updated to the assumption used in the Florida Retirement System July 1, 2016 Actuarial Valuation. For September 30, 2016, investment return was decreased from 7.95% to 7.90%, withdrawal and retirement rates were updated, disability incidence was updated to 65% service incurred / 35% non service incurred and the load for compensation and rejected pensionable payroll was replaced with actual pensionable pay these changes first affect the contribution for fiscal year ended September 30, 2017. For September 30, 2015, investment return was decreased from 8.00% to 7.95% and payroll growth assumption was limited to 10 year average.

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE
CITY'S NET OPEB LIABILITY AND RELATED RATIOS
(unaudited) (*)

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 9,129,624	4,235,229	\$ 3,921,508	\$ 3,074,151
Interest	15,167,033	14,606,184	14,345,708	13,700,847
Changes of assumptions	70,563,191	212,252,691	(2,399,422)	-
Benefit payments	(8,886,242)	(13,507,000)	(11,647,331)	(10,111,628)
Net change in total OPEB Liability	85,973,606	217,587,104	4,220,463	6,663,370
Total OPEB liability - beginning	401,713,392	184,126,288	179,905,825	173,242,455
Total OPEB liability - ending (a)	<u>\$ 487,686,998</u>	<u>401,713,392</u>	<u>\$ 184,126,288</u>	<u>\$ 179,905,825</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 9,373,242	13,996,031	\$ 1,039,279	\$ 438,000
Net investment income	4,268,202	886,546	2,540,698	3,302,688
Benefit payments	(8,886,242)	(13,507,000)	-	-
Administrative expense	(57,699)	(88,918)	(65,711)	145,690
Net Change in plan fiduciary net position	4,697,503	1,286,659	3,514,266	3,886,378
Plan fiduciary net position - beginning	35,700,869	34,414,210	30,899,944	27,013,566
Plan fiduciary net position - ending (b)	<u>\$ 40,398,372</u>	<u>35,700,869</u>	<u>\$ 34,414,210</u>	<u>\$ 30,899,944</u>
City's Net OPEB Liability - ending (a) - (b)	<u>\$ 447,288,626</u>	<u>366,012,523</u>	<u>\$ 149,712,078</u>	<u>149,005,881</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.28%	8.89%	18.69%	17.18%
Covered payroll ^	\$ 156,013,000	150,737,233	\$ 147,122,000	\$ 142,146,603
City's net OPEB liability as a percentage of covered payroll	286.70%	242.81%	101.76%	104.83%

* - Fiscal year 2017 is the first year data is available. The City will accumulate a ten year schedule as data becomes available.

^ - Employees do not contribute towards OPEB.

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS - CITY CONTRIBUTIONS
Last 10 Fiscal Years
(unaudited) (*)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 29,169,845	\$ 33,576,019	\$ 15,055,943	\$ 15,055,943	\$ 27,783,852	\$ 26,317,983	\$ 25,602,030	\$ 21,222,051	\$ 17,583,191	\$ 14,474,678	\$ 17,137,394
Contributions in relation to the actuarially determined contributions	9,373,242	14,496,031	12,686,610	10,549,628	27,783,852	26,456,580	25,602,030	21,222,051	17,583,191	14,474,678	17,137,394
Contribution deficiency (excess)	\$ 19,796,603	\$ 19,079,988	\$ 2,369,333	\$ 4,506,315	\$ -	\$ (138,597)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	156,013,000	150,737,233	147,122,000	142,146,603	71,863,150	82,359,302	76,362,960	65,054,000	66,347,000	68,844,000	70,098,000
Contributions as a percentage of covered payroll	6.01%	9.62%	8.62%	7.42%	38.66%	32.12%	33.53%	32.62%	26.50%	21.03%	24.45%

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	September 30, 2019
Discount Rate	2.69 per annum. This was based on combination of the estimated long term rate of return from the City's OPEB trust and 20 year GO Bond rate of return @ 9/30/2020.
Asset Valuation Method	Fair Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	2.5% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Census Data	The census was provided by the City as of August 2019.
Marriage Rate	It is assumed that 40% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 6.6 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 3/18/2006, it is assumed that 40% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 generational table, split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years (*)

	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	11.80%	2.30%	8.00%	11.69%

* Fiscal year 2017 is the first year data is available. The City will accumulate a ten year schedule as data becomes available.

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2020
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 187,563,000	\$ 187,563,000	\$ 188,609,176	\$ 1,046,176
Sales, use and fuel taxes	1,015,000	1,015,000	926,585	(88,415)
Utility	12,043,000	12,043,000	11,764,215	(278,785)
Local business	5,883,000	5,883,000	5,381,019	(501,981)
Communication Service	3,846,000	3,846,000	3,517,226	(328,774)
Franchise fees	8,106,000	8,106,000	7,909,621	(196,379)
Permits	12,982,000	11,880,000	11,053,206	(826,794)
Intergovernmental	11,502,000	11,502,000	11,860,878	358,878
Charges for services	18,474,000	19,141,000	14,854,643	(4,286,357)
Rents and leases	5,427,000	5,427,000	4,325,280	(1,101,720)
Interest income	3,461,000	3,461,000	11,905,398	8,444,398
Fines and forfeits	1,756,000	1,432,000	990,843	(441,157)
Administrative fees	21,497,000	21,497,000	14,498,675	(6,998,325)
Other	752,000	752,000	885,892	133,892
Total revenues	<u>294,307,000</u>	<u>293,548,000</u>	<u>288,482,657</u>	<u>(5,065,343)</u>
Expenditures				
General government:				
Mayor and Commission	2,476,000	2,495,333	2,313,836	181,497
City Manager	4,304,000	4,304,000	3,859,757	444,243
City Clerk	1,787,000	1,844,000	1,643,689	200,311
Budget and Performance Management	2,656,000	2,596,000	2,138,518	457,482
Finance	6,515,000	6,618,856	6,093,283	525,573
Human Resources	2,722,000	2,785,000	2,396,402	388,598
Procurement	2,719,000	2,728,000	2,500,072	227,928
City Attorney	6,064,000	6,319,000	5,360,875	958,125
Grants and Intergovernmental Affairs	586,000	606,000	591,583	14,417
Planning	5,499,000	5,724,115	4,274,782	1,449,333
Media Relations	2,379,000	2,424,556	1,931,564	492,992
Public Works	4,325,000	4,527,000	4,099,768	427,232
Capital Improvement	5,285,000	5,285,000	4,700,184	584,816
Unclassified	6,552,400	9,178,913	6,660,707	2,518,206
Total general government	<u>53,869,400</u>	<u>57,435,773</u>	<u>48,565,020</u>	<u>8,870,753</u>
Public safety:				
Building Services	13,825,000	-	-	-
Code Compliance	6,475,000	6,520,000	5,768,378	751,622
Fire	87,625,000	88,059,300	87,794,495	264,805
Police	114,796,405	115,860,783	114,094,438	1,766,345
Emergency Management	1,224,866	1,236,866	1,143,663	93,203
Total public safety	<u>223,946,271</u>	<u>211,676,949</u>	<u>208,800,974</u>	<u>2,875,975</u>
Physical Environment	4,784,600	4,910,300	4,525,014	385,286
Transportation	6,106,000	6,093,000	4,914,387	1,178,613
Economic Environment	2,859,500	2,959,500	2,203,720	755,780
Human Services	3,228,500	3,762,500	2,569,661	1,192,839
Culture and recreation	43,273,000	44,270,568	37,125,243	7,145,325
Capital Outlay	602,000	896,952	559,169	337,783
Debt service:				
Interest and fiscal charges	145,000	145,000	136,354	8,646
Total expenditures	<u>338,814,271</u>	<u>332,150,542</u>	<u>309,399,542</u>	<u>22,751,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,507,271)</u>	<u>(38,602,542)</u>	<u>(20,916,885)</u>	<u>17,685,657</u>
Other financing sources (uses)				
Transfers in	42,337,000	42,337,000	28,817,501	(13,519,499)
Transfers out	(9,982,000)	(28,646,000)	(28,342,186)	303,814
Sale of capital assets	-	-	2,171	2,171
Total other financing sources	<u>32,355,000</u>	<u>13,691,000</u>	<u>477,486</u>	<u>(13,213,514)</u>
Net change in fund balances	<u>(12,152,271)</u>	<u>(24,911,542)</u>	<u>(20,439,399)</u>	<u>4,472,143</u>
Fund balances - beginning of year	115,168,792	115,168,792	115,168,792	-
Fund balances - end of year	<u>\$ 103,016,521</u>	<u>\$ 90,257,250</u>	<u>\$ 94,729,393</u>	<u>\$ 4,472,143</u>

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2020
(Unaudited)

	Resort Tax Revenue Fund				Miami Beach Redevelopment Agency			
	Original	Final	Actual	Variance	Original	Final	Actual	Variance
	Budgeted	Budgeted		Favorable	Budgeted	Budgeted		Favorable
Amounts	Amounts	Amounts	(Unfavorable)	Amounts	Amounts	Amounts	(Unfavorable)	
Revenues								
Resort taxes	\$ 90,748,000	\$ 89,801,000	\$ 54,972,321	\$ (34,828,679)	\$ -	\$ -	\$ -	\$ -
Tax increment	-	-	-	-	61,161,000	61,161,000	56,577,471	(4,583,529)
Rents and leases	-	-	-	-	-	-	-	-
Interest income	882,000	882,000	713,625	(168,375)	869,000	869,000	905,908	36,908
Special assessment	40,000	40,000	24,784	(15,216)	-	-	-	-
Other	15,000	15,000	31,164	16,164	-	-	-	-
Total revenues	91,685,000	90,738,000	55,741,894	(34,996,106)	62,030,000	62,030,000	57,483,379	(4,546,621)
Expenditures								
General government	6,798,000	6,798,000	948,230	5,849,770	21,286,000	21,286,000	1,690,000	19,596,000
Public safety	7,531,000	7,531,000	6,042,552	1,488,448	5,082,500	5,082,500	4,625,580	456,920
Transportation	207,000	207,000	78,165	128,835	-	-	-	-
Physical environment	-	-	-	-	5,733,000	5,733,000	5,619,638	113,362
Economic environment	-	-	-	-	6,614,000	6,614,000	6,492,101	121,899
Culture and recreation	10,343,000	10,343,000	8,768,350	1,574,650	1,225,500	1,225,500	913,632	311,868
Capital Outlay	-	-	-	-	400,000	400,000	329,404	70,596
Debt Service:								
Interest and fiscal charges	2,000	2,000	1,239	761	-	-	-	-
Total expenditures	24,881,000	24,881,000	15,838,536	9,042,464	40,341,000	40,341,000	19,670,355	20,670,645
Excess (deficiency) of revenues over (under) expenditures	66,804,000	65,857,000	39,903,358	(25,953,642)	21,689,000	21,689,000	37,813,024	16,124,024
Other financing sources (uses)								
Transfers out	(68,746,000)	(68,746,000)	(47,139,395)	21,606,605	(34,351,000)	(34,351,000)	(30,205,597)	4,145,403
Total other financing sources (uses)	(68,746,000)	(68,746,000)	(47,139,395)	21,606,605	(34,351,000)	(34,351,000)	(30,205,597)	4,145,403
Net change in fund balances	(1,942,000)	(2,889,000)	(7,236,037)	(4,347,037)	(12,662,000)	(12,662,000)	7,607,427	20,269,427
Fund balances - beginning of year	29,411,102	29,411,102	29,411,102	-	52,257,898	52,257,898	52,257,898	-
Fund balances - end of year	<u>\$ 27,469,102</u>	<u>\$ 26,522,102</u>	<u>\$ 22,175,065</u>	<u>\$ (4,347,037)</u>	<u>\$ 39,595,898</u>	<u>\$ 39,595,898</u>	<u>\$ 59,865,325</u>	<u>\$ 20,269,427</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
SEPTEMBER 30, 2020

1. Budgetary Policy

A. Budgetary Data

The City is required to prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles.

The City' has legally adopted annual budgets for the General Fund, and the City's two (2) major special revenue funds which are the Resort Tax Fund and the Miami Beach Redevelopment Agency Fund (RDA). Budget to actual comparisons for the General Fund, Resort Tax Fund and RDA Fund are presented in the Required Supplementary Information section of this report.

Pursuant to the City's Charter, the City Manager shall make public a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1st. The budgets are approved by fund and department and authorized at the department level. Management may transfer amounts between line items within a department as long as the transfer does not result in an increase in the department's budget. Increases to funds or department budgets and transfers between departments require City Commission approval.

There were twelve (12) supplemental budgetary appropriations for the funds mentioned above; five (5) operating, one (1) RDA, two (2) Resort Tax and six (6) capital during fiscal year ended September 30, 2020.

Per the 6th Operating Budget Amendment approved by City Commission, the Building Department and Office of Inspector General's operation and budget were moved to a new Enterprise fund for the Building Department and to a new Internal Service fund for the Office of Inspector General.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the City. Budgets are adopted on the modified accrual basis of accounting. All operating appropriations lapse at year end.

Encumbrance accounting, under which purchase order commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as commitments of fund balances, since they do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

2. Miami Beach Employees' Retirement System (MBERP) Actuary Assumptions

Please refer to page 110 for the actuary assumptions.

3. Retirement System for Firefighters and Police Officers (MBF&P) Actuary Assumptions

Please refer to page 111 for the actuary assumptions.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

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

Community Development Block Grant Fund: This fund accounts for the receipt and expenditure of funds under this Federal Program.

State Housing Initiatives Partnership Fund: This fund accounts for the receipt and expenditure of funds under this State Program.

Parking Impact Fees Fund: This fund accounts for impact fee revenue paid, primarily by owners of new and existing construction, in lieu of their ability to provide adequate parking spaces as defined by City Ordinance. The fund is also responsible for the disbursement of funds for various parking related projects in the impacted areas.

Transportation Concurrency Management Fund: This fund oversees, maintains, directs the City's concurrency management system, the land use/transportation planning and traffic management efforts and projects.

Police Confiscation and Training Fund: This fund accounts for revenues received that are restricted to police related expenditures with multiple restrictions.

HOME Investment Partnership Program Grant Fund: This fund accounts for revenues and expenditures that are governed by the HOME grant agreements between the Federal Government and the City.

Other Special Revenue Fund: This fund accounts for the revenues and expenditures of a series of small grants.

Debt Service Funds:

Debt Service Funds account for the payment of interest and principal of the current portion on long-term debt, primarily from tax proceeds and earnings on temporary investments.

General Obligation Fund: This fund accounts for principal and interest payments made for general obligations.

Pension Loan Fund: This fund accounts for principal and interest payments made for the Pension Special Obligation Bonds

Gulf Breeze Special Obligation Fund: This fund accounts for principal and interest payments made for the Gulf Breeze VRDS.

Miami Beach Redevelopment Agency Fund: This fund accounts for principal and interest payments made for the Tax Increment Revenue Special Obligation Bonds.

Resort Tax Debt Service Fund: This fund accounts for principal and interest payment on the Resort Tax bond.

Energy Savings Debt Service Fund: This fund accounts for principal and interest payment on the Ameresco loan.

**CITY OF MIAMI BEACH, FLORIDA
COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 103,802,574	\$ 1,206,929	\$ 105,009,503
Receivables, net	262,995	70,756	333,751
Accrued interest	44	-	44
Due from other funds	323,299	-	323,299
Due from other governments	748,664	-	748,664
Prepays	34,385	-	34,385
	<u>105,171,961</u>	<u>1,277,685</u>	<u>106,449,646</u>
Total assets	<u>\$ 105,171,961</u>	<u>\$ 1,277,685</u>	<u>\$ 106,449,646</u>
LIABILITIES			
Accounts payable	\$ 2,220,941	\$ 428	\$ 2,221,369
Retainage payable	790,625	-	790,625
Accrued expenditures	727,806	18,166	745,972
Unearned revenues	458,905	-	458,905
Due to other funds	1,724,490	-	1,724,490
Due to other governments	2,404	-	2,404
Deposits	130,185	-	130,185
	<u>6,055,356</u>	<u>18,594</u>	<u>6,073,950</u>
Total liabilities	<u>6,055,356</u>	<u>18,594</u>	<u>6,073,950</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable other revenues	698,030	-	698,030
	<u>698,030</u>	<u>-</u>	<u>698,030</u>
Total deferred inflows of resources	<u>698,030</u>	<u>-</u>	<u>698,030</u>
FUND BALANCES			
Nonspendable	34,385	-	34,385
Restricted	61,311,631	1,259,091	62,570,722
Committed	38,022,204	-	38,022,204
Assigned	-	-	-
Unassigned	(949,645)	-	(949,645)
	<u>98,418,575</u>	<u>1,259,091</u>	<u>99,677,666</u>
Total fund balances	<u>98,418,575</u>	<u>1,259,091</u>	<u>99,677,666</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 105,171,961</u>	<u>\$ 1,277,685</u>	<u>\$ 106,449,646</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ -	\$ 11,242,125	\$ 11,242,125
Sales , Use and Fuel Taxes	3,530,092	-	3,530,092
Utility taxes	956,104	-	956,104
Special taxing districts	229,394	-	229,394
Other taxes	2,278,619	-	2,278,619
Federal grants	2,659,696	-	2,659,696
State grants	2,455,900	-	2,455,900
Grants from other local units	2,329,592	-	2,329,592
Charges for services	5,297,248	-	5,297,248
Fines and forfeitures	394,779	-	394,779
Impact Fees	1,194,875	-	1,194,875
Interest income	934,328	74,632	1,008,960
Permits	33,767	-	33,767
Rent and leases	1,337,357	-	1,337,357
Miscellaneous	896,002	-	896,002
	<u>24,527,753</u>	<u>11,316,757</u>	<u>35,844,510</u>
EXPENDITURES			
Current:			
General government	2,364,638	-	2,364,638
Public safety	10,332,213	-	10,332,213
Physical environment	2,097,930	-	2,097,930
Transportation	7,377,414	-	7,377,414
Economic environment	2,738,491	-	2,738,491
Human services	1,520,638	-	1,520,638
Culture and recreation	3,589,614	-	3,589,614
Capital Outlay	6,650,999	-	6,650,999
Debt Service:			
Principal	343,948	21,714,201	22,058,149
Interest	114,054	31,382,030	31,496,084
Other	-	31,511	31,511
	<u>37,129,939</u>	<u>53,127,742</u>	<u>90,257,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,602,186)</u>	<u>(41,810,985)</u>	<u>(54,413,171)</u>
OTHER FINANCING SOURCES (USES)			
Refunding loan issued	-	7,155,665	7,155,665
Payment to escrow agent	-	(7,131,002)	(7,131,002)
Transfers in	12,774,942	40,931,401	53,706,343
Transfers out	(12,000)	-	(12,000)
	<u>12,762,942</u>	<u>40,956,064</u>	<u>53,719,006</u>
Net change in fund balances	160,756	(854,921)	(694,165)
Fund balances - beginning of year	<u>98,257,819</u>	<u>2,114,012</u>	<u>100,371,831</u>
Fund balances - end of year	<u>\$ 98,418,575</u>	<u>\$ 1,259,091</u>	<u>\$ 99,677,666</u>

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2020**

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Other Special Revenue Fund	Total
ASSETS								
Cash and investments	\$ 67,570	\$ 550,485	\$ 27,074,314	\$ 20,700,993	\$ 603,751	\$ 194,364	\$ 54,611,097	\$ 103,802,574
Receivables, net	-	-	1,851	-	-	-	261,144	262,995
Accrued interest	-	-	-	-	-	-	44	44
Due from other funds	1,401	-	-	-	-	4,412	317,486	323,299
Due from other governments	85,184	-	-	-	-	95,420	568,060	748,664
Prepays	-	-	-	-	-	-	34,385	34,385
Total assets	<u>\$ 154,155</u>	<u>\$ 550,485</u>	<u>\$ 27,076,165</u>	<u>\$ 20,700,993</u>	<u>\$ 603,751</u>	<u>\$ 294,196</u>	<u>\$ 55,792,216</u>	<u>\$ 105,171,961</u>
LIABILITIES								
Accounts payable	172,333	100,000	1,191	20,993	-	93,120	1,833,304	2,220,941
Retainage payable	17,118	-	-	28,894	-	-	744,613	790,625
Accrued expenditures	8,046	-	-	51,791	-	2,300	665,669	727,806
Unearned revenue	-	382,450	-	-	-	-	76,455	458,905
Due to other funds	102,188	-	-	-	-	90,300	1,532,002	1,724,490
Due to other governments	-	-	-	-	-	-	2,404	2,404
Deposits	-	-	-	-	-	-	130,185	130,185
Total liabilities	<u>299,685</u>	<u>482,450</u>	<u>1,191</u>	<u>101,678</u>	<u>-</u>	<u>185,720</u>	<u>4,984,632</u>	<u>6,055,356</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable other revenues	-	-	-	-	-	-	698,030	698,030
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,030</u>	<u>698,030</u>
FUND BALANCES (deficits)								
Nonspendable	-	-	-	-	-	-	34,385	34,385
Restricted	65,398	68,035	27,074,974	20,599,315	603,751	116,654	12,783,504	61,311,631
Committed	-	-	-	-	-	-	38,022,204	38,022,204
Assigned	-	-	-	-	-	-	-	-
Unassigned	(210,928)	-	-	-	-	(8,178)	(730,539)	(949,645)
Total fund balances (deficits)	<u>(145,530)</u>	<u>68,035</u>	<u>27,074,974</u>	<u>20,599,315</u>	<u>603,751</u>	<u>108,476</u>	<u>50,109,554</u>	<u>98,418,575</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 154,155</u>	<u>\$ 550,485</u>	<u>\$ 27,076,165</u>	<u>\$ 20,700,993</u>	<u>\$ 603,751</u>	<u>\$ 294,196</u>	<u>\$ 55,792,216</u>	<u>\$ 105,171,961</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2020

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Other Special Revenue Fund	Total
Revenues:								
Sales, Use and Fuel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,530,092	\$ 3,530,092
Utility taxes	-	-	-	-	-	-	956,104	956,104
Special taxing districts	-	-	-	-	-	-	229,394	229,394
Other taxes	-	-	-	-	-	-	2,278,619	2,278,619
Federal grants	809,696	-	-	-	-	616,503	1,233,497	2,659,696
State grants	-	501,086	-	-	271	-	1,954,543	2,455,900
Grants from other local units	-	-	-	-	19,973	-	2,309,619	2,329,592
Charges for services	-	-	-	15,610	-	-	5,281,638	5,297,248
Fines and forfeitures	-	-	-	-	-	-	394,779	394,779
Impact Fees	-	-	295,987	898,888	-	-	-	1,194,875
Interest income	-	10,964	412,614	306,972	9,290	-	194,488	934,328
Permits	-	-	-	-	-	-	33,767	33,767
Rent and leases	-	-	-	-	-	-	1,337,357	1,337,357
Intergovernmental	-	-	-	-	-	-	-	-
Other Revenue	-	57,072	-	-	-	-	838,930	896,002
Total revenues	809,696	569,122	708,601	1,221,470	29,534	616,503	20,572,827	24,527,753
Expenditures:								
Current:								
General government	-	-	-	-	-	-	2,364,638	2,364,638
Public safety	-	-	-	-	173,842	-	10,158,371	10,332,213
Physical environment	-	-	-	-	-	-	2,097,930	2,097,930
Transportation	-	-	-	-	-	-	7,377,414	7,377,414
Economic environment	783,148	501,087	-	-	-	579,668	874,588	2,738,491
Human services	-	-	-	-	-	-	1,520,638	1,520,638
Culture and recreation	-	-	-	-	-	-	3,589,614	3,589,614
Capital Outlay	139,760	-	44,437	307,712	45,372	15,247	6,098,471	6,650,999
Debt Service:								
Principal	-	-	-	-	-	-	343,948	343,948
Interest	-	-	-	-	-	-	114,054	114,054
Total expenditures	922,908	501,087	44,437	307,712	219,214	594,915	34,539,666	37,129,939
Excess (deficiency) of revenues over (under) expenditures	(113,212)	68,035	664,164	913,758	(189,680)	21,588	(13,966,839)	(12,602,186)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	12,774,942	12,774,942
Transfers out	-	-	-	-	-	-	(12,000)	(12,000)
Total other financing sources (uses)	-	-	-	-	-	-	12,762,942	12,762,942
Net change in fund balances	(113,212)	68,035	664,164	913,758	(189,680)	21,588	(1,203,897)	160,756
Fund balances (deficits) - beginning of year	(32,318)	-	26,410,810	19,685,557	793,431	86,888	51,313,451	98,257,819
Fund balances (deficits) - end of year	<u>\$ (145,530)</u>	<u>\$ 68,035</u>	<u>\$ 27,074,974</u>	<u>\$ 20,599,315</u>	<u>\$ 603,751</u>	<u>\$ 108,476</u>	<u>\$ 50,109,554</u>	<u>\$ 98,418,575</u>

**CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2020**

	General Obligation Debt Service Fund	Pension Loan Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Resort Tax Debt Service Fund	Energy Savings Debt Service Funds	Total
ASSETS							
Cash and investments	\$ 246,363	\$ 258,513	\$ -	-	\$ 9,641	\$ 692,412	\$ 1,206,929
Receivables, net	70,756	-	-	-	-	-	70,756
Total assets	<u>\$ 317,119</u>	<u>\$ 258,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,641</u>	<u>\$ 692,412</u>	<u>\$ 1,277,685</u>
LIABILITIES							
Accounts Payable	\$ 428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428
Accrued Expenses	17,697	-	-	-	-	469	18,166
Total liabilities	<u>18,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>18,594</u>
FUND BALANCES							
Restricted	298,994	258,513	-	-	9,641	691,943	1,259,091
Total fund balances	<u>298,994</u>	<u>258,513</u>	<u>-</u>	<u>-</u>	<u>9,641</u>	<u>691,943</u>	<u>1,259,091</u>
Total liabilities and fund balances	<u>\$ 317,119</u>	<u>\$ 258,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,641</u>	<u>\$ 692,412</u>	<u>\$ 1,277,685</u>

**CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2020**

	General Obligation Debt Service Fund	Pension Loan Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Resort Tax Debt Service Fund	Energy Savings Debt Service Funds	Total
Revenues							
Property taxes	\$ 11,242,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,242,125
Interest income	74,632	-	-	-	-	-	74,632
Total revenues	<u>11,316,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,316,757</u>
Expenditures							
Debt Service:							
Principal	4,250,000	4,633,000	1,110,000	7,120,000	3,635,000	966,201	21,714,201
Interest	7,541,295	97,716	86,250	14,563,597	8,816,250	276,922	31,382,030
Other	871	-	5,600	-	377	24,663	31,511
Total expenditures	<u>11,792,166</u>	<u>4,730,716</u>	<u>1,201,850</u>	<u>21,683,597</u>	<u>12,451,627</u>	<u>1,267,786</u>	<u>53,127,742</u>
Excess of expenditures over revenues	<u>(475,409)</u>	<u>(4,730,716)</u>	<u>(1,201,850)</u>	<u>(21,683,597)</u>	<u>(12,451,627)</u>	<u>(1,267,786)</u>	<u>(41,810,985)</u>
Other financing sources (uses):							
Other financing sources							
Refunding loan issued	-	-	-	-	-	7,155,665	7,155,665
Payment to escrow agent	-	-	-	-	-	(7,131,002)	(7,131,002)
Transfers in	-	4,732,000	1,201,850	21,683,597	11,823,954	1,490,000	40,931,401
Total other financing sources (uses)	<u>-</u>	<u>4,732,000</u>	<u>1,201,850</u>	<u>21,683,597</u>	<u>11,823,954</u>	<u>1,514,663</u>	<u>40,956,064</u>
Net change in fund balances	(475,409)	1,284	-	-	(627,673)	246,877	(854,921)
Fund balances - beginning of year	774,403	257,229	-	-	637,314	445,066	2,114,012
Fund balances - end of year	<u>\$ 298,994</u>	<u>\$ 258,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,641</u>	<u>\$ 691,943</u>	<u>\$ 1,259,091</u>

CITY OF MIAMI BEACH, FLORIDA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BUDGETED NONMAJOR DEBT SERVICE FUNDS
 For the Fiscal Years Ended September 30, 2020
 (Unaudited)

	General Obligation Debt Service Fund			Miami Beach Redevelopment Agency Special Obligation Debt Service Fund			Resort Tax Debt Service Fund		
	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues									
Property taxes	\$ 11,175,000	\$ 11,242,125	\$ 67,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	74,632	74,632	-	-	-	-	-	-
Total revenues	11,175,000	11,316,757	141,757	-	-	-	-	-	-
Expenditures									
Debt Service:									
Principal	4,250,000	4,250,000	-	7,120,000	7,120,000	-	3,635,000	3,635,000	-
Interest	7,542,000	7,541,295	705	14,563,000	14,563,597	(597)	8,817,000	8,816,250	750
Other	4,000	871	3,129	3,000	-	3,000	2,000	377	1,623
Total expenditures	11,796,000	11,792,166	3,834	21,686,000	21,683,597	2,403	12,454,000	12,451,627	2,373
Excess (deficiency) of revenues over (under) expenditures	(621,000)	(475,409)	145,591	(21,686,000)	(21,683,597)	2,403	(12,454,000)	(12,451,627)	2,373
Other financing sources (uses):									
Transfers in	-	-	-	21,686,000	21,683,597	(2,403)	12,454,000	11,823,954	(630,046)
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	21,686,000	21,683,597	(2,403)	12,454,000	11,823,954	(630,046)
Net change in fund balances	(621,000)	(475,409)	145,591	-	-	-	-	(627,673)	(627,673)
Fund balances - beginning of year	774,403	774,403	-	-	-	-	637,314	637,314	-
Fund balances - end of year	\$ 153,403	\$ 298,994	\$ 145,591	\$ -	\$ -	\$ -	\$ 637,314	\$ 9,641	\$ (627,673)

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2020

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 9,839,260	\$ 15,547,686	\$ 14,624,514	\$ 11,997,992	\$ 52,009,452
Accounts receivable (net of allowance for uncollectibles)	790,332	-	1,750	690,720	1,482,802
Due from other governments	-	-	-	-	-
Due from other funds	-	-	130,475	257,544	388,019
Prepaid expenses	-	-	111,628	12,045	123,673
Total current assets	<u>10,629,592</u>	<u>15,547,686</u>	<u>14,868,367</u>	<u>12,958,301</u>	<u>54,003,946</u>
Noncurrent assets:					
Cash and investments					
Customer deposits and advance sales	-		189,211	172,425	361,636
Capital assets:					
Land	405,680	-	2,793,052	210,230	3,408,962
Buildings and structures	1,579,353	-	28,426,115	2,397,145	32,402,613
Machinery and equipment	4,097,977	-	926,351	-	5,024,328
Construction in progress	1,846	-	2,077,035	-	2,078,881
Less accumulated depreciation	<u>(3,152,255)</u>	<u>-</u>	<u>(12,000,811)</u>	<u>(1,068,929)</u>	<u>(16,221,995)</u>
Total capital assets (net of accumulated depreciation)	<u>2,932,601</u>	<u>-</u>	<u>22,221,742</u>	<u>1,538,446</u>	<u>26,692,789</u>
Total noncurrent assets	<u>2,932,601</u>	<u>-</u>	<u>22,410,953</u>	<u>1,710,871</u>	<u>27,054,425</u>
Total assets	<u>13,562,193</u>	<u>15,547,686</u>	<u>37,279,320</u>	<u>14,669,172</u>	<u>81,058,371</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions - MBERP	4,555,785	4,173,225	-	-	8,729,010
OPEB	2,558,965	1,629,874	-	-	4,188,839
Total deferred outflows of resources	<u>7,114,750</u>	<u>5,803,099</u>	<u>-</u>	<u>-</u>	<u>12,917,849</u>
LIABILITIES					
Current liabilities:					
Accounts payable	344,018	-	60,637	14,088	418,743
Retainage payable	29,560	-	185,342	-	214,902
Accrued expenses	342,795	63,784	-	-	406,579
Due to other funds	-	-	129,153	288,917	418,070
Deposits	-	-	60	64,125	64,185
Accrued compensated absences	473,532	370,076	-	-	843,608
Environmental remediation liability	8,000	-	-	-	8,000
Unearned revenues	-	-	181,891	-	181,891
Total current liabilities	<u>1,197,905</u>	<u>433,860</u>	<u>557,083</u>	<u>367,130</u>	<u>2,555,978</u>
Noncurrent liabilities:					
Deposits	-	-	7,260	108,300	115,560
Accrued compensated absences	530,489	714,823	-	-	1,245,312
Net pension liability - MBERP	15,529,715	14,225,647	-	-	29,755,362
Net OPEB liability	10,346,192	6,589,768	-	-	16,935,960
Total noncurrent liabilities	<u>26,406,396</u>	<u>21,530,238</u>	<u>7,260</u>	<u>108,300</u>	<u>48,052,194</u>
Total liabilities	<u>27,604,301</u>	<u>21,964,098</u>	<u>564,343</u>	<u>475,430</u>	<u>50,608,172</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions - MBERP	119,206	109,196	-	-	228,402
OPEB	47,381	30,179	-	-	77,560
Total deferred inflows of resources	<u>166,587</u>	<u>139,375</u>	<u>-</u>	<u>-</u>	<u>305,962</u>
NET POSITION					
Net investment in capital assets	2,903,041	-	22,036,400	1,538,446	26,477,887
Unrestricted	(9,996,986)	(752,688)	14,678,577	12,655,296	16,584,199
Total net position (deficit)	<u>\$ (7,093,945)</u>	<u>\$ (752,688)</u>	<u>\$ 36,714,977</u>	<u>\$ 14,193,742</u>	<u>\$ 43,062,086</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2020

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating revenues:					
Charges for services	\$ 10,505,681	\$ 32,632	\$ 2,108,518	\$ -	\$ 12,646,831
Permits, rentals, and other	5,397,225	11,391,359	415,888	611,797	17,816,269
Total operating revenues	15,902,906	11,423,991	2,524,406	611,797	30,463,100
Operating expenses:					
Personal services	10,347,353	15,699,196	-	-	26,046,549
Operating supplies	107,008	179,285	-	-	286,293
Contractual services	4,067,001	1,286,799	2,658,973	314,207	8,326,980
Utilities	26,777	56,730	139,969	18,118	241,594
Internal charges	2,397,000	1,637,000	229,000	80,000	4,343,000
Depreciation	451,180	-	820,269	77,352	1,348,801
Administrative fees	-	1,356,000	220,000	15,000	1,591,000
Other operating	326,501	39,480	161,467	25,881	553,329
Total operating expenses	17,722,820	20,254,490	4,229,678	530,558	42,737,546
Operating income (loss)	(1,819,914)	(8,830,499)	(1,705,272)	81,239	(12,274,446)
Nonoperating revenues (expenses):					
Intergovernmental	3,137	-	-	-	3,137
Gain on disposal of capital assets	960	-	-	-	960
Interest income	152,408	213,786	206,734	147,107	720,035
Total nonoperating expenses	156,505	213,786	206,734	147,107	724,132
Income (loss) before transfers	(1,663,409)	(8,616,713)	(1,498,538)	228,346	(11,550,314)
Special Item (Note 15)	-	(10,596,311)	-	-	(10,596,311)
Transfers in	2,186,000	18,489,336	-	281,000	20,956,336
Transfers out	(37,000)	(29,000)	-	(281,000)	(347,000)
Change in net position	485,591	(752,688)	(1,498,538)	228,346	(1,537,289)
Net position (deficit) - beginning of year	(7,579,536)	-	38,213,515	13,965,396	44,599,375
Net position (deficit) - ending of year	<u>\$ (7,093,945)</u>	<u>\$ (752,688)</u>	<u>\$ 36,714,977</u>	<u>\$ 14,193,742</u>	<u>\$ 43,062,086</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2020

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Cash flows from operating activities:					
Receipts received from customers	\$ 10,995,391	\$ 32,632	\$ 2,222,402	\$ (678,581)	\$ 12,571,844
Payments to suppliers	(4,662,614)	(1,498,510)	(4,629,337)	(368,329)	(11,158,790)
Payments on behalf and to employees	(11,446,362)	537,394	-	-	(10,908,968)
Payments for interfund services used	(2,397,000)	(2,993,000)	(2,257,648)	151,339	(7,496,309)
Receipts for other operating revenue	5,354,664	11,391,359	285,413	611,797	17,643,233
Net cash provided by (used in) operating activities	<u>(2,155,921)</u>	<u>7,469,875</u>	<u>(4,379,170)</u>	<u>(283,774)</u>	<u>651,010</u>
Cash flows for non-capital financing activities:					
Contributions from other governments	3,137	-	-	-	3,137
Residual equity transfer	-	(10,596,311)	-	-	(10,596,311)
Transfers in	2,186,000	18,489,336	-	-	20,675,336
Transfers out	(37,000)	(29,000)	-	-	(66,000)
Net cash provided by non-capital financing activities	<u>2,152,137</u>	<u>7,864,025</u>	<u>-</u>	<u>-</u>	<u>10,016,162</u>
Cash flows from capital and related financial activities:					
Purchase of capital assets	(615,980)	-	(164,792)	-	(780,772)
Proceeds from sale of capital assets	960	-	-	-	960
Net cash used in capital and related financial activities	<u>(615,020)</u>	<u>-</u>	<u>(164,792)</u>	<u>-</u>	<u>(779,812)</u>
Cash flows from investing activities:					
Interest on investments	152,408	213,786	206,734	147,107	720,035
Net cash provided by investing activities	<u>152,408</u>	<u>213,786</u>	<u>206,734</u>	<u>147,107</u>	<u>720,035</u>
Net change in cash and investments	(466,396)	15,547,686	(4,337,228)	(136,667)	10,607,395
Cash and investments - beginning of year	10,305,656	-	19,150,953	12,307,084	41,763,693
Cash and investments - end of year	<u>\$ 9,839,260</u>	<u>\$ 15,547,686</u>	<u>\$ 14,813,725</u>	<u>\$ 12,170,417</u>	<u>\$ 52,371,088</u>
Classified as:					
Current assets	\$ 9,839,260	\$ 15,547,686	\$ 14,624,514	\$ 11,997,992	\$ 52,009,452
Restricted assets	-	-	189,211	172,425	361,636
Total cash and investments	<u>\$ 9,839,260</u>	<u>\$ 15,547,686</u>	<u>\$ 14,813,725</u>	<u>\$ 12,170,417</u>	<u>\$ 52,371,088</u>

(continued)

**CITY OF MIAMI BEACH, FLORIDA
OPERATING ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2020**

(continued)

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating income (loss)	\$ (1,819,914)	\$ (8,830,499)	\$ (1,705,272)	\$ 81,239	\$ (12,274,446)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:					
Depreciation	451,180	-	820,269	77,352	1,348,801
Provision for uncollectible accounts	69,920	-	-	157	70,077
Changes in assets/liabilities and deferred inflows:					
(Increase) decrease in pension deferred inflow	(1,174,302)	109,196	-	-	(1,065,106)
(Increase) decrease in OPEB deferred inflow	29,721	30,179	-	-	59,900
(Increase) decrease in pension deferred outflow	314,523	(4,173,225)	-	-	(3,858,702)
(Increase) decrease in OPEB deferred outflow	(1,027,041)	(1,629,874)	-	-	(2,656,915)
(Increase) decrease in pension liability	1,091,991	14,225,647	-	-	15,317,638
(Increase) decrease in OPEB liability	(323,183)	6,589,768	-	-	6,266,585
(Increase) decrease in accounts receivable	377,230	-	-	(650,012)	(272,782)
(Increase) decrease in due from other governments	-	-	-	-	-
(Increase) decrease in due from other funds	-	-	(130,475)	(42,578)	(173,053)
(Increase) decrease in prepaid expense	-	-	(6,452)	-	(6,452)
Increase (decrease) in accounts payable	(143,327)	-	(1,460,344)	2,059	(1,601,612)
Increase (decrease) in accrued expenses	(10,410)	63,784	(202,132)	(12,045)	(160,803)
Increase (decrease) in deposits	-	-	1,080	(28,726)	(27,646)
Increase (decrease) in due to other governments	-	-	-	(137)	(137)
Increase (decrease) in due to other funds	-	-	(1,808,648)	288,917	(1,519,731)
Increase (decrease) in environmental remediation liability	8,000	-	-	-	8,000
Increase (decrease) in unearned revenues	-	-	112,804	-	112,804
Increase (decrease) in accrued compensated absences	(309)	1,084,899	-	-	1,084,590
Total adjustments	(336,007)	16,300,374	(2,673,898)	(365,013)	12,925,456
Net cash provided by (used in) operating activities	\$ (2,155,921)	\$ 7,469,875	\$ (4,379,170)	\$ (283,774)	\$ 651,010

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Total
ASSETS								
Current assets:								
Cash and investments	\$ 7,693,305	\$ 5,496,018	\$ 1,653,451	\$ 49,554,377	\$ 17,814,737	\$ 18,350,057	\$ -	\$ 100,561,945
Cash with fiscal agent	-	-	-	250,000	-	-	-	250,000
Accounts receivable, net	9,226	-	-	-	49,760	-	-	58,986
Due from other governments	-	-	-	-	-	12,472	-	12,472
Prepaid expenses	-	-	-	3,381,193	-	230,857	-	3,612,050
Inventories	288,528	149,746	24,971	-	-	17,227	-	480,472
Total current assets	<u>7,991,059</u>	<u>5,645,764</u>	<u>1,678,422</u>	<u>53,185,570</u>	<u>17,864,497</u>	<u>18,610,613</u>	<u>-</u>	<u>104,975,925</u>
Noncurrent assets:								
Capital assets:								
Land	608,520	-	-	-	-	-	-	608,520
Buildings and structures	2,636,262	19,276	-	-	-	-	-	2,655,538
Machinery and equipment	44,956,692	2,610,376	76,826	100,736	-	17,534,461	-	65,279,091
Construction in progress	-	245,467	-	-	-	617,240	-	862,707
Less accumulated depreciation	(33,480,313)	(2,126,763)	(56,195)	(97,609)	-	(9,822,949)	-	(45,583,829)
Total capital assets (net of accumulated depreciation)	<u>14,721,161</u>	<u>748,356</u>	<u>20,631</u>	<u>3,127</u>	<u>-</u>	<u>8,328,752</u>	<u>-</u>	<u>23,822,027</u>
Total noncurrent assets	<u>14,721,161</u>	<u>748,356</u>	<u>20,631</u>	<u>3,127</u>	<u>-</u>	<u>8,328,752</u>	<u>-</u>	<u>23,822,027</u>
Total assets	<u>22,712,220</u>	<u>6,394,120</u>	<u>1,699,053</u>	<u>53,188,697</u>	<u>17,864,497</u>	<u>26,939,365</u>	<u>-</u>	<u>128,797,952</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pensions - MBERP	895,252	1,385,050	189,172	446,421	108,442	2,434,531	500,040	5,958,908
OPEB	539,046	726,374	133,806	80,283	42,053	932,817	191,151	2,645,530
Total deferred outflows of resources	<u>1,434,298</u>	<u>2,111,424</u>	<u>322,978</u>	<u>526,704</u>	<u>150,495</u>	<u>3,367,348</u>	<u>691,191</u>	<u>8,604,438</u>
LIABILITIES								
Current liabilities:								
Accounts payable	3,124,711	633,390	3,179	453,022	1,060,941	372,367	-	5,647,610
Retainage payable	5,460	11,380	-	-	-	-	-	16,840
Accrued expenses	26,338	120,782	14,389	37,680	9,634	187,596	7,738	404,157
Accrued compensated absences	100,745	106,815	11,186	26,309	5,408	133,971	23,381	407,815
Unearned revenues	-	-	-	-	-	-	-	-
Loans/ leases payable	1,952,645	-	-	-	-	290,296	-	2,242,941
Insurance claims incurred but not reported	-	-	-	-	1,356,000	-	-	1,356,000
Pending insurance claims	-	-	-	8,715,000	-	-	-	8,715,000
Total current liabilities	<u>5,209,899</u>	<u>872,367</u>	<u>28,754</u>	<u>9,232,011</u>	<u>2,431,983</u>	<u>984,230</u>	<u>31,119</u>	<u>18,790,363</u>
Noncurrent liabilities:								
Accrued compensated absences	185,172	160,760	31,556	167,411	51,948	655,569	67,356	1,319,772
Net pension liability - MBERP	3,051,727	4,721,346	644,847	1,521,756	369,658	8,298,808	1,704,531	20,312,673
Net OPEB liability	2,179,425	2,936,814	540,992	324,595	170,026	3,771,488	772,846	10,696,186
Loans/ leases payable	4,044,171	-	-	-	-	299,166	-	4,343,337
Pending insurance claims	-	-	-	7,222,380	-	-	-	7,222,380
Insurance claims incurred but not reported	-	-	-	28,736,547	-	-	-	28,736,547
Total noncurrent liabilities	<u>9,460,495</u>	<u>7,818,920</u>	<u>1,217,395</u>	<u>37,972,689</u>	<u>591,632</u>	<u>13,025,031</u>	<u>2,544,733</u>	<u>72,630,895</u>
Total liabilities	<u>14,670,394</u>	<u>8,691,287</u>	<u>1,246,149</u>	<u>47,204,700</u>	<u>3,023,615</u>	<u>14,009,261</u>	<u>2,575,852</u>	<u>91,421,258</u>
DEFERRED INFLOWS OF RESOURCES								
Other unearned revenue	-	-	-	-	-	12,472	-	12,472
Pensions - MBERP	23,425	36,241	4,950	11,681	2,837	63,702	13,084	155,920
OPEB	9,981	13,449	2,478	1,487	779	17,272	3,539	48,985
Total deferred inflows of resources	<u>33,406</u>	<u>49,690</u>	<u>7,428</u>	<u>13,168</u>	<u>3,616</u>	<u>93,446</u>	<u>16,623</u>	<u>217,377</u>
NET POSITION								
Net investment in capital assets	8,724,345	748,356	20,631	3,127	-	7,739,290	-	17,235,749
Unrestricted	718,373	(983,789)	747,823	6,494,406	14,987,761	8,464,716	(1,901,284)	28,528,006
Total net position (deficit)	<u>\$ 9,442,718</u>	<u>\$ (235,433)</u>	<u>\$ 768,454</u>	<u>\$ 6,497,533</u>	<u>\$ 14,987,761</u>	<u>\$ 16,204,006</u>	<u>\$ (1,901,284)</u>	<u>\$ 45,763,755</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Total
Operating revenues:								
Charges for services	\$ 12,540,901	\$ 9,563,248	\$ 1,089,689	\$ 17,827,000	\$ 35,277,801	\$ 15,735,871	\$ 1,296,915	\$ 93,331,425
Permits, rentals, and other	119,314	-	-	825,808	1,270,818	206,387	-	2,422,327
Total operating revenues	12,660,215	9,563,248	1,089,689	18,652,808	36,548,619	15,942,258	1,296,915	95,753,752
Operating expenses:								
Personal services	2,664,453	3,718,315	559,390	1,026,298	746,299	6,100,154	1,785,054	16,599,963
Operating supplies	2,192,008	68,598	3,256	12,843	-	523,641	34,356	2,834,702
Contractual services	1,396,644	4,536,285	378,528	3,392,080	896,799	5,518,029	51,248	16,169,613
Utilities	74,462	608,064	590	2,205	-	1,527,214	457	2,212,992
Internal charges	531,000	709,000	72,000	107,000	-	536,000	118,000	2,073,000
Administrative fees	-	-	-	1,227,000	-	-	-	1,227,000
Depreciation	3,227,650	137,392	8,016	5,361	-	1,928,665	-	5,307,084
Insurance	-	-	-	4,660,464	11,197,473	-	-	15,857,937
Claims and judgments	-	-	-	10,459,633	21,248,889	-	-	31,708,522
Other operating	4,797	10,201	27,534	294,663	54,872	65,748	8,371	466,186
Total operating expenses	10,091,014	9,787,855	1,049,314	21,187,547	34,144,332	16,199,451	1,997,486	94,456,999
Operating income	2,569,201	(224,607)	40,375	(2,534,739)	2,404,287	(257,193)	(700,571)	1,296,753
Nonoperating revenues (expenses):								
Intergovernmental	-	5,409	-	-	-	12,330	-	17,739
Interest and fiscal charges	(142,797)	-	-	-	-	(26,617)	-	(169,414)
Gain (loss) on sale of capital assets	1,000	-	-	-	-	-	-	1,000
Interest income	68,917	89,711	22,897	954,746	245,378	254,821	-	1,636,470
Total nonoperating revenues (expenses)	(72,880)	95,120	22,897	954,746	245,378	240,534	-	1,485,795
Income before contributions and transfers	2,496,321	(129,487)	63,272	(1,579,993)	2,649,665	(16,659)	(700,571)	2,782,548
Capital contributions	33,168	-	-	-	-	34,097	-	67,265
Special Item (Note 15)	(16,000)	(331,000)	(2,000)	(3,000)	(1,000)	(18,000)	(1,197,713)	(1,197,713)
Transfers out	(16,000)	(331,000)	(2,000)	(3,000)	(1,000)	(18,000)	(3,000)	(374,000)
Change in net position	2,513,489	(460,487)	61,272	(1,582,993)	2,648,665	(562)	(1,901,284)	1,278,100
Net position - beginning	6,929,229	225,054	707,182	8,080,526	12,339,096	16,204,568	-	44,485,655
Net position (deficit) - ending	\$ 9,442,718	\$ (235,433)	\$ 768,454	\$ 6,497,533	\$ 14,987,761	\$ 16,204,006	\$ (1,901,284)	\$ 45,763,755

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Totals
Cash flows from operating activities:								
Receipts from users	\$ 12,650,989	\$ 9,563,249	\$ 1,089,688	\$ 18,652,808	\$ 36,553,698	\$ 15,942,258	\$ 1,296,915	\$ 95,749,605
Payments to suppliers	(1,179,747)	(5,632,662)	(412,222)	(8,726,220)	(12,270,380)	(7,880,659)	(212,432)	(36,314,322)
Payments on behalf of and to employees	(2,327,223)	(3,378,191)	(447,857)	(1,026,818)	(263,425)	(5,943,152)	116,230	(13,270,436)
Payments for claims and judgments				(7,003,037)	(21,468,889)	-	-	(28,471,926)
Payments for interfund services used	(531,000)	(709,000)	(72,000)	(1,334,000)	-	(536,000)	-	(3,182,000)
Net cash provided by (used in) operating activities	8,613,019	(156,604)	157,609	562,733	2,551,004	1,582,447	1,200,713	14,510,921
Cash flows for non-capital financing activities:								
Contributions from other governments	-	5,409	-	-	-	12,330	-	17,739
Residual equity transfer	-	-	-	-	-	-	(1,197,713)	(1,197,713)
Transfers out	(16,000)	(331,000)	(2,000)	(3,000)	(1,000)	(18,000)	(3,000)	(374,000)
Net cash provided by (used in) non-capital financing activities	(16,000)	(325,591)	(2,000)	(3,000)	(1,000)	(5,670)	(1,200,713)	(1,553,974)
Cash flows from capital and related financial activities:								
Proceeds from loan	2,283,570	-	-	-	-	-	-	2,283,570
Payment on loan/lease	(1,524,389)	-	-	-	-	(281,691)	-	(1,806,080)
Interest and fiscal charges	(143,259)	-	-	-	-	(26,617)	-	(169,876)
Purchase of capital assets	(4,877,542)	(308,088)	-	-	-	(666,970)	-	(5,852,600)
Net cash used in capital and related financial activities	(4,261,620)	(308,088)	-	-	-	(975,278)	-	(5,544,986)
Cash flows from investing activities:								
Interest on investments	68,917	89,711	22,897	954,746	245,378	254,821	-	1,636,470
Net cash provided by investing activities	68,917	89,711	22,897	954,746	245,378	254,821	-	1,636,470
Net change in cash and investments	4,404,316	(700,572)	178,506	1,514,479	2,795,382	856,320	-	9,048,431
Cash and investments - beginning of year	3,288,989	6,196,590	1,474,945	48,289,898	15,019,355	17,493,737	-	91,763,514
Cash and investments - end of year	<u>\$ 7,693,305</u>	<u>\$ 5,496,018</u>	<u>\$ 1,653,451</u>	<u>\$ 49,804,377</u>	<u>\$ 17,814,737</u>	<u>\$ 18,350,057</u>	<u>\$ -</u>	<u>\$ 100,811,945</u>
Classified as:								
Cash and investments-current	<u>\$ 7,693,305</u>	<u>\$ 5,496,018</u>	<u>\$ 1,653,451</u>	<u>\$ 49,804,377</u>	<u>\$ 17,814,737</u>	<u>\$ 18,350,057</u>	<u>\$ -</u>	<u>\$ 100,811,945</u>
Non-cash transactions affecting financial position:								
Capital contributions of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,097	\$ -	\$ 34,097
Total Non-cash transactions affecting financial position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,097</u>	<u>\$ -</u>	<u>\$ 34,097</u>

(continued)

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020

(continued)

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Totals
Operating income (loss)	\$ 2,569,201	\$ (224,607)	\$ 40,375	\$ (2,534,739)	\$ 2,404,287	\$ (257,193)	\$ (700,571)	\$ 1,296,753
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	3,227,650	137,392	8,016	5,361	-	1,928,665	-	5,307,084
Provision for uncollectible accounts	-	(100)	-	-	(32)	-	-	(132)
Changes in assets and liabilities:								
(Increase) decrease in pension deferred inflow	(214,414)	(317,405)	(44,640)	(104,609)	(26,938)	(612,566)	13,084	(1,307,488)
(Increase) decrease in OPEB deferred inflow	6,456	7,910	1,639	564	(5,096)	16,937	3,539	31,949
(Increase) decrease in pension deferred outflow	258	(53,505)	(2,461)	(8,566)	3,664	111,750	(500,040)	(448,900)
(Increase) decrease in OPEB deferred outflow	(233,255)	(245,846)	(60,999)	(195)	467,598	(903,693)	(191,151)	(1,167,541)
(Increase) decrease in pension liability	397,044	774,067	91,354	223,764	37,326	750,520	1,704,531	3,978,606
(Increase) decrease in OPEB liability	372,820	97,863	110,849	(148,563)	(2,035)	760,475	772,846	1,964,255
(Increase) decrease in inventories	(13,693)	9,727	(4,289)	-	-	(9,017)	-	(17,272)
(Increase) decrease in accounts receivable	(9,226)	100	-	-	5,111	-	-	(4,015)
(Increase) decrease in due from other governments	-	-	-	-	-	(12,330)	-	(12,330)
Increase in prepaid expense	-	-	-	(315,121)	-	-	-	(315,121)
Increase (decrease) in accounts payable	2,953,310	(425,209)	1,975	(35,469)	(121,236)	(237,010)	-	2,136,361
Increase (decrease) in accrued compensated absences	8,104	72,131	13,336	32,524	7,061	28,649	90,737	252,542
Increase (decrease) in unearned revenues	-	-	-	-	-	12,330	-	12,330
Increase (decrease) in pending insurance claims	-	-	-	(56,615)	-	-	-	(56,615)
(Decrease) in insurance claims incurred but not reported	-	-	-	3,513,211	(220,000)	-	-	3,293,211
Increase (decrease) in accrued expenses	(451,236)	10,878	2,454	(8,814)	1,294	4,930	7,738	(432,756)
Total adjustments	6,043,818	68,003	117,234	3,097,472	146,717	1,839,640	1,901,284	13,214,168
Net cash provided by (used in) operating activities	\$ 8,613,019	\$ (156,604)	\$ 157,609	\$ 562,733	\$ 2,551,004	\$ 1,582,447	\$ 1,200,713	\$ 14,510,921

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Assets						
Cash and cash equivalents	\$ 4,294,097	\$ 20,000	\$ 123,758	\$ 35,636	\$ -	\$ 4,473,491
Accrued interest receivable	-	1,583,746	35,071	18,836	-	1,637,653
Contribution receivable	-	234,526	1,521,666	756,953	-	2,513,145
Other receivables	246,180	-	-	-	-	246,180
Prepays	-	-	-	4,487	-	4,487
Investments:						
Short-term investments	1,916,044	20,219,571	1,627,015	7,893	550,421	24,320,944
U.S. Government securities	-	28,784,890	370,185	504,749	-	29,659,824
Corporate bonds and other municipal obligations	-	191,763,767	3,962,485	2,327,325	-	198,053,577
Bond Funds	171,539,646	-	-	-	-	171,539,646
Foreign Bonds and private placements	-	55,677,074	-	-	-	55,677,074
Common stocks and index funds	281,664,679	526,562,597	11,503,606	6,605,134	-	826,336,016
Foreign Stocks	115,495,332	50,084,640	122,551	-	-	165,702,523
Real estate funds	81,192,262	98,590,809	1,593,391	1,483,864	-	182,860,326
Infrastructure investments	41,163,521	-	-	-	-	41,163,521
Mutual funds	15,209,171	32,473,684	-	-	39,847,951	87,530,806
Total investments	<u>708,180,655</u>	<u>1,004,157,032</u>	<u>19,179,233</u>	<u>10,928,965</u>	<u>40,398,372</u>	<u>1,782,844,257</u>
Total assets	<u>712,720,932</u>	<u>1,005,995,304</u>	<u>20,859,728</u>	<u>11,744,877</u>	<u>40,398,372</u>	<u>1,791,719,213</u>
Liabilities						
Accounts payable	263,158	363,020	1,130	11,054	-	638,362
Accrued expenses	-	-	-	-	-	-
Total liabilities	<u>263,158</u>	<u>363,020</u>	<u>1,130</u>	<u>11,054</u>	<u>-</u>	<u>638,362</u>
Net Position						
Restricted for pension and OPEB benefits	<u>\$ 712,457,774</u>	<u>\$ 1,005,632,284</u>	<u>\$ 20,858,598</u>	<u>\$ 11,733,823</u>	<u>\$ 40,398,372</u>	<u>\$ 1,791,080,851</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Additions:						
Contributions -						
Employer	\$ 31,475,030	\$ 42,658,455	\$ -	\$ -	\$ 8,999,681	\$ 83,133,166
Employee	8,665,597	7,133,168	-	-	-	15,798,765
State of Florida		120,549	1,471,786	686,284	-	2,278,619
Total contributions	40,140,627	49,912,172	1,471,786	686,284	8,999,681	101,210,550
Investment income -			-			
Net increase (decrease) in fair value of investments	47,572,454	67,894,398	2,179,677	1,202,397	3,494,344	122,343,270
Interest and dividends income	15,450,947	20,683,787	412,220	260,222	1,147,419	37,954,595
Other income		17,435	-	-	-	17,435
	63,023,401	88,595,620	2,591,897	1,462,619	4,641,763	160,315,300
Investment management expenses	(2,969,650)	(3,540,697)	(84,175)	(52,884)	-	(6,647,406)
Net investment income	60,053,751	85,054,923	2,507,722	1,409,735	4,641,763	153,667,894
Total additions	100,194,378	134,967,095	3,979,508	2,096,019	13,641,444	254,878,444
Deductions:						
Benefit paid	52,250,292	69,340,147	1,274,974	450,769	8,886,242	132,202,424
Contributions refunded	1,177,837	48,074	-	-	-	1,225,911
Administrative expenses	808,094	900,251	40,838	54,335	57,699	1,861,217
Total deductions	54,236,223	70,288,472	1,315,812	505,104	8,943,941	135,289,552
Net increase	45,958,155	64,678,623	2,663,696	1,590,915	4,697,503	119,588,892
Net position - amount restricted for pension and OPEB benefits - beginning of year	666,499,619	940,953,661	18,194,902	10,142,908	35,700,869	1,671,491,959
Net position - amount restricted for pension and OPEB benefits - end of year	\$ 712,457,774	\$ 1,005,632,284	\$ 20,858,598	\$ 11,733,823	\$ 40,398,372	\$ 1,791,080,851

CITY OF MIAMI BEACH, FLORIDA
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2020

	September 30, 2019	Additions	Deductions	September 30, 2020
<u>Assets</u>				
Cash and investments	\$ 19,022,506	\$ 102,666,036	\$ 101,788,789	\$ 19,899,753
Accounts receivable	29,639	1,034,739	910,941	153,437
Total Assets	\$ 19,052,145	\$ 103,700,775	\$ 102,699,730	\$ 20,053,190
<u>Liabilities</u>				
Accounts payable	\$ 1,127,815	\$ 77,802,131	\$ 77,943,090	\$ 986,856
Deposits	17,924,330	101,029,932	99,887,928	19,066,334
Total Liabilities	\$ 19,052,145	\$ 178,832,063	\$ 177,831,018	\$ 20,053,190

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2020

	Miami Beach Visitor and Convention Authority	Miami Beach Health Facilities Authority	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,739,389	\$ 74,924	\$ 5,814,313
Due from primary government	153,702	2,204	155,906
Total current assets	<u>5,893,091</u>	<u>77,128</u>	<u>5,970,219</u>
Non-current assets			
Capital assets, net of accumulated depreciation	98,592	-	98,592
Total non-current assets	<u>98,592</u>	<u>-</u>	<u>98,592</u>
Total assets	<u>5,991,683</u>	<u>77,128</u>	<u>6,068,811</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - OPEB	184,827	-	184,827
Deferred outflows - pension	240,397	-	240,397
Total deferred outflows of resources	<u>425,224</u>	<u>-</u>	<u>425,224</u>
LIABILITIES			
Current liabilities			
Accounts payable	3,506	-	3,506
Accrued expenses	16,478	-	16,478
Accrued grants	692,238	-	692,238
Total current liabilities	<u>712,222</u>	<u>-</u>	<u>712,222</u>
Non-current liabilities			
Net OPEB liability	747,277	-	747,277
Net pension liability	819,464	-	819,464
Compensated absences	25,693	-	25,693
Total non-current liabilities	<u>1,592,434</u>	<u>-</u>	<u>1,592,434</u>
Total liabilities	<u>2,304,656</u>	<u>-</u>	<u>2,304,656</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - OPEB	3,422	-	3,422
Deferred inflows - pension	6,290	-	6,290
Total deferred inflows of resources	<u>9,712</u>	<u>-</u>	<u>9,712</u>
NET POSITION			
Net investment in capital assets	98,592	-	98,592
Unrestricted	4,003,947	77,128	4,081,075
Total net position	<u>\$ 4,102,539</u>	<u>\$ 77,128</u>	<u>\$ 4,179,667</u>

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended September 30, 2020

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Totals
		Operating Grants and Contributions	Visitor and Convention Authority	Health Facilities Authority	
Miami Beach Visitor and Convention Authority					
Cultural - grant program	\$ 1,255,349	\$ -	\$ (1,255,349)	\$ -	\$ (1,255,349)
General administrative	1,417,520	-	(1,417,520)	-	(1,417,520)
Total Miami Beach Visitor and Convention Authority	2,672,869	-	(2,672,869)	-	(2,672,869)
Miami Beach Health Facilities Authority					
General administrative	175	-	-	(175)	(175)
Total component units	\$ 2,673,044	\$ -			(2,673,044)
General revenues:					
Resort tax allocation			1,739,660	-	1,739,660
Miscellaneous			-	-	-
Interest Income			10,980	1,148	12,128
Total general revenues			1,750,640	1,148	1,751,788
Change in net position			(922,229)	973	(921,256)
Net position - beginning			5,024,768	76,155	5,100,923
Net position - ending			\$ 4,102,539	\$ 77,128	\$ 4,179,667

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Operating Information

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

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

CITY OF MIAMI BEACH, FLORIDA
NET POSITION BY COMPONENT (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting - Unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 400,586,856	\$ 428,246,552	\$ 429,859,674	\$ 429,989,670	\$ 491,485,745	\$ 558,538,326	\$ 712,557,077	\$ 632,998,945	\$ 536,178,257	\$ 605,400,743
Restricted	66,049,987	108,516,557	129,615,957	146,377,701	172,033,018	191,637,742	196,069,003	196,553,344	201,930,677	175,187,510
Unrestricted	136,255,477	118,779,886	131,579,116	160,427,999	(175,574,362)	(231,946,281)	(383,459,279)	(301,135,963)	(301,959,558)	(884,872,356)
Total net position for governmental activities	<u>602,892,320</u>	<u>655,542,995</u>	<u>691,054,747</u>	<u>736,795,370</u>	<u>487,944,401</u>	<u>518,229,787</u>	<u>525,166,801</u>	<u>528,416,326</u>	<u>436,149,376</u>	<u>(104,284,103)</u>
Business-type activities										
Net investment in capital assets	381,291,750	375,703,323	382,255,186	343,218,833	410,865,702	474,091,817	438,446,944	411,086,647	388,123,514	864,486,887
Restricted	36,061,707	41,491,319	40,085,381	88,568,103	48,205,531	159,759,212	135,521,099	72,476,675	70,589,612	73,752,744
Unrestricted	124,563,510	146,511,507	161,059,156	168,294,644	135,968,387	26,903,541	49,706,270	133,972,500	185,944,956	216,111,725
Total net position for business-type activities	<u>541,916,967</u>	<u>563,706,149</u>	<u>583,399,723</u>	<u>600,081,580</u>	<u>595,039,620</u>	<u>660,754,570</u>	<u>623,674,313</u>	<u>617,535,822</u>	<u>644,658,082</u>	<u>1,154,351,356</u>
Primary government										
Net investment in capital assets	781,878,606	803,949,875	812,114,860	773,208,503	902,351,447	1,032,630,143	1,151,004,021	1,044,085,592	924,301,771	1,469,887,630
Restricted	102,111,694	150,007,876	169,701,338	234,945,804	220,238,549	351,396,954	331,590,102	269,030,019	272,520,289	248,940,254
Unrestricted	260,818,987	265,291,393	292,638,272	328,722,643	(39,605,975)	(205,042,740)	(333,753,009)	(167,163,463)	(116,014,602)	(668,760,631)
Total net position for primary government	<u>\$ 1,144,809,287</u>	<u>\$ 1,219,249,144</u>	<u>\$ 1,274,454,470</u>	<u>\$ 1,336,876,950</u>	<u>\$ 1,082,984,021</u>	<u>\$ 1,178,984,357</u>	<u>\$ 1,148,841,114</u>	<u>\$ 1,145,952,148</u>	<u>\$ 1,080,807,458</u>	<u>\$ 1,050,067,253</u>

* STATEMENT OF NET POSITION

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 47,705,535	\$ 41,088,006	\$ 45,986,648	\$ 43,365,675	\$ 47,397,904	\$ 52,618,959	\$ 66,172,986	\$ 59,544,525	\$ 60,119,029	\$ 62,224,763
Public safety	176,946,485	175,282,705	188,420,690	197,239,550	192,976,434	220,109,566	246,568,234	244,304,594	274,381,814	292,092,564
Physical environment	2,883,878	2,412,040	2,739,664	3,168,494	4,198,730	5,548,076	7,053,251	6,939,057	17,587,864	14,581,897
Transportation	10,639,329	16,084,458	11,842,989	14,386,802	17,448,894	18,120,846	24,832,644	34,843,267	31,086,013	24,206,724
Economic environment	20,504,954	4,406,521	4,537,985	4,876,697	5,611,831	6,535,179	6,669,550	10,247,677	9,041,856	12,112,613
Human services	1,462,354	2,218,460	2,138,763	2,212,540	2,783,057	3,332,947	3,247,822	3,529,909	4,052,075	4,468,149
Culture and recreation	43,241,187	43,713,126	49,424,532	53,476,429	59,368,604	63,385,681	64,872,655	69,371,471	70,958,679	66,385,409
Interest on long-term debt	10,571,366	9,739,449	9,467,996	8,819,846	8,242,353	30,627,226	25,017,810	23,790,283	29,300,376	31,726,759
Total governmental activities expenses	<u>313,955,088</u>	<u>294,944,765</u>	<u>314,559,267</u>	<u>327,546,033</u>	<u>338,027,807</u>	<u>400,278,480</u>	<u>444,434,952</u>	<u>452,570,783</u>	<u>496,527,706</u>	<u>507,798,878</u>
Business-type activities:										
Stormwater	4,831,699	6,713,885	7,651,595	7,876,993	10,418,758	9,508,836	13,375,369	22,269,049	23,112,842	25,392,320
Water	28,376,149	27,124,273	28,797,909	28,965,261	29,255,282	30,317,357	29,813,596	30,977,477	30,479,946	27,892,435
Sewer	29,548,149	28,205,784	31,186,853	31,373,772	35,733,735	38,583,070	44,612,955	44,472,734	43,845,155	41,735,473
Parking	28,674,475	28,773,051	33,137,387	37,071,518	38,123,221	43,015,148	46,634,653	50,696,556	51,425,608	39,266,530
Convention Center	14,270,835	17,666,204	17,153,279	17,417,988	16,190,590	14,495,430	18,255,990	12,039,318	22,505,093	25,791,880
Other	19,079,420	19,688,052	20,029,662	20,132,046	21,516,603	21,993,702	25,717,476	27,384,254	26,848,507	43,327,707
Total business-type activities expenses	<u>124,780,727</u>	<u>128,171,249</u>	<u>137,956,685</u>	<u>142,837,578</u>	<u>151,238,189</u>	<u>157,913,543</u>	<u>178,410,039</u>	<u>187,839,388</u>	<u>198,217,151</u>	<u>203,406,345</u>
Total primary government expenses	<u>\$ 438,735,815</u>	<u>\$ 423,116,014</u>	<u>\$ 452,515,952</u>	<u>\$ 470,383,611</u>	<u>\$ 489,265,996</u>	<u>\$ 558,192,023</u>	<u>\$ 622,844,991</u>	<u>\$ 640,410,171</u>	<u>\$ 694,744,857</u>	<u>\$ 711,205,223</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 50,693,412	\$ 55,699,107	\$ 67,605,958	\$ 72,088,018	\$ 75,232,828	\$ 80,758,157	\$ 81,694,256	\$ 85,678,600	\$ 88,589,598	\$ 59,790,297
Public safety	2,403,350	7,934,329	8,146,390	8,101,151	9,073,918	10,190,087	10,165,262	9,014,798	10,078,686	8,142,676
Culture and recreation	10,969,329	7,284,999	7,708,231	8,120,209	8,497,903	8,744,939	8,396,344	9,434,770	10,056,119	7,695,901
Other	14,470	17,745	29,211	42,993	1,723,853	35,917	27,390	400	800	-
Operating grants and contributions	27,185,554	25,061,223	19,528,573	19,206,319	27,376,359	17,240,055	17,671,894	21,130,005	27,573,712	21,837,953
Capital grants and contributions	4,400,711	4,899,293	3,449,389	3,937,362	13,830,485	1,913,922	1,022,828	6,744,866	17,096,292	7,667,032
Total governmental activities program revenue	<u>95,666,826</u>	<u>100,896,696</u>	<u>106,467,752</u>	<u>111,496,052</u>	<u>135,735,346</u>	<u>118,883,077</u>	<u>118,977,974</u>	<u>132,003,439</u>	<u>153,395,207</u>	<u>105,133,859</u>
Business-type activities:										
Charges for services:										
Stormwater	11,683,524	11,612,237	11,671,714	11,715,299	21,258,353	21,490,894	28,570,734	29,293,550	30,669,228	30,887,007
Water	33,303,263	33,172,990	32,788,878	33,403,046	33,870,737	35,403,282	34,308,346	35,106,688	36,407,786	32,616,071
Sewer	35,248,733	35,091,105	35,409,042	36,737,566	42,169,257	45,389,228	50,534,934	51,077,411	53,255,772	48,907,482
Parking	34,876,171	38,185,494	40,302,744	40,049,313	42,672,887	51,499,302	47,285,421	48,350,420	49,013,328	31,760,569
Convention Center	6,376,573	9,969,719	9,494,760	8,302,873	17,147,941	5,937,041	2,719,642	2,499,387	7,971,861	16,752,351
Other	10,588,118	15,046,388	17,467,720	20,820,772	20,486,111	21,509,417	22,418,979	22,053,067	22,305,162	30,463,100
Operating grants and contributions	13,944,300	10,659,421	10,025,165	10,622,366	12,000,851	7,741,012	2,915,802	18,842,689	12,374,003	9,896,005
Capital grants and contributions	-	-	-	-	-	38,982,120	10,037,561	-	-	-
Total business-type activities program revenue	<u>146,020,682</u>	<u>153,737,354</u>	<u>157,160,023</u>	<u>161,651,235</u>	<u>189,606,137</u>	<u>227,952,296</u>	<u>198,791,419</u>	<u>207,223,212</u>	<u>211,997,140</u>	<u>201,282,585</u>
Total primary government program revenue	<u>\$ 241,687,508</u>	<u>\$ 254,634,050</u>	<u>\$ 263,627,775</u>	<u>\$ 273,147,287</u>	<u>\$ 325,341,483</u>	<u>\$ 346,835,373</u>	<u>\$ 317,769,393</u>	<u>\$ 339,226,651</u>	<u>\$ 365,392,347</u>	<u>\$ 306,416,444</u>

*STATEMENT OF ACTIVITIES

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (218,288,262)	\$ (194,048,069)	\$ (208,091,515)	\$ (216,049,981)	\$ (202,292,461)	\$ (281,395,403)	\$ (325,456,978)	\$ (320,567,344)	\$ (343,132,499)	\$ (402,665,019)
Business-type activities	21,239,955	25,566,105	19,203,338	18,813,657	38,367,948	70,038,753	20,381,380	19,383,824	13,779,989	(2,123,760)
Total primary government net expense	<u>\$ (197,048,307)</u>	<u>\$ (168,481,964)</u>	<u>\$ (188,888,177)</u>	<u>\$ (197,236,324)</u>	<u>\$ (163,924,513)</u>	<u>\$ (211,356,650)</u>	<u>\$ (305,075,598)</u>	<u>\$ (301,183,520)</u>	<u>\$ (329,352,510)</u>	<u>\$ (404,788,779)</u>
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 113,448,485	\$ 116,004,442	\$ 117,163,758	\$ 121,595,988	\$ 133,099,279	\$ 147,504,790	\$ 167,206,453	\$ 183,296,970	\$ 188,988,491	\$ 199,908,875
Resort taxes	48,773,891	53,920,167	58,617,992	61,760,518	67,999,916	82,633,144	81,910,032	87,595,052	88,246,170	54,972,321
Tax increment	46,145,257	42,411,382	43,297,433	49,962,380	38,094,108	44,974,888	51,843,091	72,235,505	72,524,651	56,577,471
Utility taxes	10,209,678	10,293,270	11,391,955	12,364,114	12,192,935	12,308,962	12,582,522	12,857,343	13,269,326	12,720,319
Communication service	5,859,093	5,443,905	4,583,368	4,678,905	4,519,938	4,963,225	3,745,968	5,592,363	3,561,838	3,517,226
Local business tax	4,242,891	4,404,357	4,411,851	4,493,950	4,629,996	4,098,786	5,029,398	4,075,570	5,455,327	5,381,019
Miscellaneous	618,470	883,457	982,771	1,154,512	1,437,032	2,162,942	2,037,864	3,989,438	1,979,049	1,412,181
Unrealized loss on investments	-	-	(5,241,121)	-	-	-	-	-	-	-
Unrestricted investment earnings	3,288,360	4,749,664	3,494,199	3,088,992	5,264,909	4,415,405	5,786,366	6,731,596	23,294,793	18,886,768
Insurance proceeds relating to impairments	-	-	-	-	-	-	-	1,311,745	-	-
Gain or (loss) on disposal of capital assets	264,801	259,635	491,394	200,295	387,671	409,907	13,699	-	-	3,171
Extraordinary Expense	-	-	-	-	-	(1,858,400)	769,066	1,089,334	-	-
Transfers	(13,750,433)	8,328,465	4,409,667	4,663,756	9,763,889	10,067,140	1,469,533	6,106,910	(1,080,419)	(491,147,811)
Total governmental activities	<u>219,100,493</u>	<u>246,698,744</u>	<u>243,603,267</u>	<u>263,963,410</u>	<u>277,389,673</u>	<u>311,680,789</u>	<u>332,393,992</u>	<u>384,861,826</u>	<u>396,239,226</u>	<u>(137,768,460)</u>
Business-type activities:										
Tax increment	3,071,141	3,046,200	3,671,000	3,671,000	-	3,671,000	-	-	-	14,060,262
Resort Taxes	-	-	-	-	-	-	11,425,128	-	-	-
Unrealized gain on investments	-	-	(178,004)	(12,388)	297,864	-	-	-	81,444	41,298
Unrestricted investment earnings	1,714,113	1,391,120	1,333,480	1,114,406	777,943	1,661,658	1,482,014	6,538,780	9,436,364	6,567,663
Gain (Loss) on disposal of capital assets	75,365	114,222	73,427	107,809	170,013	410,679	(68,899,246)	118,745	-	-
Transfers	13,750,433	(8,328,465)	(4,409,667)	(4,663,756)	(9,763,889)	(10,067,140)	(1,469,533)	(6,106,910)	1,080,419	491,147,811
Total business-type activities	<u>18,611,052</u>	<u>(3,776,923)</u>	<u>490,236</u>	<u>217,071</u>	<u>(8,518,069)</u>	<u>(4,323,803)</u>	<u>(67,461,637)</u>	<u>550,615</u>	<u>10,598,227</u>	<u>511,817,034</u>
Total primary government	<u>\$ 237,711,545</u>	<u>\$ 242,921,821</u>	<u>\$ 244,093,503</u>	<u>\$ 264,180,481</u>	<u>\$ 268,871,604</u>	<u>\$ 307,356,986</u>	<u>\$ 274,932,355</u>	<u>\$ 385,412,441</u>	<u>\$ 406,837,453</u>	<u>\$ 374,048,574</u>
Change in net position										
Governmental activities	\$ 812,231	\$ 52,650,675	\$ 35,511,752	\$ 47,913,429	\$ 75,097,212	\$ 30,285,386	\$ 6,937,014	\$ 64,294,482	\$ 53,106,727	\$ (540,433,479)
Business-type activities	39,851,007	21,789,182	19,693,574	19,030,728	29,849,879	65,714,950	(37,080,257)	19,934,439	24,378,216	509,693,274
Total primary government	<u>\$ 40,663,238</u>	<u>\$ 74,439,857</u>	<u>\$ 55,205,326</u>	<u>\$ 66,944,157</u>	<u>\$ 104,947,091</u>	<u>\$ 96,000,336</u>	<u>\$ (30,143,243)</u>	<u>\$ 84,228,921</u>	<u>\$ 77,484,943</u>	<u>\$ (30,740,205)</u>

*STATEMENT OF ACTIVITIES

CITY OF MIAMI BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 78,020	\$ 10,558	\$ 332	\$ -	\$ 19,765	\$ 1,268	\$ -	\$ 23,255	\$ 1,541,257	\$ 9,255
Restricted	4,653,291	5,188,291	7,289,291	4,752,809	8,328,543	10,436,543	11,447,181	11,447,181	18,489,336	-
Committed	272,922	3,915,257	3,048,458	29,505,725	48,151,901	48,307,433	59,243,040	45,607,227	63,837,375	64,701,035
Assigned	47,865,087	47,506,132	43,800,099	16,244,357	2,791,000	3,139,732	500,000	500,000	4,777,000	18,721,680
Unassigned	2,906,247	4,232,166	-	-	-	-	-	30,871,817	26,523,824	11,297,423
Total general fund	<u>\$ 55,775,567</u>	<u>\$ 60,852,404</u>	<u>\$ 54,138,180</u>	<u>\$ 50,502,891</u>	<u>\$ 59,291,209</u>	<u>\$ 61,884,976</u>	<u>\$ 71,190,221</u>	<u>\$ 88,449,480</u>	<u>\$ 115,168,792</u>	<u>\$ 94,729,393</u>
All Other Governmental Funds										
Nonspendable	\$ 4,490	\$ 4,490	\$ 4,490	\$ -	\$ -	\$ -	\$ 52,500	\$ 24,418	\$ 30,067	\$ 34,385
Restricted	219,902,708	231,046,613	250,022,626	266,604,162	278,623,633	671,137,967	448,306,775	340,281,737	433,953,552	386,046,771
Committed	42,625,948	39,723,193	39,141,545	43,288,503	38,450,565	47,915,741	41,600,188	40,176,679	68,363,818	65,551,285
Assigned	53,020	42,116	165,534	752,927	-	-	-	1,286,969	-	94,319
Unassigned	(2,445,745)	(4,596,490)	(4,537,581)	(2,360,199)	(1,675,799)	(2,430,061)	(14,771,011)	(20,607,779)	(17,027,781)	(9,836,930)
Total all other governmental funds	<u>\$ 260,140,421</u>	<u>\$ 266,219,922</u>	<u>\$ 284,796,614</u>	<u>\$ 308,285,393</u>	<u>\$ 315,398,399</u>	<u>\$ 716,623,647</u>	<u>\$ 475,188,452</u>	<u>\$ 361,162,024</u>	<u>\$ 485,319,656</u>	<u>\$ 441,889,830</u>

CITY OF MIAMI BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended September 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 238,204,970	\$ 240,478,321	\$ 246,332,649	\$ 261,527,060	\$ 269,294,092	\$ 303,445,683	\$ 329,005,151	\$ 372,057,484	\$ 380,556,002	\$ 339,984,347
Franchise fees	8,005,556	9,261,120	7,775,685	8,206,099	8,361,063	8,067,568	8,323,438	8,173,295	8,364,567	7,909,621
Permits	12,649,435	15,825,051	17,897,983	19,638,114	23,123,876	24,166,916	25,505,418	23,928,957	29,440,672	11,086,973
Intergovernmental	21,083,904	20,726,490	17,468,596	17,290,372	18,169,906	17,232,200	15,092,659	21,005,380	20,584,517	35,266,791
Charges for services	13,453,404	15,793,374	16,547,096	21,520,543	23,191,434	23,896,852	23,207,231	24,352,314	25,742,250	20,151,891
Rents & leases	5,611,215	6,154,965	6,821,959	6,801,937	7,134,082	6,935,619	6,927,962	7,153,820	7,045,294	5,662,637
Interest	2,924,400	4,471,754	3,266,782	2,857,175	5,044,062	4,186,774	5,688,621	5,773,754	21,314,181	17,250,298
Fines and forfeitures	3,090,229	3,391,565	3,276,222	3,143,282	2,690,178	2,556,092	2,435,516	2,855,687	2,522,310	1,385,622
Administrative fees	14,830,787	15,018,027	15,595,882	14,446,790	15,027,026	19,017,177	18,722,193	20,810,564	21,241,512	14,498,675
Special assessment	748,128	697,000	737,063	647,145	282,647	238,294	225,639	211,442	187,092	33,780
Impact fees	1,897,593	5,319,311	2,340,350	4,439,358	10,377,988	2,208,524	3,208,281	3,486,229	3,521,962	1,194,875
Other revenues	9,043,926	4,090,875	3,938,918	2,881,720	4,145,958	1,941,465	2,658,893	5,926,942	7,586,493	1,913,058
Total revenues	331,543,547	341,227,853	341,999,185	363,399,595	386,842,312	413,893,164	441,001,002	495,735,908	528,106,852	456,338,568
Expenditures										
General government	54,260,197	44,345,488	43,932,077	44,948,607	48,528,841	54,034,457	54,784,677	55,184,621	53,840,780	53,762,855
Public safety	163,631,354	169,615,823	178,483,658	184,316,059	190,560,357	202,413,979	218,797,756	230,175,631	238,143,940	230,212,540
Physical environment	2,618,574	2,134,541	2,414,724	2,765,742	3,822,556	4,835,660	6,641,109	6,384,051	15,994,493	14,101,149
Transportation	4,712,854	5,489,882	5,083,060	5,944,005	9,120,845	10,106,470	15,975,480	22,828,290	20,998,999	13,950,207
Economic environment	6,725,993	5,536,866	5,480,964	4,528,992	5,287,707	6,237,203	6,306,965	9,780,237	8,513,706	11,434,312
Human services	1,441,069	2,216,627	2,103,404	2,222,204	2,892,116	3,206,331	3,181,696	3,476,075	3,948,214	4,090,299
Culture and recreation	39,142,720	41,056,256	42,468,693	45,973,463	52,123,363	55,685,165	55,723,327	59,628,074	61,500,406	54,041,419
Capital Outlay	47,432,227	38,137,968	25,145,843	33,489,057	44,556,879	152,900,118	270,877,710	168,225,667	77,387,666	64,682,175
Debt service										
Principal	12,829,124	13,920,633	15,632,156	15,719,650	16,781,013	21,018,490	19,990,093	20,912,606	21,423,687	22,058,149
Interest	10,462,092	9,863,906	14,567,063	8,706,129	8,066,696	28,398,933	27,940,540	27,182,895	27,220,674	31,665,188
Other	-	-	-	-	-	-	174,056	114,590	-	-
Total expenditures	343,256,204	332,317,990	335,311,642	348,613,908	381,740,373	538,836,806	680,393,409	603,892,737	528,972,565	499,998,293
Excess of revenue over (under) expenditures	(11,712,657)	8,909,863	6,687,543	14,785,687	5,101,939	(124,943,642)	(239,392,407)	(108,156,829)	(865,713)	(43,659,725)
Other Financing Sources (Uses)										
Refunding Bonds Issued	-	34,840,000	-	-	-	518,824,800	3,034,478	1,362,339	162,225,000	-
Premium on refunding bonds issued	-	3,117,141	-	-	-	52,632,633	19,679,000	-	18,529,252	7,155,665
Payment to escrow agent	-	(37,957,141)	-	-	-	(50,954,074)	(19,215,000)	-	(28,358,050)	(7,131,002)
Proceeds from loan	-	-	-	-	313,000	-	-	-	-	-
Sale of assets	14,592	34,321	30,478	20,850	13,392	18,220	8,338	594,270	-	2,171
Impairment	-	-	-	-	-	-	-	(1,311,745)	-	-
Insurance recovery	-	-	-	-	-	-	-	1,311,745	-	-
Transfers in	64,082,002	91,924,389	87,275,289	101,957,775	80,751,364	635,933,939	93,919,605	127,239,318	280,059,706	85,462,844
Transfers out	(60,131,041)	(89,712,235)	(82,130,842)	(96,910,822)	(70,278,371)	(625,834,461)	(90,933,030)	(118,895,601)	(280,713,251)	(105,699,178)
Total other financing sources (uses)	3,965,553	2,246,475	5,174,925	5,067,803	10,799,385	530,621,057	6,493,391	10,300,326	151,742,657	(20,209,500)
EXTRAORDINARY ITEM										
Extraordinary expense	-	-	-	-	-	(1,858,400)	769,066	1,089,334	-	-
Net change in fund balances	\$ (7,747,104)	\$ 11,156,338	\$ 11,862,468	\$ 19,853,490	\$ 15,901,324	\$ 403,819,015	\$ (232,129,950)	\$ (96,767,169)	\$ 150,876,944	\$ (63,869,225)
Debt service as a percentage of noncapital expenditures	7.87%	8.09%	9.74%	7.75%	7.37%	12.80%	11.70%	11.04%	10.77%	12.34%

CITY OF MIAMI BEACH, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (Unaudited)
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year Ended September 30,	Real Property				Value of Taxable Property	Exemptions			Total Taxable Assessed Value	Total Direct Tax Rate ^B
	Residential Property	Commercial Property	Industrial Property	Other Property		Real property-Amendment 10 Excluded Value ^A	Less: Tax-Exempt Property	Other Adjustments to Just Value		
2011	\$ 18,228,553	\$ 5,551,314	\$ 48,983	\$ 2,599,899	\$ 26,428,749	\$ 1,651,400	\$ 2,624,675	\$ 47,932	\$ 22,104,742	6.5025
2012	18,370,666	5,909,382	48,770	2,643,427	26,972,245	1,740,330	2,614,791	638,834	21,978,290	6.4539
2013	20,334,542	6,246,840	38,810	2,713,143	29,333,335	2,311,720	2,615,045	1,334,248	23,072,322	6.3477
2014	22,262,896	6,870,554	34,051	2,776,696	31,944,197	2,787,123	2,507,009	1,993,488	24,656,577	6.1163
2015	26,372,550	7,457,822	31,671	3,004,039	36,866,082	3,888,518	2,478,873	3,394,820	27,103,871	6.0237
2016	31,699,064	9,389,064	43,114	3,516,886	44,648,127	5,649,696	2,504,591	5,795,949	30,697,891	5.9123
2017	36,227,540	10,081,176	55,583	4,012,695	50,376,994	6,835,074	2,601,055	6,243,108	34,697,757	5.8888
2018	36,319,906	11,028,601	54,118	3,956,081	51,358,706	6,236,526	2,642,773	5,082,345	37,397,062	5.8888
2019	35,233,234	11,631,382	52,018	4,360,443	51,277,077	5,033,773	2,756,878	3,387,534	40,098,892	5.8888
2020	34,930,988	12,108,591	53,204	4,453,591	51,546,374	4,425,609	3,061,436	2,316,331	41,742,998	6.0221

Source: 2020 Tax Roll for Miami-Dade County

Note: Increases in assessed value for homesteaded property is limited to 3% per year or CPI whichever is less and for non-homesteaded property the increase is limited to 10% per year.

Note: Exemptions for real property include: \$25,000 homestead exemption; an additional \$25,000 homestead exemption (excluding School Board taxes) starting in FY 2009; widows/widowers exemption; governmental exemption; disability/blind age 65 and older exemption ; institutional exemption; economic development exemption and other exemptions as allowed by law.

^A Amendment 10 was an amendment to the Florida Constitution in 1992 which capped the assessed value of properties with homestead exemption to increases of 3% per year or the Consumer Price Index, whichever is less (193,155, F.S.), no data available for fiscal years 2002 through 2010.

^B Total direct rate includes 5.7288 mills for operating and 0.1600 mills for debt service.

CITY OF MIAMI BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year Ended September 30,	City of Miami Beach Direct Rates			Overlapping Rates ^A			Total
	Operating Millage	Debt Service Millage	Total Direct Millage	School District Millage	County Millage	State Millage	
2011	6.2155	0.2870	6.5025	8.2490	6.6565	0.6585	22.0665
2012	6.1655	0.2884	6.4539	8.0050	5.7695	0.4708	20.6992
2013	6.0909	0.2568	6.3477	7.9980	5.6610	0.4634	20.4701
2014	5.8634	0.2529	6.1163	7.9770	5.7980	0.4455	20.3368
2015	5.7942	0.2295	6.0237	7.9740	5.9009	0.4187	20.3173
2016	5.7092	0.2031	5.9123	7.6120	5.9009	0.3871	19.8123
2017	5.7092	0.1796	5.8888	7.3220	5.8509	0.3627	19.4244
2018	5.7224	0.1664	5.8888	6.9940	5.8182	0.3420	19.0430
2019	5.7288	0.1600	5.8888	6.7330	5.8568	0.3256	18.8042
2020	5.7288	0.2933	6.0221	7.1480	5.8969	0.3115	19.3785

Source: Miami-Dade County, Florida; Department of Property Appraisal
2019 Millage Table and The City of Miami Beach 2019/2020
Adopted Budget Book.

State Legislated Operating millage Requirements

Pursuant to recently enacted State legislation, the City may elect to approve millage rates above the roll-back rate up to the constitutional cap of 10 mills subject to the following votes by the Commission or referendum:

Option I: A majority of the Commission Millage is required to approve a millage up to 8.1906 (equivalent to 100.55% of prior year maximum as valorem proceeds allowed by a majority vote, net of the impact of the Tax Increment Districts). The adjustment of 100.55% reflects the statewide per capita personal income increase for the prior year.

Option II: A two-thirds approval (5 of 7 votes) of the Commission is required to approve a millage up to 9.0097 (equivalent to a 10% increase in the ad valorem revenues above Option I).

Option III: A unanimous approval of the Commission or referendum is required to approve a millage above 9.0097 up to the 10 mill cap

^A Overlapping rates are those of local and county governments that apply to owners within the City of Miami Beach. Not all overlapping rates apply to all Miami Beach property owners.

**CITY OF MIAMI BEACH, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO**

2020			2011		
Taxpayer	Taxable Assessed Value	Percentage of The City's Certified Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of The City's Certified Taxable Assessed Value
Fountainbleau Florida Hotel LLC	\$ 418,615,346	1.00 %	2201 Collins Fee LLC	\$ 292,327,602	1.32 %
Lowes Hotel	261,800,000	0.63	Fountainbleau Florida Hotel LLC	273,680,426	1.24
Florida Power & Light Company	205,092,392	0.49	Sandy Lane Residential LLC	235,887,045	1.07
Playa Retail Investments LLC	167,255,308	0.40	Lowes Hotel	216,000,000	0.98
2201 Collins Fee LLC	144,725,041	0.35	Florida Power & Light Company	160,243,378	0.72
SB Hotel LP	141,519,847	0.34	FL 6801 Collins N LLC	129,236,200	0.58
1111 Lincoln LLC	134,370,585	0.32	Di Lido Beach Hotel Corp	108,500,000	0.49
PPF MBL Portfolio LLC	130,465,000	0.31	MCZ/ Centrum Flamingo II	108,000,000	0.49
VCP Lincoln Road LLC	128,255,160	0.31	1100 West Properties LLC	106,840,977	0.48
Black Marble E 2013 LLC	119,881,052	0.29	MCZ/Centrum Flamingo II	89,000,000	0.40
	<u>\$ 1,851,979,731</u>	<u>4.44 %</u>		<u>\$ 1,719,715,628</u>	<u>7.77 %</u>

Source: 2020 and 2011 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach.

**CITY OF MIAMI BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)
FISCAL YEARS 2011 THRU 2020**

Fiscal Year Ended September 30,	Taxes levied for the fiscal year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 136,549,286	\$ 128,719,932	94.27 %	\$ (873,811)	\$ 127,846,121	93.63 %
2012	134,753,401	129,572,373	96.16	6,496,877	136,069,250	100.98
2013	139,133,369	130,317,166	93.66	5,052,814	135,369,980	97.30
2014	143,266,670	139,729,175	97.53	6,842,032	146,571,207	102.31
2015	155,102,311	151,761,695	97.85	9,071,727	160,833,422	103.70
2016	172,420,383	168,150,832	97.52	13,734,589	181,885,421	105.49
2017	194,111,744	187,054,786	96.36	15,083,822	202,138,608	104.14
2018	209,212,631	203,265,792	97.16	14,890,933	218,156,725	104.28
2019	217,551,576	209,984,146	96.52	12,971,907	222,956,053	102.48
2020	238,811,488	181,359,405	75.94	-	181,359,405	75.94

Sources: Millage and taxable value table, the City of Miami Beach adopted budget book, Miami-Dade County real estate delinquent tax system and the City of Miami Beach finance department.

Note: Assessments as of January 1 of the year listed; bills mailed in October of that year; taxes become delinquent at the end of April of the subsequent year.

For the City of Miami Beach, the period for which levied coincides with the fiscal year.

CITY OF MIAMI BEACH
RATIOS OF OUTSTANDING DEBT BY TYPE (Unaudited)
LAST TEN FISCAL YEARS
(in thousands of dollars)

Governmental Activities ^A								
Fiscal Year	General Obligation Bonds	Resort Tax Revenue Bonds	Gulf Breeze Government Loan Program	Pension Obligation Bonds	Redevelopment Agency Tax Increment Revenue Bonds	Loans Payable ^D	Other Obligations	Total Governmental Activities
2011	\$ 68,280	\$ -	\$ 19,739	\$ 37,095	\$ 75,035	\$ 9,438	\$ 15,225	\$ 224,812
2012	64,045	-	17,128	33,995	70,375	11,815	14,780	212,138
2013	61,745	-	14,386	30,550	66,058	12,374	13,551	198,664
2014	59,338	-	11,510	26,935	60,365	13,558	12,882	184,588
2015	55,419	-	8,484	23,160	55,367	11,779	11,801	166,010
2016	51,425	213,288	5,310	19,215	350,692	8,551	11,002	659,483
2017	47,363	208,906	4,350	-	342,669	25,843	10,121	639,252
2018	43,234	204,411	3,340	-	334,479	21,344	9,153	615,961
2019	191,593 ^C	199,772	2,280	-	326,089	18,958	8,089	746,781
2020	186,154 ^C	177,520	1,170	-	294,930	14,327	7,155	681,256

Business-type activities ^A					Total			
Fiscal Year	Storm Water Revenue Bonds	Sewer Revenue Bonds	Parking Revenue Bonds	Loan Payable	Total Business Activities	Total Primary Government	Percentage of Personal Income	Per Capita ^B
2011	\$ 42,700	\$ 125,557	\$ 45,966	\$ 1,670	\$ 215,893	\$ 440,705	\$ 13.62	\$ 5.0206
2012	94,646	121,507	44,040	2,025	262,218	474,356	13.55	5.2649
2013	93,108	117,272	42,059	1,793	254,232	452,896	11.85	4.9862
2014	92,487	114,492	40,686	1,271	248,936	433,524	11.99	4.7848
2015	190,545	109,569	38,476	1,143	339,733	505,743	13.24	5.5133
2016	187,619	105,810	101,620	770	395,819	1,055,302	24.51	11.5253
2017	184,169	99,406	99,658	276	383,509	1,022,761	22.70	11.1270
2018	286,294	178,317	97,640	-	562,251	1,178,212	25.95	12.7641
2019	281,263	173,484	95,564	-	550,311	1,297,092	26.58	14.1422
2020	276,034	168,442	63,893	32,431 ^E	540,800	1,222,056	23.64	12.9784

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

^A Net of Premium and discount

^B See Demographic and Economic Statistics page for population information

^C New debt issued in fiscal year 2019 and 2020

^D Includes the Pension loan, loans payable and capital leases

^E The \$ 32,431,335 million of debt is reported on the Enterprise Funds - Parking Statement of Net Position, however the pledge repayment source is non ad-valorem general revenue subject to budget and appropriation.

CITY OF MIAMI BEACH
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (Unaudited)
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Net Bonded Debt						Percentage of Actual Taxable Value of Property	Debt Per Capita ^A
	General Obligation Bonds	Gulf Breeze Fixed Rate Bonds ^C	Pension Refunding Bonds/Loan	Total	Fund Balance Reduction	Net Total		
2011	\$ 67,579	\$ 18,601	\$ 37,095	\$ 123,275	\$ (8,617)	\$ 114,658	0.56 %	1.4044
2012	62,491	15,499	33,995	111,985	(10,083)	101,902	0.51	1.2429
2013	59,692	12,583	30,550	102,825	(9,852)	92,973	0.45	1.1318
2014	56,519	9,455	26,935	92,909	(9,973)	82,936	0.38	1.0207
2015 ^B	55,419	8,484	23,160	87,063	(9,851)	77,212	0.32	0.9491
2016 ^B	51,425	5,310	19,215	75,950	(21,390)	54,560	0.25	0.8295
2017 ^B	47,363	4,350	-	51,713	(7,577)	44,136	0.15	0.5626
2018 ^B	43,234	3,340	-	46,574	(812)	45,762	0.12	0.5046
2019 ^B	191,593	2,280	-	193,873	(774)	193,099	0.50	2.1138
2020 ^B	186,154	1,170	-	187,324	(299)	187,025	0.47	1.9894

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

^A See Demographic and Economic Statistics page for population information.

^B Debt net of premium and discount

^C These bonds are pledged from general non ad-valorem funds. See Note 10 for more details.

Note: RDA & Resort Tax debt is excluded as it is pledged RDA & Resort Tax revenue respectively.

CITY OF MIAMI BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION (Unaudited)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 3,315,711,442	\$ 3,296,743,489	\$ 3,460,848,297	\$ 3,698,486,533	\$ 4,065,580,713
Total net debt applicable to limit	<u>67,579,117</u>	<u>62,490,554</u>	<u>60,722,308</u>	<u>56,518,915</u>	<u>52,080,035</u>
Legal Debt margin	<u>\$ 3,248,132,325</u>	<u>\$ 3,234,252,935</u>	<u>\$ 3,400,125,989</u>	<u>\$ 3,641,967,618</u>	<u>\$ 4,013,500,678</u>
Total net debt applicable to the limit as a percentage of debt limit	2.04%	1.90%	1.75%	1.53%	1.28%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 4,604,683,630	\$ 5,204,663,566	\$ 5,609,559,374	\$ 5,833,419,165	\$ 6,143,498,044
Total net debt applicable to limit	<u>48,840,920</u>	<u>44,772,315</u>	<u>42,422,703</u>	<u>190,818,618</u>	<u>185,855,751</u>
Legal Debt margin	<u>\$ 4,555,842,710</u>	<u>\$ 5,159,891,251</u>	<u>\$ 5,567,136,671</u>	<u>\$ 5,642,600,547</u>	<u>\$ 5,957,642,293</u>
Total net debt applicable to the limit as a percentage of debt limit	1.06%	0.86%	0.76%	3.27%	3.03%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 40,956,653,628
Debt limit (15% of assessed value)	6,143,498,044
Debt applicable to limit:	
General obligation bonds	186,154,745
Less: Amount set aside for repayment of general obligation debt	<u>298,994</u>
Total net debt applicable to limit	<u>185,855,751</u>
Legal debt margin	<u>\$ 5,957,642,293</u>

Note: Assessed value is the certified taxable value as of January 1, 2019.

CITY OF MIAMI BEACH, FLORIDA
PLEDGED-REVENUE COVERAGE (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Revenue	Less: Operating Expenses	Net available Revenue	Debt Service		Coverage
				Principal	Interest	
Parking Revenue Bonds						
2011	\$ 38,141,715	\$ 19,437,690	\$ 18,704,025	\$ 2,015,876	\$ 1,773,541	4.94
2012	40,254,446	20,364,735	19,889,711	1,909,458	2,121,143	4.93
2013	41,608,717	22,099,777	19,508,940	1,972,110	2,050,454	4.85
2014	40,423,375	25,631,104	14,792,271	2,049,762	1,977,231	3.67
2015	42,740,752	28,094,275	14,646,477	1,405,000	1,834,663	4.52
2016	52,263,779	31,863,161	20,400,618	2,230,508	3,882,226	3.34
2017	47,420,407	32,519,424	14,900,983	1,600,000	4,652,713	2.38
2018	48,575,322	34,314,433	14,260,889	1,670,000	4,579,713	2.28
2019	49,251,672	35,564,086	13,687,586	1,740,000	4,512,913	2.19
2020	33,293,212	26,155,956	7,137,256	80,000	4,444,112	1.58

Note: Revenue includes operating revenues and nonoperating interest income but excludes interest earned on bond proceeds as per the official bond statement. Operating expenses excludes non-cash transactions and adjustments recorded per note#18 included in the Financial Statements. The only debt service includes the 2015 series bonds as the 2020 loan repayment is reported in the fund but the pledge is from non ad- valorem general revenue. The 5th & Alton and 7th Street Garages are not included as part of the Parking Systems Funds.

Water & Sewer Revenue Bonds						
2011	\$ 69,086,475	\$ 48,509,804	\$ 20,576,671	\$ 3,930,000	\$ 5,961,736	2.08
2012	68,622,998	46,769,683	21,853,315	4,100,000	5,801,135	2.21
2013	68,382,564	49,737,831	18,644,733	4,285,000	5,633,434	1.88
2014	69,399,550	49,242,030	20,157,520	3,185,000	5,476,073	2.33
2015	76,118,870	53,527,238	22,591,632	4,935,000	5,299,541	2.21
2016	80,863,818	57,123,647	23,740,171	3,770,000	5,111,733	2.67
2017	84,740,505	62,870,251	21,870,254	6,415,000	4,889,445	1.93
2018	87,212,562	59,819,813	27,392,749	7,330,000	6,532,843	1.98
2019	91,353,611	59,639,739	31,713,872	4,170,000	7,548,581	2.71
2020	82,966,677	54,173,737	28,792,940	4,360,000	7,367,338	2.46

Note: Revenue includes operating revenues and nonoperating interest income but excludes interest earned on bond proceeds and water and sewer impact fees as per the official bond statement. Operating expenses excludes non-cash transactions and adjustments recorded per note#18 included in the Financial Statements.

Stormwater Revenue Bonds						
2011	\$ 11,845,218	\$ 3,346,893	\$ 8,498,325	\$ -	\$ 2,042,670	4.16
2012	11,754,024	3,770,907	7,983,117	1,500,000	3,337,013	1.65
2013	11,778,578	3,011,708	8,766,870	1,545,000	4,302,595	1.50
2014	11,938,937	3,287,102	8,651,835	1,590,000	4,258,872	1.48
2015	21,321,751	4,804,628	16,517,123	2,620,000	4,208,297	2.42
2016	21,833,308	4,467,788	17,365,520	2,720,000	8,516,865	1.55
2017	28,587,321	6,903,636	21,683,685	3,250,000	8,111,226	1.91
2018	29,743,251	6,140,735	23,602,516	4,213,026	9,964,373	1.66
2019	31,301,193	7,077,471	24,223,722	4,025,000	11,988,659	1.51
2020	31,601,867	8,332,325	23,269,542	4,185,000	11,817,582	1.45

Note: Revenue includes operating revenues and nonoperating interest income but excludes interest earned on bond proceeds as per the official bond statement. Operating expenses excludes non-cash transactions and adjustments recorded per note#18 included in the Financial Statements. Debt service includes the State Revolving Loan - refer to Note 10.

Redevelopment Agency						
2011	\$ 81,936,306	\$ 500,000	\$ 81,436,306	\$ 4,450,000	\$ 3,943,254	9.70
2012	84,906,486	500,000	84,406,486	4,660,000	3,733,816	10.06
2013	90,690,478	500,000	90,190,478	4,885,000	3,512,766	10.74
2014	37,456,562	500,000	36,956,562	4,885,000	3,513,000	4.40
2015	36,251,898	-	36,251,898	5,375,000	3,039,103	4.31
2016	42,216,634	-	42,216,634	7,985,000	13,744,597	1.94
2017	49,332,005	-	49,332,005	7,985,000	13,744,597	2.27
2018	49,920,277	-	49,920,277	7,985,000	13,744,597	2.30
2019	53,142,078	-	53,142,078	7,985,000	13,744,597	2.45
2020	56,577,471	-	56,577,471	7,985,000	13,744,597	2.60

Note: "Redevelopment Revenues" includes all tax increments derived RDA operations excluding those relating to the Children's trust. Per the bond documents, debt service coverage is "Trust Fund Revenues" as defined above divided by the maximum annual debt service requirement. Therefore, operating expenses are \$0.

Resort Tax						
2016	\$ 82,754,779	\$ -	\$ 82,754,779	\$ 8,505,000	\$ 3,949,750	6.64
2017	81,910,032	-	81,910,032	8,505,000	3,949,750	6.58
2018	87,595,052	-	87,595,052	8,505,000	3,949,750	7.03
2019	88,246,170	-	88,246,170	8,505,000	3,949,750	7.09
2020	54,972,321	-	54,972,321	8,505,000	3,949,750	4.41

Note: Per the bond documents, "Resort Tax Revenues" are all municipal taxes imposed, levied, and collected pursuant to the Resort Tax regulations. The revenues do not include special assessment revenues. Per the bond documents, debt service coverage is "Resort Tax Revenues" as defined above divided by the maximum annual debt service requirement. Therefore, operating expenses are \$0.

CITY OF MIAMI BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (Unaudited)
SEPTEMBER 30, 2020

DIRECT DEBT			
General obligation indebtedness			
Public improvement bonds		\$	168,435,000
Premium/(Discount)			<u>17,719,745</u>
Total General obligation indebtedness			186,154,745
Non-self-supporting indebtedness (net of premium/discount): ^A			
Bonds:			
Tax Increment Revenue Bonds	\$	317,464,005	
Resort Tax Bonds		194,986,754	
Gulf Breeze Government Loan Program		1,170,000	
Loans:			
2020 Parking refunding loan (series 2010 bonds)		32,431,335	
2020 Energy Savings Obligation		7,155,665	
Pension Loan		1,149,000	
Equipment Loan		5,996,817	
Clean Water State Revolving Loan		6,592,327	
Others:			
Capital Lease Obligation		589,463	
Total non-self-supporting indebtedness			<u>567,535,366</u>
Total direct indebtedness			<u>753,690,111</u>
OVERLAPPING DEBT ^B			
Miami-Dade County			
Total general obligation indebtedness	\$	2,260,963,600	
Percent applicable to City ^C		12.8692%	290,967,928
Total school district obligation indebtedness		866,840,000	
Percent applicable to City ^C		12.8692%	111,555,373
Total net non-self-supporting indebtedness		3,127,803,600	
Percent applicable to City ^C		12.8692%	<u>402,523,301</u>
Total overlapping debt			<u>805,046,602</u>
TOTAL DIRECT AND OVERLAPPING DEBT		\$	<u><u>1,558,736,713</u></u>

^A Excludes self-supporting debt obligations.

^B All debt listed as Overlapping Debt is secured either solely from a tax source or from a combination of self-supporting revenues and a tax source.

^C Based upon 2019 assessed valuation figures for the City and Dade County.

**CITY OF MIAMI BEACH
DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
LAST TEN CALENDAR YEARS**

Miami-Dade County								
Year	Miami Beach Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Auto Tags	Bank Deposits (Thousands)	School Age Population	Unemployment Rate	
2010	87,779	\$ 92,227	\$ 36,846	1,999,364	\$ 80,352	347,133	12.4	
2011	90,097	96,657	37,834	2,007,052	82,935	349,945	11.3	
2012	90,848	100,688	38,860	1,691,167	B	91,040	353,152	9.3
2013	91,026	104,373	39,880	-	A	95,058	355,268	8.4
2014	91,732	111,529	41,883	-	A	102,382	355,913	6.8
2015	91,564	116,553	47,026	-	A	114,771	356,480	5.1
2016	91,917	121,447	49,018	-	A	124,922	356,086	4.6
2017	92,307	126,715	49,185	-	A	128,390	354,172	3.6
2018	91,718	138,139	53,213	-	A	131,441	350,040	3.1
2019	94,161	149,166	54,902	-	A	152,062	347,069	7.9

Source: Florida Statistical Abstract, US Census American Community Survey, Bureau of Labor Statistics, FDIC - Branch Office Deposits, Dade County School District

^A Data not available

^B Does not include mobile homes, trailers or vessels, dealer or transporter license plates, half-year truck/tractor registrations or permanent government license plates.

**MIAMI-DADE COUNTY
PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO**

Ten Largest Public Employers					
<u>Employer</u>	<u>2016*</u>			<u>2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
Miami-Dade County Public Schools	33,477	1	1.22 %	54,861	1
Miami-Dade County	25,502	2	0.93	33,653	2
Federal Government	19,200	3	0.70	20,400	3
Florida State Government	17,100	4	0.62	17,000	4
Jackson Health System	9,797	5	0.36	11,875	5
City of Miami	3,997	6	0.15	4,600	8
Florida International University	3,534	7	0.13	8,500	6
Homestead AFB	3,250	8	0.12		
Miami VA Medical Center	2,500	9	0.09	2,310	10
Miami Dade College	2,390	10	0.09	5,865	7
City of North Miami Beach				3,878	9

Ten Largest Private Employers					
<u>Employer</u>	<u>2016*</u>			<u>2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
University of Miami	12,818	1	0.47 %	12,765	1
Baptist Health South Florida	11,353	2	0.41	11,615	3
American Airlines	11,031	3	0.40	9,000	4
Carnival Cruise Lines	3,500	4 (t)	0.13		
Miami Children's Hospital	3,500	4 (t)	0.13		
Mount Sinai Medical Center	3,321	6	0.12		
Florida Power and Light	3,011	7	0.11		
Royal Caribbean	2,989	8	0.11		
Wells Fargo	2,050	9	0.07		
Bank of America Merrill Lynch	2,000	10	0.07		
Publix Super Markets				11,760	2
Precision Response Corporation				5,000	7
Bellsouth/AT&T				4,100	9
Winn-Dixie Stores				8,000	5
Florida Power & Light Co.				3,952	10
United Parcel Service				5,144	6
The Home Depot				4,500	8

Source: Employer and employees information provided by the Beacon Council. Miami Dade's Official Economic Development Partnership. Percentage of total County employment was calculated based on total County employment of 2,751,796 as provided by US Census American Community Survey.

*The principal employer data for fiscal years 2017-2020 are not available as of the date of this report.

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

Function/Program	Full-time Equivalent Employees as of September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Mayor and Commission	18	18	18	18	20	19	20	20	21	21
City Manager	10	10	10	13	15	16	16	16	16	16
Office of Communications	5	5	5	4	9	9	14	14	13	12
Office of Management & Budget	18	18	18	18	20	20	20	20	11	11
Organization Development and Performance Initiatives					2	2	2	3	3	3
Office of Inspector General ^D									14	14
Finance	37	37	37	37	50	50	64	65	63	63
Information Technology	36	36	37	36	38	39	44	44	44	44
Human Resources	14	14	14	15	23	27	28	29	28	28
Risk Management ^A	7	7	7	6						
City Clerk	14	14	13	14	14	15	15	15	15	15
Procurement	9	8	8	8	12	16	17	18	19	19
City Attorney	19	19	19	19	21	22	22	24	24	24
Economic Development and Cultural Arts:										
Real Estate, Housing and Comm. Development	13	13	13	11	11	15	27	23	26	26
Economic Development ^E									6	6
Building	66	73	73	73	86	85	88	88	84	84
Environment & Sustainability ^B							10	12	11	11
Planning	25	25	25	25	26	26	27	27	27	27
Tourism & Cultural Development ^E	11	11	11	13	17	18	18	18	10	10
Bass Museum	8	8	8	8	8	2	2	2	2	2
Operations:										
Community Services	4	4	4	4	4	4	4	4	4	4
Code Compliance	30	41	41	42	57	58	61	61	59	56
Parks & Recreation	156	173	173	167	152	150	151	162	163	158
Public Works	42	41	40	42	57	70	68	78	78	75
Sanitation	187	179	178	178	169	172	171	172	169	162
Property Management	24	50	50	50	33	34	34	34	36	36
Capital Improvement Projects	35	37	37	36	34	36	36	34	34	34
Parking	83	116	110	111	107	114	115	113	108	105
Sewer	35	35	34	34	34	37	37	30	30	30
Stormwater	23	21	21	21	29	32	32	30	30	33
Water	56	52	52	52	52	53	53	48	48	47
Fleet Management	21	20	20	22	22	22	22	21	21	21
Transportation Management ^C					6	9	16	15	15	11
Public safety:										
Police - Officers	370	370	381	381	385	409	408	408	414	415
Police - Civilians	138	138	144	158	92	78	97	100	97	97
Fire - Officers	200	200	200	200	201	200	213	213	213	213
Fire - Civilians	27	27	27	27	27	30	31	32	30	29
Ocean Rescue	56	76	76	76	78	92	91	91	91	95
Emergency Management					72	73	78	75	73	73
Total	1,797	1,896	1,904	1,919	1,983	2,054	2,152	2,159	2,150	2,130

Source: City of Miami Beach Budget Department

Note: In FY 2011 the City reduced its FTE by 133, this is due to adopted efficiencies and service reductions.

^A Risk Management merged with Human Resources in 2015

^B Ordinance 2016-3997 was passed in 2016 to creating the Environment & Sustainability Department, previously part of the Building Department.

^C Ordinance 2014-3865 was passed in May 2014 creating the Transportation Management Department.

^D Ordinance 2019-4239 was passed February 2019 creating the Office of Inspector General, which includes Office of Internal Audit, previously reported under Office of Management & Budget.

^E During FY2019, the Tourism, Culture, and Economic Development Department was separated into two departments; Tourism and Cultural Development and Economic Development.

CITY OF MIAMI BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM (Unaudited)
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Mayor and commission										
Ordinances approved	43	35	26	73	69	72	97	79	94	60
Resolutions approved	245	230	266	382	383	435	428	479	561	430
City manager										
Better Place Requests Open and Closed	N/A	42	2	7	58	N/A	N/A	N/A	N/A	N/A
Total Egov Requests Received	N/A	N/A	N/A	N/A	N/A	27,855	39,092	10,946	7,206	7,836
Total Egov Requests Completed	N/A	N/A	N/A	N/A	N/A	27,605	37,735	10,926	7,172	7,701
Budget and performance improvement										
Audits performed	233	235	198	187	155	174	187	224	210	-
Grants awarded	\$ 3,221,421	\$ 2,869,671	\$ 3,574,486	\$ 3,447,853	\$ 3,146,417	\$ 8,002,420	\$ 5,974,620	\$ 8,123,083	\$ 9,308,595	\$ 7,962,274
Finance										
Utility customer accounts	10,061	10,062	10,070	10,075	10,085	10,125	10,123	10,075	10,095	10,054
Licenses issued	7,718	6,592	6,496	6,943	7,555	7,928	8,489	7,912	7,672	6,774
Lien statements	6,600	6,326	7,355	6,734	6,298	4,750	4,267	4,950	4,862	4,144
Annual resort tax accounts	1,067	1,066	1,087	1,054	1,058	1,049	1,030	1,005	1,016	1,006
Human resources										
Employees	1,837	1,824	1,905	1,930	1,960	2,054	2,152	2,159	2,150	2,129
Hires	146	154	176	163	218	258	380	308	376	132
Building										
Building and trade permits processed/issued	12,523	13,272	13,881	14,071	14,076	12,645	11,045	10,575	9,889	6,637
Certificates	342	417	529	536	558	587	597	481	528	384
Tourism & cultural development										
Film & print and special events permits	1,215	1,225	1,190	1,141	1,249	1,041	1,184	1,050	1,152	750
Bass Museum Visitors	26,477	36,708	47,162	64,323	53,093	21,570	9,716	111,470	87,108	36,300
Theater Events (Byron/Colony)	218	222	237	172	90	1,049	958	1,157	1,355	146
Operations:										
Parking										
Residential Parking Permits	12,357	13,720	12,523	14,566	13,539	13,647	13,663	12,439	12,232	10,732
Municipal Parking Permits	42,152	44,418	47,600	51,230	43,014	41,422	43,188	37,889	38,770	28,561
Total Vehicle Entries - Garages	2,530,878	2,582,466	2,887,722	3,310,093	3,121,623	3,172,477	2,895,615	2,714,033	2,519,252	1,577,632
Parks & recreation										
Summer Camp	2,538	2,561	2,568	2,653	2,689	3,230	2,457	2,281	2,648	544
After and Play School Participants	3,501	3,276	3,056	3,139	3,091	1,405	1,316	1,073	1,056	786
Athletics	2,251	2,042	2,104	2,215	2,143	2,718	5,226	6,021	7,319	1,916
Pool Attendance	157,227	138,005	128,852	133,373	118,553	173,228	150,021	156,640	172,110	52,500
Golf course patrons [^]	80,782	71,528	76,230	79,532	75,542	74,237	71,807	78,654	79,673	76,280
Public Works-Engineering/Water/Sewer/Streets										
Right-of-Way permits issued	855	822	801	967	1,144	1,247	1,227	1,132	1,329	1,000
Cleaning and inspection of sewer lines	964,703	824,212	937,000	N/A	N/A	N/A	N/A	N/A	N/A	188 miles
Stormwater structures cleaned	1,253	97,425	N/A	N/A	N/A	N/A	7,092	7,891	7,891	7,891
Sanitation										
Residential Waste (tons per year)	12,172	10,233	8,920	8,972	8,278	8,036	8,036	8,028	8,029	8,956
Litter Cans	2,735	2,735	2,765	2,787	2,376	2,424	2,479	2,361	2,495	2,399
Mechanized Sweeping (miles per day)	20	20	20	20	20	20	20	20	20	20
Mobile Sweeping (miles per day)	156	156	156	156	156	156	156	156	156	156
Fleet Management										
Fuel consumed - diesel and unleaded (gallons)	900,211	858,767	698,280	849,400	847,359	862,970	899,289	935,173	921,178	778,563
Preventive maintenance jobs	3,181	3,174	3,519	3,153	3,334	3,549	4,334	3,725	3,732	3,435
Police										
Total number of arrests	9,588	9,890	10,577	8,280	6,644	6,458	5,790	4,993	5,428	3,422
Traffic Violations	49,561	48,344	50,590	71,562	64,478	57,488	46,695	39,368	37,116	14,020
Fire										
Emergency responses	21,429	22,263	22,948	23,415	25,185	25,384	26,081	25,771	23,746	21,362
Existing building inspections	1,107	773	961	1,985	1,461	3,248	3,056	7,069	6,035	15,729
Night club inspections	3,718	1,957	2,477	1,775	333	23	81	8	120	54
Site inspections	5,187	7,369	9,047	9,736	10,868	8,531	9,337	6,899	7,345	5,375
On duty inspections	1,478	187	1,233	1,774	1,946	2,086	N/A	N/A	N/A	N/A
Ocean rescue - victims rescued	747	531	733	575	788	886	495	785	1,168	253
Ocean rescue prevention	257,862	250,310	273,543	208,027	217,367	228,294	232,017	339,128	248,039	66,573

N/A - Information not available or service is not longer being performed.

Source: Various City of Miami Beach departments and Departmental Workplans.

[^] Decrease is due to Bass Museum renovation.

CITY OF MIAMI BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (Unaudited)
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	4	4	4	4	4	4	4	4	4	4
Vehicles assigned to the police department	486	530	530	530	530	530	548	586	589	629
Fire stations	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	180	180	180	180	180	180	180	180	180	180
Water valves	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Fire hydrants	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Fire lines	717	717	717	717	717	717	717	717	717	717
Meters	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460
Water pumping stations	5	5	5	5	5	5	5	6	6	6
Storage capacity (millions of gallons)	12,000	12,000	12,000	12,000	12,000	12,000	14,000	14,000	14,000	14,000
Stormwater										
Stormwater pipes (miles)	59	59	59	59	99	99	99	99	99	99
Drainage basins	172	172	172	172	471	471	471	471	471	471
Stormwater catch basins	6,000	6,000	6,000	6,000	4,779	4,779	4,779	4,779	4,779	4,779
Manholes	2,161	2,161	2,161	2,161	2,616	2,616	2,616	2,616	2,616	2,616
Outfalls	-	-	-	-	-	-	-	367	367	367
Stormwater Pump stations	-	-	-	-	-	-	-	49	49	49
Sewer										
Sanitary gravity sewer pipes (miles)	152	152	152	152	122	122	122	122	122	122
Force main pipes (miles)	21	21	21	21	22	22	22	22	22	22
Manholes	3,293	3,293	3,293	3,293	3,160	3,160	3,160	3,160	3,160	3,160
Wastewater pump stations	23	23	23	23	23	23	23	23	23	23
Other public works										
Streets (miles)	140	140	140	140	140	140	140	140	140	140
Sidewalks (miles)	242	242	242	242	242	242	242	242	242	242
Curb and gutter (miles)	200	200	200	200	200	200	200	200	200	200
Alleys (miles)	33	33	33	33	33	33	33	33	33	33
Seawalls (linear feet)	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300
Streetlights	6,893	6,893	6,893	6,893	6,893	6,893	7,200	7,200	7,200	7,487
Street lights cable (miles)	263	263	263	263	263	263	263	263	263	286
Up-lights	-	-	-	-	-	-	-	1,200	1,200	1,275
Parking										
Parking Lots & Garages	76	76	76	76	76	77	77	77	73	74
Parking Spaces	8,424	8,592	8,424	8,424	8,424	8,424	9,677	9,677	9,642	9,605
Parks and recreation										
Recreational open space (acres)	727	727	727	727	526	526	524	520	524	524
Playground tot-lots	19	19	19	19	20	21	21	23	23	23
Stadiums	2	2	2	2	1	1	1	2	2	2
Sports fields	7	7	7	7	5	5	5	6	7	7
Tennis sites	7	7	7	7	6	6	6	5	7	7
Basketball court sites	10	10	10	10	10	10	10	10	10	10
Ice Rink	1	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3	3	3	3
Youth/Community centers	3	3	3	3	2	2	2	6	6	6
Bark parks	4	4	4	5	9	9	9	7	7	7
Parks - passive and staffed	26	26	36	36	42	41	41	40	41	43
Municipal regulation golf courses	2	2	2	2	2	2	2	2	2	2
Trucks, off-road, and other vehicles	98	N/A	N/A	N/A	84	87	87	88	88	88
Amphitheater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2
Outdoor Fitness Gym/Trails	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	11
Skatepark	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Kayak Launches	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	3
Sanitation										
Sweepers	6	6	N/A							
Front end loader										
Trucks, Vans, and other vehicles	84	90	N/A							
Pressure washers	7	7	N/A							
Transit-minibuses										

Source: Various City of Miami Beach departments.

N/A- Data not available

