

# AUDIT REPORT

CITY OF MIAMI BEACH, FLORIDA

For the Fiscal Year Ending  
September 30, 2019



# **City of Miami Beach, Florida**

# **AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2019**

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**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT (CAFR)**

City of Miami Beach, Florida

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2019**

**Jimmy L. Morales**  
City Manager

**John Woodruff**  
Chief Financial Officer

Report prepared by: Finance Department

Cover picture  
Boardwalk at 36 street  
Miami Beach, Florida  
<http://www.miamibeachfl.gov/>



**City of Miami Beach, Florida  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2019**

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# MIAMI BEACH

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# **INTRODUCTORY SECTION**

# MIAMIBEACH

**City of Miami Beach**, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

June 24, 2020

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, 2019.

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, 2019 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**

The City of Miami Beach (the "City") is located on a seven (7.1) mile barrier island surrounded by the Atlantic Ocean to the east and Biscayne Bay to the west. The world-renowned Miami Beach is often parceled out by three 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 both residents and tourists. Overall, the City is recognized globally 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 for 2019 was 93,056, with a median household income of \$55,007 and a median age of 40. The City's labor force consists of 55,156 individuals; the primary industries are office and administrative services (14.3%), food preparation and serving (14.0%), sales (13.1%), and executive, managers, & administrators (11.1%). The unemployment rate of 2019 was 2.7% in comparison to Miami-Dade County which was 3.7%, and 46.2% of the population in Miami Beach has a bachelor's degree or higher. The City's tourism and hospitality industry provides a foundation for revenue generated through room nights and resort taxes, while the newly renovated Miami Beach Convention Center plays host to major conferences and shows from around the world. Despite the dampening impact to tourism from Hurricane Dorian which did not actually make landfall, the City's hotel data exhibited steady growth in key indicators during 2019 of 0.8% based on RevPar (revenue per available room), -0.4% based on ADR (average daily rate), and 1.2% based on hotel occupancy, demonstrating a healthy tourism economy. Consistent with previous years, Miami Beach remains the most common area for visitor lodging in the Greater Miami area with over 50% of the visitors. The City has hosted world renowned events and

conventions over the last few years including the 54th Annual NFL Superbowl, South Beach Seafood Festival, Miami Beach Gay Pride Festival, Art Deco Weekend, Million Dollar Round Table Conference, Seatrade Cruise Global Annual Meeting, eMerge America's Technology Conference, Florida Super-Con, Air and Sea Show, 65th Annual U.S. Conference of Mayors, International Tennis Federation Seniors Championship, Major League Baseball's Fanfest, Yachts Miami Beach Show, World Music Festival, Jeweler's International Showcase, Miami International Auto Show, Art Basel and Design Miami.

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, health care, cultural programming, and professional services industries. Miami Beach is beginning to see an increase in the growth of an entrepreneurial and tech community. Currently the City is home to two WeWork locations -- one in the South of Fifth neighborhood and the other on Lincoln Road. Many of the members represent the industries of real estate, hospitality and creative makers. Additionally, Venture City, a global investment and technology accelerator, launched its second location in Miami Beach.

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 Area in North Beach, which would build on highly successful CRA's in South Beach and City Center. 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. These efforts can be seen in the office vacancy rate which in 2019 was 7.6 percent compared to 9.1 percent from the previous year.

Miami Beach contains some of the country's most sought after real estate. Lincoln Road ranks as Florida's most expensive retail leasing location and fifth nationally. The City's lifeblood hospitality industry features the world's most recognizable hotels, from innovative new development like the Faena district to the historic architecture along South Beach's Ocean Drive. Miami Beach also contains some of the nation's most expensive residential zip codes, continually supported by strong international investment.

### **Convention Center Renovation**

The Miami Beach Convention Center (the "Center"), originally built in 1957, recently completed a \$550 million renovation and expansion. The new Center is setting a high standard of excellence and redefining meeting and entertainment solutions when hosting large-scale business, trade, civic, and cultural events. The City's professional design team, consisting of nationally recognized Fentress Architects, the local design firm of Arquitectonica, and international landscape architects West 8, have designed a Center that will position itself among the top globally significant convention centers in the world.

The new 1.4 million square foot, LEED certified facility includes a state-of-the-art 60,000 square foot grand ballroom, additional meeting rooms with flexible arrangements, a 20,000 square foot glass rooftop junior ballroom, advanced technology, and new versatile indoor/outdoor public spaces. For added convenience, 800 parking spaces located across from the Center have been relocated within the footprint of the building thus allowing the 5.8 acre parking lot to be converted into a public park surrounded by canopy trees, a flexible lawn area, and a public plaza to honor the City's veterans.

The transformation enables the Center to keep up with the demands of the competitive national and international convention community, while new outdoor public spaces have been created to improve walkability, connecting the Center and the City's adjacent historical cultural district and resorts. The project commenced in December, 2015 and events have been taking place in the building throughout the entire construction period through special event permits and enhanced fire watch. The building is 99.9% complete and pending final inspections for substantial completion which are currently under way.

### **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. The new Convention Center Hotel is anticipated to be completed in 2023 or 2024.

## **General Obligation 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.

There are 38 projects in Tranche 1 of the total 57 projects (some projects span multiple tranches). As of September 30, 2019, groundbreaking ceremonies have taken place for 3 of the projects and 21 projects are in some form of active status.

## **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.

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.

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, through rigorous review and good leadership, the Adopted Work Plan and Budget for fiscal year ended September 30, 2019 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 5.8888 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 is decreased from 0.1664 to 0.1600, a decrease of 0.0064 mills. The adopted combined millage rate reflects the lowest millage rate in the history of the City of Miami Beach.

**Property Values and Ad Valorem Taxes:** On July 1, 2018, the City received the “2018 Certification of Taxable Value” from the Property Appraiser’s Office stating that the taxable value for the City of Miami Beach is \$38.9 billion, including \$186 million in new construction. The preliminary 2018 value represents an increase of \$1.5 billion or 4.0 percent more than the July 1, 2017, Certification of Taxable Value of \$37.4 billion.

**Determining the Voted Debt Service Millage Levy:** The general obligation debt service payment for fiscal year 2019 was approximately \$5.9 million. Based on the July 1, 2018 Certified Taxable Value from the Property Appraiser, these bonds would require the levy of a voted debt service millage of 0.1600 mills. This represents a decrease of 0.0064 mills.

**Efficiencies and Reductions:** As with the preparation of budgets for the last ten 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 2019 budget adopted in September 2018, the Finance & Citywide Projects Committee requested that departments submit lists of potential reductions and efficiencies totaling 10 percent of their 2018 budgets. Across all funds, a total of \$3.7 million of reductions were adopted including 13 full-time positions and 9 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, 2019, the total net debt applicable to the limit as of percentage of debt limit is 3.27%.

On May 2, 2019, the City issued \$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 refunding generated \$8.5 million in savings with a net present value savings of \$4.9. 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.



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 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%.

Further information regarding outstanding debt, debt capacity, and debt ratios, is located in the Statistical Section.

### **Impact of COVID-19**

The City of Miami Beach is highly dependent on the tourism and hospitality industry. Due to COVID-19, the City is experiencing significant impacts to City revenues. To help mitigate the loss of revenue, the City is aggressively pursuing cost saving opportunities. In any case, the City is committed to paying the City's debt and other vendor obligations. The impact of COVID-19 will likely be very significant, but due to prudent financial planning, we have strong reserves in place that will help us navigate the crisis. Ideally, the federal government would provide stabilization aid to local governments to replenish the reserves. Otherwise, we will have to rebuild our reserves over time.

### **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, 2018. This was the thirty-second (32) 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, 2018. 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,



Jimmy L. Morales  
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

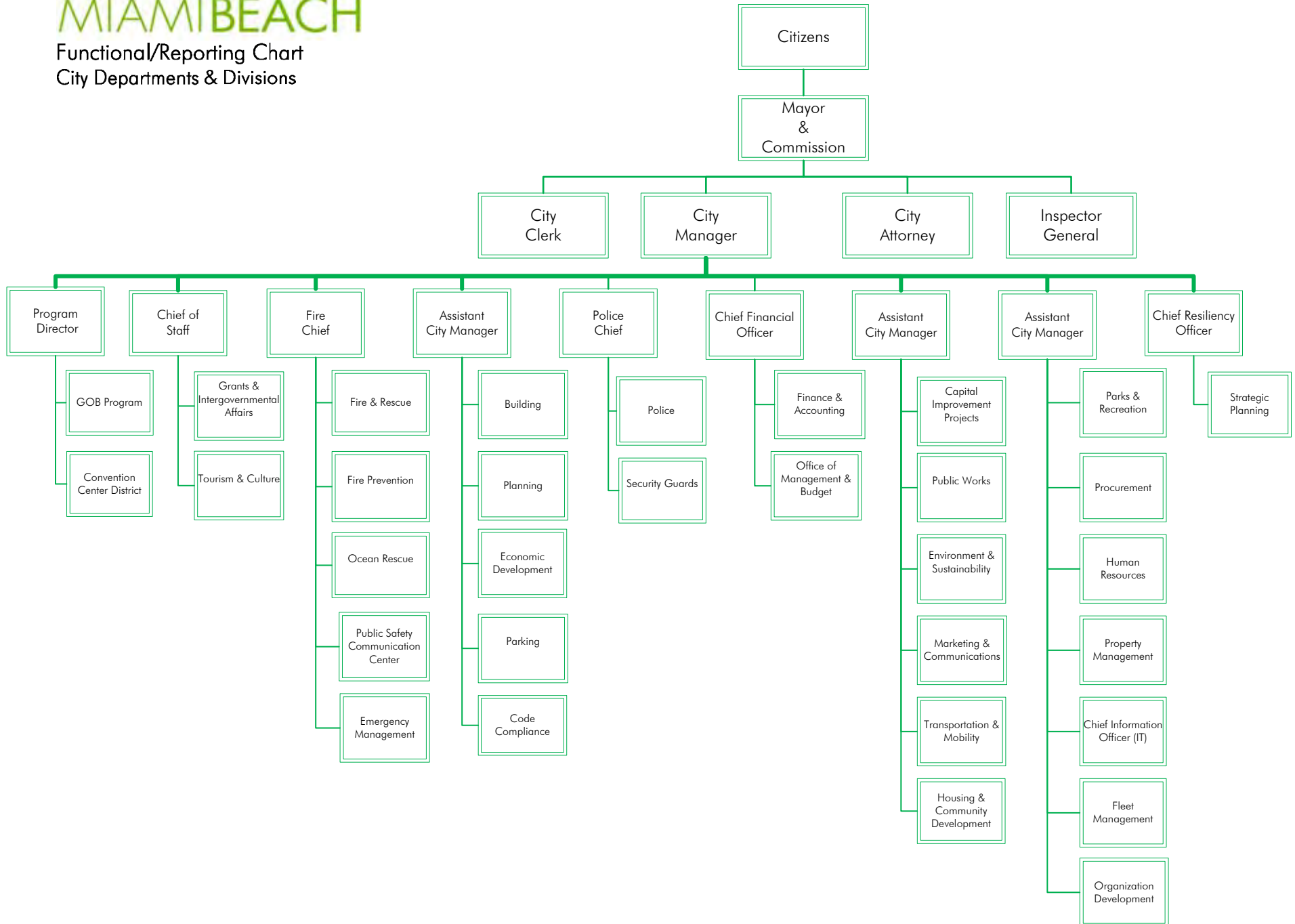
**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# MIAMI BEACH

## Functional/Reporting Chart City Departments & Divisions



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

**City Commission**

Dan Gelber, Mayor

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

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**Administration**

Jimmy L. Morales, City Manager

John Woodruff, Chief Financial Officer

Eric Carpenter, Assistant City Manager  
Alina Hudak, Assistant City Manager  
John M. Taxis, Assistant City Manager

# **FINANCIAL SECTION**



RSM US LLP

## Independent Auditor's Report

The Honorable Mayor and Members of the City Commissioners  
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, 2019, 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 82% of total assets/deferred outflows, 48% of total net position/fund balance and 88% 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 19 to the basic financial statements, the City restated the beginning net position of the Governmental activities, Business type activities, Stormwater Utility Fund, Water and Sewer Fund, Parking System Fund, Convention Center Fund and the Aggregate Remaining Fund Information to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense.

## **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 June 24, 2020, 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*

June 24, 2020  
Miami, Florida

## **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, 2019. 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, 2019 by \$1.1 billion (net position). Of this amount, \$924 million was net investment in capital assets. Additionally, \$273 million was restricted by laws, agreements, or debt covenants. The City has a negative unrestricted net position of \$116 million.
- During fiscal year 2019, the City's net position decreased by \$65.1 million. Of this amount, there was a \$92.3 million decrease in governmental activities and increase of \$27.1 million in business-type activities. For the governmental activities, revenues from charges for services increased by 4.6 million or 4.4%, operating grants and contributions increased by \$6.4 million or 30.5%, capital grants and contributions increased by \$10.4 million or 153.5% and general revenues increased by \$20.1 million or 5.6%, while expenses increased by \$43.9 million or 9.7%. For the business-type activities, charges for services increased by \$11.2 million or 6%, while expenses increased by \$10.3 million or 5.5% over the prior year.
- Overall the City's assets and deferred outflows increased from \$3.2 billion to \$3.5 billion. Major changes occurring in this area were; \$160.7 million increase in cash and investments due to planned capital investment relating to construction activities, \$47.9 million in additions to capital assets and \$37.8 million increase in deferred outflows of resources of which \$50.6 million is due to an increase in the City's OPEB actuarial liabilities and \$12.5 million decrease in general employee pension plan in the current fiscal year.
- The City's overall liabilities and deferred inflows increased from \$2.1 billion to \$2.4 billion. Major changes occurring in this area were \$125.7 million increase in bonds payable due to the issuance of the Series 2019 General Obligation bond issue. Also, there was an increase of \$215.7 million in net OPEB Liabilities including restatement amount, a \$7.7 million decrease in City's MBERP pension liabilities and an increase of \$3.2 million in the City's MBF&P pension liabilities.

### **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 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

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

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.

The government-wide financial statements can be found on pages 27-28 of this report.

### **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.

The governmental funds financial statements can be found on pages 29-32 of this report.

#### **Proprietary Funds.**

The City maintains seven 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, and Miami Beach Redevelopment Agency's parking and leasing. The City maintains 6 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. 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.

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

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

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.

The basic proprietary fund financial statements can be found on pages 33-36 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.

The fiduciary fund financial statements can be found on pages 37-38 of this report.

### **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. The notes to the financial statements can be found on pages 39-109 of this report.

### **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. Required supplemental information can be found on pages 110-118 of this report.

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. Combining and individual fund statements and schedules can be found on pages 120 - 139 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

### Government-wide Financial Analysis

The table below summarizes the statement of net position:

	Governmental activities		Business-type activities		Total	
	2018	2019	2018	2019	2018	2019
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Current and other assets	\$ 623,543	\$ 772,079	\$ 479,521	\$ 490,493	\$ 1,103,064	\$ 1,262,572
Capital assets	1,153,354	1,198,757	791,108	793,599	1,944,462	1,992,356
Total assets	<u>1,776,897</u>	<u>1,970,836</u>	<u>1,270,629</u>	<u>1,284,092</u>	<u>3,047,526</u>	<u>3,254,928</u>
Deferred outflows	157,681	195,019	25,886	26,330	183,567	221,349
	<u>157,681</u>	<u>195,019</u>	<u>25,886</u>	<u>26,330</u>	<u>183,567</u>	<u>221,349</u>
Long-term liabilities						
outstanding	1,239,003	1,627,787	621,504	615,724	1,860,507	2,243,511
Other liabilities	144,826	69,373	50,654	46,114	195,480	115,487
Total liabilities	<u>1,383,829</u>	<u>1,697,160</u>	<u>672,158</u>	<u>661,838</u>	<u>2,055,987</u>	<u>2,358,998</u>
Deferred inflows	22,333	32,546	6,821	3,927	29,154	36,472
	<u>22,333</u>	<u>32,546</u>	<u>6,821</u>	<u>3,927</u>	<u>29,154</u>	<u>36,472</u>
Net position:						
Net investment in capital assets	632,999	536,178	411,086	388,124	1,044,085	924,302
Restricted	196,553	201,931	72,477	70,589	269,030	272,520
Unrestricted	<u>(301,136)</u>	<u>(301,960)</u>	<u>133,973</u>	<u>185,945</u>	<u>(167,163)</u>	<u>(116,015)</u>
Total net position	<u>\$ 528,416</u>	<u>\$ 436,149</u>	<u>\$ 617,536</u>	<u>\$ 644,658</u>	<u>\$ 1,145,952</u>	<u>\$ 1,080,807</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.1 billion at September 30, 2019, a decrease of \$65.1 million or 5.68% from the prior year.

The largest portion of the City's net position, \$924 million or 85.5%, reflects its investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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, \$272.5 million or 25.2% 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 \$116 million, consists of negative \$301.9 million from governmental activities and a positive \$185.9 million from business type activities. The large deficit in governmental activities is being driven by the long-term obligation for pension and OPEB which will be funded over time. For financial reporting purposes, these balances are considered unrestricted, however, the majority of these balances are committed or assigned at the fund level by the City Commission.

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 \$65.1 million, or 5.7%, during the current fiscal year. Governmental activities accounted for a decrease of \$92.3 million and business type activities accounted for an increase of \$27.1 million.

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

**City of Miami Beach  
Changes in Net Position - Governmental Activities  
for the fiscal year ended September 30, 2019  
(in thousands)**

	<b>2018</b>	<b>2019</b>	<b>% of Total Rev/Exp/Other</b>
Revenues:			
Program revenues:			
Charges for services	\$ 104,129	\$ 108,725	19.7 %
Operating grants and contributions	21,130	27,574	5.0
Capital grants and contributions	6,745	17,096	3.1
General revenues:			
Taxes:			
Property taxes, levied for general purposes	177,359	183,060	33.2
Property taxes, levied for debt services	5,938	5,929	1.1
Resort tax	87,595	88,246	16.0
Tax increments	72,236	72,525	13.2
Utility	12,837	13,269	2.4
Local business tax	5,592	5,455	1.0
Communication Service Tax	4,076	3,562	0.6
Miscellaneous	3,989	1,979	0.4
Unrestricted investment earnings	6,732	23,295	4.2
Total revenues	508,358	550,715	100.0 %
Expenses:			
General government	59,545	60,119	12.1
Public safety	244,306	274,382	55.3
Physical environment	6,939	17,588	3.5
Transportation	34,843	31,086	6.3
Economic environment	10,248	9,042	1.8
Human services	3,530	4,052	0.8
Culture and recreation	69,371	70,959	14.3
Interest on long-term debt	23,790	29,300	5.9
Total expenses	452,572	496,528	100.0 %
Changes in net position before transfers	55,786	54,187	
Insurance proceeds relating to impairments	1,312		
Extraordinary item	1,089		
Transfers	6,107	(1,080)	100.0
Total Other Revenues	8,508	(1,080)	100.0 %
Change in net position	64,294	53,107	
Net position - beginning	464,122	528,416	
Restatement (See Note 19)		(145,374)	
Net position - ending	\$ 528,416	\$ 436,149	

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

### **Governmental activities.**

Governmental activities decreased by \$92.3 million. Key elements of the fluctuation are as follows:

Governmental activities revenues consisted of program revenues which amounted to \$153.4 million and general revenues which amounted to \$397.3 million, for a total of \$550.7 million. Property tax revenue for general purposes which represents 33.2% of total revenues was \$183 million. This is an increase of \$5.7 million or 3.2% 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 \$37.4 billion in 2018 to \$38.9 billion in 2019, an increase of \$1.5 billion or 4%. The City's operating millage rate for 2019 increased from 5.7224 to 5.7288, an increase of 0.1%.

Charges for services which represent 19.7% of total revenues were \$108.7 million. This amount is an increase of \$4.6 million or 4.4% 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.

Tax increment revenue which represents 13.2% of the revenues was \$72.5 million. This amount is an increase of \$289,000 or .04% 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 16% of revenues was \$88.2 million which is an increase of \$0.6 million or 0.7% 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 \$44.6 million for the year. Intergovernmental revenue increased by \$16.8 million or 60.3% 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 \$23.2 million for the year. Unrestricted investment earnings increased by \$16.5 million 246% from prior year. These earnings were derived primarily from investing available cash from the 2019 GO Bond proceed.

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 \$496.5 million. Significant portions of these expenses were in the public safety, and culture and recreation functions.

Public safety function expense was \$274.3 million and represents 55.3% 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 \$30.1 million or 12.3% from the prior year. The increase in public safety expenditures are primarily related to pension and OPEB expenditures.

General government function expense was \$60.1 million and represents 12.1% of total expense. 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. Total general government expenditures increased by \$.6 million or 1% from the prior year. The net increase in expenditures is primarily related to OPEB expenses, amortized



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

bond premium, and losses resulting from asset retirement.

Culture and recreation function expense was \$70.9 million and represents 14.3% 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, Bryon and Colony theater operations, golf course operations, and a variety of arts, cultural and entertainment programs. Expenses in this function had a net increase of \$1.6 million or 2.3% from the prior year. The increase relates to contract maintenance costs for activities such as security, environmental, and OPEB related deferred inflow and outflow.

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, 2019  
(in thousands)**

	<u>2018</u>	<u>2019</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 188,381	\$ 199,623	90.15 %
Operating grants and contributions	18,843	12,374	5.59
Capital grants and contributions			
General revenues:			
Unrestricted investment earnings	6,539	9,436	4.26
Total revenues	<u>213,763</u>	<u>221,433</u>	<u>100.00 %</u>
Expenses:			
Storm water	22,269	23,113	11.7 %
Water	30,978	30,480	15.4
Sewer	44,473	43,845	22.1
Parking	50,696	51,426	25.9
Convention Center	12,039	22,505	11.4
Sanitation	22,167	21,649	10.9
Redevelopment Agency's Parking	4,756	4,754	2.4
Redevelopment Agency's Leasing	461	445	0.2
Total expenses	<u>187,839</u>	<u>198,217</u>	<u>100 %</u>
Increase in net position before transfers and gain on sale of capital assets	25,924	23,216	
Gain on sale of assets	118	81	
Transfers	<u>(6,107)</u>	<u>1,081</u>	
	(5,989)	1,162	
Net position - beginning	597,601	617,536	
Restatement (See Note 19)		2,744	
Net position - ending	<u>\$ 617,536</u>	<u>\$ 644,658</u>	

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

### **Business-type activities**

Business-type activities increased the City's net position by \$27.1 million.

Key elements of the net decrease are as follows:

- The Storm Water Utility fund had an increase in net position of \$10.4 million. Operating revenues increased by \$1.4 million or 4.7% and operating expenses increased by \$1.1 million or 10.3% from the prior year. The monthly storm water rate includes fees to cover debt service on \$260.4 million of outstanding storm water revenue bonds. Net non-operating expenses was \$8.2 million and consisted of \$3 million in interest income and \$11.4 million in interest and fiscal charges. 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. The first CPI increase of 2.8% increased the rate for fiscal year 2018 to \$23.30 per Equivalent Resident Unit (ERU). In Fiscal year 2019 the rate increased to \$24.12 per ERU.
- The Water and Sewer fund had an increase in net position of \$19 million. Operating revenues increased by \$3.5 million or 4% and operating expenses decreased by \$143,828 thousand or 0.2% from the prior year. Net non-operating expenses were \$3.5 million and consisted of \$7.1 million in interest and fiscal charges and \$3.6 in interest income. The monthly water and sewer rates include fees to cover debt service on \$158.8 million of outstanding water and sewer revenue bonds. The consumption rates on residential units vary from \$0.295 to \$0.735 based on the units of consumption. A unit is equivalent to 1,000 gallons. Base facility charges for a residential unit vary from \$8.32 for a ¾ inch meter size to \$12.56 for a 4 inch meter. For commercial and multi-family, the base facility charge ranges from \$8.32 for a ¾ inch meter to \$1,350.95 for a 12 inch meter. Additionally, there is a consumption charge for the water that varies on the meter size from \$0.365 per unit to \$0.573 per unit. Sewer rates are also based on water consumption with a flat base facility charge. The sewer consumption rate is \$0.986 per 1,000 gallons of water usage and a base facility charge of \$8.99 for residential units. The commercial and multi-family base facility charges vary from \$8.99 for a ¾ inch meter to \$1,591.48 for a 12 inch meter.
- The Parking System fund had an increase in net position of \$0.2 million. Operating revenues increased by \$0.6 million or 1.4% and operating expenses increased by \$1.4 million or 3.2% from the prior year. Net non-operating expenses were \$151,481 million and consisted of \$4.3 million in interest and fiscal charges, \$79,938 in gain on disposal of capital asset and \$1.6 in interest income as well as \$2.4 million in intergovernmental revenues for the City's share in parking ticket revenue from Miami-Dade County. Intergovernmental revenue decreased by \$175,914 or 6.7% from the prior year. In fiscal year 2019, metered parking hours of operation in the Entertainment District were expanded to 24 hours a day; Municipal Parking Lot No. P71, located at 46th Street and Collins Avenue transitioned to daily flat rate of \$20.00, enforced 24 hours a day; and parking space rentals related to construction were increased to \$35 daily. Fiscal year 2019 and 2018 rates were the same at metered parking lots and on-street locations throughout South Beach and Middle Beach. On-street meter rates increased from \$1.75 to \$4.00 per hour in South Beach and \$1.00 to \$3.00 per hour in Middle Beach. Metered parking lot rates increased from \$1.75 to \$2.00 per hour in South Beach and from \$1.00 to \$2.00 per hour in select location in Middle Beach.
- The Convention Center fund had a decrease in net position of \$2.2 million. The Convention Center was reopened for events during fiscal year 2019. The reopening resulted in increases in both revenues and expenses. Operating revenues increased by \$5.5 million or 219% and operating expenses increased by \$10.7 million or 91.3% from the prior year. Net non-operating revenues were \$10.3 million consisting of \$466,058 in interest income and \$9.8 million in intergovernmental revenue. Intergovernmental revenues increased by \$2.6 million or 36% from the prior year due to increased 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, Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds, had an increase in net position of \$1.7 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 \$252,095 or 1.1% and operating expenses decreased by \$241,874 thousand or 0.9% from the prior year. Net non-

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

operating revenues were \$757,777 and consisted of \$1,506 gain on disposal of capital assets, \$718,537 in interest income and \$37,734 in intergovernmental charges.

### 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.

<b>Governmental Funds</b> (in thousands)						
	General	Resort Tax	Miami Beach Redevel- opment Agency	Capital Projects	Other Govern- mental Funds	Total Govern- mental Funds
Fund balances						
Sep. 30, 2018	\$ 88,450	\$ 28,195	\$ 65,934	\$ 165,494	\$ 101,539	\$ 449,612
Revenues	317,484	89,515	54,944	29,908	36,256	528,107
Expenditures	(322,407)	(21,549)	(18,316)	(68,098)	(98,603)	(528,973)
Other financing sources (uses)	31,642	(66,750)	(50,304)	175,975	61,180	151,743
Fund balances						
Sept. 30, 2019	<u>\$ 115,169</u>	<u>\$ 29,411</u>	<u>\$ 52,258</u>	<u>\$ 303,279</u>	<u>\$ 100,372</u>	<u>\$ 600,489</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 \$115.2 million. This consisted of \$18.5 million restricted for building department operations, \$85.2 million reserves for emergencies and 6.2M set aside for one-time specific purposes, and \$4.9 million assigned for the future budget.

The general fund's net increase in fund balance for the fiscal year was \$26.7 million. Overall revenues had a net increase of \$27.3 million or 9.4% over the prior year. Ad-valorem tax, which is 58% of the general fund revenue collected (excluding transfers), increased by \$7.3 million or 4.1%. There were also increases in permit fees of \$5.5 million or 23% over the prior year. Expenditures in the general fund decreased by \$9.5 million or 3%, primarily in the public safety function, which account for 67.1% of general fund expenditures.

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 \$29.4 million an increase of \$1.2 million or 4.3% from the prior fiscal year. Resort tax collected during the year was \$88.2 million, an increase of \$0.65 million or 3.7% from the prior fiscal year. Net other financing uses, which was \$66.7 million increased by \$3.7 million or 6% and expenditures increased by \$1.6 million or 8.2%.

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 \$53.1 million, which is an increase of \$3.2 million or 6.5%, and net other financing uses increased by \$15 million or 42.8% due to debt service and other transfers. Expenditures decreased by \$1.4 million or 7.3%. The fund balance of the Miami Beach Redevelopment Agency Special Revenue Fund

## MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

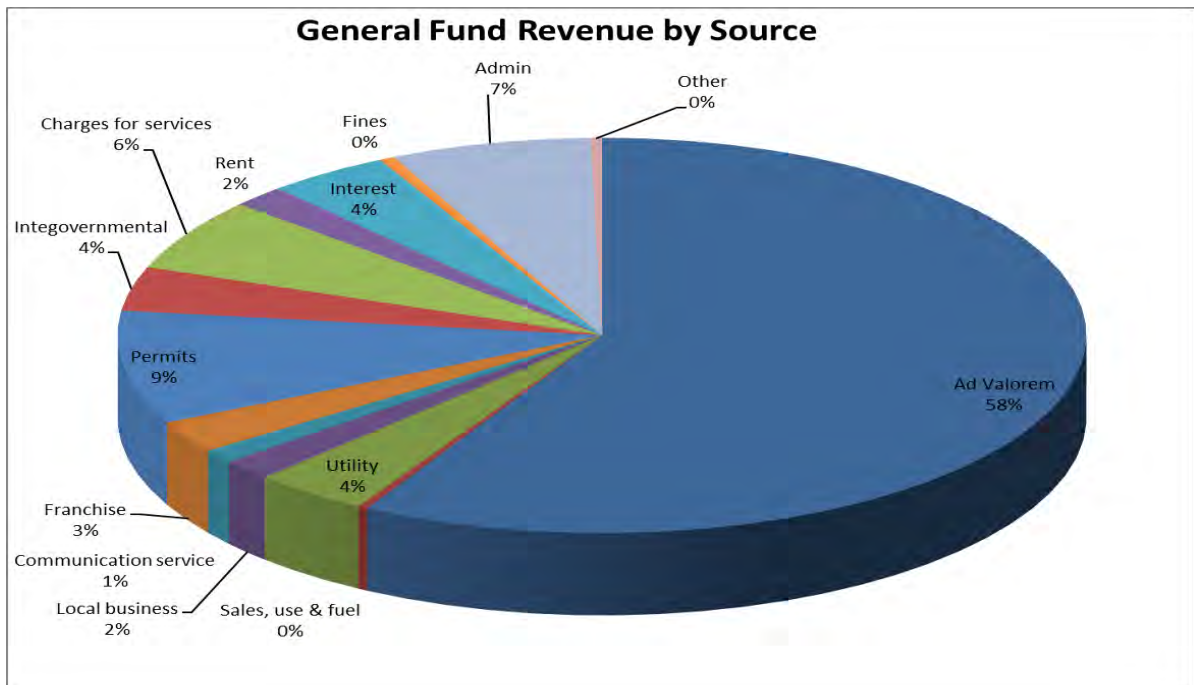
decreased by \$13.7 million or 20.7% from the prior fiscal year.

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 \$1.9 million. Intergovernmental revenues decreased \$0.6 million or 23.4% from the prior fiscal year. Net other financing sources during the year totaled \$175.9 million. Net other financing sources increased by \$164.6 million or 1441.1% from the prior fiscal year. The increase in net other financing sources is primarily due to bonds being issued during the current fiscal year (as was done in the prior year). The capital projects fund balance increased by \$137.5 million or 83.1% from the prior fiscal 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 \$5.9 million which was approximately the same as the prior year. Intergovernmental revenue, which was \$7.2 million, decreased by \$257,828 or 3.5%. Net other financing sources, which totaled \$59.9 million, increased by \$1.8 million or 3.1% compared to 58.1 million last Fiscal year. Expenditures in the fund increased by \$6.5 million or 7.2%. The fund balance decreased by \$1.1 million or 1.1% 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 subsequent to 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 \$6.6 million positive variance between final budget revenues and actual revenues. There were also an \$18.5 million positive variance between the final budget expenditures and actual expenditures resulting in expenditures being under budget. Fiscal year 2019 surplus is attributed to the “freeze” that went into effect mid-year of fiscal year 2019. As a result of the 2019 Estimated Taxable Values and 2019 Certified Taxable Values that were reported by the Miami-Dade County Property Appraiser and preparation for fiscal year-end, the Administration enacted a hiring freeze on June 6, 2019, as well as a freeze on all City-funded travel and non-essential and non-construction expenditures, which was anticipated to result in additional one-time savings realized at fiscal year-end.



**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, 2019**

**General Fund Revenues  
Fiscal Year Ended September 30, 2019  
(in thousands)**

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Revenue over Total Revenue
<b>Revenues</b>				
Taxes:				
Property	\$ 182,333	\$ 182,333	\$ 184,040	51.2 %
Sales, use and fuel taxes	1,101	1,101	1,065	0.3
Utility	12,692	12,692	12,256	3.4
Local business	5,070	5,070	5,455	1.5
Communication service	3,887	3,887	3,562	1.0
Total tax revenue	<u>205,083</u>	<u>205,083</u>	<u>206,378</u>	<u>57.4</u>
Revenues other than taxes:				
Franchise fees	8,683	8,683	8,365	2.3
Permits	25,424	25,799	29,403	8.2
Intergovernmental	11,450	11,450	11,443	3.2
Charges for services	19,086	19,086	18,788	5.2
Rents and leases	5,437	5,437	5,680	1.6
Interest income	3,617	3,617	12,973	3.6
Fines and forfeits	1,850	1,850	1,619	0.5
Administrative fees	21,746	21,921	21,242	5.9
Other	794	794	1,594	0.4
Transfers in	41,402	41,402	41,893	11.7
Fund balance	1,073	7,635		
Total revenues other than taxes	<u>140,562</u>	<u>147,674</u>	<u>153,000</u>	
Total revenues	<u>\$ 345,645</u>	<u>\$ 352,757</u>	<u>\$ 359,378</u>	<u>100.0 %</u>

**General Fund Expenditures  
Fiscal Year Ended September 30, 2019  
(in thousands)**

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Revenue over Total Revenue
General government	\$ 54,075	\$ 58,128	\$ 50,169	15.1 %
Public safety	220,175	221,259	216,252	65.0
Physical Environment	4,602	4,589	4,374	1.3
Transportation	5,857	5,910	4,854	1.5
Economic Environment	2,034	2,035	1,931	0.6
Human Services	2,890	2,966	2,440	0.7
Culture and recreation	44,171	44,316	41,377	12.4
Capital Outlay	650	1,590	865	0.3
Debt service	144	144	143	0.0
Transfers Out	11,048	11,820	10,251	3.1
Total expenditures	<u>\$ 345,645</u>	<u>\$ 352,757</u>	<u>\$ 332,656</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, 2019 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	
	2018	2019	2018	2019	2018	2019
Land	\$ 58,759	\$ 59,085	\$ 25,838	\$ 25,848	\$ 84,597	\$ 84,933
Intangible assets	4,182	4,182	4,318	4,318	8,500	8,500
Construction						
work-in-progress	633,661	698,242	373,779	372,061	1,007,440	1,070,303
Building, Structures & Parking Lots	322,151	312,333	128,908	126,124	451,059	438,456
Furniture, Fixtures & Equipment	30,956	28,458	42,402	37,657	73,358	66,115
Infrastructure	103,645	96,458	215,863	227,591	319,508	324,048
<b>Total</b>	<b>\$ 1,153,354</b>	<b>\$ 1,198,757</b>	<b>\$ 791,108</b>	<b>\$ 793,599</b>	<b>\$ 1,944,462</b>	<b>\$ 1,992,356</b>

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 in progress during the current fiscal year included the following:

- Completed construction of Miami beach Tennis Sound Barrier Wall - This project entails adding Acoustic fencing and landscaping to insulate the Miami Beach Tennis Center from the noise generated from the playground and youth center courtyard.
- Completed construction of Drainage Improvement -Washington & South Pointe – Conversion of two existing gravity wells into injection wells using a mechanical/electrical pump system in order to mitigate the existing flooding on the vicinity of Washington Avenue and South Pointe Drive.
- Completed construction of North Shore Bandshell Stage/Sound - Renovations to the North Shore Bandshell's stage and speakers. The project included installation of subwoofers inside the stage, a new stage and a sound monitoring system to help track and control the sound levels.
- Completed construction of South Pointe Park Splash Pad South Pointe Park – Splash Pad Rubber Surface and Drainage Improvements. Installation of approximately 1,600 sq. ft. of new splash pad rubber surface and installation of new drainage system to collect all water that sprays out of the splash pad damaging the grass, along with other improvements.
- Completed Bayshore Neighborhood Bid Package B - Lower North Bay Road (Design/Build). Improvements included the installation of valley gutters and a stormwater system with two stormwater pump stations, injection wells, street resurfacing, water main replacement and decorative stamped asphalt flush traffic tables.
- Completed construction of Beach Access Control Gates - The installation of beach access control gates throughout the City visually shows visitors and residents that the beach is closed at midnight and serves as a deterrent and keep people off the beach.
- Completed Bass Museum Exterior Lighting - Exterior Lighting Replacement.

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

- Completed Sunset Harbor Neighborhood - Replacement and upgrades of aging water and stormwater infrastructure as well as lighting infill and sidewalk repairs.
- Completed Lincoln Road Landscaping - Landscaping project investment in the revitalization of the landscaping of the Lincoln Road Mall in future years.
- Completed Bass Museum Weather Seal & Paint - Weather seal & paint exterior paint and waterproof the full exterior of the building.
- Completed Miami City Ballet Concrete - Exterior Concrete Restoration - Repaired and replaced deteriorated concrete on the exterior.
- Completed Lummus Park Playground Replacement - Replacement of the existing playground system at Lummus Park which was originally installed in 2008.
- Completed Bass Museum HVAC Rehabilitation - New lines and associated valves, pumps and electrical ware were installed to bring the system back on-line.
  
- Continued construction included the following:
  - Portable Bollards
  - Polo Park
  - Colony Theatre Roof
  - Tatum Park Led Lighting
  - Crespi Park Led Lighting
  - Stillwater Park Led Lighting
  - Normandy Isle Park Led Lighting
  - Scott Rakow Paint
  - Indian Creek Street Drainage Improvement.
  - West Ave Bdg Over Collins Canal
  - West Avenue Phase II
  - 11th Street-Flamingo Neighborhood
  - Palm & Hibiscus Landscaping
  - Middle Beach Beachwalk Ph 3
  - Street Pavement - Improve citywide roadway conditions
  - Sidewalk Improvements - Renovate 25% of the city's sidewalks by replacing cracked and faulty sidewalk surfaces in areas citywide
  - License Plate Readers - Install advanced software recognition technology and LPRs to additional strategic locations across the city to aid crime-prevention efforts
  - Public Safety Radio System - Replace the city's outdated Motorola analog radio system with a new Harris Corporation satellite radio system
  - Street Tree Master Plan - Plant up to 5,000 trees citywide, increasing overall shaded tree canopy coverage as part of the city's Street Tree Master Plan

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	
	2018	2019	2018	2019	2018	2019
General obligation	\$ 42,535	\$ 172,685	\$	\$	\$ 42,535	\$ 172,685
Special obligation	496,890	485,485			496,890	485,485
Revenue bonds			519,320	509,385	519,320	509,385
Loans	20,200	18,088			20,200	18,088
Other debt	9,153	8,090			9,153	8,090
<b>Total</b>	<b>\$ 568,778</b>	<b>\$ 684,348</b>	<b>\$ 519,320</b>	<b>\$ 509,385</b>	<b>\$ 1,088,098</b>	<b>\$ 1,193,733</b>

At the end of the current fiscal year the City had total bonded debt, loans and other long-term debt of \$1.2 billion. Governmental activities had a net debt increase of \$115.6 million or 20.3% while business-type activities debt decreased by \$9.9 million or 1.9%. The city issued general obligation Bond in 2019 for the acquisition, construction and improvements of major capital facilities. The decreases in debt are due to the annual principal retirements during the year. Additional information on the City's long-term debt can be found in Note 10 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**  
September 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 629,416,382	\$ 208,420,756	\$ 837,837,138	\$ 5,583,963
Cash with fiscal agent	250,000		250,000	
Receivables (net)	13,340,423	26,653,556	39,993,979	
Due from other governments	16,761,348		16,761,348	540,376
Internal balances	1,722,836	(1,722,836)		
Prepaid expenses	3,336,251	690,181	4,026,432	
Inventories	463,200	1,963,870	2,427,070	
Restricted cash and investments	106,788,944	254,487,590	361,276,534	
Capital assets not being depreciated:				
Land	59,085,130	25,848,303	84,933,433	
Intangible assets	4,181,941	4,318,059	8,500,000	
Construction in progress	698,241,504	372,061,331	1,070,302,835	
Capital assets net of accumulated depreciation:				
Buildings and Structures/Parking Lots	71,485,111	126,123,572	197,608,683	
Permanent improvements	240,847,630		240,847,630	
FF&E, Meters and Hydrants	28,457,677	37,657,234	66,114,911	112,226
Infrastructure- Mains & Lines	96,457,572	227,590,623	324,048,195	
Total assets	<u>1,970,835,949</u>	<u>1,284,092,239</u>	<u>3,254,928,188</u>	<u>6,236,565</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension - Employees Retirement Plan	55,952,408	14,578,719	70,531,127	231,183
Pension - Police & Fire Retirement Plan	80,946,521		80,946,521	
OPEB	57,078,758	4,732,773	61,811,531	417,288
Unamortized refunding costs	1,040,872	7,018,709	8,059,581	
Total deferred outflows of resources	<u>195,018,559</u>	<u>26,330,201</u>	<u>221,348,760</u>	<u>648,471</u>
<b>LIABILITIES</b>				
Accounts payable	24,683,571	13,404,829	38,088,400	1,887
Retainage payable	20,040,594	5,705,687	25,746,281	
Accrued expenses	10,356,731	3,550,297	13,907,028	183,590
Accrued interest payable	6,217,987	2,519,095	8,737,082	
Unearned revenue	7,932,905	1,887,883	9,820,788	
Deposits	105,483	7,040,258	7,145,741	
Due to other governments	35,297	137	35,434	994
Noncurrent liabilities:				
Due within one year	45,680,715	14,052,302	59,733,017	
Due in more than one year:				
Other long-term liabilities	774,354,283	542,498,518	1,316,852,801	19,680
Net Pension Liability - MBERP	165,867,421	43,217,702	209,085,123	685,328
Net Pension Liability - MBF&P	304,665,075		304,665,075	
Net OPEB Liability	337,220,167	27,961,121	365,181,288	831,235
Total liabilities	<u>1,697,160,229</u>	<u>661,837,829</u>	<u>2,358,998,058</u>	<u>1,722,714</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension - Employees Retirement Plan	14,860,439	3,871,972	18,732,411	61,400
Pension - Police & Fire Retirement Plan	17,026,492		17,026,492	
OPEB	657,972	54,557	712,529	
Total deferred inflows of resources	<u>32,544,903</u>	<u>3,926,529</u>	<u>36,471,432</u>	<u>61,400</u>
<b>NET POSITION</b>				
Net investment in capital assets	536,178,257	388,123,514	924,301,771	112,226
Restricted for:				
Debt Service	2,131,710	68,315,037	70,446,747	
Economic development	53,978,855		53,978,855	
Capital Improvement	48,044,914		48,044,914	
Convention center		1,097,717	1,097,717	
Transportation	54,794,436		54,794,436	
Building operations	18,489,336		18,489,336	
Public safety	838,619		838,619	
Human services	50,769		50,769	
Quality of life improvement	23,040,901		23,040,901	
Water and sewer system		1,176,858	1,176,858	
Culture & recreation	561,137		561,137	
Unrestricted (deficit)	(301,959,558)	185,944,956	(116,014,602)	4,988,697
Total net position	<u>\$ 436,149,376</u>	<u>\$ 644,658,082</u>	<u>\$ 1,080,807,458</u>	<u>\$ 5,100,923</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, 2019

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			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 60,119,029	\$ 88,589,598	\$ 14,715,923	\$ 450,067	\$ 43,186,492	\$	\$ 43,186,492	\$
Public safety	274,381,814	10,078,686	1,532,991	14,585,299	(262,320,070)	(1,705,568)	(262,320,070)	(1,705,568)
Physical environment	17,587,864		1,296,997	1,527,047	(1,705,568)	(23,012,300)	(1,705,568)	(23,012,300)
Transportation	31,086,013	800	6,545,866	400,000	(7,199,344)	(7,199,344)	(7,199,344)	(7,199,344)
Economic environment	9,041,856		1,442,512	1,290,649	(2,761,426)	(2,761,426)	(2,761,426)	(2,761,426)
Human services	4,052,075		1,290,649	133,879	(60,019,907)	(60,019,907)	(60,019,907)	(60,019,907)
Culture and recreation	70,958,679	10,056,119	748,774		(29,300,376)	(29,300,376)	(29,300,376)	(29,300,376)
Interest on long-term debt	29,300,376				(343,132,499)	(343,132,499)	(343,132,499)	(343,132,499)
<b>Total governmental activities</b>	<b>496,527,706</b>	<b>108,725,203</b>	<b>27,573,712</b>	<b>17,096,292</b>	<b>(343,132,499)</b>	<b>(343,132,499)</b>	<b>(343,132,499)</b>	<b>(343,132,499)</b>
Business-type activities:								
Storm Water	23,112,842	30,669,228	70,633			7,627,019	7,627,019	
Water	30,479,946	36,407,786				5,927,840	5,927,840	
Sewer	43,845,155	53,255,772				9,410,617	9,410,617	
Parking	51,425,608		2,421,068			8,788	8,788	
Convention Center	22,505,093	7,971,861	9,844,568			(4,688,664)	(4,688,664)	
Sanitation	21,649,212	17,035,561	36,596			(4,577,055)	(4,577,055)	
Redevelopment Agency's Parking	4,754,199	4,110,664	1,138			(642,397)	(642,397)	
Redevelopment Agency's Leasing	445,096	1,158,937				713,841	713,841	
<b>Total business-type activities</b>	<b>198,217,151</b>	<b>199,623,137</b>	<b>12,374,003</b>	<b>17,096,292</b>	<b>(343,132,499)</b>	<b>13,779,989</b>	<b>13,779,989</b>	<b>(329,352,510)</b>
<b>Total primary government</b>	<b>\$ 694,744,857</b>	<b>\$ 308,348,340</b>	<b>\$ 39,947,715</b>	<b>\$ 17,096,292</b>	<b>(343,132,499)</b>	<b>13,779,989</b>	<b>(329,352,510)</b>	<b>(329,352,510)</b>
<b>Component units:</b>								
Visitor and Convention Health Facilities	\$ 2,172,554 1,131	\$	\$	\$				(2,172,554) (1,131)
<b>Total component units</b>	<b>\$ 2,173,685</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>				<b>(2,173,685)</b>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					183,059,671		183,059,671	
Property taxes, levied for debt service					5,928,820		5,928,820	
Resort taxes					88,246,170		88,246,170	2,863,453
Tax increment					72,524,651		72,524,651	
Utility taxes					13,269,326		13,269,326	
Local business tax					5,455,327		5,455,327	
Communication service tax					3,561,838		3,561,838	
Miscellaneous					1,979,049		1,979,049	175
Gain (loss) on sale of capital assets						81,444	81,444	
Unrestricted investment earnings					23,294,793	9,436,364	32,731,157	13,033
Transfers					(1,080,419)	1,080,419		
<b>Total general revenues, extraordinary expense, and transfers</b>					<b>396,239,226</b>	<b>10,598,227</b>	<b>406,837,453</b>	<b>2,876,661</b>
Change in net position					53,106,727	24,378,216	77,484,943	702,976
Net position - beginning					528,416,326	617,535,822	1,145,952,148	4,397,947
Restatement (See Note 19)					(145,373,677)	2,744,044	(142,629,633)	
<b>Net position - ending</b>					<b>\$ 436,149,376</b>	<b>\$ 644,658,082</b>	<b>\$ 1,080,807,458</b>	<b>\$ 5,100,923</b>

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

**CITY OF MIAMI BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2019**

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 116,718,771	\$ 28,033,941	\$ 61,700,880	\$ 330,431,134	\$ 107,807,086	\$ 644,691,812
Receivables (net of allowance for uncollectibles)	3,213,652	4,941,813		60,614	598,350	8,814,429
Accrued interest	2,834,933			706,072		3,541,005
Due from other funds	10,144,309			2,635,312	1,293,001	14,072,622
Due from other governments	994			15,160,537	1,599,817	16,761,348
Prepays	9,255				30,067	39,322
<b>Total assets</b>	<b>\$ 132,921,914</b>	<b>\$ 32,975,754</b>	<b>\$ 61,700,880</b>	<b>\$ 348,993,669</b>	<b>\$ 111,328,321</b>	<b>\$ 687,920,538</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 4,576,298	\$ 803,693	\$ 225,006	\$ 9,981,133	\$ 5,586,195	\$ 21,172,325
Retainage payable				19,379,500	646,668	20,026,168
Accrued expenditures	7,183,528	1,505,613	142,138	106,619	581,457	9,519,355
Environmental Remediation	75,396			1,032,136		1,107,532
Unearned revenues	5,641,747			630,157	1,661,001	7,932,905
Deposits	10,559				94,924	105,483
Due to other governments	12,973				22,324	35,297
Due to other funds	252,621	1,255,346	9,075,838		1,765,981	12,349,786
<b>Total liabilities</b>	<b>17,753,122</b>	<b>3,564,652</b>	<b>9,442,982</b>	<b>31,129,545</b>	<b>10,358,550</b>	<b>72,248,851</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable other revenues				14,585,299	597,940	15,183,239
<b>Total deferred inflows of resources</b>				<b>14,585,299</b>	<b>597,940</b>	<b>15,183,239</b>
<b>FUND BALANCES</b>						
Nonspendable	1,541,257				30,067	1,571,324
Restricted	18,489,336	29,411,102	52,257,898	291,191,360	61,093,192	452,442,888
Committed	63,837,375			27,922,898	40,440,920	132,201,193
Assigned	4,777,000					4,777,000
Unassigned	26,523,824			(15,835,433)	(1,192,348)	9,496,043
<b>Total fund balances</b>	<b>115,168,792</b>	<b>29,411,102</b>	<b>52,257,898</b>	<b>303,278,825</b>	<b>100,371,831</b>	<b>600,488,448</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 132,921,914</b>	<b>\$ 32,975,754</b>	<b>\$ 61,700,880</b>	<b>\$ 348,993,669</b>	<b>\$ 111,328,321</b>	<b>\$ 687,920,538</b>

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, 2019**

**Total fund balances - governmental funds** \$ 600,488,448

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	\$	58,476,610	
Intangible assets		4,181,941	
Construction in progress		697,443,777	
Building and structures		125,218,163	
Permanent improvements		386,646,081	
Machinery and equipment		28,149,242	
Infrastructure		241,676,632	
Accumulated depreciation		<u>(366,241,715)</u>	
Total capital assets			1,175,550,731

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		(658,170,000)	
Loans payable		(20,939,749)	
Net premium on bonds		(61,562,817)	
Compensated absences		(25,099,173)	
Environmental remediation		(2,778,560)	
Accrued interest payable		(6,217,987)	
Net OPEB liability		(328,488,236)	
Net pension liability - MBERP		(149,533,353)	
Net pension liability - MBF&P		<u>(304,665,075)</u>	
Total long term liabilities			(1,557,454,950)

Unavailable revenues that meet the criteria for recognition in the Statement of Activities. 16,113,389

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		1,040,872	
Deferred outflows of resources relating to ERP pension		50,442,400	
Deferred outflows of resources relating to P&F pension		80,946,521	
Deferred outflows of resources relating to OPEB		55,600,769	
Deferred inflows of resources relating to ERP pension		(13,397,032)	
Deferred inflows of resources relating to P&F pension		(17,026,492)	
Deferred inflows of resources relating to OPEB		<u>(640,935)</u>	
			156,966,103

Internal service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, 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. 44,485,655

**Net position of governmental activities** \$ 436,149,376

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, 2019**

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 184,039,535	\$	\$	\$	\$ 5,958,354	\$ 189,997,889
Sales, use and fuel	1,065,391				3,957,487	5,022,878
Special taxing districts					244,896	244,896
Utility	12,256,299				1,013,027	13,269,326
Resort		88,246,170				88,246,170
Local business	5,455,327					5,455,327
Tax increment			53,142,078	19,382,573		72,524,651
Communication service	3,561,838					3,561,838
Other					2,233,027	2,233,027
Franchise fees	8,364,567					8,364,567
Permits	29,402,672				38,000	29,440,672
Intergovernmental	11,443,377			1,957,900	7,183,240	20,584,517
Charges for services	18,787,973				6,954,277	25,742,250
Rents and leases	5,679,855		157		1,365,282	7,045,294
Interest	12,973,270	1,044,701	1,755,501	4,256,712	1,283,997	21,314,181
Fines and forfeitures	1,618,585				903,725	2,522,310
Administrative fees	21,241,512					21,241,512
Special assessment		178,096		8,996		187,092
Impact fees					3,521,962	3,521,962
Other	1,593,729	45,837	46,688	4,301,558	1,598,681	7,586,493
<b>Total revenues</b>	<b>317,483,930</b>	<b>89,514,804</b>	<b>54,944,424</b>	<b>29,907,739</b>	<b>36,255,955</b>	<b>528,106,852</b>
<b>EXPENDITURES</b>						
Current:						
General government	50,168,921	1,014,379	529,736	1,070,504	1,057,240	53,840,780
Public safety	216,252,873	5,656,607	4,431,386	233,518	11,569,556	238,143,940
Physical environment	4,374,045		7,386,213	322,314	3,911,921	15,994,493
Transportation	4,854,128	11,570		609,258	15,524,043	20,998,999
Economic environment	1,931,151		4,678,899		1,903,656	8,513,706
Human services	2,440,222				1,507,992	3,948,214
Culture and recreation	41,377,217	14,864,765	1,090,369	884,401	3,283,654	61,500,406
Capital Outlay	865,181		199,623	64,978,151	11,344,711	77,387,666
Debt service:						
Principal retirement					21,423,687	21,423,687
Interest and fiscal charges	143,021	1,240			27,076,413	27,220,674
<b>Total expenditures</b>	<b>322,406,759</b>	<b>21,548,561</b>	<b>18,316,226</b>	<b>68,098,146</b>	<b>98,602,873</b>	<b>528,972,565</b>
Excess (deficiency) of revenues over (under) expenditures	(4,922,829)	67,966,243	36,628,198	(38,190,407)	(62,346,918)	(865,713)
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunding bonds issued					162,225,000	162,225,000
Premium on refunding bonds issued					18,529,252	18,529,252
Payment to escrow agent					(28,358,050)	(28,358,050)
Transfers in	41,893,220			175,991,793	62,174,693	280,059,706
Transfers out	(10,251,079)	(66,750,349)	(50,303,823)	(16,823)	(153,391,177)	(280,713,251)
<b>Total other financing sources (uses)</b>	<b>31,642,141</b>	<b>(66,750,349)</b>	<b>(50,303,823)</b>	<b>175,974,970</b>	<b>61,179,718</b>	<b>151,742,657</b>
<b>Net change in fund balances</b>	<b>26,719,312</b>	<b>1,215,894</b>	<b>(13,675,625)</b>	<b>137,784,563</b>	<b>(1,167,200)</b>	<b>150,876,944</b>
Fund balances - beginning of year	\$ 88,449,480	\$ 28,195,208	\$ 65,933,523	\$ 165,494,262	\$ 101,539,031	\$ 449,611,504
Fund balances - end of year	\$ 115,168,792	\$ 29,411,102	\$ 52,257,898	\$ 303,278,825	\$ 100,371,831	\$ 600,488,448

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, 2019**

**Net change in fund balance - total governmental funds** \$ 150,876,944

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	\$	77,387,666	
Contributions proprietary funds, net		(725,976)	
Deletions		(3,660,123)	
Depreciation expense		(23,865,444)	
Excess of capital outlay over depreciation expense			49,136,123

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		(716,622)	
Loans principal payment		6,024,487	
Bonds:			
Bonds principal retirement		15,400,000	
Refunding bonds issuance		(162,225,000)	
Bond premium		(18,529,252)	
Payment to escrow agent		28,080,000	
Amortization of unamortized refunding costs		(173,449)	
Amortization of net bond premium(s)		3,005,785	
Total long term-debt retirement and related transactions			(129,134,051)

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		(2,778,560)	
Increase in compensated absences		(1,712,391)	
Increase in accrued interest expense		(2,749,446)	
Total additional expense			(7,240,397)

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

Pension Changes:			
Change in Deferred Outflow		(8,703,907)	
Change in Deferred Inflow		(12,292,847)	
Change in Liability		2,610,616	
OPEB Changes:			
Change in Deferred Outflow		48,932,482	
Change in Deferred Inflow		281,951	
Change in Liability		(65,793,198)	
Total pension and OPEB changes			(34,964,903)

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes. 13,770,410

Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. 10,662,601

**Change in net position of governmental activities** \$ 53,106,727

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, 2019**

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 40,086,943	\$ 58,820,289	\$ 51,310,466	\$ 16,715,843	\$ 41,487,215	\$ 208,420,756	\$ 91,513,514
Cash with fiscal agent							250,000
Restricted cash and investments:							
Revenue bonds covenant	8,082,585	14,620,163	10,612,289			33,315,037	
Accounts receivable (net of allowance for uncollectibles)	3,113,855	10,469,907	5,641,812	6,125,662	1,280,097	26,631,333	54,839
Accrued interest receivable	16,153	1,218	4,852			22,223	
Due from other funds					214,966	214,966	
Advances to vendors							
Prepaid expenses			389,464	195,540	105,177	690,181	3,296,929
Inventories		1,963,870				1,963,870	463,200
Total current assets	<u>51,299,536</u>	<u>85,875,447</u>	<u>67,958,883</u>	<u>23,037,045</u>	<u>43,087,455</u>	<u>271,258,366</u>	<u>95,578,482</u>
Noncurrent assets:							
Restricted cash and investments:							
Customer deposits and advance sales		6,838,350	537,503	4,444,908	276,478	12,097,239	
Impact fees		1,176,858				1,176,858	
Interlocal agreement				1,097,717		1,097,717	
Revenue bonds covenant	99,184,846	96,558,474	11,057,419			206,800,739	
Capital assets:							
Land	12,874	1,492,598	18,844,498	2,089,371	3,408,962	25,848,303	608,520
Intangible assets							
Buildings and structures	15,781,439	8,791,852	102,636,630	47,302,863	32,112,613	206,625,397	2,624,671
Parking lots			10,545,474			10,545,474	
Mains and lines	99,368,633	194,547,552				293,916,185	
Meters and hydrants		13,221,458	17,386,639			30,608,097	
Machinery and equipment	2,428,691	53,922,552	7,572,705	5,146,195	4,709,277	73,779,420	62,972,154
Construction in progress	169,110,698	75,593,217	68,111,399	57,291,017	1,955,000	372,061,331	797,727
Less accumulated depreciation	(19,241,636)	(92,041,748)	(63,597,002)	(34,311,480)	(14,911,278)	(224,103,144)	(43,797,238)
Total capital assets (net of accumulated depreciation)	<u>267,460,699</u>	<u>255,527,481</u>	<u>165,818,402</u>	<u>77,517,966</u>	<u>27,274,574</u>	<u>793,599,122</u>	<u>23,205,834</u>
Total noncurrent assets	<u>366,645,545</u>	<u>360,101,163</u>	<u>177,413,324</u>	<u>83,060,591</u>	<u>27,551,052</u>	<u>1,014,771,675</u>	<u>23,205,834</u>
Total assets	<u>417,945,081</u>	<u>445,976,610</u>	<u>245,372,207</u>	<u>106,097,636</u>	<u>70,638,507</u>	<u>1,286,030,041</u>	<u>118,784,316</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pensions - MBERP	1,202,780	2,836,678	5,552,863	116,090	4,870,308	14,578,719	5,510,008
Loss on refunding	6,059,896	708,836	249,977			7,018,709	
OPEB	1,011,319	356,203	1,805,927	27,400	1,531,924	4,732,773	1,477,989
Total deferred outflows of resources	<u>8,273,995</u>	<u>3,901,717</u>	<u>7,608,767</u>	<u>143,490</u>	<u>6,402,232</u>	<u>26,330,201</u>	<u>6,987,997</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	1,369,457	5,694,683	2,406,106	1,914,227	2,020,356	13,404,829	3,511,248
Retainage payable	2,645,832	543,413	2,219,831	67,953	228,658	5,705,687	14,426
Accrued expenses	1,723,519	1,776,835	1,539,748	473,953	555,337	6,069,392	837,376
Due to other funds					1,937,802	1,937,802	
Due to other governments					137	137	
Bonds payable	4,185,000	4,360,000	1,805,000			10,350,000	
Loans/leases payable							1,806,079
Deposits		5,559,546	4,238	1,475,384	1,090	7,040,258	
Accrued compensated absences	147,351	317,023	597,584	3,341	488,453	1,553,752	568,957
Unearned revenues			507,808	1,310,988	69,087	1,887,883	
Environmental remediation liability				101,386		101,386	
Insurance claims incurred but not reported							1,576,000
Pending insurance claims							7,797,000
Total current liabilities	<u>10,071,159</u>	<u>18,251,500</u>	<u>9,080,315</u>	<u>5,347,232</u>	<u>5,300,920</u>	<u>48,051,126</u>	<u>16,111,086</u>
Noncurrent liabilities:							
Pending insurance claims							8,196,995
Insurance claims incurred but not reported							25,223,336
Deposits		1,278,804	25,457	1,658,536	206,301	3,169,098	
Accrued compensated absences	74,104	244,044	570,352	9,854	515,877	1,414,231	906,089
Net pension liability - MBERP	3,565,567	8,409,157	16,461,116	344,139	14,437,723	43,217,702	16,334,068
Net OPEB liability	2,104,442	5,974,849	9,050,574	161,881	10,669,375	27,961,121	8,731,931
Loans/leases payable							4,302,710
Revenue bonds payable (net of unamortized premium)	<u>277,078,249</u>	<u>169,124,434</u>	<u>93,759,670</u>			<u>539,962,353</u>	
Total noncurrent liabilities	<u>282,822,362</u>	<u>185,031,288</u>	<u>119,867,169</u>	<u>2,174,410</u>	<u>25,829,276</u>	<u>615,724,505</u>	<u>63,695,129</u>
Total liabilities	<u>292,893,521</u>	<u>203,282,788</u>	<u>128,947,484</u>	<u>7,521,642</u>	<u>31,130,196</u>	<u>663,775,631</u>	<u>79,806,215</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pensions - MBERP	319,447	753,396	1,474,789	30,832	1,293,508	3,871,972	1,463,407
OPEB	11,658	4,106	20,817	316	17,660	54,557	17,036
Total deferred inflows of resources	<u>331,105</u>	<u>757,502</u>	<u>1,495,606</u>	<u>31,148</u>	<u>1,311,168</u>	<u>3,926,529</u>	<u>1,480,443</u>
<b>NET POSITION</b>							
Net investment in capital assets	55,304,041	150,571,328	77,523,558	77,450,013	27,274,574	388,123,514	17,097,045
Restricted:							
Interlocal agreement				1,097,717		1,097,717	
Impact Fees		1,176,858				1,176,858	
Debt covenant	18,082,585	39,620,163	10,612,289			68,315,037	
Unrestricted	59,607,824	54,469,688	34,402,037	20,140,606	17,324,801	185,944,956	27,388,610
Total net position	<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>



**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended September 30, 2019**

	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	\$ 30,669,228	\$ 89,377,367	\$ 45,666,328	\$ 7,923,713	\$ 14,880,809	\$ 188,517,445	\$ 89,747,604
Permits, rentals, and other		286,191	3,347,000	48,148	7,424,353	11,105,692	2,853,452
Total operating revenues	30,669,228	89,663,558	49,013,328	7,971,861	22,305,162	199,623,137	92,601,056
Operating expenses:							
Personal services	3,246,238	7,584,311	14,882,869	6,969,912	12,694,529	45,377,859	13,933,200
Operating supplies	179,192	382,852	50,529	2,544,039	64,716	3,221,328	3,575,529
Contractual services	2,835,487	46,109,389	12,207,227	5,360,666	7,719,506	74,232,275	13,939,980
Utilities	269,433	1,246,788	3,148,286	2,185,160	185,988	7,035,655	1,852,998
Insurance			196,169	61,419		257,588	13,196,068
Internal charges	459,000	3,450,731	4,229,232	1,931,337	2,232,000	12,302,300	2,157,417
Depreciation	3,298,106	5,753,884	5,758,136	1,521,602	1,317,324	17,649,052	5,701,931
Administrative fees	1,441,000	1,768,000	3,462,226	936,000	2,014,000	9,621,226	1,017,000
Claims and judgments							28,463,333
Other operating	88,121	865,668	3,104,057	935,501	551,998	5,545,345	585,238
Total operating expenses	11,816,577	67,161,623	47,038,731	22,445,636	26,780,061	175,242,628	84,422,694
Operating income (loss)	18,852,651	22,501,935	1,974,597	(14,473,775)	(4,474,899)	24,380,509	8,178,362
Nonoperating revenues (expenses):							
Intergovernmental	70,633		2,421,068	9,844,568	37,734	12,374,003	93,266
Interest and fiscal charges	(11,282,175)	(7,061,136)	(4,258,629)			(22,601,940)	(257,615)
Gain (loss) on disposal of capital assets			79,938		1,506	81,444	
Interest income	3,005,349	3,640,278	1,606,142	466,058	718,537	9,436,364	1,980,612
Total nonoperating revenues (expenses)	(8,206,193)	(3,420,858)	(151,481)	10,310,626	757,777	(710,129)	1,816,263
Income (loss) before contributions and transfers	10,646,458	19,081,077	1,823,116	(4,163,149)	(3,717,122)	23,670,380	9,994,625
Capital contributions			(3,709)			(3,709)	725,976
Transfers in				2,937,547	2,728,000	5,665,547	300,000
Transfers out	(1,384,002)	(21,000)	(2,541,000)	(972,000)	(36,000)	(4,954,002)	(358,000)
Change in net position	9,262,456	19,060,077	(721,593)	(2,197,602)	(1,025,122)	24,378,216	10,662,601
Net position - beginning	122,580,682	226,708,152	122,393,221	100,901,486	44,952,281	617,535,822	32,814,969
Restatement (see note 19)	1,151,312	69,808	866,256	(15,548)	672,216	2,744,044	1,008,085
Net position as Restated	123,731,994	226,777,960	123,259,477	100,885,938	45,624,497	620,279,866	33,823,054
Net position - ending	\$ 132,994,450	\$ 245,838,037	\$ 122,537,884	\$ 98,688,336	\$ 44,599,375	\$ 644,658,082	\$ 44,485,655

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, 2019**

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities:</b>							
Receipts received from customers	\$ 30,344,544	\$ 89,200,186	\$ 48,937,931	\$ 10,286,558	\$ 21,949,849	\$ 200,719,068	\$ 92,557,541
Payments to suppliers	(2,927,432)	(49,535,531)	(15,674,558)	(11,253,380)	(6,872,373)	(86,263,274)	(33,961,129)
Payments on behalf of and to employees	(3,097,211)	(7,534,457)	(13,482,277)	(6,933,163)	(11,723,794)	(42,770,902)	(12,885,058)
Payments for claims and judgments							(27,875,366)
Payments for interfund services used	(1,900,000)	(5,218,731)	(7,691,458)	(2,867,337)	(2,523,164)	(20,200,690)	(3,174,417)
Net cash provided by (used in) operating activities	22,419,901	26,911,467	12,089,638	(10,767,322)	830,518	51,484,202	14,661,571
<b>Cash flows for non-capital financing activities:</b>							
Contributions from other governments	70,633		2,417,359		36,596	2,524,588	93,266
Transfers in				2,937,547	2,728,000	5,665,547	300,000
Transfers out	(1,384,002)	(21,000)	(2,541,000)	(972,000)	(36,000)	(4,954,002)	(358,000)
Net cash provided by (used in) non-capital financing activities	(1,313,369)	(21,000)	(123,641)	1,965,547	2,728,596	3,236,133	35,266
<b>Cash flows from capital and related financing activities:</b>							
Proceeds from loan							4,229,042
Payment on loan/lease							(2,369,846)
Interest and fiscal charges	(12,027,877)	(7,588,979)	(4,513,732)			(24,130,588)	(252,677)
Principal paid on bonds	(4,025,001)	(4,170,000)	(1,740,000)			(9,935,001)	
Contributions from other governments				9,844,568		9,844,568	
Purchase of capital assets	(13,461,099)	(3,407,565)	(7,747,310)	(1,173,910)	(2,100,668)	(27,890,552)	(1,418,336)
Proceeds from sale of capital assets			79,938		1,506	81,444	4,297
Net cash provided by (used in) capital and related financing activities	(29,513,977)	(15,166,544)	(13,921,104)	8,670,658	(2,099,162)	(52,030,129)	192,480
<b>Cash flows from investing activities:</b>							
Interest on investments	3,008,223	3,640,536	1,611,134	466,058	718,537	9,444,488	1,980,612
Net cash provided by investing activities	3,008,223	3,640,536	1,611,134	466,058	718,537	9,444,488	1,980,612
Net increase (decrease) in cash and investments	(5,399,222)	15,364,459	(343,973)	334,941	2,178,489	12,134,694	16,869,929
Cash and investments - beginning of year	152,753,596	162,649,675	73,861,650	21,923,527	39,585,204	450,773,652	74,893,585
Cash and investments - end of year	\$ 147,354,374	\$ 178,014,134	\$ 73,517,677	\$ 22,258,468	\$ 41,763,693	\$ 462,908,346	\$ 91,763,514
<b>Classified as:</b>							
Current assets	\$ 48,169,528	\$ 73,440,452	\$ 61,922,755	\$ 16,715,843	\$ 41,487,215	\$ 241,735,793	\$ 91,763,514
Noncurrent assets	99,184,846	104,573,682	11,594,922	5,542,625	276,478	221,172,553	
Total cash and investments	\$ 147,354,374	\$ 178,014,134	\$ 73,517,677	\$ 22,258,468	\$ 41,763,693	\$ 462,908,346	\$ 91,763,514
<b>Noncash transactions affecting financial position:</b>							
Change in construction and related liabilities	\$ (2,218,267)	\$ (720,568)	\$ (5,196,504)	\$	\$	\$ (8,135,339)	\$
Capital contributions			(3,709)			(3,709)	725,976
Assets relating to capital leases							
Change in deferred refunding costs	287,926	(199,951)	85,706			173,681	
Change in bond discount/premium		(662,119)	385,573			(276,546)	
Total noncash transactions affecting financial position	\$ (1,930,341)	\$ (1,582,638)	\$ (4,728,934)	\$	\$	\$ (8,241,913)	\$ 725,976

(continued)

**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended September 30, 2019**  
**(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)	\$ 18,852,651	\$ 22,501,935	\$ 1,974,597	\$ (14,473,775)	\$ (4,474,899)	\$ 24,380,509	\$ 8,178,362
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:							
Depreciation	3,298,106	5,753,884	5,758,136	1,521,602	1,317,324	17,649,052	5,701,931
Provision for uncollectible accounts	354,451	32,924	(27,513)		(32,585)	327,277	281
Changes in assets/liabilities and deferred inflows:							
(Increase) decrease in pension deferred inflow	(42,375)	(61,386)	5,585	537	(23,367)	(121,006)	(12,666)
(Increase) decrease in OPEB deferred inflow	(5,128)	(1,806)	(9,159)	(139)	(7,769)	(24,001)	(1,129,678)
(Increase) decrease in pension deferred outflow	351,834	664,140	759,762	14,081	787,814	2,577,631	832,126
(Increase) decrease in OPEB deferred outflow	(890,030)	(313,484)	(1,589,339)	(24,114)	(1,348,198)	(4,165,165)	(1,005,466)
(Increase) decrease in pension liability	(493,622)	(731,685)	(21,524)	4,253	(335,968)	(1,578,546)	(225,624)
(Increase) decrease in OPEB liability	1,196,708	421,501	2,136,979	32,423	1,812,747	5,600,358	2,575,843
(Increase) decrease in inventories		(168,369)				(168,369)	(55,856)
(Increase) decrease in accounts receivable	(679,135)	(723,323)	(102,781)	1,198,230	(308,385)	(615,394)	(51,906)
(Increase) decrease in due from other funds					(214,966)	(214,966)	
(Increase) decrease in prepaid expense			15,577	(129,005)	3,879	(109,549)	(1,740,992)
Increase (decrease) in accounts payable	(30,223)	(1,042,060)	(2,599,109)		1,561,446	(2,109,946)	874,480
Increase (decrease) in accrued expenses	492,309	302,946	5,639,813	63,303	124,945	6,623,316	169,173
Increase (decrease) in deposits		259,951	(272)	1,475,384	(10,991)	1,724,072	
Increase (decrease) in due to other governments			(1,306)		(5,213)	(6,519)	
Increase (decrease) in due to other funds					1,937,802	1,937,802	
Increase (decrease) in unearned revenues			55,169	(358,917)	(3,352)	(307,100)	
Increase (decrease) in environmental remediation liability				(98,614)		(98,614)	
Increase in pending insurance claims							2,122,135
(Decrease) in insurance claims incurred but not reported							(1,534,168)
Increase (decrease) in accrued compensated absences	14,355	16,299	95,023	7,429	50,254	183,360	(36,404)
Total adjustments	3,567,250	4,409,532	10,115,041	3,706,453	5,305,417	27,103,693	6,483,209
Net cash provided by (used in) operating activities	\$ 22,419,901	\$ 26,911,467	\$ 12,089,638	\$ (10,767,322)	\$ 830,518	\$ 51,484,202	\$ 14,661,571

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, 2019**

	<u>Trust Funds</u>	<u>Agency Fund</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,107,144	\$ 19,022,506
Receivables:		
Accounts, net		29,639
Accrued interest	2,070,578	
Contributions	712,905	
Other	154,563	
Prepaid expenses	4,487	
Investments:		
Short-term investments	4,452,949	
U.S. Government securities	32,042,887	
Corporate bonds and notes	215,713,755	
Bond Funds	175,193,405	
Foreign Bonds and private placements	63,722,256	
Common stocks and index funds	744,954,518	
Foreign stocks	150,764,612	
Real estate funds	160,989,158	
Infrastructure investments	42,593,026	
Mutual funds	73,701,833	
Total investments	<u>1,664,128,399</u>	
Total assets	<u>1,672,178,076</u>	<u>\$ 19,052,145</u>
<b>Liabilities</b>		
Accounts payable	667,671	\$ 1,127,815
Accrued expenses	18,445	
Deposits		<u>17,924,330</u>
Total liabilities	<u>686,116</u>	<u>\$ 19,052,145</u>
<b>Net Position</b>		
Restricted for pension and OPEB benefits	<u>\$ 1,671,491,960</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, 2019**

	Trust Funds
<b>Additions:</b>	
Contributions -	
Employer	\$ 85,484,904
Employee	15,484,421
State of Florida	2,233,027
Total contributions	103,202,352
Investment Income -	
Net increase in fair value of investments	36,742,914
Interest and dividends income	34,355,359
Other income	2,783
	71,101,056
Investment management expenses	(6,283,287)
Net investment income	64,817,769
Total additions	168,020,121
<b>Deductions:</b>	
Benefit paid	135,483,251
Contributions refunded	1,762,363
Administrative expenses	1,938,553
Total deductions	139,184,167
Net increase	28,835,954
Net position - amount restricted for pension and OPEB benefits - beginning of year	1,642,656,006
Net position - amount restricted for pension and OPEB benefits - end of year	\$ 1,671,491,960

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

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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".

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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

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 Redevelopment 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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

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.

**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



**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

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

*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).

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- 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 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

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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, 2019:

- 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, 2019, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30, 2019, 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, 2019.
- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2019 and state revenue sharing received within 45 days of year end.

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

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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, 2019 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.

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

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

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.

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.

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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. 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 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.

- a. 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.
- b. 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 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.

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

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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, 2019, the City Commission adopted Resolution No. 2019-30954, 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.

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

- Non-spendable Fund Balance – amounts that cannot be spend 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, 2019.
- 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

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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, 2019, the Government-wide statement of net position reported \$201,930,677 in governmental activities' restricted net position. Of this amount, \$200,927,832 is restricted as a result of enabling legislation.

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



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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 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*

In June 2018, the GASB issued Statement No. 83, "Certain Asset Retirement Obligations". This Statement addresses accounting and financial reporting for certain asset retirement obligations

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(AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. The City did not have any ARO's at September 30, 2019.

In April 2018, the GASB issued Statement No. 88, This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings (for example, a government entering into a loan agreement with a lender) and direct placements (for example, a government issuing a debt security directly to an investor). Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. The requirements of this Statement apply to the financial statements of all state and local governments. This disclosure is not applicable to the City for the period ended September 30, 2019.

**NOTE 2 - Stewardship, Compliance, and Accountability**

Fund Balance/Net Position

At September 30, 2019, the City's Community Development Block Grant (CDBG) had a net negative fund balance of \$32,318. The CDBG fund's negative fund balance is primary 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.

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.

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As of September 30, 2019, 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	\$ 177,404,705	\$ 36,818,980	\$ 140,585,725
U.S. Government Treasuries	380,270,539	265,450,091	114,820,448
Commercial paper	6,202,117	858,023	5,344,094
Corporate bonds	91,063,441	5,977,070	85,086,371
Israeli Bonds	10,500,000	2,000,000	8,500,000
FLCLASS Pool	406,479,134	406,479,134	
Total	\$ <u>1,071,919,936</u>	\$ <u>717,583,298</u>	\$ <u>354,336,638</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, 2019.

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, 2019, 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 Government Agencies:				
	FHLB	AA+	Aaa	\$ 82,642,005
	FNMA	AA+	Aaa	29,983,550
	FHLMC	AA+	Aaa	9,902,300
	FFCB	AA+	Aaa	54,876,850
				<u>\$ 177,404,705</u>
US Government Treasuries:				
	U. S. Government	AA+	Aaa	\$ 20,398,867
		AA+	Aaa	359,871,672
				<u>\$ 380,270,539</u>
Commercial Paper:				
	FNMA	AA+	Aaa	\$ 4,248,310
	FHLMC	AA+	Aaa	1,953,807
				<u>\$ 6,202,117</u>
Corporate Bonds:				
	Johnson & Johnson SR	AAA	Aaa	\$ 6,370,196
	Apple Inc.	AA+	Aa1	14,736,272
	Microsoft Corp.	AAA	Aaa	8,026,980
	Chevron Corp.	AA	Aa2	18,098,350
	Toyota Motor Credit	AA-	Aa3	9,863,100
	Berkshire Hathaway	AA	Aa2	3,550,438
	Exxon Mobil	AA+	Aaa	11,770,300
	Wal-Mart	AA	Aa2	18,647,805
				<u>\$ 91,063,441</u>
Israeli Bonds:				
	State of Israel	A+	A1	\$ 10,500,000
				<u>\$ 10,500,000</u>
FLCLASS	Local Government Inv. Pool	AAAm	N/A	<u>\$ 406,479,134</u>
Total				<u>\$ 1,071,919,936</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, 2019:

Investments by Fair Value Level	Balance	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Government Agencies	\$ 177,404,705	\$	\$ 177,404,705
U.S. Government Treasuries	380,270,539		380,270,539
Commercial Paper	6,202,117		6,202,117
Corporate Bonds	91,063,441		91,063,441
State of Israel Bonds	10,500,000		10,500,000
Total Debt Securities	<u>665,440,802</u>		
Investments measured at Net Asset Value (FL CLASS)	406,479,134	406,479,134	
Total Investments	<u>\$ 1,071,919,936</u>	<u>\$ 406,479,134</u>	<u>\$ 665,440,802</u>

Investments Measures at the NAV:

FLCLASS	Fair Value	Redemption Frequency	Notice Period
		<u>\$ 406,479,134</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 568 days as of September 30, 2019.

The City's cash and investments held at September 30, 2019 (including restricted cash and cash with paying agent) are shown below:

Schedule of cash and investments by fund:

General	\$ 116,718,771
Resort Tax	28,033,941
Redevelopment Agency	61,700,880
Capital Projects	330,431,134
Storm Water	147,354,374
Water & Sewer	178,014,134
Parking	73,517,677
Convention Center Complex	22,258,468
Internal Service	91,763,514
Agency	19,022,506
Nonmajor Governmental	107,807,086
Nonmajor Enterprise	41,763,693
Total cash and investments	<u>\$ 1,218,386,178</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

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, 2019, the City's investment portfolios have an unrealized gain of approximately \$4.5 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 investment by maturity at September 30, 2019.

**CITY OF MIAMI BEACH, FLORIDA**  
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**(Continued)**

**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	\$ 29,974,307	\$ 19,613,462	\$	\$ 10,360,845	\$
Corporate bonds and notes	224,309,727	15,084,868	96,339,045	112,885,814	
Foreign bonds	6,071,882	6,071,882			
Private placement	35,054,637	953,486	13,099,918	15,452,084	5,549,149
Total	\$ <u>295,410,553</u>	\$ <u>41,723,698</u>	\$ <u>109,438,963</u>	\$ <u>138,698,743</u>	\$ <u>5,549,149</u>

**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	\$ 181,425,654	\$	\$ 181,425,654	\$	\$
Total	\$ <u>181,425,654</u>	\$	\$ <u>181,425,654</u>	\$	\$

**Firemen's Relief and Pension Fund:**

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	More 6-10
U.S. government securities	\$ 959,889	\$ 797,421	\$	\$ 162,468
Corporate bonds and notes	5,267,327	401,224	2,594,651	2,271,452
Total	\$ <u>6,227,216</u>	\$ <u>1,198,645</u>	\$ <u>2,594,651</u>	\$ <u>2,433,920</u>

**Policemen's Relief and Pension Fund:**

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	6-10
U.S. government securities	\$ 1,108,691	\$ 947,000	\$	\$ 161,691
Corporate bonds and notes	2,662,518		1,243,227	1,419,291
Total	\$ <u>3,771,209</u>	\$ <u>947,000</u>	\$ <u>1,243,227</u>	\$ <u>1,580,982</u>

Credit Risk and Concentration of Credit Risk The System's investment policy utilizes portfolio diversification in order to control credit risk. The Systems have 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

**CITY OF MIAMI BEACH, FLORIDA**  
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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, 2019.

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, 2019 as follows:

	Estimated Holdings of the City's Pension Fund for Police and Fire of the total Private Placement Fund (Valued in U.S. Dollars)	
Australian Dollar	\$	893,893
Brazilian Real		14,022
British Pound Sterling		1,787,787
Canadian Dollar		1,552,920
Chilean Peso		35,055
Czech Republic Koruna		992,046
Euro		14,102,480
Japanese Yen		10,502,369
Norwegian Krone		1,721,183
Romanian Leu		999,057
Russian Ruble		659,027
Singapore South Korean Won		862,344
Thai Baht		231,361
Turkish Lira		701,093
Total	\$	35,054,637



**CITY OF MIAMI BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
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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, 2019:

**City Pension Fund for Firefighters and Police Officers:**

	Fair Value	Percentage of Portfolio	
U.S. Government Securities	\$ 29,974,307	10.15	%
Quality rating of credit risk debt securities			
A1	27,504,531	9.31	
A2	55,125,421	18.66	
A3	44,129,061	14.93	
Aa1	5,729,365	1.94	
Aa2	9,188,952	3.11	
Aa3	11,498,164	3.89	
Aaa	50,467,379	17.08	
Aa	1,942,027	0.66	
A	7,792,646	2.64	
Baa1	26,543,316	8.99	
Baa2	4,111,546	1.39	
Bbb	10,481,336	3.55	
Bb	4,132,942	1.40	
B	799,246	0.27	
Total credit risk debt securities	<u>259,445,932</u>	<u>87.82</u>	
* Not Rated	<u>5,990,314</u>	<u>2.03</u>	
Total fixed income securities	<u>\$ 295,410,553</u>	<u>100.00</u>	%

**Miami Beach Employees' Retirement Plan:**

	Fair Value	Percentage of Portfolio	
Quality rating of credit risk debt securities			
AA	\$ 181,425,654	100.00	%

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

**Firemen's Relief and Pension Fund:**

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	
U.S. Government Securities	\$ 959,889	15.40	%
Quality rating of credit risk debt securities			
Aaa	265,728	4.27	
Aa1	265,079	4.26	
Aa2	103,046	1.65	
Aa3	310,440	4.99	
Baa1	1,083,943	17.41	
A1	207,264	3.33	
A2	1,220,255	19.60	
A3	<u>1,811,572</u>	<u>29.09</u>	
Total credit risk debt securities	<u>5,267,327</u>	<u>84.60</u>	
Total fixed income securities	<u>\$ 6,227,216</u>	<u>100.00</u>	%

**Policemen's Relief and Pension Fund:**

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	
U.S. Government Securities	\$ 1,108,691	29.40	%
Quality rating of credit risk debt securities			
AAA	160,512	4.26	
AA+			
A+	480,078	12.73	
A	219,962	5.83	
AA-	106,773	2.83	
A-	912,040	24.18	
BBB+	680,516	18.05	
BBB	<u>102,637</u>	<u>2.72</u>	
Total credit risk debt securities	<u>2,662,518</u>	<u>70.60</u>	
Total fixed income securities	<u>\$ 3,771,209</u>	<u>100.00</u>	%

**CITY OF MIAMI BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)**

As of September 30, 2019, the System had the following cash and investments in its portfolio:

		Fair Value
Short term investments	\$	4,452,949
U.S. government securities		32,042,887
Corporate bonds and notes		215,713,755
Bond funds		175,193,405
Foreign bonds		63,722,256
Common stocks and index funds		744,954,518
Foreign stocks		150,764,612
Real estate funds		160,989,158
Infrastructure investments		42,593,026
Mutual funds		73,701,833
Total cash and investments	\$	1,664,128,399

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.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

The City Pension Fund for Firefighters and Police Officers has the following recurring fair value measurements as of September 30, 2019:

Investments by fair value level	2019	Fair Value Measurements Using	
		Level 1	Level 2
Equity securities			
Common stocks	\$ 324,266,164	\$324,266,164	
Commingled domestic equity funds	152,573,690	152,573,690	
Commingled international equity funds	49,769,632		49,769,632
Total equity securities	<u>526,609,486</u>	<u>476,839,854</u>	<u>49,769,632</u>
Debt securities			
Government and agency obligations	29,974,307	19,613,462	10,360,845
Municipal/provincial obligations			
Corporate bonds	208,055,943		208,055,943
International corporate bonds	22,325,666		22,325,666
International private placement	35,054,637		35,054,637
Total debt securities	<u>295,410,553</u>	<u>19,613,462</u>	<u>275,797,091</u>
Mutual funds	25,499,534		25,499,534
Total investments by fair value level	<u>\$ 847,519,573</u>	<u>\$ 496,453,316</u>	<u>\$ 351,066,257</u>
Investments measured at the net asset value			
Real estate fund	90,189,681		
Total investments measured at net asset value	<u>90,189,681</u>		
Money market funds (exempt)	1,372,694		
Total investments	<u>\$ 939,081,948</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, 2019. 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 other assumptions based upon the specifics of the investment's type.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**Real estate:** Real estate funds are valued using their respective net asset value (“NAV”) as of September 30, 2019. 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, 2019, are as follows:

	Investments Measured at the NAV		
	2019	Redemption Frequency	Redemption Notice Period
Real estate fund (1)	\$ 44,861,638	Quarterly	45 Days
Real estate fund (2)	45,328,043	Quarterly	45 Days
Total investments measured at the NAV	\$ 90,189,681		

There were no unfunded commitments at September 30, 2019.

(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.

The Miami Beach Employees’ Retirement Plan has the following recurring fair value measurements as of September 30, 2019:

Investments by fair value level	Fair Value Measurements Using			
	2019	Level 1	Level 2	Level 3
Equity securities				
Domestic equities				
S&P Index	\$ 100,545,812	\$	\$ 100,545,812	\$
Large cap fund PLUS	98,279,586		98,279,586	
Mid-cap index fund	29,388,640		29,388,640	
Small-cap index	24,471,353		24,471,353	
International equities				
International equity growth	68,893,412		65,893,412	
Emerging markets core	31,853,582	31,853,582		
Mutual fund equities (DROP)	14,770,820	14,770,820		
Total equity securities	365,203,205	46,624,402	318,578,803	
Fixed income	-			
Core bond index fund	51,587,122		51,587,122	
Bond fund	129,838,532		129,838,532	
Total fixed income	181,425,654		181,425,654	
Real estate strategic property fund	68,307,129			68,307,129
Total investments by fair value level	\$ 614,935,988	\$ 46,624,402	\$ 500,004,457	\$ 68,307,129

Investment measured at the net asset value (NAV)

Infrastructure fund	42,593,026
Total Investment measured at NAV	42,593,026
Short-term investment fund (exempt)	1,180,268
Total investments	\$ 658,709,282

**CITY OF MIAMI BEACH, FLORIDA**  
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**(Continued)**

Investments Measured at the NAV

	<u>Fair Value</u>	<u>Redemption Frequency (if Currency Eligible)</u>	<u>Redemption Notice</u>
Infrastructure Fund	<u>\$ 42,593,026</u>	Semi-annual	90 Days

At September 30, 2019, 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.

The Firemen's Relief and Pension Fund had the following recurring fair value measurements as of September 30, 2019:

	<u>2019</u>	<u>Fair Value Measurements Using</u>	
		<u>Level 1</u>	<u>Level 2</u>
Investments by fair value level			
Equity Securities			
common stocks	<u>\$ 10,198,422</u>	<u>\$ 10,198,422</u>	<u>\$</u>
Total equity securities	<u>10,198,422</u>	<u>10,198,422</u>	
Debt securities			
U.S. treasury securities	797,421	797,421	
U.S. agency securities	162,468		162,468
Corporate bonds	<u>5,267,327</u>		<u>5,267,327</u>
Total debt securities	<u>6,227,216</u>	<u>797,421</u>	<u>5,429,795</u>
Total Investments by fair value level	<u>\$ 16,425,638</u>	<u>\$ 10,995,843</u>	<u>\$ 5,429,795</u>

Investments measured at the net asset value (NAV)

Real estate fund	<u>\$ 1,546,944</u>
Total investments measured at NAV	<u>1,546,944</u>
Money market funds (exempt)	<u>115,068</u>
Total investments	<u>\$ 18,087,650</u>

Investments Measured at the NAV

	<u>Fair Value</u>	<u>Redemption Frequency (if Currency Eligible)</u>	<u>Notice Period</u>
Real estate fund	<u>\$ 1,564,944</u>	Quarterly	10 days

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**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

The Policemen's Relief and Pension Fund have the following recurring fair value measurements as of September 30, 2019:

Investment Category	2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Corporate bonds	\$ 2,662,518	\$ 2,662,518		
U.S. government and agencies bonds	1,108,691	1,108,691		
Money market account	2,528		2,528	
Equities	5,230,851	5,230,851		
Foreign assets	85,657	85,657		
RE Fund LLC	945,404			945,404
<b>Total</b>	<b>\$ 10,035,649</b>	<b>\$ 9,087,717</b>	<b>\$ 2,528</b>	<b>\$ 945,404</b>

**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, 2019, the Miami Beach Employees' Retirement Plan had an uninsured cash balance of approximately \$4,744,000 with one financial institution. City's OPEB Trust Investments:

At September 30, 2019, the City's OPEB Trust Fund investments were comprised of \$1,782,391 in cash and money market accounts and \$33,431,479 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 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, 2019:

	2019
Investments measured at the net asset value (NAV)	
Mutual Funds	\$ 33,431,479
Total investments measured at the net asset value (NAV)	33,431,479
Total Investments	\$ 33,431,479

**CITY OF MIAMI BEACH, FLORIDA**  
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**SEPTEMBER 30, 2019**  
**(Continued)**

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:

	2019			
	2019	Investments Measured at the NAV		
Mutual Fund	\$ 33,431,479	Unfunded Commitments	Redemption Frequency	Redemption Noticed Period
		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, 2019, the Plan had an uninsured cash balance of approximately \$1.7 million with one financial institution.

Discretely Presented Component Units:

Component unit's cash and investment in the amount of \$5,583,963 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.



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**NOTE 4 - Receivables**

Receivables at September 30, 2019 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	\$ 6,767,472	\$ 4,330,269	\$	\$ 879,689	\$ 118,799	\$ 12,096,229
Special Assessments		611,544	60,614			672,158
Gross receivables	6,767,472	4,941,813	60,614	879,689	118,799	12,768,387
Less: allowance for uncollectible accounts	(3,553,820)			(281,339)	(63,960)	(3,899,119)
Net receivables	\$ 3,213,652	\$ 4,941,813	\$ 60,614	\$ 598,350	\$ 54,839	\$ 8,869,268
<b>Government Wide:</b>						
Accrued Interest	2,834,933		706,072			3,541,005
Taxes	904,878			25,272		930,150
	\$ 6,953,463	\$ 4,941,813	\$ 766,686	\$ 623,622	\$ 54,839	\$ 13,340,423
Proprietary Funds/ Business Type Activities						
Fund Level:	Storm Water	Water and Sewer	Parking	Convention Center Complex	Nonmajor Funds	Total
Receivables:						
Accounts	\$ 5,323,719	\$ 14,168,632	\$ 5,673,215	\$ 6,125,662	\$ 2,738,409	\$ 34,029,637
Gross receivables	5,323,719	14,168,632	5,673,215	6,125,662	2,738,409	34,029,637
Less: allowance for uncollectible accounts	(2,209,864)	(3,698,725)	(31,403)		(1,458,312)	(7,398,304)
Net receivables	\$ 3,113,855	\$ 10,469,907	\$ 5,641,812	\$ 6,125,662	\$ 1,280,097	\$ 26,631,333
<b>Government Wide:</b>						
Accrued Interest	16,153	1,218	4,852			22,223
	\$ 3,130,008	\$ 10,471,125	\$ 5,646,664	\$ 6,125,662	\$ 1,280,097	\$ 26,653,556

**NOTE 5 - Property Taxes**

Property values are assessed (levied) by the Miami-Dade County Property Assessor as of January 1 of each year, at which time taxes become an enforceable lien on property. State of Florida Amendment No. 10 to the Florida Constitution known as "Save our Homes" limits assessment increases on homestead property to the lesser of 3% or the consumer price index. Tax bills are mailed in October and are payable upon receipt with discounts at the rate 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 personal property taxes by seizure of the property or by the sale of the property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. The 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, 2019**  
**(Continued)**

**NOTE 6 - Capital Assets**

Capital asset activities for the year ended September 30, 2019, were as follows:

**Primary Government  
Governmental activities:**

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 58,758,676	\$ 598,254	\$ 271,800	\$ 59,085,130
Intangible assets	4,181,941			4,181,941
Construction work-in-progress	633,661,236	72,876,964	8,296,696	698,241,504
Total capital assets, not being depreciated	<u>696,601,853</u>	<u>73,475,218</u>	<u>8,568,496</u>	<u>761,508,575</u>
Capital assets, being depreciated:				
Building and structures	138,904,607	494,091	11,555,864	127,842,834
Permanent improvements	394,018,701	6,548,237	13,920,857	386,646,081
Furniture & fixtures	8,298,263	248,836		8,547,099
Machinery and equipment	77,281,864	5,467,533	175,100	82,574,297
Infrastructure	241,481,978	194,654		241,676,632
Total capital assets, being depreciated	<u>859,985,413</u>	<u>12,953,351</u>	<u>25,651,821</u>	<u>847,286,943</u>
Less: accumulated depreciation for:				
Building and structures	63,056,795	2,628,950	9,328,022	56,357,723
Permanent improvements	147,715,267	11,330,950	13,247,766	145,798,451
Furniture & fixtures	5,755,498	1,071,545		6,827,043
Machinery and equipment	48,869,087	7,153,685	186,096	55,836,676
Infrastructure	137,836,815	7,382,245		145,219,060
Total accumulated depreciation	<u>403,233,462</u>	<u>29,567,375</u>	<u>22,761,884</u>	<u>410,038,953</u>
Total capital assets, being depreciated, net	<u>456,751,951</u>	<u>(16,614,024)</u>	<u>2,889,937</u>	<u>437,247,990</u>
Governmental activities capital assets, net	<u>\$ 1,153,353,804</u>	<u>\$ 56,861,194</u>	<u>\$ 11,458,433</u>	<u>\$ 1,198,756,565</u>

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

<u>Government Activities:</u>	
General government	\$ 8,132,646
Public safety	2,780,489
Physical environment	408,116
Transportation	9,799,005
Economic environment	292,285
Human services	179
Culture and recreation	8,154,655
Total depreciation expense – governmental	<u>\$29,567,375</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$5,701,931 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	\$ 25,836,726	\$ 11,577	\$	\$ 25,848,303
Intangible assets	4,318,059			4,318,059
Construction work-in-progress	373,779,393	17,979,023	19,697,085	372,061,331
Total capital assets, not being depreciated	<u>403,934,178</u>	<u>17,990,600</u>	<u>19,697,085</u>	<u>402,227,693</u>
Capital assets, being depreciated:				
Buildings & Structure/Parking Lots	207,737,001	9,433,870		217,170,871
Mains & Lines	282,846,564	11,069,621		293,916,185
Meters & Hydrants	30,608,097			30,608,097
Furniture & fixtures, equipment	72,479,696	1,347,333	47,609	73,779,420
Total capital assets, being depreciated	<u>593,671,358</u>	<u>21,850,824</u>	<u>47,609</u>	<u>615,474,573</u>
Less: accumulated depreciation for:				
Buildings & Structure/Parking Lots	86,124,693	4,922,606		91,047,299
Mains & Lines	59,700,503	6,625,059		66,325,562
Meters & Hydrants	21,370,393	2,410,737		23,781,130
Furniture & fixtures, equipment	39,302,403	3,690,650	43,900	42,949,153
Total accumulated depreciation	<u>206,497,992</u>	<u>17,649,052</u>	<u>43,900</u>	<u>224,103,144</u>
Total capital assets, being depreciated, net	<u>387,173,366</u>	<u>4,201,772</u>	<u>3,709</u>	<u>391,371,429</u>
Governmental activities capital assets, net	<u>\$ 791,107,544</u>	<u>\$ 22,192,372</u>	<u>\$ 19,700,794</u>	<u>\$ 793,599,122</u>

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

<u>Business-type activities:</u>	
Storm Water	\$ 3,298,106
Water & Sewer	5,753,884
Parking Systems	5,758,136
Convention Center Complex	1,521,602
Nonmajor Enterprise	1,317,324
Total depreciation expense – business-type activities	<u>\$17,649,052</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

**NOTE 7 – Construction and other Commitments**

At September 30, 2019, 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:

Resort Tax	\$ 88,430
Capital Project	65,335,235
Redevelopment Agency	3,229
Other Governmental	13,284,165
Internal Service	156,312
Storm Water Utility	58,891,730
Water and Sewer	15,106,902
Parking Systems	5,119,543
Convention Center Complex	1,987,851
Non-major Enterprise	1,028,588
	<u>\$ 161,001,985</u>

The City funds had the following encumbrance commitments at September 30, 2019.

General	\$ 1,936,332
Resort Tax	15,581
Redevelopment Agency	1,285,833
Other Governmental	3,370,586
Internal Service	3,062,840
Storm Water Utility	31,979
Water and Sewer	2,425,416
Parking Systems	1,317,132
Convention Center Complex	163,159
Non-major Enterprise	738,536
	<u>\$ 14,347,394</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

**NOTE 8 - Interfund Receivables, Payables and Transfers**

Interfund transfers for the year ended September 30, 2019, consisted of the following:

Transfer To	Transfer From											Total
	General Fund	Resort Tax	Redevelopment Agency	Capital Projects	Other Governmental	Storm Water	Water Sewer	Parking	Convention Center	Other Enterprise	Internal Service	
General	\$	\$ 36,314,874	\$ 4,400,000	\$	\$ 12,346	\$	\$	\$ 1,166,000	\$	\$	\$	\$ 41,893,220
Capital Projects	3,129,000		20,872,000		151,990,793							175,991,793
Other Governmental	6,822,079	28,623,475	23,281,823	16,823	200,491	468,002	21,000	1,375,000	972,000	36,000	358,000	62,174,693
Convention Ctr			1,750,000		1,187,547							2,937,547
Other Enterprise		1,812,000				916,000						2,728,000
Internal Service	300,000											300,000
	<u>\$ 10,251,079</u>	<u>\$ 66,750,349</u>	<u>\$ 50,303,823</u>	<u>\$ 16,823</u>	<u>\$ 153,391,177</u>	<u>\$ 1,384,002</u>	<u>\$ 21,000</u>	<u>\$ 2,541,000</u>	<u>\$ 972,000</u>	<u>\$ 36,000</u>	<u>\$ 358,000</u>	<u>\$ 286,025,253</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 \$5.7 million for debt service payments, \$1.1 million to other special revenue funds, \$3.1 million to the pay as you go capital fund and \$0.3 to the information/ communications technology fund. The resort tax fund transferred to the general fund \$36.3 million for citywide tourism. The resort tax fund also transferred \$14.3 million for debt services, \$8.6 million for transportation, \$1.4 million for cultural arts council programs, \$1.8 million to the Sanitation Fund and \$4.3 million to other funds to fund various south beach, middle and north beach approved projects. Redevelopment Agency Fund transferred \$4.4 million to the general fund, \$21.7 million to other governmental funds for debt service payments and \$1.5 million to Beach Renourishment. The RDA fund also transferred \$20 million to RDA City Center capital project fund and \$0.8 to pay as you go capital fund. The Parking System transferred \$1.1 million to the general fund and \$1.3 million to the transportation fund for operating activities and \$38,000 to other governmental funds for debt service. The 2019 General Obligation bond proceeds of \$151.9 million were received in the debt service fund and then transferred to the capital projects fund for parks & recreation and cultural facilities, public safety and neighborhood infrastructure.

Payable fund (Due To)	Receivable fund(Due From)					Total
	General Fund	Resort Taxes	Redevelopment	Other Governmental	Other Enterprise	
General Fund	\$	\$	\$ 6,440,526	\$ 1,765,981	\$ 1,937,802	\$ 10,144,309
Capital Projects			2,635,312			2,635,312
Other Governmental	37,655	1,255,346				1,293,001
Other Enterprise	214,966					214,966
	<u>\$ 252,621</u>	<u>\$ 1,255,346</u>	<u>\$ 9,075,838</u>	<u>\$ 1,765,981</u>	<u>\$ 1,937,802</u>	<u>\$ 14,287,588</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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As of September 30, 2019, the General Fund was due \$10,144,309 from the Other Governmental Funds. Of that amount \$6,440,526 is due from Redevelopment Agency for disbursements paid from the general depository pooled account pending reimbursement from Redevelopment Agency account. An interfund advance for the Sunset Island underground utilities project in the amount of \$1,532,002, and \$233,979 due from Community Development Block Grant (CDBG) and HOME grants account to reimburse the General Fund, and disbursements paid from general depository pooled account pending reimbursement from Redevelopment Agency Anchor Garage for \$1,937,802. The Capital Projects Funds was due \$2,635,312 from Redevelopment Agency to cover various projects Capital Projects.

**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 2053. Future minimum lease receivables under the operating leases at September 30, 2019, are as follows:

September 30	Business-type Operating Leases	Governmental Operating Leases
2020	\$ 1,914,492	\$ 2,676,048
2021	1,800,570	2,198,911
2022	1,680,027	1,959,818
2023	1,695,322	1,855,919
2024	1,339,662	1,853,697
2025 and thereafter	18,068,275	9,684,402
	\$ 26,498,348	\$ 20,228,795

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, 2019:

Parking facilities	\$ 7,947,504
Recreational facilities	15,071,132
Retail space	51,121,003
Marina	5,654,752
	79,794,391
Less: Accumulated depreciation	(49,596,054)
Net book value of leased assets	\$ 30,198,337

**CITY OF MIAMI BEACH, FLORIDA**  
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**SEPTEMBER 30, 2019**  
**(Continued)**

**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 \$172,685,000. 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, 2019 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 9/30/2019</u>
General Obligation - Series 2011	3.00-5.00	2011	2023	\$ 34,840,000	\$ 10,460,000
General Obligation - Series 2019	3.00-5.00	2019	2049	<u>162,225,000</u>	<u>162,225,000</u>
Total General Obligation Bonds				<u>\$ 197,065,000</u>	<u>\$ 172,685,000</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, 2019, the City did not have any defeased General Obligation debt.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**  
**(Continued)**

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
2020	\$ 4,250,000	\$ 7,541,295	\$ 11,791,295
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
2025-2029	18,295,000	30,431,500	48,726,500
2030-2034	24,025,000	25,518,850	49,543,850
2035-2039	28,545,000	19,849,000	48,394,000
2040-2044	35,710,000	12,683,200	48,393,200
2045-2049	43,305,000	5,094,837	48,399,837
	<u>172,685,000</u>	<u>129,138,482</u>	<u>301,823,482</u>
Plus: Unamortized Bond Premium	18,908,021		18,908,021
	<u>\$ 191,593,021</u>	<u>\$ 129,138,482</u>	<u>\$ 320,731,503</u>

semiannually on November 1 and May 1 and will mature serially through May 1, 2049. At September 30, 2019, the City did not have any defeased General Obligation debt.

**B. Special Obligation Bonds – Governmental Activities**

At September 30, 2019 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	\$ 2,280,000
2015 Resort Tax Revenue Bonds	Resort tax revenue	194,920,000	181,155,000
2015A Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	286,245,000	280,585,000
2015B Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	35,850,000	21,465,000
Total Special Obligation Bonds		<u>\$ 539,515,000</u>	<u>\$ 485,485,000</u>

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



**CITY OF MIAMI BEACH, FLORIDA**  
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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, 2019, \$800,000 is still considered defeased.

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; 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, 2019, \$3,420,000 is still considered defeased.

At September 30, 2019, debt service requirements to maturity for special obligation bonds are as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 11,865,000	\$ 23,464,928	\$ 35,329,928
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
2025-2029	68,880,000	97,920,050	166,800,050
2030-2034	87,915,000	78,897,875	166,812,875
2035-2039	112,635,000	54,171,500	166,806,500
2039-2043	144,200,000	22,607,025	166,807,025
2040-2044	11,880,000	572,150	12,452,150
	<u>485,485,000</u>	<u>366,597,800</u>	<u>852,082,800</u>
Plus: Net unamortized Bond Premium	<u>42,654,796</u>		<u>42,654,796</u>
	<u>\$ 528,139,796</u>	<u>\$ 366,597,800</u>	<u>\$ 894,737,596</u>

For the fiscal year ended September 30, 2019, maximum annual debt service on the RDA tax increment bonds was \$21,729,597 and the tax increment revenues totaled \$53,142,078. Remaining outstanding principal and interest is \$525,919,000.

For the fiscal year ended September 30, 2019, maximum annual debt service on the Resort Tax bonds was \$12,454,750 and the Resort Tax revenues totaled \$88,246,170. Remaining outstanding principal and interest is \$323,768,300.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 are being 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 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.

On December 15, 2015, the City issued \$58,825,000 in Parking Revenue Bonds, Series 2015. The Series 2015 Bonds are being 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.

At September 30, 2019, no Parking obligations were considered defeased

Parking Revenue Fund indebtedness at September 30, 2019, is comprised of the following issued indebtedness:

<u>Initial Issuance</u>	<u>Description</u>	<u>Outstanding Principal</u>
\$17,155,000	Series 2010A Parking Revenue Refunding Bonds due in annual installments through 2022: interest at 3.00% - 5.00%	\$ 4,155,000
\$27,405,000	Series 2010B Parking Revenue Bonds due in annual installments through 2040: interest at 4.00 - 5.00%	27,405,000
\$58,825,000	Series 2015 Parking Revenue Bonds due in annual installments through 2045: interest at 3.00% - 5.00%	58,590,000
	Total bonds outstanding	<u>\$ 90,150,000</u>

**CITY OF MIAMI BEACH, FLORIDA**  
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The aggregate maturities of Long-Term Debt at September 30, 2019, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2020	\$ 1,805,000	\$ 4,444,113	\$ 6,249,113
2021	1,895,000	4,354,663	6,249,663
2022	1,990,000	4,261,613	6,251,613
2023	2,070,000	4,182,013	6,252,013
2024	2,165,000	4,086,913	6,251,913
2025-2029	12,475,000	18,777,876	31,252,876
2030-2034	15,825,000	15,426,588	31,251,588
2035-2039	20,195,000	11,059,750	31,254,750
2040-2044	25,775,000	5,480,500	31,255,500
2045	5,955,000	297,750	6,252,750
	90,150,000	72,371,779	162,521,779
Plus: Net Unamortized			
Bond Premium	5,757,571		5,757,571
Bond Discount	(342,901)		(342,901)
	\$ 95,564,670	\$ 72,371,779	\$ 167,936,449

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 \$162,521,779. Principal and interest paid for the current year and total customer net revenues were \$6,252,913 and \$13,687,586, respectively.

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 be 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 intends to use 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 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.

**CITY OF MIAMI BEACH, FLORIDA**  
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**(Continued)**

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, 2019, none of the bonds outstanding are considered defeased.

Indebtedness of the Water and Sewer Fund at September 30, 2019, 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%	\$ 5,780,000
\$ 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%	113,090,000
	Total bonds outstanding	<u><u>\$ 158,870,000</u></u>

At September 30, 2019, none of the bonds outstanding are considered defeased.

The aggregate maturities of long-term debt as of September 30, 2019, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2020	\$ 4,360,000	\$ 7,367,337	\$ 11,727,337
2021	4,455,000	7,272,794	11,727,794
2022	4,575,000	7,148,963	11,723,963
2023	4,805,000	6,916,213	11,721,213
2024	5,050,000	6,674,806	11,724,806
2025-2029	23,855,000	30,064,000	53,919,000
2030-2034	22,995,000	24,273,925	47,268,925
2035-2039	28,365,000	18,037,175	46,402,175
2040-2044	35,140,000	11,257,550	46,397,550
2045-2047	25,270,000	2,568,250	27,838,250
	<u>158,870,000</u>	<u>121,581,013</u>	<u>280,451,013</u>
Plus:			
Net Unamortized bond Premium	14,614,434		14,614,434
	<u>\$ 173,484,434</u>	<u>\$ 121,581,013</u>	<u>\$ 295,065,447</u>

**CITY OF MIAMI BEACH, FLORIDA**  
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**SEPTEMBER 30, 2019**  
**(Continued)**

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 \$280,451,012.

Principal and interest paid for the current year and total customer net revenues were \$11,718,581 and \$31,713,872 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 intends to use 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 are being 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, 2019, \$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 are being 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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**SEPTEMBER 30, 2019**  
**(Continued)**

Indebtedness of the Storm Water Fund at September 30, 2019, 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%	\$ 3,750,000
\$ 52,130,000	2011A Storm Water Revenue Bonds Due in annual installments through 2041: Interest at 4.00% - 5.25%	2,510,000
\$ 26,575,000	2011B Storm Water Revenue Refunding Bonds Due in annual installments through 2030: Interest at 2.00% - 5.25%	305,000
\$ 99,590,000	2015 Storm Water Revenue Bonds Due in annual installments through 2045: Interest at 2.00% - 5.00%	98,250,000
\$ 156,550,000	2017 Storm Water Revenue and Refunding Bonds Due in annual installments through 2047: Interest at 3.00% - 5.00%	155,550,000
	Total bonds outstanding	<u><u>\$ 260,365,000</u></u>

The aggregate maturities of long-term debt at September 30, 2019, are as follows:

Fiscal Year Ending September 30	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,185,000	\$ 11,747,206	\$ 15,932,206
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
2025-2029	33,355,000	50,314,556	83,669,556
2030-2034	41,495,000	42,184,138	83,679,138
2035-2039	50,665,000	33,005,088	83,670,088
2040-2044	64,110,000	19,558,550	83,668,550
2045-2047	45,680,000	4,527,750	50,207,750
	<u>260,365,000</u>	<u>206,613,676</u>	<u>466,978,676</u>
Plus Unamortized Premium	<u>20,898,249</u>		<u>20,898,249</u>
	<u><u>\$ 281,263,249</u></u>	<u><u>\$ 206,613,676</u></u>	<u><u>\$ 487,876,925</u></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 \$466,978,676. Principal and interest paid for the current year and total customer net revenues were \$16,013,659 and \$24,223,722 respectively.

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**(Continued)**

**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 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, 2019, the City was indebted for \$5,237,636. These loans are recorded in the fleet internal service fund.

The aggregate maturities of loans at September 30, 2019, are as follows:

Fiscal Year Ending September 30	Loans		
	Principal	Interest	Total
2020	\$ 1,524,389	\$ 113,563	\$ 1,637,952
2021	1,201,621	79,198	1,280,819
2022	1,084,170	50,271	1,134,441
2023	950,268	24,264	974,532
2024	455,255	4,679	459,934
2025	21,933	340	22,273
	<u>\$ 5,237,636</u>	<u>\$ 272,315</u>	<u>\$ 5,509,951</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, 2019, the total minimum lease payment was \$8,089,759. The first payment was made on May 25, 2012 and the last payment will be made on April 25, 2025. The lease equipment is depreciated on a straight-line basis over 30 years. At September 30, 2019, the net book value of the assets was \$8,865,757.

Below is a schedule detailing the minimum lease payments and the related interest component of each payment:

Fiscal Year Ending September 30	Loan		Present Value of the Minimum Lease Payments
	Minimum Lease Payments	Interest	
2020	\$ 1,173,139	\$ 316,261	\$ 1,489,400
2021	1,296,242	264,757	1,560,999
2022	1,410,512	208,412	1,618,924
2023	1,531,742	147,157	1,678,899
2024	1,658,166	80,713	1,738,879
2025	1,019,958	14,261	1,034,219
	<u>\$ 8,089,759</u>	<u>\$ 1,031,561</u>	<u>\$ 9,121,320</u>

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**(Continued)**

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, 2019 on the debt was \$385,996, 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, 2019 was \$1,023,729. 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.

September 30,	Minimum Lease Payments	Interest	Present Value of the Minimum Lease Payments
2020	\$ 308,307	\$ 26,617	\$ 281,690
2021	308,307	18,010	290,297
2022	308,307	9,141	299,166
	\$ 924,921	\$ 53,768	\$ 871,153

**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%. As of September 30, 2019, no amounts have been drawn down from this line of credit and there is no outstanding balance.

**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.



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The aggregate maturities of the pension loan obligations at September 30, 2019, are as follows:

Fiscal Year Ending September 30	Loan		
	Principal	Interest	Total
2020	\$ 4,633,000	\$ 97,716	\$ 4,730,716
2021	1,149,000	19,418	1,168,418
	<u>\$ 5,782,000</u>	<u>\$ 117,134</u>	<u>\$ 5,899,134</u>

**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. The semiannual loan payment amount is based on the total amount of \$7,797,500 which consist of the Loan principal plus the estimated 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. The loan shall be repaid in 40 semiannual loan payments of \$229,001, which is \$458,002 per year. 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, 2019, \$7.4 million of allowable costs have been incurred by the City and \$6.2 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, 2019 is \$7,067,991.

The aggregate maturities of the loan at September 30, 2019, are as follows:

Fiscal Year Ending September 30	Loan		
	Principal	Interest	Total
2020	\$ 343,948	\$ 114,054	\$ 458,002
2021	349,542	108,460	458,002
2022	355,228	102,774	458,002
2023	361,006	96,996	458,002
2024	366,878	91,124	458,002
2025-2029	1,925,868	364,142	2,290,010
2030-2034	2,087,674	202,336	2,290,010
2035-2037	1,277,847	38,126	1,315,973
	<u>\$ 7,067,991</u>	<u>\$ 1,118,012</u>	<u>\$ 8,186,003</u>

**CITY OF MIAMI BEACH, FLORIDA**  
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**(Continued)**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2019, is as follows:

**Governmental activities:**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Bonds payable:</b>					
General obligation	\$ 42,535,000	\$ 162,225,000	\$ 32,075,000	\$ 172,685,000	\$ 4,250,000
Special obligation	496,890,000		11,405,000	485,485,000	11,865,000
Plus: Net unamortized bond premium	46,039,350	18,529,252	3,005,785	61,562,817	3,842,311
Total bonds payable	<u>585,464,350</u>	<u>180,754,252</u>	<u>46,485,785</u>	<u>719,732,817</u>	<u>19,957,311</u>
Claims and judgments	42,205,364	28,463,333	27,875,366	42,793,331	7,797,000
Compensated absences	24,898,234	10,538,693	8,862,708	26,574,219	8,862,707
Energy savings lease	9,152,803		1,063,044	8,089,759	1,173,139
Net OPEB liability	126,472,099	210,748,068		337,220,167	
Pension loan	10,405,000		4,623,000	5,782,000	4,633,000
Equipment loan/Clean Water Revolving Loan	9,794,914	4,945,664	2,434,951	12,305,627	1,868,337
Environmental remediation liability	4,475,000	200,000	788,908	3,886,092	1,107,531
Capital lease obligations	1,144,491		273,338	871,153	281,690
Net pension liability - MBERP	171,951,371		6,083,950	165,867,421	
Net pension liability - MBF&P	301,417,365	3,247,710		304,665,075	
Governmental activity					
Long-term liabilities	<u>\$ 1,287,380,991</u>	<u>\$ 438,897,720</u>	<u>\$ 98,491,050</u>	<u>\$ 1,627,787,661</u>	<u>\$ 45,680,715</u>
<b>Business-type activities:</b>					
Revenue bonds payable	\$ 519,320,000		\$ 9,935,000	\$ 509,385,000	\$ 10,350,000
Plus: Unamortized bond Premium	43,298,362		2,028,108	41,270,254	2,072,412
Less: Unamortized bond Discount	(368,149)		(25,248)	(342,901)	(25,248)
Total bonds payable	<u>562,250,213</u>		<u>11,937,860</u>	<u>550,312,353</u>	<u>12,397,164</u>
Environmental remediation liability	200,000		98,614	101,386	101,386
Compensated absences	2,784,622	1,737,113	1,553,752	2,967,983	1,553,752
Net OPEB liability	22,925,235	5,035,886		27,961,121	
Deposits	8,482,454	7,040,258	5,313,356	10,209,356	7,040,258
Net pension liability - MBERP	44,796,248	4,254	1,582,800	43,217,702	
Business-type activity					
Long-term liabilities	<u>\$ 641,438,772</u>	<u>\$ 13,817,511</u>	<u>\$ 20,486,382</u>	<u>\$ 634,769,901</u>	<u>\$ 21,092,560</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, 2019, \$1,475,046 in compensated absences, \$871,153 in capital leases, and \$5,237,635 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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**SEPTEMBER 30, 2019**  
**(Continued)**

**NOTE 11 - Governmental Fund – Fund Balance**

Below is a table of fund balance categories and classifications at September 30, 2019 for the City's governmental funds.

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental	Total
Fund balances:						
<b>Non-spendable:</b>						
Prepays	\$ 9,255				\$ 30,067	\$ 39,322
Interfund loan	1,532,002					
<b>Total Prepaid</b>	<u>1,541,257</u>				<u>30,067</u>	<u>1,571,324</u>
<b>Restricted:</b>						
General government				15,976,557	850,079	16,826,636
Building operations reserves	18,489,336					18,489,336
Public safety				33,159,761	236,258	33,396,019
Human services					50,769	50,769
Physical environment				2,496,740		2,496,740
Economic environment			52,257,898	5,161,874	1,732,173	59,151,945
Quality of Life Improvement					237,993	237,993
Transportation				133,000	54,961,325	55,094,325
Culture and recreation		29,411,102		117,569,597	910,583	147,891,282
Sewer Improvement				81,683		81,683
Street Improvement				23,904,150		23,904,150
Infrastructure				39,770,779		39,770,779
Communications				78,488		78,488
Capital Improvements				5,518,943		5,518,943
Neighborhood Improvement				29,031,086		29,031,086
South Pointe Improvement				18,308,702		18,308,702
Debt service					2,114,012	2,114,012
<b>Total Restricted</b>	<u>18,489,336</u>	<u>29,411,102</u>	<u>52,257,898</u>	<u>291,191,360</u>	<u>61,093,192</u>	<u>452,442,888</u>
<b>Committed:</b>						
Reserve-set aside for future budgets	3,765,000					3,765,000
Economic environment	10,000				314,593	324,593
General government	375,725			1,854,139	13,611	2,243,475
Public safety	329,000			77,045		406,045
Culture and recreation	297,000			7,190,999	30,263,783	37,751,782
Transportation				788,726	2,938,192	3,726,918
Human services	81,000				278,648	359,648
Physical environment				28,358	1,782,169	1,810,527
Public safety and health	58,759,650					58,759,650
Planning	151,000					151,000
Public Works	69,000					69,000
Reserve pay as you go				11,772,759		11,772,759
Capital Reserve				6,210,872		6,210,872
Capital Renewal and Replacement					4,849,924	4,849,924
<b>Total Committed</b>	<u>63,837,375</u>			<u>27,922,898</u>	<u>40,440,920</u>	<u>132,201,193</u>
<b>Assigned:</b>						
General government	2,843,000					2,843,000
Citywide additional contingencies	861,000					861,000
Public safety	1,073,000					1,073,000
<b>Total Assigned</b>	<u>4,777,000</u>					<u>4,777,000</u>
<b>Unassigned:</b>						
Reimbursable grants funds				(16,223,992)	(1,192,348)	(17,416,340)
Residual fund balance	26,523,824			388,559		26,912,383
<b>Total Unassigned</b>	<u>26,523,824</u>			<u>(15,835,433)</u>	<u>(1,192,348)</u>	<u>9,496,043</u>
<b>Total Fund Balance</b>	<u>\$ 115,168,792</u>	<u>\$ 29,411,102</u>	<u>\$ 52,257,898</u>	<u>\$ 303,278,825</u>	<u>\$ 100,371,831</u>	<u>\$ 600,488,448</u>

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The negative unassigned fund balance in the Capital Projects funds is primarily due to \$14.5 million of reimbursed grants relating to the A1A Indian Creek Project and \$1.4 million in other DOT, FDOT, and other miscellaneous grants. The negative unassigned fund balance in the Other Special Revenue fund's is primarily due to \$1.2 million in reimbursable grants pending from Clean Water State Revolving grant, and other miscellaneous grants.

The City's building operations is accounted for and reported in the general fund as of and for the period ended September 30, 2019. The general fund balance includes \$18,489,336 in restricted funds from the building department operations. In accordance with Chapter 553 Section 80 of the Florida Statutes.

**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 2019 the City paid \$4.9 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 2018 and 2019 respectively:

	<u>2018</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ 38,497,702	\$ 40,395,364
Incurred claims (includes incurred but not yet reported)	7,979,880	7,024,514
Less: claim payments	<u>6,082,218</u>	<u>6,202,547</u>
Unpaid claims, end of year	<u>\$ 40,395,364</u>	<u>\$ 41,217,331</u>

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.

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The following are the changes in the funds' claims liability amount during fiscal years 2018 and 2019 respectively:

	<u>2018</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ 1,727,711	\$ 1,810,000
Incurred claims (includes incurred but not yet reported)	23,788,007	21,438,819
Less: claim payments	<u>23,705,718</u>	<u>21,672,819</u>
Unpaid claims, end of year	<u>\$ 1,810,000</u>	<u>\$ 1,576,000</u>

**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 Arsenic Investigation;
3. Normandy Shores Golf Course Arsenic Investigation;
4. Maurice Gibb Park Hydrocarbon Investigation;
5. Fleet Management Mechanical Maintenance Facility Synthetic Oil and Hydrocarbon Investigations;
6. Former Par 3 Golf Course Arsenic Investigation;
7. Miami Beach Convention Center Arsenic Investigation; and,
8. Collins Park Garage Hydrocarbon Remediation.

As of September 30, 2019, the City has recorded pollution remediation liabilities of:

<u>Fund</u>	<u>Description</u>	<u>Total Obligation</u>	<u>Current Obligation</u>
General Fund	Fleet Management Mechanical Maintenance Facility Synthetic Oil and Hydrocarbon Investigations	\$ 195,000	\$ 75,396
Convention Center	Miami Beach Convention Center Arsenic Investigation	101,386	101,386
Capital Projects	Maurice Gibb Park Hydrocarbon Investigation	800,000	800,000
Capital Projects	Collins Park Garage Hydrocarbon Remediation	1,050,000	26,600
Capital Projects	Former Par 3 Golf Course Arsenic Investigation	1,030,000	30,000
Capital Projects	Miami Beach Convention Center Arsenic Investigation	<u>811,092</u>	<u>175,536</u>
		<u>\$ 3,987,478</u>	<u>\$ 1,208,918</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.

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**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.

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 – Current and Advance Refunding**

On May 2, 2019, the City issued \$162,225,000 in General Obligation and Refunding Bonds, Series 2019 to provide the current refunding of the Series 2003 General Obligation Bonds maturing after September 1, 2033. The net proceeds of the issue were placed into an irrevocable escrow deposit account, which invested in government obligations, that will provide monies sufficient to pay the principal and interest of the refunded bonds. On the date of issue, \$28,080,000 of principal was refunded. The aggregate difference in debt service between the refunding debt and the refunded debt is \$8,522,492 and the economic gain on the transaction was \$4,904,949.

**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 (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

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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, 2018, the date of the latest actuarial valuation:

Inactive plan members and beneficiaries currently receiving benefits	1,093
Inactive plan members entitled but not yet receiving benefits	193
Active plan members	<u>1,231</u>
Total members	<u><u>2,517</u></u>

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 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

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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. A Member with five or more years of creditable service may, at any time prior to retirement, elect to purchase a maximum of two years additional creditable service. Effective September 30, 2013, Members whose classification is included in the CWA and GSAF bargaining unit and Members who are not included in any collective bargaining unit shall not be eligible to purchase additional creditable service. Effective April 23, 2015, members whose classifications are included in the AFSCME bargaining unit are not eligible to purchase additional 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%.



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As of September 30, 2019, there were 123 members in the DROP and the value of DROP investment was \$14,770,820, which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$155,000 in loans were outstanding as of September 30, 2019.

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, 2019, the City was required to make contributions of \$31,864,304 or 37.50% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2016. For the year ended September 30, 2019, the employees contributed \$8,512,207 and buybacks were \$1,571,361.

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

For the year ended September 30, 2019, the City recognized pension expense of \$4,268,492. At September 30, 2019, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 15,091	\$ 3,211,546
Change in Assumptions	38,882,915	-
Net Difference between projected and actual		
earnings on pension plan investments	-	15,582,265
City contributions subsequent to the measurement date	31,864,304	-
	\$ 70,762,310	\$ 18,793,811

City contributions of \$31,864,304 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:

Amortization of Net Deferred (Inflows)/Outflows	
Year	Amortization
2020	\$ 13,992,051
2021	2,961,781
2022	2,938,823
2023	211,540
	\$ 20,104,195



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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% %	5.73 %
Fixed income	28%	4.43
International equities	16%	6.75
Real estate	10%	5.50
Infrastructure	<u>7%</u>	6.56
Total	<u><u>100 %</u></u>	

Discount

A single discount rate of 7.60% was used to measure the total pension liability. This is a decrease of 0.05% from the discount rate of 7.65% used in the prior measurement. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.60%. 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 (7.60%) 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, 2018:

	<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, 2017	\$ 834,047,463	\$ 616,624,226	\$ 217,423,237
Changes for the year			
Service cost	15,232,372		15,232,372
Interest	63,015,047		63,015,047
Difference between expected and actual experience of the total pension liability	18,961		18,961
Changes of assumptions	4,771,684		4,771,684
Contributions - employer		31,892,485	(31,892,485)
Contributions - employee		8,242,590	(8,242,590)
Net investment income		51,285,893	(51,285,893)
Benefit payments	(49,726,168)	(49,726,168)	
Refunds	(1,381,297)	(1,381,297)	
Administrative expenses		(730,118)	730,118
Other			
Net changes	<u>31,930,599</u>	<u>39,583,385</u>	<u>(7,652,786)</u>
Balances at September 30, 2018	<u><u>\$ 865,978,062</u></u>	<u><u>\$ 656,207,611</u></u>	<u><u>\$ 209,770,451</u></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 7.60 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
6.60%	7.60%	8.60%
\$ 315,466,535	\$ 209,770,451	\$ 122,260,936

**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 fire department, three of which are elected by the police department, and three of which are appointed by the mayor. Members are substantially all police officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following three tiers:

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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.

Tier Four members are those hired on or after June 8, 2016 and July 20, 2016 for Fire Department and Police Department members, 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.

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 to 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 1<sup>st</sup> 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.

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.

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 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

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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 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 disability retirement, a member receives a monthly pension equal to their service retirement benefits. For a non-service-connected disability, the pension is the accrued benefit after 5 years of creditable service. The plan also provides death benefits for beneficiaries or members for service connected and non-service-connected death.

If a member resigns or is lawfully discharged before retirement, 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 years of service.

In the alternative and in lieu of the normal form of benefit, the member may, at any time prior to retirement, elect to receive a lifetime retirement benefit with 120 monthly payments guaranteed. If the member should die before 120 monthly payments are made, benefits will continue to be paid to the member's designated beneficiary for the balance of the 120-month period. If the retired member is living after 120 monthly payments are made, the payments shall be continued for the member's remaining lifetime. In case of termination of the Plan, benefits accrued to members to the extent funded will be non-forfeitable.

At September 30, 2019 the plan membership consisted of the following:

Active Members		525
Deferred Vested Members		19
Retired Members and beneficiaries:		
a. Service	715	*
b. Disabled	57	
		772
Total		1,316

\* Including members in the DROP

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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, 2019, the total amount of the Deferred Retirement Option Plan payable, \$25,499,534, 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 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, 2019, was \$39,626,600 and \$120,549 respectively. Covered payroll excluding DROP members was \$64,181,403. The contribution required from the City and the State of Florida for the fiscal year ended September 30, 2019, was actuarially determined by the October 1, 2017 valuation to be \$39,747,149.

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

For the year ended September 30, 2019, the City recognized pension expense of \$15,628,014. At September 30, 2019, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 15,470,640	\$
Change in Assumptions	25,849,281	
Net Difference between projected and actual earnings on pension plan investments		17,026,492
City contributions subsequent to the measurement date	39,626,600	
	\$ 80,946,521	\$ 17,026,492

City contributions of \$39,626,600 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,	
2020	\$ 19,482,703
2021	5,190,695
2022	268,887
2023	(648,856)
	\$ 24,293,429



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The following methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2017. The actuarial valuation was rolled forward to the September 30, 2018 measurement date.

Valuation Date	October 1, 2017
Measurement Date	September 30, 2018
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	2.50%
Salary Increases	2.88% - 10.70%
Cost of Living Increase	1.50%, 2.00%, or 2.50%
Investment Rate of Return	7.80%
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.

Discount

A discount rate of 7.80% was used to measure the September 30, 2018 total pension liability; a decrease from the prior year rate of 7.85%. This discount rate was based on the expected rate of return on Fund investments of 7.80%. 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.

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Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2018 were as follows:

Total pension liability	\$ 1,229,168,051
Plan fiduciary net position	<u>(924,502,976)</u>
Net pension liability	<u><u>\$ 304,665,075</u></u>

The Net Pension Liability is 475% 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 equity	10
Cash/short-term investments	<u>5</u>
Total	<u><u>100%</u></u>

Asset Class	Long-Term Expected Real Rate of Return*	
	2018	2017
Domestic equity	7.50%	7.50%
International equity	8.50	8.50
Domestic bonds	2.50	2.50
International bonds	3.50	3.50
Real estate	4.50	4.50
Alternative investments	6.24	6.24

\*Real rates of return are net of the long-term inflation assumption of 2.50% for 2018 and 2017.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at September 30, 2017	\$1,175,854,765	\$874,437,400	\$301,417,365
Changes for the year			
Service cost	18,462,961		18,462,961
Interest	91,544,984		91,544,984
Difference between expected and actual experience of the total pension liability	11,814,591		11,814,591
Changes of assumptions	6,951,571		6,951,571
Contributions - employer		37,639,937	(37,639,937)
Contributions - employee		6,593,715	(6,593,715)
Net investment income		82,094,851	(82,094,851)
Benefit payments	(75,460,821)	(75,460,821)	
Administrative expenses		(802,106)	802,106
Net changes	53,313,286	50,065,576	3,247,710
Balances at September 30, 2018	<u>\$1,229,168,051</u>	<u>\$924,502,976</u>	<u>\$304,665,075</u>

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 7.80 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 6.80%	Discount Rate 7.80%	1% Increase 8.80%
Net Pension Liability	\$464,488,417	\$304,665,075	\$174,414,490

**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 2019 and 2018 would have been \$11,498,175 and \$10,618,430 respectively. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare, and withholds taxes accordingly.

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

**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, 2019 was \$1,391,602 for firefighters and \$720,876 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year.

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, 2019 is as follows:

Members in the Plan	23
City's contribution	\$ 130,812
Percentage of covered payroll	7.71%
Employees' contribution	131,117
Percentage of covered payroll	7.73%

**CITY OF MIAMI BEACH, FLORIDA**  
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**F. Aggregate Pension Amounts**

The below chart shows the aggregate fiscal year 2019 pension liabilities, deferred inflows, deferred outflows, and pension expenses by pension plan:

Account	Miami Beach Employees' Retirement System	Component	Miami Beach Employees' Retirement System Total	Retirement System for Firefighters and Police Officers (MBF&P)
Net Pension Liability	\$ 209,085,123	\$ 685,328	\$ 209,770,451	\$ 304,665,075
Deferred outflows	70,531,127	231,183	70,762,310	80,946,521
Deferred inflows	18,732,411	61,400	18,793,811	17,026,492
Pension expense	4,230,035	38,457	4,268,492	15,628,014

**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 11<sup>th</sup> 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 of designee. Each member has a term of four years.

The determination of the net OPEB obligation at September 30, 2019 is based on a valuation date of September 30, 2019. 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, 2019, the City paid \$11,568,424 in OPEB benefits on a pay-as-go basis. The City's net OPEB liability at September 30, 2019 was \$366,012,523. 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, 2019 in comparison to 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%
Total			

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

**CITY OF MIAMI BEACH, FLORIDA**  
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Rate of Return

As of September 30, 2019, the annual money-weighted rate of return, net of OPEB plan expenses, was 2.3%. 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 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 2019, the discount rate was lowered from 8.0% to 3.75%, 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.

Receivables

As of September 30, 2019, the plan had \$487,000 in receivables from the City.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30, 2019, were as follows:

Total OPEB Liability	\$ 401,713,392
OPEB Plan Fiduciary Net Position	<u>35,700,869</u>
Net OPEB Liability	<u><u>\$ 366,012,523</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	8.89%
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**(Continued)**

Schedule of Deferred Inflows/Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,750,416	\$
Change in assumptions/inputs	29,053,482	
Net difference between projected and actual investments	148,329	714,151
	<u>\$ 61,952,227</u>	<u>\$ 714,151</u>

Amortization of Net Deferred (Inflows)/Outflows

Year	Amortization
2020	\$ 10,874,402
2021	10,874,402
2022	11,102,722
2023	11,188,559
2024	11,151,476
Thereafter	6,046,515
	<u>\$ 61,238,076</u>



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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	3.75% per annum. This was based on the estimated long term rate of return from the City's OPEB trust
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.

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	6.5%	4.50%
Medicare Benefits	5.50	4.50
Stop Loss Fees	6.50	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 2019. 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 (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Liability	\$ 426,826,025	\$ 366,012,523	\$ 317,962,786

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):

	1% Decrease	Healthcare Cost Trend Rate (Refer to assumptions)	1% Increase
Net OPEB Liability	\$ 317,250,861	\$ 366,012,523	\$ 426,854,094

For the September 30, 2019 OPEB Trust Fund financial statements, please refer to pages 135-136.

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**NOTE 19 – Restatement for GASB 75**

For the year ended September 30, 2018, the City adopted GASB 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” The statement required the City to recognize its Net OPEB liability as well as the deferred inflows and outflows associated with such valuation. As part of implementing GASB 75, the City was required to restate its beginning net position as of October 1, 2017. During fiscal year 2019, the City noted the valuation for fiscal year 2018 should have utilized a discount rate of 3.75% to accurately reflect the activity of the OPEB Trust. Although the expected long-term rate of return on the OPEB Trust is 7.07%, it is required to be blended with the Bond Buyer 20-Bond GO index rate given the plan’s fiduciary net position is not projected to be sufficient to make projected benefit payments in accordance with GASB 75. As a result of this error and the correction of the discount rate, the City restated the beginning net position at October 1, 2018 to reflect the changes in net OPEB liability, deferred inflows and outflows associated with the corrected valuation. Below are the restated amounts and the funds affected.

	<b>Governmental Activities - Net Position</b>	<b>Business Activities - Net Position</b>	<b>Total</b>
<b>September 30, 2018</b>	\$ 528,416,326	\$ 617,535,822	\$ 1,145,952,148
<b>Restatement for GASB 75</b>	(145,373,677)	2,744,044	(142,629,633)
<b>October 1, 2018</b>	<u>\$ 383,042,649</u>	<u>\$ 620,279,866</u>	<u>\$ 1,003,322,515</u>
<b>Balances At October 1, 2018</b>			
<b>Net OPEB liability</b>	\$ (143,205,944)	\$ 564,473	\$ (142,641,471)
<b>Deferred outflow - OPEB</b>	(3,186,504)	(570,180)	(3,756,684)
<b>Deferred inflow - OPEB</b>	1,018,771	2,749,751	3,768,522
<b>Net Total</b>	<u>\$ (145,373,677)</u>	<u>\$ 2,744,044</u>	<u>\$ (142,629,633)</u>

	<b>Storm Water Utility Fund - Net Position</b>	<b>Water and Sewer Fund - Net Position</b>	<b>Parking System Fund - Net Position</b>	<b>Convention Center Fund - Net Position</b>	<b>Other Enterprise Funds - Net Position</b>	<b>Internal Service Funds - Net Position</b>
<b>September 30, 2018</b>	\$ 122,580,682	\$ 226,708,152	\$ 122,393,221	\$ 100,901,486	\$ 44,952,281	\$ 32,814,969
<b>Restatement for GASB 75</b>	1,151,312	69,809	866,256	(15,548)	672,216	1,008,085
<b>October 1, 2018</b>	<u>123,731,994</u>	<u>226,777,961</u>	<u>123,259,477</u>	<u>100,885,938</u>	<u>45,624,497</u>	<u>33,823,054</u>
<b>Balances At October 1, 2018</b>						
<b>Net OPEB liability</b>	\$ 955,531	\$ (906,978)	\$ 775,322	\$ (23,323)	\$ (236,079)	\$ 181,168
<b>Deferred outflow - OPEB</b>	28,814	(187,881)	(165,016)	(1,981)	(244,116)	(295,265)
<b>Deferred inflow - OPEB</b>	166,967	1,164,668	255,950	9,756	1,152,411	1,122,182
<b>Net Total</b>	<u>\$ 1,151,312</u>	<u>\$ 69,809</u>	<u>\$ 866,256</u>	<u>\$ (15,548)</u>	<u>\$ 672,216</u>	<u>\$ 1,008,085</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 20 – Subsequent Events**

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 deaths in the places where it has spread. 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 the tourism and hospitality industry. Due to COVID-19, the City is experiencing a serious adverse impact on its revenues. However, the City is committed to meeting its financial obligations and maintaining required debt payments. To help mitigate the loss of revenues, the City is aggressively pursuing options and opportunities to save costs. Although the negative impact of COVID-19 on the City is anticipated to be significant, the City currently expects that strong reserves produced by prudent fiscal planning will provide assistance needed to help the City navigate the crisis. Economic stabilization measures and other forms of aid may be provided by the federal government to help local governments satisfy current and future financial obligations and replenish reserves. Without such assistance, the City will need to develop a plan to replenish its reserves over time.

Subsequent to September 30, 2019, financial markets have experienced a high degree of volatility. Therefore, the investment balances presented as of September 30, 2019, not reflect subsequent changes that may have occurred during 2020.

**REQUIRED SUPPLEMENTARY  
INFORMATION (RSI)**



**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)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 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	\$ 23,403,818
Actual contribution	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	23,403,818
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (excluding DROP)	\$ 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	\$ 49,144,179
Actual contribution as a % of covered payroll	59.82%	58.65%	59.04%	61.61%	58.62%	70.87%	83.73%	68.13%	66.91%	47.62%

**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 2.50%  
Salary Increases 2.88% - 10.70%  
Investment Rate of Return 7.80%  
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)**

	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 15,232,372	\$ 13,720,496	\$ 12,906,811	\$ 11,795,411	\$ 12,306,795
Interest	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	18,961	(4,242,257)	(2,210,692)	-	4,909,738
Changes of assumptions	4,771,684	52,573,659	11,676,037	11,026,357	-
Benefit payments	(49,726,168)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(1,381,297)	(905,574)	(948,535)	(941,310)	(1,143,866)
Other	-	-	-	311,076	311,077
Net change in total pension liability	31,930,599	74,370,721	35,687,296	40,470,087	29,508,455
Total pension liability - beginning	834,047,463	759,676,742	723,989,446	683,519,359	654,010,904
Total pension liability - ending	<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>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 31,892,485	\$ 29,358,098	\$ 27,783,852	\$ 26,456,580	\$ 25,602,030
Contributions - member	8,242,590	7,871,072	7,341,533	7,310,183	7,373,407
Net investment income	51,285,893	70,646,599	55,818,905	(5,048,406)	51,773,646
Benefit payments	(49,726,168)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(1,381,297)	(905,574)	(948,535)	(941,310)	(1,143,866)
Administrative expenses	(730,118)	(703,539)	(677,509)	(706,283)	(668,851)
Other	-	(68,222)	-	-	-
Net change in plan fiduciary net position	39,583,385	61,622,290	47,417,403	(8,803,252)	45,434,966
Plan fiduciary net position - beginning	616,624,226	555,001,936	507,584,533	516,387,785	470,952,819
Plan fiduciary net position - ending	<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	\$ 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	75.78%	73.93%	73.06%	70.11%	75.55%
Covered payroll	\$ 85,003,174	\$ 77,013,213	\$ 71,863,150	\$ 82,359,302	\$ 76,362,960
Net pension liability as a percentage of covered payroll	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 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)**

	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 18,462,961	\$ 17,530,982	\$ 17,803,602	\$ 16,098,560	\$ 14,763,595
Interest	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	11,814,591	141,740	14,588,712	12,428,547	7,685,043
Changes of assumptions	6,951,571	34,969,254	2,447,885	5,686,196	
Benefit payments, including refunds of member contributions	(75,460,821)	(58,574,937)	(54,861,660)	(62,686,716)	(53,605,094)
Net change in total pension liability	53,313,286	71,800,734	62,606,386	49,941,626	43,952,456
Total pension liability - beginning	1,175,854,765	1,104,054,031	1,041,447,645	991,506,019	947,553,563
Total pension liability - ending	<u>\$ 1,229,168,051</u>	<u>\$ 1,175,854,765</u>	<u>\$ 1,104,054,031</u>	<u>\$ 1,041,447,645</u>	<u>\$ 991,506,019</u>
<b>Plan fiduciary net position</b>					
Contributions - City and State	\$ 37,639,937	\$ 35,367,866	\$ 34,970,641	\$ 33,149,388	\$ 35,960,326
Contributions - member	6,593,715	6,198,244	5,984,397	5,944,414	5,258,974
Net investment income	82,094,851	85,791,174	70,539,300	5,689,333	72,259,674
Benefit payments, including refunds of member contributions	(75,460,821)	(58,574,937)	(54,861,660)	(62,686,716)	(53,605,094)
Administrative expenses	(802,106)	(769,079)	(826,044)	(777,493)	(905,130)
Net change in plan fiduciary net position	50,065,576	68,013,268	55,806,634	(18,681,074)	58,968,750
Plan fiduciary net position - beginning	874,437,400	806,424,132	750,617,498	769,298,572	710,329,822
Plan fiduciary net position - ending	<u>\$ 924,502,976</u>	<u>\$ 874,437,400</u>	<u>\$ 806,424,132</u>	<u>\$ 750,617,498</u>	<u>\$ 769,298,572</u>
City's net pension liability	\$ 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	75.21%	74.37%	73.04%	72.07%	77.59%
Covered payroll	\$ 64,181,403	\$ 59,907,167	\$ 56,759,632	\$ 56,545,113	\$ 57,545,593
Net pension liability as a percentage of covered payroll	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, 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) (\*)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 6,544,300	\$ 3,921,508	\$ 3,074,151
Interest	16,033,227	14,345,708	13,700,847
Changes of assumptions	65,525,101	(2,399,422)	
Benefit payments	<u>(13,507,000)</u>	<u>(11,647,331)</u>	<u>(10,111,628)</u>
Net change in total OPEB Liability	74,595,628	4,220,463	6,663,370
Total OPEB liability - beginning	184,126,288	179,905,825	173,242,455
Restatement	142,991,476		
Total OPEB liability - beginning, as restated	<u>327,117,764</u>		
Total OPEB liability - ending (a)	<u>\$ 401,713,392</u>	<u>\$ 184,126,288</u>	<u>\$ 179,905,825</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 13,996,031	\$ 1,039,279	\$ 438,000
Net investment income	886,546	2,540,698	3,302,688
Benefit payments	(13,507,000)		
Administrative expense	<u>(88,918)</u>	<u>(65,711)</u>	<u>145,690</u>
Net Change in plan fiduciary net position	1,286,659	3,514,266	3,886,378
Plan fiduciary net position - beginning	34,414,210	30,899,944	27,013,566
Plan fiduciary net position - ending (b)	<u>\$ 35,700,869</u>	<u>\$ 34,414,210</u>	<u>\$ 30,899,944</u>
City's Net OPEB Liability - ending (a) - (b)	<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	8.89%	18.69%	17.18%
Covered-employee payroll ^	\$ 150,737,233	\$ 147,122,000	\$ 142,146,603
City's net OPEB liability as a percentage of covered payroll	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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 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	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)	<u>\$ 19,079,988</u>	<u>\$ 2,369,333</u>	<u>\$ 4,506,315</u>	<u>\$ -</u>	<u>\$ (138,597)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	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	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	3.75% per annum. This was based on the estimated long term rate of return from the City's OPEB trust
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 (\*)**

	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	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, 2019**  
**(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 182,333,000	\$ 182,333,000	\$ 184,039,535	\$ 1,706,535
Sales, use and fuel taxes	1,101,000	1,101,000	1,065,391	(35,609)
Utility	12,692,000	12,692,000	12,256,299	(435,701)
Local business	5,070,000	5,070,000	5,455,327	385,327
Communication Service	3,887,000	3,887,000	3,561,838	(325,162)
Franchise fees	8,683,000	8,683,000	8,364,567	(318,433)
Permits	25,424,000	25,799,000	29,402,672	3,603,672
Intergovernmental	11,450,000	11,450,000	11,443,377	(6,623)
Charges for services	19,086,000	19,086,000	18,787,973	(298,027)
Rents and leases	5,437,000	5,437,000	5,679,855	242,855
Interest income	3,617,000	3,617,000	12,973,270	9,356,270
Fines and forfeits	1,850,000	1,850,000	1,618,585	(231,415)
Administrative fees	21,746,000	21,921,000	21,241,512	(679,488)
Other	794,000	794,000	1,593,729	799,729
Total revenues	<u>303,170,000</u>	<u>303,720,000</u>	<u>317,483,930</u>	<u>13,763,930</u>
<b>Expenditures</b>				
General government:				
Mayor and Commission	2,412,000	2,412,000	2,243,408	168,592
City Manager	4,119,000	4,293,590	4,201,879	91,711
City Clerk	1,752,000	1,752,070	1,662,752	89,318
Budget and Performance Management	4,041,000	4,480,000	3,176,517	1,303,483
Finance	6,700,000	6,919,000	6,349,169	569,831
Human Resources	2,997,000	3,094,011	2,704,865	389,146
Procurement	2,544,000	2,720,963	2,468,894	252,069
City Attorney	5,805,000	6,123,543	5,627,841	495,702
Planning	4,676,000	5,464,797	5,180,869	283,928
Media Relations	2,294,000	2,583,407	2,422,377	161,030
Public Works	4,393,000	4,444,000	3,960,275	483,725
Capital Improvement	5,215,000	5,214,000	4,641,391	572,609
Unclassified	7,127,400	8,627,025	5,528,684	3,098,341
Total general government	<u>54,075,400</u>	<u>58,128,406</u>	<u>50,168,921</u>	<u>7,959,485</u>
Public safety:				
Building Services	15,099,000	15,105,629	13,086,918	2,018,711
Code Compliance	6,202,000	6,328,000	5,487,753	840,247
Fire	77,371,000	77,588,000	76,806,793	781,207
Police	111,700,000	112,122,658	111,782,224	340,434
Emergency Management	9,803,000	10,115,000	9,089,185	1,025,815
Total public safety	<u>220,175,000</u>	<u>221,259,287</u>	<u>216,252,873</u>	<u>5,006,414</u>
Physical Environment	4,601,600	4,589,100	4,374,045	215,055
Transportation	5,857,000	5,910,000	4,854,128	1,055,872
Economic Environment	2,033,800	2,034,850	1,931,151	103,699
Human Services	2,889,700	2,965,700	2,440,222	525,478
Culture and recreation	44,170,500	44,316,207	41,377,217	2,938,990
Capital Outlay	650,000	1,589,950	865,181	724,769
Debt service:				
Interest and fiscal charges	144,000	144,000	143,021	979
Total expenditures	<u>334,597,000</u>	<u>340,937,500</u>	<u>322,406,759</u>	<u>18,530,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,427,000)</u>	<u>(37,217,500)</u>	<u>(4,922,829)</u>	<u>32,294,671</u>
<b>Other financing sources (uses)</b>				
Transfers in	41,402,000	41,402,000	41,893,220	491,220
Transfers out	(11,048,000)	(11,819,500)	(10,251,079)	1,568,421
Total other financing sources	<u>30,354,000</u>	<u>29,582,500</u>	<u>31,642,141</u>	<u>2,059,641</u>
Net change in fund balances	<u>(1,073,000)</u>	<u>(7,635,000)</u>	<u>26,719,312</u>	<u>34,354,312</u>
Fund balances - beginning of year	88,449,480	88,449,480	88,449,480	
Fund balances - end of year	<u>\$ 87,376,480</u>	<u>\$ 80,814,480</u>	<u>\$ 115,168,792</u>	<u>\$ 34,354,312</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, 2019**  
**(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)	
<b>Revenues</b>								
Resort taxes	\$ 88,470,000	\$ 88,470,000	\$ 88,246,170	\$ (223,830)	\$	\$	\$	\$
Tax increment					53,141,000	53,141,000	53,142,078	1,078
Rents and leases							157	157
Interest income	266,000	266,000	1,044,701	778,701	360,000	360,000	1,755,501	1,395,501
Special assessment	69,000	69,000	178,096	109,096				
Other	8,000	8,000	45,837	37,837			46,688	46,688
<b>Total revenues</b>	<b>88,813,000</b>	<b>88,813,000</b>	<b>89,514,804</b>	<b>701,804</b>	<b>53,501,000</b>	<b>53,501,000</b>	<b>54,944,424</b>	<b>1,443,424</b>
<b>Expenditures</b>								
General government	1,033,500	1,105,500	1,014,379	91,121	829,000	829,000	529,736	299,264
Public safety	6,749,500	5,752,500	5,656,607	95,893	4,540,000	4,540,000	4,431,386	108,614
Transportation		100,000	11,570	88,430				
Physical environment					7,440,000	7,440,000	7,386,213	53,787
Economic environment					4,700,000	4,700,000	4,678,899	21,101
Culture and recreation	15,189,000	15,858,000	14,864,765	993,235	1,309,424	1,309,424	1,090,369	219,055
Capital Outlay					210,134	210,134	199,623	10,511
Debt Service:								
Interest and fiscal charges	2,000	2,000	1,240	760				
<b>Total expenditures</b>	<b>22,974,000</b>	<b>22,818,000</b>	<b>21,548,561</b>	<b>1,269,439</b>	<b>19,028,558</b>	<b>19,028,558</b>	<b>18,316,226</b>	<b>712,332</b>
Excess (deficiency) of revenues over (under) expenditures	65,839,000	65,995,000	67,966,243	1,971,243	34,472,442	34,472,442	36,628,198	2,155,756
<b>Other financing sources (uses)</b>								
Transfers out	(66,490,000)	(67,096,000)	(66,750,349)	345,651	(50,315,000)	(50,315,000)	(50,303,823)	11,177
<b>Total other financing sources (uses)</b>	<b>(66,490,000)</b>	<b>(67,096,000)</b>	<b>(66,750,349)</b>	<b>345,651</b>	<b>(50,315,000)</b>	<b>(50,315,000)</b>	<b>(50,303,823)</b>	<b>11,177</b>
<b>Net change in fund balances</b>	<b>(651,000)</b>	<b>(1,101,000)</b>	<b>1,215,894</b>	<b>2,316,894</b>	<b>(15,842,558)</b>	<b>(15,842,558)</b>	<b>(13,675,625)</b>	<b>2,166,933</b>
Fund balances - beginning of year	28,195,208	28,195,208	28,195,208		65,933,523	65,933,523	65,933,523	
Fund balances - end of year	\$ 27,544,208	\$ 27,094,208	\$ 29,411,102	\$ 2,316,894	\$ 50,090,965	\$ 50,090,965	\$ 52,257,898	\$ 2,166,933

**CITY OF MIAMI BEACH, FLORIDA**  
**NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET TO ACTUAL**  
**SEPTEMBER 30, 2019**

**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; three (3) operating, one (1) RDA and eight (8) capital during fiscal year ended September 30, 2019.

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 Debt Service Fund:** This fund accounts for principal and interest payments made for general obligations.

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

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

**Miami Beach Redevelopment Agency Debt Service 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 payments made for 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, 2019**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 106,305,592	\$ 1,501,494	\$ 107,807,086
Receivables, net	595,807	2,543	598,350
Due from other funds	665,328	627,673	1,293,001
Due from other governments	1,599,817		1,599,817
Prepaids	30,067		30,067
	<u>109,196,611</u>	<u>2,131,710</u>	<u>111,328,321</u>
Total assets	<u>\$ 109,196,611</u>	<u>\$ 2,131,710</u>	<u>\$ 111,328,321</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,586,195	\$	\$ 5,586,195
Retainage payable	646,668		646,668
Accrued expenditures	563,759	17,698	581,457
Unearned revenues	1,661,001		1,661,001
Deposits	94,924		94,924
Due to other governments	22,324		22,324
Due to other funds	1,765,981		1,765,981
	<u>10,340,852</u>	<u>17,698</u>	<u>10,358,550</u>
Total liabilities	<u>10,340,852</u>	<u>17,698</u>	<u>10,358,550</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable other revenues	597,940		597,940
	<u>597,940</u>		<u>597,940</u>
Total deferred inflows of resources	<u>597,940</u>		<u>597,940</u>
<b>FUND BALANCES</b>			
Nonspendable	30,067		30,067
Restricted	58,979,180	2,114,012	61,093,192
Committed	40,440,920		40,440,920
Assigned			
Unassigned	(1,192,348)		(1,192,348)
	<u>98,257,819</u>	<u>2,114,012</u>	<u>100,371,831</u>
Total fund balances	<u>98,257,819</u>	<u>2,114,012</u>	<u>100,371,831</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 109,196,611</u>	<u>\$ 2,131,710</u>	<u>\$ 111,328,321</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, 2019**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Property taxes	\$	\$	\$
Sales , Use and Fuel Taxes	3,957,487	5,958,354	5,958,354
Utility taxes	1,013,027		1,013,027
Special taxing districts	244,896		244,896
Other taxes	2,233,027		2,233,027
Federal grants	2,622,780		2,622,780
State grants	749,349		749,349
Grants from other local units	3,811,111		3,811,111
Charges for services	6,954,277		6,954,277
Fines and forfeitures	903,725		903,725
Impact Fees	3,521,962		3,521,962
Interest income	1,199,295	84,702	1,283,997
Permits	38,000		38,000
Rent and leases	1,365,282		1,365,282
Miscellaneous	1,598,681		1,598,681
	<u>30,212,899</u>	<u>6,043,056</u>	<u>36,255,955</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
General government	1,057,240		1,057,240
Public safety	11,569,556		11,569,556
Physical environment	3,911,921		3,911,921
Transportation	15,524,043		15,524,043
Economic environment	1,903,656		1,903,656
Human services	1,507,992		1,507,992
Culture and recreation	3,283,654		3,283,654
Capital Outlay	11,344,711		11,344,711
Debt Service:			
Principal	338,443	21,085,244	21,423,687
Interest	119,559	25,743,053	25,862,612
Other		1,213,801	1,213,801
	<u>50,560,775</u>	<u>48,042,098</u>	<u>98,602,873</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(20,347,876)</u>	<u>(41,999,042)</u>	<u>(62,346,918)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued		162,225,000	162,225,000
Premium on refunding bonds issued		18,529,252	18,529,252
Payment to escrow agent		(28,358,050)	(28,358,050)
Transfers in	18,790,032	43,384,661	62,174,693
Transfers out	(212,837)	(153,178,340)	(153,391,177)
	<u>18,577,195</u>	<u>42,602,523</u>	<u>61,179,718</u>
Total other financing sources			
Net change in fund balances	(1,770,681)	603,481	(1,167,200)
Fund balances - beginning of year	100,028,500	1,510,531	101,539,031
Fund balances - end of year	<u>\$ 98,257,819</u>	<u>\$ 2,114,012</u>	<u>\$ 100,371,831</u>

**CITY OF MIAMI BEACH, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2019**

	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
<b>ASSETS</b>								
Cash and investments	\$ 53,347	\$ 784,942	\$ 26,494,497	\$ 19,704,103	\$ 791,468	\$ 100,890	\$ 58,376,345	\$ 106,305,592
Receivables, net			1,851		1,963		591,993	595,807
Accrued interest								
Due from other funds	9,938					27,717	627,673	665,328
Due from other governments	318,892					106,917	1,174,008	1,599,817
Prepays							30,067	30,067
Total assets	<u>\$ 382,177</u>	<u>\$ 784,942</u>	<u>\$ 26,496,348</u>	<u>\$ 19,704,103</u>	<u>\$ 793,431</u>	<u>\$ 235,524</u>	<u>\$ 60,800,086</u>	<u>\$ 109,196,611</u>
<b>LIABILITIES</b>								
Accounts payable	177,137		85,538	5,608		96,480	5,221,432	5,586,195
Retainage payable	33,180			12,938		13,127	587,423	646,668
Accrued expenditures	4,156					1,804	557,799	563,759
Unearned revenue		784,942				3,268	872,791	1,661,001
Due to other funds	200,022					33,957	1,532,002	1,765,981
Due to other governments							22,324	22,324
Deposits							94,924	94,924
Total liabilities	<u>414,495</u>	<u>784,942</u>	<u>85,538</u>	<u>18,546</u>		<u>148,636</u>	<u>8,888,695</u>	<u>10,340,852</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable other revenues							597,940	597,940
Total deferred inflows of resources							<u>597,940</u>	<u>597,940</u>
<b>FUND BALANCES (deficits)</b>								
Nonspendable							30,067	30,067
Restricted			26,410,810	19,685,557	793,431	86,888	12,002,494	58,979,180
Committed							40,440,920	40,440,920
Assigned								
Unassigned	(32,318)						(1,160,030)	(1,192,348)
Total fund balances	<u>(32,318)</u>		<u>26,410,810</u>	<u>19,685,557</u>	<u>793,431</u>	<u>86,888</u>	<u>51,313,451</u>	<u>98,257,819</u>
Total liabilities, deferred inflows and fund balances (deficits)	<u>\$ 382,177</u>	<u>\$ 784,942</u>	<u>\$ 26,496,348</u>	<u>\$ 19,704,103</u>	<u>\$ 793,431</u>	<u>\$ 235,524</u>	<u>\$ 60,800,086</u>	<u>\$ 109,196,611</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, 2019**

	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
<b>Revenues:</b>								
Sales, Use and Fuel Taxes	\$	\$	\$	\$	\$	\$	\$ 3,957,487	\$ 3,957,487
Utility taxes							1,013,027	1,013,027
Special taxing districts							244,896	244,896
Other taxes							2,233,027	2,233,027
Federal grants	740,220				185,929	406,223	1,290,408	2,622,780
State grants		49,969			129,892		569,488	749,349
Grants from other local units					25,614		3,785,497	3,811,111
Charges for services				24,735			6,929,542	6,954,277
Fines and forfeitures							903,725	903,725
Impact Fees			2,039,749	1,482,213				3,521,962
Interest income		21,945	519,907	365,655	13,190		278,598	1,199,295
Permits							38,000	38,000
Rent and leases							1,365,282	1,365,282
Other Revenue	209,114	25,000	468			742,270	621,829	1,598,681
<b>Total revenues</b>	<b>949,334</b>	<b>96,914</b>	<b>2,560,124</b>	<b>1,872,603</b>	<b>354,625</b>	<b>1,148,493</b>	<b>23,230,806</b>	<b>30,212,899</b>
<b>Expenditures:</b>								
Current:								
General government							1,057,240	1,057,240
Public safety					174,856		11,394,700	11,569,556
Physical environment							3,911,921	3,911,921
Transportation							15,524,043	15,524,043
Economic environment	527,630	628,903				81,704	665,419	1,903,656
Human services							1,507,992	1,507,992
Culture and recreation							3,283,654	3,283,654
Capital Outlay	475,040		332,577	39,888		821,999	9,675,207	11,344,711
Debt Service:								
Principal							338,443	338,443
Interest							119,559	119,559
<b>Total expenditures</b>	<b>1,002,670</b>	<b>628,903</b>	<b>332,577</b>	<b>39,888</b>	<b>174,856</b>	<b>903,703</b>	<b>47,478,178</b>	<b>50,560,775</b>
Excess (deficiency) of revenues over (under) expenditures	(53,336)	(531,989)	2,227,547	1,832,715	179,769	244,790	(24,247,372)	(20,347,876)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in						27,618	18,762,414	18,790,032
Transfers out	(400)					(47)	(212,390)	(212,837)
<b>Total other financing sources (uses)</b>	<b>(400)</b>					<b>27,571</b>	<b>18,550,024</b>	<b>18,577,195</b>
<b>Net change in fund balances</b>	<b>(53,736)</b>	<b>(531,989)</b>	<b>2,227,547</b>	<b>1,832,715</b>	<b>179,769</b>	<b>272,361</b>	<b>(5,697,348)</b>	<b>(1,770,681)</b>
Fund balances - beginning of year	21,418	531,989	24,183,263	17,852,842	613,662	(185,473)	57,010,799	100,028,500
<b>Fund balances (deficits) - end of year</b>	<b>\$ (32,318)</b>	<b>\$</b>	<b>\$ 26,410,810</b>	<b>\$ 19,685,557</b>	<b>\$ 793,431</b>	<b>\$ 86,888</b>	<b>\$ 51,313,451</b>	<b>\$ 98,257,819</b>

**CITY OF MIAMI BEACH, FLORIDA  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
September 30, 2019**

	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
<b>ASSETS</b>							
Cash and investments	\$ 789,558	\$ 257,229	\$	\$	\$ 9,641	\$ 445,066	\$ 1,501,494
Receivables, net	2,543						2,543
Due from other funds					627,673		627,673
Total assets	<u>\$ 792,101</u>	<u>\$ 257,229</u>	<u>\$</u>	<u>\$</u>	<u>\$ 637,314</u>	<u>\$ 445,066</u>	<u>\$ 2,131,710</u>
<b>LIABILITIES</b>							
Accrued Expenses	\$ 17,698	\$	\$	\$	\$	\$	\$ 17,698
Total liabilities	<u>17,698</u>						<u>17,698</u>
<b>FUND BALANCES</b>							
Restricted	<u>774,403</u>	<u>257,229</u>			<u>637,314</u>	<u>445,066</u>	<u>2,114,012</u>
Total fund balances	<u>774,403</u>	<u>257,229</u>			<u>637,314</u>	<u>445,066</u>	<u>2,114,012</u>
Total liabilities and fund balances	<u>\$ 792,101</u>	<u>\$ 257,229</u>	<u>\$</u>	<u>\$</u>	<u>\$ 637,314</u>	<u>\$ 445,066</u>	<u>\$ 2,131,710</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, 2019**

	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
<b>Revenues</b>							
Property taxes	\$ 5,958,354	\$	\$	\$	\$	\$	\$ 5,958,354
Interest income	84,702						84,702
Total revenues	<u>6,043,056</u>						<u>6,043,056</u>
<b>Expenditures</b>							
Debt Service:							
Principal	3,995,000	4,623,000	1,060,000	6,880,000	3,465,000	1,062,244	21,085,244
Interest	1,283,934	175,845	140,500	14,790,654	8,989,500	362,620	25,743,053
Other	1,206,655		5,600	1,169	377		1,213,801
Total expenditures	<u>6,485,589</u>	<u>4,798,845</u>	<u>1,206,100</u>	<u>21,671,823</u>	<u>12,454,877</u>	<u>1,424,864</u>	<u>48,042,098</u>
Excess of expenditures over revenues	<u>(442,533)</u>	<u>(4,798,845)</u>	<u>(1,206,100)</u>	<u>(21,671,823)</u>	<u>(12,454,877)</u>	<u>(1,424,864)</u>	<u>(41,999,042)</u>
Other financing sources (uses):							
Refunding bonds issued	162,225,000						162,225,000
Premium on refunding bonds issued	18,529,252						18,529,252
Payment to escrow agent	(28,358,050)						(28,358,050)
Transfers in		4,801,000	1,206,100	21,671,823	14,279,738	1,426,000	43,384,661
Transfers out	(151,990,793)				(1,187,547)		(153,178,340)
Total other financing sources (uses)	<u>405,409</u>	<u>4,801,000</u>	<u>1,206,100</u>	<u>21,671,823</u>	<u>13,092,191</u>	<u>1,426,000</u>	<u>42,602,523</u>
Net change in fund balances	(37,124)	2,155			637,314	1,136	603,481
Fund balances - beginning of year	<u>811,527</u>	<u>255,074</u>				<u>443,930</u>	<u>1,510,531</u>
Fund balances - end of year	<u>\$ 774,403</u>	<u>\$ 257,229</u>	<u>\$</u>	<u>\$</u>	<u>\$ 637,314</u>	<u>\$ 445,066</u>	<u>\$ 2,114,012</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**REQUIRED 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, 2019**  
**(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)
<b>Revenues</b>									
Property taxes	\$ 5,912,000	\$ 5,958,354	\$ 46,354	\$	\$	\$	\$	\$	\$
Interest income		84,702	84,702						
Total revenues	<u>5,912,000</u>	<u>6,043,056</u>	<u>131,056</u>						
<b>Expenditures</b>									
Debt Service:									
Principal	4,617,606	3,995,000	622,606	6,890,346	6,880,000	10,346	3,465,500	3,465,000	500
Interest	1,283,934	1,283,934		14,790,654	14,790,654		8,989,500	8,989,500	
Other	11,000	1,206,655	(1,195,655)	2,000	1,169	831	10,000	377	9,623
Total expenditures	<u>5,912,540</u>	<u>6,485,589</u>	<u>(573,049)</u>	<u>21,683,000</u>	<u>21,671,823</u>	<u>11,177</u>	<u>12,465,000</u>	<u>12,454,877</u>	<u>10,123</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(442,533)</u>	<u>(441,993)</u>	<u>(21,683,000)</u>	<u>(21,671,823)</u>	<u>11,177</u>	<u>(12,465,000)</u>	<u>(12,454,877)</u>	<u>10,123</u>
Other financing sources (uses):									
Refunding bonds issued		162,225,000	(162,225,000)						
Premium on refunding bonds issued		18,529,252	(18,529,252)						
Payment to escrow agent		(28,358,050)	28,358,050						
Transfers in				21,683,000	21,671,823	(11,177)	14,421,000	14,279,738	(141,262)
Transfers out		(151,990,793)	151,990,793				(1,956,000)	(1,187,547)	768,453
Total other financing sources (uses)		<u>405,409</u>	<u>(405,409)</u>	<u>21,683,000</u>	<u>21,671,823</u>	<u>(11,177)</u>	<u>12,465,000</u>	<u>13,092,191</u>	<u>627,191</u>
Net change in fund balances		(37,124)	(36,584)					637,314	637,314
Fund balances - beginning of year	<u>811,527</u>	<u>811,527</u>							
Fund balances - end of year	<u>\$ 811,527</u>	<u>\$ 774,403</u>	<u>\$ (36,584)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 637,314</u>	<u>\$ 637,314</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**September 30, 2019**

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 10,305,656	\$ 19,075,626	\$ 12,105,933	\$ 41,487,215
Accounts receivable (net of allowance for uncollectibles)	1,237,482	1,750	40,865	1,280,097
Due from other funds			214,966	214,966
Prepaid expenses		105,177		105,177
Total current assets	<u>11,543,138</u>	<u>19,182,553</u>	<u>12,361,764</u>	<u>43,087,455</u>
Noncurrent assets:				
Cash and investments				
Customer deposits and advance sales		75,327	201,151	276,478
Capital assets:				
Land	405,680	2,793,052	210,230	3,408,962
Buildings and structures	1,289,353	28,426,115	2,397,145	32,112,613
Machinery and equipment	3,782,926	926,351		4,709,277
Construction in progress		1,955,000		1,955,000
Less accumulated depreciation	<u>(2,739,158)</u>	<u>(11,180,543)</u>	<u>(991,577)</u>	<u>(14,911,278)</u>
Total capital assets (net of accumulated depreciation)	<u>2,738,801</u>	<u>22,919,975</u>	<u>1,615,798</u>	<u>27,274,574</u>
Total noncurrent assets	<u>2,738,801</u>	<u>22,995,302</u>	<u>1,816,949</u>	<u>27,551,052</u>
Total assets	<u>14,281,939</u>	<u>42,177,855</u>	<u>14,178,713</u>	<u>70,638,507</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions - MBERP	4,870,308			4,870,308
OPEB	1,531,924			1,531,924
Total deferred outflows of resources	<u>6,402,232</u>			<u>6,402,232</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	487,346	1,520,981	12,029	2,020,356
Retainage payable	560	228,098		228,658
Accrued expenses	353,205	202,132		555,337
Due to other funds		1,937,802		1,937,802
Due to other governments			137	137
Deposits		1,090		1,090
Accrued compensated absences	488,453			488,453
Unearned revenues		69,087		69,087
Total current liabilities	<u>1,329,564</u>	<u>3,959,190</u>	<u>12,166</u>	<u>5,300,920</u>
Noncurrent liabilities:				
Deposits		5,150	201,151	206,301
Accrued compensated absences	515,877			515,877
Net pension liability - MBERP	14,437,723			14,437,723
Net OPEB liability	10,669,375			10,669,375
Total noncurrent liabilities	<u>25,622,975</u>	<u>5,150</u>	<u>201,151</u>	<u>25,829,276</u>
Total liabilities	<u>26,952,539</u>	<u>3,964,340</u>	<u>213,317</u>	<u>31,130,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions - MBERP	1,293,508			1,293,508
OPEB	17,660			17,660
Total deferred inflows of resources	<u>1,311,168</u>			<u>1,311,168</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,738,801	22,919,975	1,615,798	27,274,574
Unrestricted	(10,318,337)	15,293,540	12,349,598	17,324,801
Total net position (deficit)	<u>\$ (7,579,536)</u>	<u>\$ 38,213,515</u>	<u>\$ 13,965,396</u>	<u>\$ 44,599,375</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, 2019**

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating revenues:				
Charges for services	\$ 11,334,070	\$ 3,546,739	\$	\$ 14,880,809
Permits, rentals, and other	5,701,491	563,925	1,158,937	7,424,353
Total operating revenues	17,035,561	4,110,664	1,158,937	22,305,162
Operating expenses:				
Personal services	12,694,529			12,694,529
Operating supplies	49,055	15,661		64,716
Contractual services	4,379,459	3,039,994	300,053	7,719,506
Utilities	27,856	137,256	20,876	185,988
Internal charges	1,884,000	317,000	31,000	2,232,000
Depreciation	403,603	836,369	77,352	1,317,324
Administrative fees	1,773,000	235,000	6,000	2,014,000
Other operating	379,374	163,710	8,914	551,998
Total operating expenses	21,590,876	4,744,990	444,195	26,780,061
Operating income (loss)	(4,555,315)	(634,326)	714,742	(4,474,899)
Nonoperating revenues (expenses):				
Intergovernmental	36,596	1,138		37,734
Gain on disposal of capital assets	1,506			1,506
Interest income	201,680	312,648	204,209	718,537
Total nonoperating expenses	239,782	313,786	204,209	757,777
Income (loss) before transfers	(4,315,533)	(320,540)	918,951	(3,717,122)
Transfers in	2,728,000			2,728,000
Transfers out	(36,000)			(36,000)
Change in net position	(1,623,533)	(320,540)	918,951	(1,025,122)
Net position - beginning of year	(6,628,219)	38,534,055	13,046,445	44,952,281
Restatement (see note 19)	672,216			672,216
Net position as Restated	(5,956,003)	38,534,055	13,046,445	45,624,497
Net position (deficit) - ending of year	\$ (7,579,536)	\$ 38,213,515	\$ 13,965,396	\$ 44,599,375

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended September 30, 2019**

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
<b>Cash flows from operating activities:</b>				
Receipts received from customers	\$ 16,693,543	\$ 4,104,132	\$ 1,152,174	\$ 21,949,849
Payments to suppliers	(4,809,848)	(1,733,368)	(329,157)	(6,872,373)
Payments on behalf and to employees	(11,723,794)			(11,723,794)
Payments for interfund services used	(3,657,000)	1,385,802	(251,966)	(2,523,164)
Net cash provided by (used in) operating activities	<u>(3,497,099)</u>	<u>3,756,566</u>	<u>571,051</u>	<u>830,518</u>
<b>Cash flows for non-capital financing activities:</b>				
Contributions from other governments	36,596			36,596
Transfers in	2,728,000			2,728,000
Transfers out	(36,000)			(36,000)
Net cash provided by non-capital financing activities	<u>2,728,596</u>			<u>2,728,596</u>
<b>Cash flows from capital and related financial activities:</b>				
Purchase of capital assets	(145,668)	(1,955,000)		(2,100,668)
Proceeds from sale of capital assets	1,506			1,506
Net cash used in capital and related financial activities	<u>(144,162)</u>	<u>(1,955,000)</u>		<u>(2,099,162)</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	201,680	312,648	204,209	718,537
Net cash provided by investing activities	<u>201,680</u>	<u>312,648</u>	<u>204,209</u>	<u>718,537</u>
Net increase (decrease) in cash and investments	(710,985)	2,114,214	775,260	2,178,489
Cash and investments - beginning of year	11,016,641	17,036,739	11,531,824	39,585,204
Cash and investments - end of year	<u>\$ 10,305,656</u>	<u>\$ 19,150,953</u>	<u>\$ 12,307,084</u>	<u>\$ 41,763,693</u>
<b>Classified as:</b>				
Current assets	\$ 10,305,656	\$ 19,075,626	\$ 12,105,933	\$ 41,487,215
Restricted assets		75,327	201,151	276,478
Total cash and investments	<u>\$ 10,305,656</u>	<u>\$ 19,150,953</u>	<u>\$ 12,307,084</u>	<u>\$ 41,763,693</u>

(continued)

**CITY OF MIAMI BEACH, FLORIDA  
OPERATING ACTIVITIES  
NONMAJOR ENTERPRISE FUNDS  
For the Fiscal Year Ended September 30, 2019**

(continued)

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

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating income (loss)	\$ (4,555,315)	\$ (634,326)	\$ 714,742	\$ (4,474,899)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:				
Depreciation	403,603	836,369	77,352	1,317,324
Provision for uncollectible accounts	(32,585)			(32,585)
Changes in assets/liabilities and deferred inflows:				
(Increase) decrease in pension deferred inflow	(23,367)			(23,367)
(Increase) decrease in OPEB deferred inflow	(7,769)			(7,769)
(Increase) decrease in pension deferred outflow	787,814			787,814
(Increase) decrease in OPEB deferred outflow	(1,348,198)			(1,348,198)
(Increase) decrease in pension liability	(335,968)			(335,968)
(Increase) decrease in OPEB liability	1,812,747			1,812,747
(Increase) decrease in accounts receivable	(309,433)		1,048	(308,385)
(Increase) decrease in due from other funds			(214,966)	(214,966)
(Increase) decrease in prepaid expense		3,879		3,879
Increase (decrease) in accounts payable	47,999	1,507,548	5,899	1,561,446
Increase (decrease) in accrued expenses	13,119	111,826		124,945
Increase (decrease) in deposits		(3,180)	(7,811)	(10,991)
Increase (decrease) in due to other governments			(5,213)	(5,213)
Increase (decrease) in due to other funds		1,937,802		1,937,802
Increase (decrease) in unearned revenues		(3,352)		(3,352)
Increase (decrease) in accrued compensated absences	50,254			50,254
Total adjustments	1,058,216	4,390,892	(143,691)	5,305,417
Net cash provided by (used in) operating activities	\$ (3,497,099)	\$ 3,756,566	\$ 571,051	\$ 830,518

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**September 30, 2019**

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Total
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 3,288,989	\$ 6,196,590	\$ 1,474,945	\$ 48,039,898	\$ 15,019,355	\$ 17,493,737	\$ 91,513,514
Cash with fiscal agent				250,000			250,000
Accounts receivable, net					54,839		54,839
Prepaid expenses				3,066,072		230,857	3,296,929
Inventories	274,835	159,473	20,682			8,210	463,200
Total current assets	<u>3,563,824</u>	<u>6,356,063</u>	<u>1,495,627</u>	<u>51,355,970</u>	<u>15,074,194</u>	<u>17,732,804</u>	<u>95,578,482</u>
Noncurrent assets:							
Capital assets:							
Land	608,520						608,520
Buildings and structures	2,605,395	19,276					2,624,671
Machinery and equipment	40,084,391	2,625,928	79,044	109,936		20,072,855	62,972,154
Construction in progress		199,888				597,839	797,727
Less accumulated depreciation	(30,266,663)	(2,264,385)	(50,398)	(101,448)		(11,114,344)	(43,797,238)
Total capital assets (net of accumulated depreciation)	<u>13,031,643</u>	<u>580,707</u>	<u>28,646</u>	<u>8,488</u>		<u>9,556,350</u>	<u>23,205,834</u>
Total noncurrent assets	<u>13,031,643</u>	<u>580,707</u>	<u>28,646</u>	<u>8,488</u>		<u>9,556,350</u>	<u>23,205,834</u>
Total assets	<u>16,595,467</u>	<u>6,936,770</u>	<u>1,524,273</u>	<u>51,364,458</u>	<u>15,074,194</u>	<u>27,289,154</u>	<u>118,784,316</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pensions - MBERP	895,510	1,331,545	186,711	437,855	112,106	2,546,281	5,510,008
OPEB	305,791	480,528	72,807	80,088	509,651	29,124	1,477,989
Total deferred outflows of resources	<u>1,201,301</u>	<u>1,812,073</u>	<u>259,518</u>	<u>517,943</u>	<u>621,757</u>	<u>2,575,405</u>	<u>6,987,997</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	171,401	1,058,599	1,204	488,491	1,182,176	609,377	3,511,248
Retainage payable		14,426					14,426
Accrued expenses	478,037	109,904	11,935	46,494	8,340	182,666	837,376
Accrued compensated absences	112,310	131,687	28,734	25,657	8,211	262,358	568,957
Loans/ leases payable	1,524,389					281,690	1,806,079
Insurance claims incurred but not reported					1,576,000		1,576,000
Pending insurance claims				7,797,000			7,797,000
Total current liabilities	<u>2,286,137</u>	<u>1,314,616</u>	<u>41,873</u>	<u>8,357,642</u>	<u>2,774,727</u>	<u>1,336,091</u>	<u>16,111,086</u>
Noncurrent liabilities:							
Accrued compensated absences	165,503	63,757	672	135,539	42,085	498,533	906,089
Net pension liability - MBERP	2,654,683	3,947,280	553,493	1,297,992	332,332	7,548,288	16,334,068
Net OPEB liability	1,806,605	2,838,951	430,143	473,158	172,061	3,011,013	8,731,931
Loans/ leases payable	3,713,247					589,463	4,302,710
Pending insurance claims				8,196,995			8,196,995
Insurance claims incurred but not reported				25,223,336			25,223,336
Total noncurrent liabilities	<u>8,340,038</u>	<u>6,849,988</u>	<u>984,308</u>	<u>35,327,020</u>	<u>546,478</u>	<u>11,647,297</u>	<u>63,695,129</u>
Total liabilities	<u>10,626,175</u>	<u>8,164,604</u>	<u>1,026,181</u>	<u>43,684,662</u>	<u>3,321,205</u>	<u>12,983,388</u>	<u>79,806,215</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pensions - MBERP	237,839	353,646	49,589	116,290	29,775	676,268	1,463,407
OPEB	3,525	5,539	839	923	5,875	335	17,036
Total deferred inflows of resources	<u>241,364</u>	<u>359,185</u>	<u>50,428</u>	<u>117,213</u>	<u>35,650</u>	<u>676,603</u>	<u>1,480,443</u>
<b>NET POSITION</b>							
Net investment in capital assets	7,794,007	580,707	28,646	8,488		8,685,197	17,097,045
Unrestricted	(864,778)	(355,653)	678,536	8,072,038	12,339,096	7,519,371	27,388,610
Total net position	<u>\$ 6,929,229</u>	<u>\$ 225,054</u>	<u>\$ 707,182</u>	<u>\$ 8,080,526</u>	<u>\$ 12,339,096</u>	<u>\$ 16,204,568</u>	<u>\$ 44,485,655</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, 2019**

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Total
Operating revenues:							
Charges for services	\$ 10,798,457	\$ 9,638,979	\$ 1,069,078	\$ 18,540,000	\$ 33,868,267	\$ 15,832,823	\$ 89,747,604
Permits, rentals, and other	138,029			970,419	1,577,092	167,912	2,853,452
Total operating revenues	<u>10,936,486</u>	<u>9,638,979</u>	<u>1,069,078</u>	<u>19,510,419</u>	<u>35,445,359</u>	<u>16,000,735</u>	<u>92,601,056</u>
Operating expenses:							
Personal services	2,521,763	3,412,553	467,016	1,082,046	501,315	5,948,507	13,933,200
Operating supplies	2,524,823	64,925	861	25,564		959,356	3,575,529
Contractual services	1,700,513	3,553,366	409,404	2,847,893	943,914	4,484,890	13,939,980
Utilities	74,263	669,269	1,968	1,521		1,105,977	1,852,998
Internal charges	580,000	657,000	95,098	168,000		657,319	2,157,417
Administrative fees				1,017,000			1,017,000
Depreciation	3,611,412	140,306	8,339	5,361		1,936,513	5,701,931
Insurance				3,175,499	10,020,569		13,196,068
Claims and judgments				7,024,514	21,438,819		28,463,333
Other operating	20,227	12,468	49,529	200,957	54,962	247,095	585,238
Total operating expenses	<u>11,033,001</u>	<u>8,509,887</u>	<u>1,032,215</u>	<u>15,548,355</u>	<u>32,959,579</u>	<u>15,339,657</u>	<u>84,422,694</u>
Operating income	<u>(96,515)</u>	<u>1,129,092</u>	<u>36,863</u>	<u>3,962,064</u>	<u>2,485,780</u>	<u>661,078</u>	<u>8,178,362</u>
Nonoperating revenues (expenses):							
Intergovernmental		93,266					93,266
Interest and fiscal charges	(222,744)					(34,871)	(257,615)
Interest income	40,697	104,492	26,970	1,238,710	270,158	299,585	1,980,612
Total nonoperating revenues (expenses)	<u>(182,047)</u>	<u>197,758</u>	<u>26,970</u>	<u>1,238,710</u>	<u>270,158</u>	<u>264,714</u>	<u>1,816,263</u>
Income before contributions and transfers	<u>(278,562)</u>	<u>1,326,850</u>	<u>63,833</u>	<u>5,200,774</u>	<u>2,755,938</u>	<u>925,792</u>	<u>9,994,625</u>
Capital contributions	694,111					31,865	725,976
Transfers in						300,000	300,000
Transfers out	(15,000)	(321,000)	(2,000)	(3,000)		(17,000)	(358,000)
Change in net position	<u>400,549</u>	<u>1,005,850</u>	<u>61,833</u>	<u>5,197,774</u>	<u>2,755,938</u>	<u>1,240,657</u>	<u>10,662,601</u>
Net position-beginning	6,460,754	(1,153,292)	555,435	2,948,760	9,030,066	14,973,246	32,814,969
Restatement (see note 19)	67,926	372,496	89,914	(66,008)	553,092	(9,335)	1,008,085
Net position as Restated	<u>6,528,680</u>	<u>(780,796)</u>	<u>645,349</u>	<u>2,882,752</u>	<u>9,583,158</u>	<u>14,963,911</u>	<u>33,823,054</u>
Net position-ending	<u>\$ 6,929,229</u>	<u>\$ 225,054</u>	<u>\$ 707,182</u>	<u>\$ 8,080,526</u>	<u>\$ 12,339,096</u>	<u>\$ 16,204,568</u>	<u>\$ 44,485,655</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended September 30, 2019**

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Totals
<b>Cash flows from operating activities:</b>							
Receipts from users	\$ 10,936,486	\$ 9,642,643	\$ 1,071,641	\$ 19,510,419	\$ 35,391,562	\$ 16,004,790	\$ 92,557,541
Payments to suppliers	(4,818,944)	(3,726,867)	(462,742)	(7,760,410)	(10,713,901)	(6,478,265)	(33,961,129)
Payments on behalf of and to employees	(2,410,991)	(3,125,877)	(442,121)	(978,731)	(255,151)	(5,672,187)	(12,885,058)
Payments for claims and judgments				(6,202,547)	(21,672,819)		(27,875,366)
Payments for interfund services used	(580,000)	(657,000)	(95,098)	(1,185,000)		(657,319)	(3,174,417)
<b>Net cash provided by (used in) operating activities</b>	<b>3,126,551</b>	<b>2,132,899</b>	<b>71,680</b>	<b>3,383,731</b>	<b>2,749,691</b>	<b>3,197,019</b>	<b>14,661,571</b>
<b>Cash flows for non-capital financing activities:</b>							
Contributions from other governments		93,266					93,266
Transfers in						300,000	300,000
Transfers out	(15,000)	(321,000)	(2,000)	(3,000)		(17,000)	(358,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>(15,000)</b>	<b>(227,734)</b>	<b>(2,000)</b>	<b>(3,000)</b>		<b>283,000</b>	<b>35,266</b>
<b>Cash flows from capital and related financial activities:</b>							
Proceeds from loan	4,229,042						4,229,042
Payment on loan/lease	(2,096,508)					(273,338)	(2,369,846)
Interest and fiscal charges	(217,709)					(34,968)	(252,677)
Purchase of capital assets	(1,868,836)	(229,257)	(6,650)			686,407	(1,418,336)
Proceeds from sale of capital assets	4,297						4,297
<b>Net cash used in capital and related financial activities</b>	<b>50,286</b>	<b>(229,257)</b>	<b>(6,650)</b>			<b>378,101</b>	<b>192,480</b>
<b>Cash flows from investing activities:</b>							
Interest on investments	40,697	104,492	26,970	1,238,710	270,158	299,585	1,980,612
<b>Net cash provided by investing activities</b>	<b>40,697</b>	<b>104,492</b>	<b>26,970</b>	<b>1,238,710</b>	<b>270,158</b>	<b>299,585</b>	<b>1,980,612</b>
<b>Net increase in cash and investments</b>	<b>3,202,534</b>	<b>1,780,400</b>	<b>90,000</b>	<b>4,619,441</b>	<b>3,019,849</b>	<b>4,157,705</b>	<b>16,869,929</b>
<b>Cash and investments - beginning of year</b>	<b>86,455</b>	<b>4,416,190</b>	<b>1,384,945</b>	<b>43,670,457</b>	<b>11,999,506</b>	<b>13,336,032</b>	<b>74,893,585</b>
<b>Cash and investments - end of year</b>	<b>\$ 3,288,989</b>	<b>\$ 6,196,590</b>	<b>\$ 1,474,945</b>	<b>\$ 48,289,898</b>	<b>\$ 15,019,355</b>	<b>\$ 17,493,737</b>	<b>\$ 91,763,514</b>
<b>Classified as:</b>							
Cash and investments-current	\$ 3,288,989	\$ 6,196,590	\$ 1,474,945	\$ 48,289,898	\$ 15,019,355	\$ 17,493,737	\$ 91,763,514
<b>Non-cash transactions affecting financial position:</b>							
Capital contributions of capital assets	\$ 694,111	\$	\$	\$	\$	\$ 31,865	\$ 725,976
<b>Total Non-cash transactions affecting financial position</b>	<b>\$ 694,111</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 31,865</b>	<b>\$ 725,976</b>

(continued)

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended September 30, 2019**  
**(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	Totals
Operating income (loss)	\$ (96,515)	\$ 1,129,092	\$ 36,863	\$ 3,962,064	\$ 2,485,780	\$ 661,078	\$ 8,178,362
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	3,611,412	140,306	8,339	5,361		1,936,513	5,701,931
Provision for uncollectible accounts		7,362			(3,026)	(4,055)	281
Changes in assets and liabilities:							
(Increase) decrease in pension deferred inflow	(12,164)	(3,208)	(45)	(2,243)	9,665	(4,671)	(12,666)
(Increase) decrease in OPEB deferred inflow	(7,856)	(390,961)	(78,107)	(1,345)	(18,705)	(632,704)	(1,129,678)
(Increase) decrease in pension deferred outflow	178,660	201,724	26,547	71,436	(25,699)	379,458	832,126
(Increase) decrease in OPEB deferred outflow	(118,569)	(365,813)	(54,663)	(51,726)	(507,310)	92,615	(1,005,466)
(Increase) decrease in pension liability	(150,038)	(56,177)	(3,336)	(31,799)	106,719	(90,993)	(225,624)
(Increase) decrease in OPEB liability	217,603	900,055	154,480	76,951	677,982	548,772	2,575,843
(Increase) decrease in inventories	9,218	(69,489)	4,415				(55,856)
(Increase) decrease in accounts receivable		(3,698)	2,563		(50,771)		(51,906)
Increase in prepaid expense				(1,748,529)		7,537	(1,740,992)
Increase (decrease) in accounts payable	(623,315)	647,634	(5,395)	230,289	305,544	319,723	874,480
Increase (decrease) in accrued compensated absences	2,465	(19,340)	(20,694)	34,528	2,461	(35,824)	(36,404)
Increase (decrease) in pending insurance claims				2,122,135			2,122,135
(Decrease) in insurance claims incurred but not reported				(1,300,168)	(234,000)		(1,534,168)
Increase (decrease) in accrued expenses	115,650	15,412	713	16,777	1,051	19,570	169,173
Total adjustments	3,223,066	1,003,807	34,817	(578,333)	263,911	2,535,941	6,483,209
Net cash provided by (used in) operating activities	<u>\$ 3,126,551</u>	<u>\$ 2,132,899</u>	<u>\$ 71,680</u>	<u>\$ 3,383,731</u>	<u>\$ 2,749,691</u>	<u>\$ 3,197,019</u>	<u>\$ 14,661,571</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF PLAN NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2019**

	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
<b>Assets</b>						
Cash and cash equivalents	\$ 4,919,715	\$ 20,000	\$ 60,330	\$ 107,099	\$	\$ 5,107,144
Accrued interest receivable		1,998,631	48,107	23,840		2,070,578
Contribution receivable		225,905			487,000	712,905
Other receivables	154,563					154,563
Prepays				4,487		4,487
Investments:						
Short-term investments	1,180,268	1,372,694	115,068	2,528	1,782,391	4,452,949
U.S. Government securities		29,974,307	959,889	1,108,691		32,042,887
Corporate bonds and other municipal obligations		208,055,943	5,104,998	2,552,814		215,713,755
Bond Funds	175,193,405					175,193,405
Foreign Bonds and private placements	6,232,249	57,380,303		109,704		63,722,256
Common stocks and index funds	252,685,391	476,839,854	10,198,422	5,230,851		744,954,518
Foreign Stocks	100,746,994	49,769,632	162,329	85,657		150,764,612
Real estate funds	68,307,129	90,189,681	1,546,944	945,404		160,989,158
Infrastructure investments	42,593,026					42,593,026
Mutual funds	14,770,820	25,499,534			33,431,479	73,701,833
Total investments	<u>661,709,282</u>	<u>939,081,948</u>	<u>18,087,650</u>	<u>10,035,649</u>	<u>35,213,870</u>	<u>1,664,128,399</u>
Total assets	<u>666,783,560</u>	<u>941,326,484</u>	<u>18,196,087</u>	<u>10,171,075</u>	<u>35,700,870</u>	<u>1,672,178,076</u>
<b>Liabilities</b>						
Accounts payable	283,941	372,823	1,185	9,722		667,671
Accrued expenses				18,445		18,445
Total liabilities	<u>283,941</u>	<u>372,823</u>	<u>1,185</u>	<u>28,167</u>		<u>686,116</u>
<b>Net Position</b>						
Restricted for pension and OPEB benefits	<u>\$ 666,499,619</u>	<u>\$ 940,953,661</u>	<u>\$ 18,194,902</u>	<u>\$ 10,142,908</u>	<u>\$ 35,700,870</u>	<u>\$ 1,671,491,960</u>



**CITY OF MIAMI BEACH, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended September 30, 2019**

	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
<b>Additions:</b>						
Contributions -						
Employer	\$ 31,864,304	\$ 39,626,600	\$	\$	\$ 13,994,000	\$ 85,484,904
Employee	8,512,207	6,972,214				15,484,421
State of Florida		120,549	1,391,602	720,876		2,233,027
	<u>40,376,511</u>	<u>46,719,363</u>	<u>1,391,602</u>	<u>720,876</u>	<u>13,994,000</u>	<u>103,202,352</u>
Total contributions						
Investment income -						
Net increase (decrease) in fair value of investments	16,449,374	19,593,919	614,906	429,093	(344,378)	36,742,914
Interest and dividends income	9,323,051	23,173,070	399,817	226,466	1,232,955	34,355,359
Other income		2,731		52		2,783
	<u>25,772,425</u>	<u>42,769,720</u>	<u>1,014,723</u>	<u>655,611</u>	<u>888,577</u>	<u>71,101,056</u>
Investment management expenses	(2,443,544)	(3,716,312)	(82,137)	(41,294)		(6,283,287)
	<u>23,328,881</u>	<u>39,053,408</u>	<u>932,586</u>	<u>614,317</u>	<u>888,577</u>	<u>64,817,769</u>
Net investment income						
Total additions	<u>63,705,392</u>	<u>85,772,771</u>	<u>2,324,188</u>	<u>1,335,193</u>	<u>14,882,577</u>	<u>168,020,121</u>
<b>Deductions:</b>						
Benefit paid	51,014,104	68,275,323	2,229,925	456,899	13,507,000	135,483,251
Contributions refunded	1,571,361	191,002				1,762,363
Administrative expenses	827,919	855,761	56,838	109,118	88,917	1,938,553
	<u>53,413,384</u>	<u>69,322,086</u>	<u>2,286,763</u>	<u>566,017</u>	<u>13,595,917</u>	<u>139,184,167</u>
Total deductions						
Net increase	10,292,008	16,450,685	37,425	769,176	1,286,660	28,835,954
Net position - amount restricted for pension and OPEB benefits - beginning of year	<u>656,207,611</u>	<u>924,502,976</u>	<u>18,157,477</u>	<u>9,373,732</u>	<u>34,414,210</u>	<u>1,642,656,006</u>
Net position - amount restricted for pension and OPEB benefits - end of year	<u>\$ 666,499,619</u>	<u>\$ 940,953,661</u>	<u>\$ 18,194,902</u>	<u>\$ 10,142,908</u>	<u>\$ 35,700,870</u>	<u>\$ 1,671,491,960</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Fiscal Year Ended September 30, 2019**

	September 30, 2018	Additions	Deductions	September 30, 2019
<u>Assets</u>				
Cash and investments	\$ 19,018,206	\$ 109,254,193	\$ 109,249,893	\$ 19,022,506
Accounts receivable	47,982	1,970,275	1,988,618	29,639
<b>Total Assets</b>	<b>\$ 19,066,188</b>	<b>\$ 111,224,468</b>	<b>\$ 111,238,511</b>	<b>\$ 19,052,145</b>
<u>Liabilities</u>				
Accounts payable	\$ 477,176	\$ 78,296,643	\$ 77,646,004	\$ 1,127,815
Deposits	18,589,012	106,375,236	107,039,918	17,924,330
<b>Total Liabilities</b>	<b>\$ 19,066,188</b>	<b>\$ 184,671,879</b>	<b>\$ 184,685,922</b>	<b>\$ 19,052,145</b>

**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**September 30, 2019**

	Miami Beach Visitor and Convention Authority	Miami Beach Health Facilities Authority	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 5,509,235	\$ 74,728	\$ 5,583,963
Due from primary government	537,956	2,420	540,376
Total current assets	<u>6,047,191</u>	<u>77,148</u>	<u>6,124,339</u>
Non-current assets			
Capital assets, net of accumulated depreciation	112,226		112,226
Total non-current assets			
Total assets	<u>6,159,417</u>	<u>77,148</u>	<u>6,236,565</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - OPEB	417,288		417,288
Deferred outflows - pension	231,183		231,183
Total deferred outflows of resources	<u>648,471</u>		<u>648,471</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,887		1,887
Accrued expenses	15,290		15,290
Accrued grants	168,300		168,300
Due to Primamary government		994	994
Total current liabilities	<u>185,477</u>	<u>994</u>	<u>186,471</u>
Non-current liabilities			
Net OPEB liability	831,235		831,235
Net pension liability	685,328		685,328
Compensated absences	19,680		19,680
Total non-current liabilities	<u>1,536,243</u>		<u>1,536,243</u>
Total liabilities	<u>1,721,720</u>	<u>994</u>	<u>1,722,714</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - OPEB			
Deferred inflows - pension	61,400		61,400
Total deferred inflows of resources	<u>61,400</u>		<u>61,400</u>
<b>NET POSITION</b>			
Net investment in capital assets	112,226		112,226
Unrestricted	4,912,542	76,155	4,988,697
Total net position	<u>\$ 5,024,768</u>	<u>\$ 76,155</u>	<u>\$ 5,100,923</u>

**CITY OF MIAMI BEACH, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Fiscal Year Ended September 30, 2019**

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Totals
		Operating Grants and Contributions	Visitor and Convention Authority	Health Facilities Authority	
<b>Miami Beach Visitor and Convention Authority</b>					
Cultural - grant program	\$ 847,145	\$	\$ (847,145)	\$	\$ (847,145)
General administrative	1,325,409		(1,325,409)		(1,325,409)
Total Miami Beach Visitor and Convention Authority	<u>2,172,554</u>		<u>(2,172,554)</u>		<u>(2,172,554)</u>
<b>Miami Beach Health Facilities Authority</b>					
General administrative	1,131			(1,131)	(1,131)
Total component units	<u>\$ 2,173,685</u>	<u>\$</u>			<u>(2,173,685)</u>
General revenues:					
Resort tax allocation			2,863,453		2,863,453
Financing fees					
Miscellaneous				175	175
Interest Income			11,570	1,463	13,033
Total general revenues			<u>2,875,023</u>	<u>1,638</u>	<u>2,876,661</u>
Change in net position			702,469	507	702,976
Net position - beginning			4,322,299	75,648	4,397,947
Net position - ending			<u>\$ 5,024,768</u>	<u>\$ 76,155</u>	<u>\$ 5,100,923</u>

# **STATISTICAL SECTION**

## STATISTICAL SECTION

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,**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting - Unaudited)*

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 375,968,328	\$ 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
Restricted	99,434,540	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
Unrestricted	<u>126,677,221</u>	<u>136,255,477</u>	<u>118,779,886</u>	<u>131,579,116</u>	<u>160,427,999</u>	<u>(175,574,362)</u>	<u>(231,946,281)</u>	<u>(383,459,279)</u>	<u>(301,135,963)</u>	<u>(301,959,558)</u>
Total net position for governmental activities	<u>602,080,089</u>	<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>
<b>Business-type activities</b>										
Net investment in capital assets	346,807,794	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
Restricted	41,033,514	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
Unrestricted	<u>114,224,652</u>	<u>124,563,510</u>	<u>146,511,507</u>	<u>161,059,156</u>	<u>168,294,644</u>	<u>135,968,387</u>	<u>26,903,541</u>	<u>49,706,270</u>	<u>133,972,500</u>	<u>185,944,956</u>
Total net position for business-type activities	<u>502,065,960</u>	<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>
<b>Primary government</b>										
Net investment in capital assets	722,776,122	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
Restricted	140,468,054	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
Unrestricted	<u>240,901,873</u>	<u>260,818,987</u>	<u>265,291,393</u>	<u>292,638,272</u>	<u>328,722,643</u>	<u>(39,605,975)</u>	<u>(205,042,740)</u>	<u>(333,753,009)</u>	<u>(167,163,463)</u>	<u>(116,014,602)</u>
Total net position for primary government	<u>\$ 1,104,146,049</u>	<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>

**\* STATEMENT OF NET POSITION**

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 44,772,492	\$ 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
Public safety	164,903,020	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
Physical environment	2,654,793	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
Transportation	10,229,616	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
Economic environment	12,569,809	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
Human services	1,714,419	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
Culture and recreation	42,088,492	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
Interest on long-term debt	11,294,742	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
Total governmental activities expenses	<u>290,227,383</u>	<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>
Business-type activities:										
Stormwater	4,116,313	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
Water	26,677,078	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
Sewer	28,895,679	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
Parking	26,903,927	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
Convention Center	13,520,338	14,270,835	17,666,204	17,153,279	17,417,988	16,190,590	14,495,430	18,255,990	12,039,318	22,505,937
Other	19,138,483	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
Total business-type activities expenses	<u>119,251,818</u>	<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>
Total primary government expenses	<u>\$ 409,479,201</u>	<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>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 43,225,083	\$ 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
Public safety	5,707,217	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
Culture and recreation	6,852,311	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
Other	16,040	14,470	17,745	29,211	42,993	1,723,853	35,917	27,390	400	800
Operating grants and contributions	30,959,673	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
Capital grants and contributions	8,313,962	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
Total governmental activities program revenue	<u>95,074,286</u>	<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>
Business-type activities:										
Charges for services:										
Stormwater	11,212,773	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
Water	32,941,405	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
Sewer	35,786,811	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
Parking	30,014,763	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
Convention Center	6,898,642	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
Other	9,787,677	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
Operating grants and contributions	13,882,449	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
Capital grants and contributions							38,982,120	10,037,561		
Total business-type activities program revenue	<u>140,524,520</u>	<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>
Total primary government program revenue	<u>\$ 235,598,806</u>	<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>

\*STATEMENT OF ACTIVITIES



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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (195,153,097)	\$ (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)
Business-type activities	21,272,702	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
Total primary government net expense	<u>\$ (173,880,395)</u>	<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>
<b>General Revenues and Other Changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 119,990,444	\$ 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
Resort taxes	42,394,976	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
Tax increment	44,012,804	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
Utility taxes	9,975,273	10,209,678	10,293,270	11,391,955	12,364,114	12,192,935	12,308,962	12,582,522	12,837,343	13,269,326
Communication service	6,328,924	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
Local business tax	4,298,739	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
Miscellaneous	6,653,210	618,470	883,457	982,771	1,154,512	1,437,032	2,162,942	2,037,864	3,989,438	1,979,049
Unrealized loss on investments				(5,241,121)						
Unrestricted investment earnings	3,102,439	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
Insurance proceeds relating to impairments									1,311,745	
Gain or (loss) on disposal of capital assets	89,522	264,801	259,635	491,394	200,295	387,671	409,907	13,699		
Extraordinary Expense							(1,858,400)	769,066	1,089,334	
Transfers	(14,625,515)	(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)
Total governmental activities	<u>222,220,816</u>	<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>
Business-type activities:										
Tax increment	2,619,643	3,071,141	3,046,200	3,671,000	3,671,000		3,671,000			
Resort Taxes								11,425,128		
Unrealized gain on investments				(178,004)	(12,388)	297,864				81,444
Unrestricted investment earnings	2,083,080	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
Gain (Loss) on disposal of capital assets	(7,465)	75,365	114,222	73,427	107,809	170,013	410,679	(68,899,246)	118,745	
Transfers	14,625,515	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
Total business-type activities	<u>19,320,773</u>	<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>(57,461,637)</u>	<u>550,615</u>	<u>10,598,227</u>
Total primary government	<u>\$ 241,541,589</u>	<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>
<b>Change in net position</b>										
Governmental activities	\$ 27,067,719	\$ 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
Business-type activities	40,593,475	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
Total primary government	<u>\$ 67,661,194</u>	<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>

\*STATEMENT OF ACTIVITES

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

	Fiscal Year											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
<b>General Fund</b>												
Nonspendable	\$	78,020	10,558	332	\$	19,765	1,268	\$	23,255	\$	1,541,257	
Restricted	4,653,291	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		
Assigned	44,452,200	47,865,087	47,506,132	43,800,099	16,244,357	2,791,000		500,000	500,000	4,777,000		
Unassigned	6,053,327	2,906,247	4,232,166						30,871,817	26,523,824		
<b>Total general fund</b>	<u>\$ 55,158,818</u>	<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>		
<b>All Other Governmental Funds</b>												
Nonspendable	\$	4,489	4,490	4,490	\$	4,490	\$	52,500	\$	24,418	\$	30,067
Restricted	226,066,215	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		
Committed	45,904,634	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		
Assigned	69,221	53,020	42,116	165,534	752,927				1,286,969			
Unassigned	(3,540,285)	(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)		
<b>Total all other governmental funds</b>	<u>\$ 268,504,274</u>	<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>		

**Note:** The City implemented Government Accounting Standards Board (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions for the fiscal year ended September 30, 2009.

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

Fiscal Year Ended September 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 233,363,354	\$ 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
Franchise fees	8,456,962	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
Permits	10,746,531	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
Intergovernmental	30,551,634	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
Charges for services	12,647,769	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
Rents & leases	4,856,424	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
Interest	2,611,739	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
Fines and forfeitures	3,419,409	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
Administrative fees	8,827,372	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
Special assessment	741,796	697,000	737,063	647,145	282,647	238,294	226,639	211,482	211,482	187,092
Impact fees	1,211,002	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
Other revenues	8,052,435	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
<b>Total revenues</b>	<b>325,486,427</b>	<b>331,543,547</b>	<b>341,227,853</b>	<b>341,999,185</b>	<b>363,399,595</b>	<b>386,842,312</b>	<b>413,893,164</b>	<b>441,001,002</b>	<b>495,735,908</b>	<b>528,106,852</b>
<b>Expenditures</b>										
General government	40,436,067	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
Public safety	153,278,244	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
Physical environment	2,435,047	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
Transportation	6,236,431	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
Economic environment	13,103,994	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
Human services	1,673,702	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
Culture and recreation	38,637,014	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
Capital Outlay	55,060,144	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
Debt service										
Principal	15,227,706	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
Interest	11,077,047	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
Other								174,056	114,590	
<b>Total expenditures</b>	<b>337,165,396</b>	<b>343,256,204</b>	<b>332,317,990</b>	<b>335,311,642</b>	<b>348,613,908</b>	<b>381,740,373</b>	<b>538,836,806</b>	<b>680,393,409</b>	<b>603,892,737</b>	<b>528,972,565</b>
Excess of revenue over (under) expenditures	(11,678,969)	(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)
<b>Other Financing Sources (Uses)</b>										
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
Payment to escrow agent			(37,957,141)				(50,954,074)	(19,215,000)		(28,358,050)
Transfer to escrow agent										
Proceeds from loan	13,279,659					313,000				
Sale of assets	4,478	14,592	34,321	30,478	20,850	13,392	18,220	8,338	594,270	
Impairment									(1,311,745)	
Insurance recovery									1,311,745	
Transfers in	71,821,958	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
Transfers out	(75,070,671)	(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)
<b>Total other financing sources (uses)</b>	<b>10,035,424</b>	<b>3,965,553</b>	<b>2,246,475</b>	<b>5,174,925</b>	<b>5,067,803</b>	<b>10,799,385</b>	<b>530,621,057</b>	<b>6,493,391</b>	<b>10,300,326</b>	<b>151,742,657</b>
<b>EXTRAORDINARY ITEM</b>							(1,858,400)	769,066	1,089,334	
Extraordinary expense										
<b>Net change in fund balances</b>	<b>\$ (1,643,545)</b>	<b>\$ (7,747,104)</b>	<b>\$ 11,156,338</b>	<b>\$ 11,862,468</b>	<b>\$ 19,853,490</b>	<b>\$ 15,901,324</b>	<b>\$ 403,819,015</b>	<b>\$ (232,129,950)</b>	<b>\$ (96,767,169)</b>	<b>\$ 150,876,944</b>
Debt service as a percentage of noncapital expenditures	9.32%	7.87%	8.09%	9.74%	7.75%	7.37%	12.80%	11.70%	11.04%	10.77%

**CITY OF MIAMI BEACH, FLORIDA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,**  
**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 <sup>B</sup>
	Residential Property	Commercial Property	Industrial Property	Other Property		Real property-Amendment 10 Excluded Value <sup>A</sup>	Less: Tax-Exempt Property	Other Adjustments to Just Value			
2010	\$ 16,794,033	\$ 5,735,610	\$ 35,601	\$ 1,512,322	\$ 24,077,566	\$	\$ 1,668,428	\$	\$ 22,409,138	5.9123	
2011 <sup>B</sup>	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	

Source: 2018 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.

<sup>A</sup> 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.

<sup>B</sup> 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,**  
**LAST TEN FISCAL YEARS**  
*(rate per \$1,000 of assessed value)*

Fiscal Year Ended September 30,	City of Miami Beach Direct Rates			Overlapping Rates <sup>A</sup>			Total
	Operating Millage	Debt Service Millage	Total Direct Millage	School District Millage	County Millage	State Millage	
2010	5.6555	0.2568	5.9123	7.9950	6.0050	0.6590	20.5713
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

**Source:** Miami-Dade County, Florida; Department of Property Appraisal  
2018 Millage Table and The City of Miami Beach 2018/2019  
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 row-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

<sup>A</sup> 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,  
CURRENT YEAR AND NINE YEARS AGO**

2019			2010		
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	\$ 409,215,621	1.02 %	MB Redev. Inc./Lowe's Hotel	\$ 280,000,000	1.13 %
MB Redevelopment INC/Lowe's Hotel	238,000,000	0.59	MCZ/ Centrum Flamingo II	172,183,094	0.70
Florida Power & Light Company	198,633,366	0.50	Fountainbleau Florida Hotel LLC	136,229,487	0.55
Playa Retail Investments LLC	150,740,547	0.38	Di Lido Beach Hotel Corp	130,000,000	0.53
PPF MBL Portfolio LLC	149,205,500	0.37	MCZ/Centrum Flamingo II	93,000,000	0.38
1111 Lincoln LLC	140,273,222	0.35	Philips S Beach LTD/Shore Club	83,435,043	0.34
3201 Hotel LLC	122,872,863	0.31	Sandy Lane Residential LLC	79,519,415	0.32
VCP Lincoln Road LLC	116,595,600	0.29	Royal Palm Hotel LLC	79,385,373	0.32
MCZ/ Centrum Flamingo II	114,143,113	0.28	City Natl Bank of Florida	78,252,750	0.32
Eden Roc LLP	112,755,800	0.28	2201 Collins Fee LLC	68,727,288	0.28
	<u>\$ 1,752,435,632</u>	<u>4.37 %</u>		<u>\$ 1,200,732,450</u>	<u>4.86 %</u>

**Source:** 2019 and 2010 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach.

**CITY OF MIAMI BEACH, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS,  
FISCAL YEARS 2010 THRU 2019**

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
2010	\$ 138,703,567	\$ 131,355,903	94.70 %	\$ 4,090,109	\$ 135,446,012	97.65 %
2011	136,549,286	128,719,932	94.27	(388,589)	128,331,343	93.98
2012	134,753,401	129,572,373	96.16	2,967,450	132,539,823	98.36
2013	139,133,369	130,317,166	93.66	2,472,636	132,789,802	95.44
2014	143,266,670	139,729,175	97.53	3,147,065	142,876,240	99.73
2015	155,102,311	151,761,695	97.85	4,281,014	156,042,709	100.61
2016	172,420,383	168,150,832	97.52	6,903,879	175,054,711	101.53
2017	194,111,744	187,054,786	96.36	7,514,287	194,569,073	100.24
2018	209,212,631	203,265,792	97.16	7,269,660	210,535,452	100.63
2019	217,551,576	209,984,146	96.52		209,984,146	96.52

**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,**  
**LAST TEN FISCAL YEARS**  
*(in thousands of dollars)*

Governmental Activities <sup>A</sup>								
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 <sup>D</sup>	Other Obligations	Total Governmental Activities
2010	\$ 70,985	\$	\$ 22,243	\$ 40,055	\$ 79,485	\$ 8,949	\$ 15,435	\$ 237,152
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 <sup>C</sup>	199,772	2,280		326,088	18,958	8,089	746,780
Business-type activities <sup>A</sup>						Total		
Fiscal Year	Storm Water Revenue Bonds	Water and Sewer Revenue Bonds	Parking Revenue Bonds/Loan	Loan Payable	Total Business Activities	Total Primary Government	Percentage of Personal Income	Per Capita <sup>B</sup>
2010	\$ 42,645	\$ 129,437	\$ 22,960	\$ 1,220	\$ 196,262	\$ 433,414	12.84 %	4.6687
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	1,297,091	26.58	14.1422

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

<sup>A</sup> Net of Premium and discount

<sup>B</sup> See Demographic and Economic Statistics page for population information

<sup>C</sup> New debt issued in fiscal year 2019

<sup>D</sup> Includes the Pension loan, loans payable and capital leases



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

Fiscal Year	Net Bonded Debt						Percentage of Actual Taxable Value of Property		Debt Per Capita <sup>A</sup>
	General Obligation Bonds	Gulf Breeze Fixed Rate Bonds <sup>C</sup>	Pension Refunding Bonds	Total	Fund Balance Reduction	Grand Total		%	
2010	\$ 70,196	\$ 21,587	\$ 40,055	\$ 131,838	\$ (8,119)	\$ 123,719	0.53	%	\$ 1.4202
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 <sup>B</sup>	55,419	8,484	23,160	87,063	(9,851)	77,212	0.32		0.9491
2016 <sup>B</sup>	51,425	5,310	19,215	75,950	(21,390)	54,560	0.25		0.8295
2017 <sup>B</sup>	47,363	4,350		51,713	(7,577)	44,136	0.15		0.5626
2018 <sup>B</sup>	43,234	3,340		46,574	(812)	45,762	0.12		0.5046
2019 <sup>B</sup>	191,593	2,280		193,873	(774)	193,099	0.50		2.1138

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

<sup>A</sup> See Demographic and Economic Statistics page for population information.

<sup>B</sup> Debt net of premium and discount

<sup>C</sup> These bonds are repaid from general non ad-valorem funds. See Note 10 for more details.

**CITY OF MIAMI BEACH, FLORIDA  
LEGAL DEBT MARGIN INFORMATION,  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt limit	\$ 3,465,358,138	\$ 3,315,711,442	\$ 3,296,743,489	\$ 3,460,848,297	\$ 3,698,486,533
Total net debt applicable to limit	70,195,935	67,579,117	62,490,554	60,722,308	56,518,915
Legal Debt margin	<u>\$ 3,395,162,203</u>	<u>\$ 3,248,132,325</u>	<u>\$ 3,234,252,935</u>	<u>\$ 3,400,125,989</u>	<u>\$ 3,641,967,618</u>
Total net debt applicable to the limit as a percentage of debt limit	2.03%	2.04%	1.90%	1.75%	1.53%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 4,065,580,713	\$ 4,604,683,630	\$ 5,204,663,566	\$ 5,609,559,374	\$ 5,833,149,165
Total net debt applicable to limit	52,080,035	48,840,920	44,772,315	42,422,703	190,818,618
Legal Debt margin	<u>\$ 4,013,500,678</u>	<u>\$ 4,555,842,710</u>	<u>\$ 5,159,891,251</u>	<u>\$ 5,567,136,671</u>	<u>\$ 5,642,330,547</u>
Total net debt applicable to the limit as a percentage of debt limit	1.28%	1.06%	0.86%	0.76%	3.27%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 38,887,661,101
Debt limit (15% of assessed value)	5,833,149,165
Debt applicable to limit:	
General obligation bonds	191,593,021
Less: Amount set aside for repayment of general obligation debt	<u>774,403</u>
Total net debt applicable to limit	<u>190,818,618</u>
Legal debt margin	<u>\$ 5,642,330,547</u>

Note: Assessed value is the certified taxable value as of January 1, 2018.

**CITY OF MIAMI BEACH, FLORIDA  
PLEGGED-REVENUE COVERAGE,  
LAST TEN FISCAL YEARS**

Fiscal Year	Revenue	Less: Operating Expenses	Net available Revenue	Debt Service		Coverage
				Principal	Interest	
<b>Parking Revenue Bonds</b>						
2010	\$ 32,943,350	\$ 19,279,179	\$ 13,664,171	\$ 1,727,294	\$ 1,240,684	4.60
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

**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 depreciation, amortization and administrative fees. The 5th & Alton and 7th Street Garages are not included as part of the Parking Systems Funds.

<b>Water &amp; Sewer Revenue Bonds</b>						
2010	\$ 69,632,326	\$ 45,831,721	\$ 23,800,605	\$ 3,775,000	\$ 5,036,856	2.70
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

**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 depreciation, amortization and administrative fees.

<b>Stormwater Revenue Bonds</b>						
2010	\$ 11,444,244	\$ 2,716,689	\$ 8,727,555	\$ 1,190,000	\$ 2,381,166	2.44
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

**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 depreciation, amortization and administrative fees. Debt service includes the State Revolving Loan - refer to Note 10.

<b>Redevelopment Agency</b>						
2010	\$ 73,108,937	\$ 500,000	\$ 72,608,937	\$ 4,255,000	\$ 4,138,267	8.65
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

**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.

<b>Resort Tax</b>						
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

**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**  
**SEPTEMBER 30, 2019**

<b>DIRECT DEBT</b>			
General obligation indebtedness			
Public improvement bonds		\$	172,685,000
Premium/(Discount)			18,908,021
Total General obligation indebtedness			<u>191,593,021</u>
Non-self-supporting indebtedness (net of premium/discount): <sup>A</sup>			
Gulf breeze government loan program	\$	2,280,000	
Pension Loan		5,782,000	
Tax increment revenue bonds		326,087,108	
Resort Tax bonds		199,772,686	
Energy Lease		8,089,759	
Equipment Lease		5,237,635	
Clean water state revolving loan		7,067,990	
Capital Lease Obligation		871,153	
Total non-self-supporting indebtedness			<u>555,188,331</u>
Total direct indebtedness			<u>746,781,352</u>
<b>OVERLAPPING DEBT <sup>B</sup></b>			
Miami-Dade County			
Total general obligation indebtedness	2,070,235,000		
Percent applicable to City <sup>C</sup>	13.4055%		277,525,353
Total school district obligation indebtedness	885,249,000		
Percent applicable to City <sup>C</sup>	13.4055%		118,672,055
Total net non-self-supporting indebtedness	2,534,865,226		
Percent applicable to City <sup>C</sup>	13.4055%		<u>339,811,358</u>
Total overlapping debt			<u>736,008,766</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>		<b>\$</b>	<b><u><u>1,482,790,118</u></u></b>

<sup>A</sup> Excludes self-supporting debt obligations.

<sup>B</sup> 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.

<sup>C</sup> Based upon 2018 assessed valuation figures for the City and Dade County.

**CITY OF MIAMI BEACH  
DEMOGRAPHIC AND ECONOMIC STATISTICS,  
LAST TEN CALENDAR YEARS**

Miami-Dade County								
Year	Miami Beach Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Auto Tags	Bank Deposits (Thousands)	School Age Population	Unemployment Rate	
2009	92,833	90,916	36,357	2,074,138	A	345,458	10.7	
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

**Source:** Florida Statistical Abstract, US Census American Community Survey, Bureau of Labor Statistics, FDIC - Branch Office Deposits, Dade County School District

<sup>A</sup> Data not available

<sup>B</sup> Does not include mobile homes, trailers or vessels, dealer or transporter license plates, half-year truck/tractor registrations or permanent government license plates.

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

Function/Program	Full-time Equivalent Employees as of September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Mayor and Commission	19	18	18	18	18	20	19	20	20	21
City Manager	10	10	10	10	13	15	16	16	16	16
Office of Communications	5	5	5	5	4	9	9	14	14	13
Office of Management & Budget	18	18	18	18	18	20	20	20	20	11
Organization Development and Performance Initiatives						2	2	2	3	3
Office of Inspector General <sup>D</sup>										14
Finance	37	37	37	37	37	50	50	64	65	63
Information Technology	38	36	36	37	36	38	39	44	44	44
Human Resources	15	14	14	14	15	23	27	28	29	28
Risk Management <sup>A</sup>	6	7	7	7	6					
City Clerk	14	14	14	13	14	14	15	15	15	15
Procurement	9	9	8	8	8	12	16	17	18	19
City Attorney	19	19	19	19	19	21	22	22	24	24
Economic Development and Cultural Arts:										
Real Estate, Housing and Comm. Development	13	13	13	13	11	11	15	27	23	20
Economic Development <sup>F</sup>										6
Building	72	66	73	73	73	86	85	88	88	84
Environment & Sustainability <sup>B</sup>								10	12	11
Planning	26	25	25	25	25	26	26	27	27	27
Tourism & Cultural Development <sup>F</sup>	11	11	11	11	13	17	18	18	18	13
Bass Museum	8	8	8	8	8	8	2	2	2	2
Operations:										
Community Services	4	4	4	4	4	4	4	4	4	4
Code Compliance	42	30	41	41	42	57	58	61	61	59
Parks & Recreation	182	156	173	173	167	152	150	151	162	163
Public Works	44	42	41	40	42	57	70	68	78	78
Sanitation	187	187	179	178	178	169	172	171	172	169
Property Management	54	24	50	50	50	33	34	34	34	36
Capital Improvement Projects	35	35	37	37	36	34	36	36	34	34
Parking	117	83	116	110	111	107	114	115	113	108
Sewer	33	35	35	34	34	34	37	37	30	30
Stormwater	25	23	21	21	21	29	32	32	30	30
Water	54	56	52	52	52	52	53	53	48	48
Fleet Management	21	21	20	20	22	22	22	22	21	21
Transportation Management <sup>C</sup>						6	9	16	15	15
Public safety:										
Police - Officers	370	370	370	381	381	385	409	408	408	416
Police - Civilians	140	138	138	144	158	92	78	97	100	97
Fire - Officers	200	200	200	200	200	201	200	213	213	213
Fire - Civilians	26	27	27	27	27	27	30	31	32	30
Ocean Rescue	76	56	76	76	76	78	92	91	91	91
Emergency Management						72	73	78	75	74
<b>Total</b>	<b>1,930</b>	<b>1,797</b>	<b>1,896</b>	<b>1,904</b>	<b>1,919</b>	<b>1,983</b>	<b>2,054</b>	<b>2,152</b>	<b>2,159</b>	<b>2,150</b>

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.

<sup>A</sup> Risk Management merged with Human Resources in 2015

<sup>B</sup> Ordinance 2016-3997 was passed in 2016 to creating the Environment & Sustainability Department, previously part of the Building Department.

<sup>C</sup> Ordinance 2014-3865 was passed in May 2014 creating the Transportation Management Department.

<sup>D</sup> 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.

<sup>F</sup> During FY2019, the Tourism, Culture, and Economic Development Department was Separated into two departments; Tourism and Cultural Development and Economic Development.

**MIAMI-DADE COUNTY  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO**

Ten Largest Public Employers					
<u>Employer</u>	2016*			2008	
	<u>Employees</u>	<u>Rank</u>	Percentage of Total County Employment	<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>	2016*			2008	
	<u>Employees</u>	<u>Rank</u>	Percentage of Total County Employment	<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 2017-2019 are not available as of the date of this report.

**CITY OF MIAMI BEACH, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General government:</b>										
Mayor and commission										
Ordinances approved	44	43	35	26	73	69	72	97	79	94
Resolutions approved	274	245	230	266	382	383	435	428	479	561
City manager										
Better Place Requests Open and Closed	10	N/A	42	2	7	58	N/A	N/A	N/A	N/A
Total Requests Received	N/A	N/A	N/A	N/A	N/A	N/A	27,855	39,092	10,946	7,206
Total Requests Completed	N/A	N/A	N/A	N/A	N/A	N/A	27,605	37,735	10,926	7,172
Budget and performance improvement										
Audits performed	263	233	235	198	187	155	174	187	224	210
Grants awarded	\$ 5,639,593	\$ 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
Finance										
Utility customer accounts	10,057	10,061	10,062	10,070	10,075	10,085	10,125	10,123	10,075	10,095
Licenses issued	7,748	7,718	6,592	6,496	6,943	7,555	7,928	8,489	7,912	7,672
Lien statements	4,076	6,600	6,326	7,355	6,734	6,298	4,750	4,267	4,950	4,862
Annual resort tax accounts	1,050	1,067	1,066	1,087	1,054	1,058	1,049	1,030	1,005	1,016
Human resources										
Employees	1,869	1,837	1,824	1,905	1,930	1,960	2,054	2,152	2,159	2,150
Hires	206	146	154	176	163	218	258	380	308	376
Building										
Building and trade permits processed/issued	11,039	12,523	13,272	13,881	14,071	14,076	12,645	11,045	10,575	9,889
Certificates	411	342	417	529	536	558	587	597	481	528
Tourism & cultural development										
Film & print and special events permits	1,023	1,215	1,225	1,190	1,141	1,249	1,041	1,184	1,050	1,152
Bass Museum Visitors	29,642	26,477	36,708	47,162	64,323	53,093	21,570	9,716	111,470	87,108
Theater Events (Byron/Colony)	223	218	222	237	172	90	1,049	958	1,157	1,355
<b>Operations:</b>										
Parking										
Residential Parking Permits	11,830	12,357	13,720	12,523	14,566	13,539	13,647	13,663	12,439	12,232
Municipal Parking Permits	53,502	42,152	44,418	47,600	51,230	43,014	41,422	43,188	37,889	38,770
Total Vehicle Entries - Garages	2,162,618	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
Parks & recreation										
Summer Camp	2,398	2,538	2,561	2,568	2,653	2,689	3,230	2,457	2,281	2,648
After and Play School Participants	3,217	3,501	3,276	3,056	3,139	3,091	1,405	1,316	1,073	1,056
Athletics	2,079	2,251	2,042	2,104	2,215	2,143	2,718	5,226	6,021	7,319
Pool Attendance	160,456	157,227	138,005	128,852	133,373	118,553	173,228	150,021	156,640	172,110
Golf course patrons <sup>A</sup>	73,447	80,782	71,528	76,230	79,532	75,542	74,237	71,807	78,654	79,673
Public Works-Engineering/Water/Sewer/Streets										
Right-of-Way permits issued	868	855	822	801	967	1,144	1,247	1,227	1,132	1,329
Cleaning and inspection of sewer lines	N/A	964,703	824,212	937,000	N/A	N/A	N/A	N/A	N/A	N/A
Stormwater structures cleaned	N/A	1,253	97,425	N/A	N/A	N/A	N/A	7,092	7,891	7,891
Sanitation										
Residential Waste (tons per year)	12,980	12,172	10,233	8,920	8,972	8,278	8,036	8,036	8,028	8,029
Litter Cans	2,735	2,735	2,735	2,765	2,787	2,376	2,424	2,479	2,361	2,495
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)	903,675	900,211	858,767	698,280	849,400	847,359	862,970	899,289	935,173	921,178
Preventive maintenance jobs	3,053	3,181	3,174	3,519	3,153	3,334	3,549	4,334	3,725	3,732
Police										
Total number of arrests	10,801	9,588	9,890	10,577	8,280	6,644	6,458	5,790	4,993	5,428
Traffic Violations	39,586	49,561	48,344	50,590	71,562	64,478	57,488	46,695	39,368	37,116
Fire										
Emergency responses	20,356	21,429	22,263	22,948	23,415	25,185	25,384	26,081	25,771	23,746
Existing building inspections	1,500	1,107	773	961	1,985	1,461	3,248	3,056	7,069	6,035
Night club inspections	3,198	3,718	1,957	2,477	1,775	333	23	81	8	120
Site inspections	3,672	5,187	7,369	9,047	9,736	10,868	8,531	9,337	6,899	7,345
On duty inspections	1,793	1,478	187	1,233	1,774	1,946	2,086	N/A	N/A	N/A
Ocean rescue - victims rescued	645	747	531	733	575	788	886	495	785	1,168
Ocean rescue prevention	320,858	257,862	250,310	273,543	208,027	217,367	228,294	232,017	339,128	248,039

N/A - Information not available or service is not longer being performed.

Source: Various City of Miami Beach departments and Departmental Workplans.

<sup>A</sup> Decrease is due to Bass Museum renovation.



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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
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	486	530	530	530	530	530	548	586	589
Fire stations	4	4	4	4	4	4	4	4	4	4
<b>Water</b>										
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	5	6	6
Storage capacity (millions of gallons)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	14,000	14,000	14,000
<b>Stormwater</b>										
Stormwater pipes (miles)	59	59	59	59	59	99	99	99	99	99
Drainage basins	172	172	172	172	172	471	471	471	471	471
Stormwater catch basins	6,000	6,000	6,000	6,000	6,000	4,779	4,779	4,779	4,779	4,779
Manholes	2,161	2,161	2,161	2,161	2,161	2,616	2,616	2,616	2,616	2,616
Outfalls									367	367
Stormwater Pump stations								49	49	49
<b>Sewer</b>										
Sanitary gravity sewer pipes (miles)	152	152	152	152	152	122	122	122	122	122
Force main pipes (miles)	21	21	21	21	21	22	22	22	22	22
Manholes	3,293	3,293	3,293	3,293	3,293	3,160	3,160	3,160	3,160	3,160
Wastewater pump stations	23	23	23	23	23	23	23	23	23	23
<b>Other public works</b>										
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	6,893	7,200	7,200	7,200
Street lights cable (miles)	263	263	263	263	263	263	263	263	263	263
Up-lights								1,200	1,200	1,200
<b>Parking</b>										
Parking Lots & Garages	75	76	76	76	76	76	77	77	77	73
Parking Spaces	8,404	8,424	8,592	8,424	8,424	8,424	8,424	9,677	9,677	9,642
<b>Parks and recreation</b>										
Recreational open space (acres)	727	727	727	727	727	526	526	524	520	524
Playground tot-lots	15	19	19	19	19	20	21	21	23	23
Stadiums	2	2	2	2	2	1	1	1	2	2
Sports fields	7	7	7	7	7	5	5	5	6	7
Tennis sites	6	7	7	7	7	6	6	6	5	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	3	2	2	2	6	6
Bark parks	3	4	4	4	5	9	9	9	7	7
Parks - passive and staffed	26	26	26	36	36	42	41	41	40	41
Municipal regulation golf courses	2	2	2	2	2	2	2	2	2	2
Trucks, off-road, and other vehicles	97	98	N/A	N/A	N/A	84	87	87	87	88
Amphitheater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Outdoor Fitness Gym/Trails	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11
Skatepark	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Kayak Launches	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
<b>Sanitation</b>										
Sweepers	6	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Front end loader										
Trucks, Vans, and other vehicles	79	84	90	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pressure washers	9	7	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transit-minibuses										

**Source:** Various City of Miami Beach departments.

N/A- Data not available

# SINGLE AUDIT REPORTS

- Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
- Reports In Accordance With Government Auditing Standards And  
Chapter 10.550, Rules Of The Auditor General

# **City of Miami Beach, Florida**

Single Audit Reports in Accordance With the Uniform  
Guidance and Chapter 10.550, *Rules of the Auditor  
General* of the State of Florida  
Year Ended September 30, 2019

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2020. Our report included a reference to other auditors who audited the financial statements of the City of Miami Beach Employees' Retirement Plan, 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 Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the City of Miami Beach Policemen's Relief and Pension were not audited in accordance with *Government Auditing Standards*. Our report included a emphasis of matter paragraphs for the City's restatement of the beginning net position of the governmental activities, business type activities, stormwater utility fund, water and sewer fund, parking system fund, convention center fund and the aggregate remaining fund information to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *schedule of findings and questioned costs*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

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

### **Purpose of this Report**

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

*RSM US LLP*

Miami, Florida  
June 24, 2020

**Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, State of Florida**

**Independent Auditor's Report**

The Honorable Mayor and City Commissioners  
City of Miami Beach, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the City of Miami Beach, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of *Financial Services' State Project Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2019. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General, State of Florida*. Those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* and which is described in the accompanying schedule of findings and questioned costs as item 2019-003. Our opinion on each major federal program and state project is not modified with respect to these matters.

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

## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-003 that we consider to be a significant deficiency.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General**

We have audited the financial statements of the City as of and for the year ended September 30, 2019, and have issued our report thereon dated June 24, 2020, which contained an unmodified opinion on those financial statements and included an emphasis of matter paragraph due to the restatement of beginning net position of the governmental activities, business type activities, stormwater utility fund, water and sewer fund, parking system fund, convention center fund and the aggregate remaining fund information to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of



expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*RSM US LLP*

Miami, Florida

June 29, 2020, except for our report on the Schedule of Expenditures  
of Federal Awards and State Financial Assistance, for which the date is  
June 24, 2020

City of Miami Beach, Florida

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant/Contract Number	Pass-Through Entity Identifying Number	Federal CFDA	Passed through to Subrecipients	Current Year Federal Expenditure	Prior Year Adjustments	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>							
<b>Passed-through the State of Florida Department of Agriculture:</b>							
Consolidated Payment Grant/Urban and Community Forestry		17-DG-11083112-001	10.664	\$ -	\$ 12,500	\$ -	\$ 12,500
<b>Total U.S. Department of Agriculture</b>				<b>-</b>	<b>12,500</b>	<b>-</b>	<b>12,500</b>
<b>U.S. Department of Housing and Urban Development</b>							
<b>Direct Programs:</b>							
Community Development Block Grant/ Entitlement Grants		B-19-MC-12-0014	14.218	-	680	-	680
Community Development Block Grant/ Entitlement Grants		B-17-MC-12-0014	14.218	-	169,800	-	169,800
Community Development Block Grant/ Entitlement Grants		B-14-MC-12-0014	14.218	-	341,758	-	341,758
Community Development Block Grant/ Entitlement Grants		B-18-MC-12-0014	14.218	150,519	454,988	-	454,988
Community Development Block Grant/ Entitlement Grants		B-11-MC-12-0014	14.218	-	150	-	150
Community Development Block Grant/ Entitlement Grants		B-12-MC-12-0014	14.218	-	24	-	24
Community Development Block Grant/ Entitlement Grants		B-15-MC-12-0014	14.218	-	35,670	-	35,670
<b>Total Community Development Block Grant - Entitlement Grants Cluster</b>				<b>150,519</b>	<b>1,003,070</b>	<b>-</b>	<b>1,003,070</b>
<b>Direct Programs:</b>							
Home Investment Partnerships Program		M-09-MC120212	14.239	-	20,755	-	20,755
Home Investment Partnerships Program		M-10-MC120212	14.239	-	720,442	-	720,442
Home Investment Partnerships Program		M-16-MC120212	14.239	-	(39,962)	-	(39,962)
Home Investment Partnerships Program		M-19-MC120212	14.239	-	1,832	-	1,832
Home Investment Partnerships Program		M-12-MC120212	14.239	-	36	-	36
Home Investment Partnerships Program		M-13-MC120212	14.239	-	53,105	-	53,105
Home Investment Partnerships Program		M-17-MC120212	14.239	-	111,602	-	111,602
Home Investment Partnerships Program		M-18-MC120212	14.239	-	35,941	-	35,941
<b>Total HOME Investment Partnerships Program</b>				<b>-</b>	<b>903,751</b>	<b>-</b>	<b>903,751</b>
<b>Passed-through Miami-Dade County, Florida:</b>							
Supportive Housing Program - FY 2017/Continuum of Care - City of Miami Beach Outreach Program		FL0177L4D001710	14.267	-	42,051	-	42,051
Supportive Housing Program - FY 2018/Continuum of Care - City of Miami Beach Outreach Program		FL0177L4D001811	14.267	-	21,028	-	21,028
<b>Total Supportive Housing Program - Continuum of Care</b>				<b>-</b>	<b>63,079</b>	<b>-</b>	<b>63,079</b>
<b>Total U.S. Department of Housing and Urban Development</b>				<b>150,519</b>	<b>1,969,900</b>	<b>-</b>	<b>1,969,900</b>
<b>U.S. Department of Justice</b>							
<b>Direct Programs:</b>							
Edward Byrne Memorial Justice Assistance Grant Program- JAG Program (FY2017) - Miami Beach Mobile License Plate Reader Trailer		2017-DJ-BX-0775	16.738	-	68,114	-	68,114
Edward Byrne Memorial Justice Assistance Grant Program- JAG Program (FY2018) - Local Solicitation		2018-DJ-BX-0785	16.738	-	66,244	-	66,244
Edward Byrne Memorial Justice Assistance Grant Program - City of Miami Beach Police Department's Closed Circuit Television Program		2016-DJ-BX-0856	16.738	-	69,112	-	69,112
<b>Passed-through the Florida Department of Law Enforcement:</b>							
Keeping Police Rifles Out of Criminal Hands		2017-MU-BX-0187	16.738	-	8,388	-	8,388
<b>Total Edward Byrne Memorial Justice Assistance Grant Program</b>				<b>-</b>	<b>211,858</b>	<b>-</b>	<b>211,858</b>
<b>Passed-through the Office of the Florida Attorney General:</b>							
VOCA -VICTIMS OF CRIME ACT 2017/18		VOCA-2017-MBPD-00001	16.575	-	(459)	-	(459)
VOCA -VICTIMS OF CRIME ACT 2018/19		VOCA-2018-MBPD-00031	16.575	-	577,956	-	577,956
VOCA -VICTIMS OF CRIME ACT 2019/20		VOCA-2019-MBPD-00006	16.575	-	193	-	193
<b>Total VOCA - Victims of Crime Act</b>				<b>-</b>	<b>577,690</b>	<b>-</b>	<b>577,690</b>

City of Miami Beach, Florida

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant/Contract Number	Pass-Through Entity Identifying Number	Federal CFDA	Passed through to Subrecipients	Current Year Federal Expenditure	Prior Year Adjustments	Total Federal Expenditures
<b>Direct Programs:</b>							
Edward Byrne Memorial Competitive Grant Program - City of Miami Beach Smart Policing Initiative for Body-Worn Camera Data-Sharing	2015-WY-BX-0002		16.751	\$ -	\$ 140,472	\$ -	\$ 140,472
Federal Equitable Sharing Agreement	FL0130700		16.922	-	126,595	-	126,595
<b>Total U.S. Department of Justice</b>				<b>-</b>	<b>1,056,615</b>	<b>-</b>	<b>1,056,615</b>
<b>U.S. Department of Transportation</b>							
<b>Passed-through the Florida Department of Transportation:</b>							
Highway Planning and Construction-Middle Beach Recreational Corridor Phase 2		G0I26	20.205	-	1,438,524	-	1,438,524
Highway Planning and Construction - Safe Routes to School - Fienberg-Fisher K-8 Center		D617-028-B/GOK85	20.205	-	13,918	-	13,918
Highway Planning and Construction - Safe Routes to School Infrastructure Project - Biscayne Elementary School		D617-030-B/GOK83	20.205	-	(2,067)	-	(2,067)
Highway Planning and Construction - Safe Routes to School Infrastructure Project - North Beach Elementary School & Nautilus Middle		D617-029-B,GOK84	20.205	-	4,843	-	4,843
Highway Planning and Construction - Beach Walk II Construction (3rd to 5th Streets along Beach)		GO071	20.205	-	115,220	-	115,220
<b>Total Highway Planning and Construction Cluster</b>				<b>-</b>	<b>1,570,438</b>	<b>-</b>	<b>1,570,438</b>
<b>Passed-through the Florida Department of Transportation:</b>							
State and Community Highway Safety Program (NHTSA 402 Funds) - Miami Beach Police Department Motorcycle Safety Campaign		G1047	20.600	-	74,856	-	74,856
National Priority Safety Program (NHTSA 405 Funds) - Miami Beach Police Department Impaired Driving Initiative		G1621	20.616	-	35,594	-	35,594
<b>Total Highway Safety Cluster</b>				<b>-</b>	<b>110,450</b>	<b>-</b>	<b>110,450</b>
<b>Total U.S. Department of Transportation</b>				<b>-</b>	<b>1,680,888</b>	<b>-</b>	<b>1,680,888</b>
<b>U.S. Department of Homeland Security</b>							
<b>Passed-through the State of Florida Department of Emergency Management:</b>							
Hurricane Matthew - via Mutual Aide Agreement		05-008-16	97.036	-	-	8,536	8,536
Hurricane Harvey - via Mutual Aide Agreement		2017-0014	97.036	-	-	26,680	26,680
Hurricane Maria - via Mutual Aide Agreement		Not available	97.036	-	-	32,574	32,574
Hurricane Michael - via Mutual Aide Agreement		02-028-18	97.036	-	-	390,289	390,289
Hurricane Irma		08-45025-00	97.036	-	-	752,791	752,791
<b>Total Emergency Management - Hurricane Irma</b>				<b>-</b>	<b>-</b>	<b>1,210,870</b>	<b>1,210,870</b>
<b>Direct Programs:</b>							
Emergency Food and Shelter Program	159400-076		97.024	-	23,433	-	23,433
Preparing Communities for Complex Coordinated Terrorist Attacks (CCTA) Grant Program 2016	EMW-2016-GR-00097-S01		97.133	-	16,252	-	16,252
2017 Assistance to Firefighters Grant	EMW-2017-FO-05796-002		97.044	-	45,455	-	45,455
<b>Passed-through the Federal Emergency Management Agency:</b>							
Volunteer Florida CERT Contract Agreement 2018-2019		G428 CERT T-I-T	97.042	-	4,968	-	4,968
<b>Passed-through the State of Florida Division of Emergency Management:</b>							
Homeland Security Grant Program -Urban Areas Security Initiative 2017		17-DS-X3-11-23-02-376	97.067	-	93,470	-	93,470
<b>Total U.S. Department of Homeland Security</b>				<b>-</b>	<b>183,578</b>	<b>1,210,870</b>	<b>1,394,448</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 150,519</b>	<b>\$ 4,903,481</b>	<b>\$ 1,210,870</b>	<b>\$ 6,114,351</b>

See notes to schedule of expenditures of federal awards and state financial assistance.

City of Miami Beach, Florida

Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended September 30, 2019

State Grantor/Program	Grant/Contract Number	Pass-Through Entity Identifying Number	State CSFA	Passed through to Subrecipients	Current Year Federal Expenditure	Prior Year Adjustments	Total Federal Expenditures
<b>State of Florida, Department of Environmental Protection</b>							
<b>Direct Programs:</b>							
Florida Resilient Coastline Program (FRCP)	R1801		37.098	\$ -	\$ 24,598	\$ -	\$ 24,598
Statewide Surface Water Restoration and Wastewater Projects - Miami Beach Water Line Replacement on Alton Road from Michigan Ave to North Bay Rd. and 43rd Street to 63rd Street Project	LP13134/LP13135		37.039	-	219,756	-	219,756
Statewide Surface Water Restoration and Wastewater Projects (Clean Water State Revolving Loan Agreement)	SW131300		37.077	-	419,102	-	419,102
<b>Total State of Florida, Department of Environmental Protection</b>				-	<b>663,456</b>	-	<b>663,456</b>
<b>State of Florida, Housing Finance Corporation</b>							
<b>Direct Program:</b>							
State Housing Initiatives Partnership (SHIP) Program	N/A		40.901	-	628,904	-	628,904
<b>Total State of Florida, Housing Finance Corporation</b>				-	<b>628,904</b>	-	<b>628,904</b>
<b>Florida Department of State and Secretary of State</b>							
<b>Direct Programs:</b>							
St. of FL - Div of Historical Resources - 41st Street and Pinetree Drive Fountain	19.h.sm.100.077		45.031	-	6,800	-	6,800
28th Street Obelisk Restoration Project	SC729		45.032	-	132,386	-	132,386
<b>Total Florida Department of State and Secretary of State</b>				-	<b>139,186</b>	-	<b>139,186</b>
<b>Florida Department of Transportation</b>							
<b>Direct Programs:</b>							
A1A Indian Creek Corridor	AS-343/439228-2-58-01		55.U01	-	1,198,880	-	1,198,880
Locally Funded Agreement - Transportation Management Initiative Agreement	422239-2-12-01		55.039	-	19,871	-	19,871
Public Transit Service Development Program - Middle Beach Loop Trolley Route	G0Y95		55.012	-	500,000	-	500,000
<b>Total Florida Department of Transportation</b>				-	<b>1,718,751</b>	-	<b>1,718,751</b>
<b>Florida Department of Children and Families</b>							
<b>Direct Program:</b>							
Florida Coalition Against Domestic Violence - Law Enforcement Equipment 2019	19-8059-LE Equipment		60.134	-	14,351	-	14,351
<b>Total Florida Department of Children and Families</b>				-	<b>14,351</b>	-	<b>14,351</b>
<b>Florida Department of Health</b>							
<b>Direct Programs:</b>							
Emergency Medical Services (EMS) Matching Awards	M7036		64.003	-	23,214	-	23,214
Emergency Medical Services (EMS) Matching Awards	M6077		64.003	-	58,500	-	58,500
<b>Passed-through Miami-Dade County, Florida:</b>							
County Award Grant - Emergency Medical Services (EMS) Matching Awards		C7013	64.005	-	2,896	-	2,896
County Award Grant - Emergency Medical Services (EMS) Matching Awards		C4013,C5013,C6013	64.005	-	12,002	-	12,002
<b>Total Florida Department of Health</b>				-	<b>96,612</b>	-	<b>96,612</b>
<b>Florida Department of Law Enforcement</b>							
<b>Direct Program:</b>							
Victim or Witness Assistance	F18-2644AB		71.006	-	-	10,589	10,589
<b>Total Florida Department of Law Enforcement</b>				-	-	<b>10,589</b>	<b>10,589</b>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>				\$ -	\$ <b>3,261,260</b>	\$ <b>10,589</b>	\$ <b>3,271,849</b>

See notes to schedule of expenditures of federal awards and state financial assistance.

## City of Miami Beach, Florida

### Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

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#### **Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance (the Schedules) include the federal and state award activity of the City of Miami Beach, Florida (the City) under programs of the Federal government and the State of Florida for the year ended September 30, 2019. The information in these Schedules are presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*. Because these Schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance/net position, or cash flows of the City. The City's reporting entity is defined in Note 1 of the City's basic financial statements.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types, which are described in Note 1 to the City's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3. Indirect Cost Recovery**

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

#### **Note 4. Subrecipients**

Certain program funds are passed through the City to subrecipient organizations. Subrecipients are noted on the schedule as "passed through to subrecipients".

#### **Note 5. Loans Outstanding**

On November 12, 2014, the City entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. The semiannual loan payment amount is based on the total amount of \$7,797,500 which consist of the Loan principal plus the estimated 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. The loan shall be repaid in 40 semiannual loan payments of \$229,001, which is \$458,002 per year. 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, 2019, \$7.4 million of allowable costs have been incurred by the City and \$6.2 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.

**City of Miami Beach, Florida**

**Schedule of Findings and Questioned Costs  
Federal Awards Programs and State Projects**

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**Section I . Summary of Auditors' Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

    X     Yes

           No

Significant deficiency(ies) identified?

    X     Yes

           None reported

Noncompliance material to

financial statements noted?

           Yes

    X     No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

           Yes

    X     No

Significant deficiency(ies) identified?

           Yes

    X     None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

           Yes

    X     No

Identification of major federal programs:

Federal CFDA No.

Name of Federal Program or Cluster

20.205/20.219

Highway Planning and Construction Cluster

97.036

Disaster Grants - Public Assistance

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

\$750,000

Auditee qualified as low-risk auditee?

    X     Yes

           No

(Continued)

**City of Miami Beach, Florida**

**Schedule of Findings and Questioned Costs  
Federal Awards Programs and State Projects (Continued)**

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State Financial Assistance :

Internal control over major projects:

Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>          </u> None reported

Type of auditor's report issued on compliance for major projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*?

<u>  X  </u> Yes	<u>          </u> No
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Identification of major state projects:

State CSFA No.

Name of State Project

40.901

State Housing Initiatives Partnership Programs (SHIP)

55.U01

A1A Indian Creek Corridor

Dollar threshold used to distinguish between type A and type B projects:

\$750,000

(Continued)

**City of Miami Beach, Florida**

**Schedule of Findings and Questioned Costs  
Federal Awards Programs and State Projects (Continued)**

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**Section II. Financial Statement Findings**

A. *Internal Control Over Financial Reporting*

**IC 2019-001 – Restatement**

**Criteria:** Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the selection of significant assumptions used in the accurate recording and disclosure of accounting transactions.

**Condition:** A material accounting adjustment was made to the financial statements to comply with generally accepted accounting principles with regard to the recording of the net other postemployment benefit liability. Due to a misunderstanding between the City and its third party specialist actuary, the incorrect discount rate was applied by the actuary resulting in an understatement of the estimated liability for other postemployment benefits (OPEB). Management relied on the actuary's expertise and did not identify the error in its review of the actuarial report.

**Context:** The condition is an isolated incident relating to the net OPEB liability, which is actuarially determined.

**Cause:** Established controls requiring the reconciliation and review of account balances failed to identify the error noted. There was a communication breakdown and misunderstanding between the actuary and the City regarding the amount being contributed by the City to the trust on an annual basis. Based on the level of funding to the plan the incorrect discount rate was applied by the actuary.

**Effect:** The net OPEB liability as of 9/30/2018 was understated. As a result, effective October 1, 2018 beginning net positions of the governmental activities, business type activities, discrete component unit, and the proprietary funds were restated to reflect the effect of correcting the beginning balance of the net OPEB liability and related deferred inflows and outflows.

**Recommendation:** We recommend that management establish a process to review all actuarial assumptions in detail with the actuary before they perform their actuarial valuation to identify potential misunderstandings on a timely basis. The final report should also be reviewed as part of the reconciliation process and adjustment of the impacted accounts.

**Views of Responsible Officials and Planned Corrective Action:** The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended September 30, 2018. At that time the City relied on the actuary's expertise for the actuarial report including assumptions and appropriate discount rates.

GASB 75 is a complex accounting standard with many components including significant analysis of the City's benefits and funding methodology. Like all significant accounting standards, an entity may not have all assumptions accurately measured in the first year of implementation, as is the case here. A complete review by the Actuary and the City took place in the second year of implementation, resulting in a change in the discount rate and the need for a restatement.

Going forward, the City will review the actuarial report and assumptions used before accepting the final actuarial report. As part of the year-end reconciling and closing process, all third party reports, journal entries and balance sheet analysis will be performed in a timely manner.



**City of Miami Beach, Florida**

**Schedule of Findings and Questioned Costs  
Federal Awards Programs and State Projects (Continued)**

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**IC 2019-002 – Reporting Errors**

**Criteria:** Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

**Condition:** Amounts due from other governments for the capital projects fund and other special revenue fund that related to grant reimbursements were not recorded as receivables since the funds were not received within the City's availability period for revenue recognition on the modified accrual basis of accounting. However, in accordance with GASB Statement No. 33, the receivable and an offsetting deferred inflow of resources for unavailable revenue should have been recorded as soon as all grant eligibility requirements had been met. Additionally, the government wide accrued interest payable entry was calculated incorrectly as of September 30, 2019.

**Context:** Isolated. These were both year-end post-closing adjustments recorded once a year.

**Cause:** Supervisory reviews were ineffective in detecting errors prior to approving journal entries.

**Effect:** The accrued interest liability in the statement of net position was understated in the preliminary trial balance and the due from other governments were understated for the reimbursement of grant related expenditures that met the eligibility requirements but had not been collected within 45 days of year-end. The due from other governments and grant revenue were understated in the governmental activities opinion unit as well.

**Recommendation:** We recommend the City:

1. Ensure that supervisory reviews are performed by staff knowledgeable about the transactions they are approving. Further, ensure review procedures are designed in a manner that will detect errors relating to these transactions prior to approving journal entries in the financial system.
2. Implement procedures such as year-to-year analytical comparisons to identify instances of significant changes in reported balances.

**Views of Responsible Officials and Planned Corrective Actions:** The Finance Department has faced many challenges in reporting for the fiscal year ending September 30, 2019, including turnover in key positions such as the Accounting Manager and Grant Compliance Monitoring position. In addition, the COVID-19 pandemic has placed significant strain on staff ranging from displacement to competing priorities and illness. The Department will as they have done in normal years, ensure that qualified staff perform substantive reviews and analysis. As part of the year end reconciling and closing process all journal entries and balance sheet analysis will be performed in a timely manner.

**B. Compliance**

No matters to report.

City of Miami Beach, Florida

Schedule of Findings and Questioned Costs  
Federal Awards Programs and State Projects (Continued)

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Section III. Federal Awards and State Projects Findings and Questioned Costs

A. *Internal Control Over Compliance*

**Federal Awards**

No matters to report.

**State Projects**

**IC 2019-003**

Reporting

Florida Housing Finance Corporation

**Title:**

**CSFA#:**

**State Housing Initiatives Partnership Program (SHIP) CSFA No. 40.901**

**Criteria:** Pursuant to the reporting requirements for the State Housing Initiatives Partnership Program (SHIP): An annual report and certification is required to be completed and submitted to Florida Housing by September 15 of each year pursuant to Section 420.9071(4).

**Condition:** The annual report certification was not submitted by the due date stipulated by Florida Housing.

**Questioned Costs:** Undeterminable.

**Context:** Isolated matter.

**Effect:** Failure to comply with program requirements could result in loss of grant funding.

**Cause:** The City did not have a control in place to ensure timely filing of the audited certification report.

**Recommendation:** We recommend that City personnel in charge of administering grant compliance, review the City's grant requirements and implement a control to ensure the timeliness of submission of required reports to grantors.

**Views of Responsible Officials and Planned Corrective Action:** The City will ensure that control measures are in place to comply with timely submission of future certifications. For this specific certification, the Office of Housing and Community Services experienced delays in the internal form approval process. Future streamlining of the process will eliminate delays and result in timely filing. In addition, the Finance Department will help monitor the timely filing of the certification.

B. *Compliance*

**Federal Awards**

No matters to report.

**City of Miami Beach, Florida**

**Schedule of Findings and Questioned Costs  
Federal Awards Programs and State Projects (Continued)**

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**State Projects**

**CF 2019-001**

Reporting

Florida Housing Finance Corporation

**Title:**

**CSFA#:**

**State Housing Initiatives Partnership Program (SHIP)**

**CSFA No. 40.901**

See Section III – Federal Awards Findings and Questioned Costs  
IC 2019– 003 – Reporting

**City of Miami Beach, Florida**

**Schedule of Prior Year Audit Findings**

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<b>Finding #</b>	<b>Program</b>	<b>Finding</b>	<b>Status</b>
2018-001	N/A	Financial Statement Finding	Corrective action has been taken

# MANAGEMENT LETTER

- Management Letter
- Independent Accountant's Report On Compliance With Section 218.415, Florida Statutes

# **City of Miami Beach, Florida**

Management Letter in Accordance  
With Chapter 10.550, *Rules of the Auditor General*  
of the State of Florida  
Year Ended September 30, 2019

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RSM US LLP

**Management Letter in Accordance With the  
Rules of the Auditor General of the State of Florida**

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

**Report on the Financial Statements**

We have audited the 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 fiscal year ended September 30, 2019, and have issued our report thereon dated June 24, 2020. We did not audit the financial statements of the Miami Beach 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 represent 82% of the assets/deferred outflows, 48% of the fund balance/net position and 88% of the revenues/additions of the aggregate remaining fund information. 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 Employees' Retirement Plan, 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 are based upon the reports of the other auditors. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report included an emphasis of matter paragraphs for the City's restatement of the beginning net position of the governmental activities, business type activities, stormwater utility fund, water and sewer fund, parking system fund, convention center fund and the aggregate remaining fund information to reflect a correction of an error in the recording of the net other post-employment benefit (OPEB) liability and related deferred outflows, inflows and OPEB expense.

**Auditor's Responsibility**

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance, Schedule of Findings and Questioned Costs, and Independent Accountant's Reports on an examination conducted in accordance With *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule should be considered in conjunction with this management letter.



**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

**Financial Condition and Management**

Sections 10.554(1)(i)5.a, and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of This Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

Miami, Florida

June 24, 2020, except for the report on compliance for each major federal program and state project and report on internal control over compliance, for which the date of each report is June 29, 2020



RSM US LLP

## Independent Accountant's Report

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

We have examined the City of Miami Beach, Florida's (the City) compliance with *Section 218.415, Florida Statutes, and Local Government Investment Policies* during the period October 1, 2018 to September 30, 2019. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the period October 1, 2018 to September 30, 2019.

The purpose of this report is to comply with the local government investment policy requirements of Section 218.415, *Florida Statutes*, and Rules of the Florida Auditor General.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

Miami, Florida  
June 24, 2020

# **CORRECTIVE ACTION PLAN**

## CORRECTIVE ACTION PLAN YEAR ENDED SEPTEMBER 30, 2019

**Audit Finding Number:** IC 2019-001: Restatement

**Condition:** A material accounting adjustment was made to the financial statements to comply with generally accepted accounting principles with regard to the recording of the net other postemployment benefit liability. Due to a misunderstanding between the City and its third party specialist actuary, the incorrect discount rate was applied by the actuary resulting in an understatement of the estimated liability for other postemployment benefits (OPEB). Management relied on the actuary's expertise and did not identify the error in its review of the actuarial report.

**Corrective Actions Taken or Planned:** The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended September 30, 2018. At that time the City relied on the actuary's expertise for the actuarial report including assumptions and appropriate discount rates.

GASB 75 is a complex accounting standard with many components including significant analysis of the City's benefits and funding methodology. Like all significant accounting standards, an entity may not have all assumptions accurately measured in the first year of implementation, as is the case here. A complete review by the Actuary and the City took place in the second year of implementation, resulting in a change in the discount rate and the need for a restatement.

Going forward, the City will review the actuarial report and assumptions used before accepting the final actuarial report. As part of the year-end reconciling and closing process, all third party reports, journal entries and balance sheet analysis will be performed in a timely manner.

**Contact Person Responsible for Corrective Action:** City of Miami Beach Finance Department – Allison Williams, Deputy Finance Director.

**Anticipated Completion Date:** Corrective action plan will be in place for the fiscal year ending September 30, 2020.

**Audit Finding Number:** IC 2019-002: Reporting Errors – Significant Deficiency

**Condition:** Incorrect balances for due from other governments for the capital projects fund and other special revenue fund were reflected in the general ledger balances as of September 30, 2019. Additionally, the government wide accrued interest payable entry was incorrect as of September 30, 2019.

**Corrective Actions Taken or Planned:** The Finance Department has faced many challenges in reporting for the fiscal year ending September 30, 2019, including turnover in key positions such as the Accounting Manager and Grant Compliance Monitoring position. In addition, the COVID-19 pandemic has placed significant strain on staff ranging from displacement to competing priorities and illness. The Department will as they have done in normal years, ensure that qualified staff perform substantive reviews and analysis. As part of the year end reconciling and closing process all journal entries and balance sheet analysis will be performed in a timely manner.



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

**Contact Person Responsible for Corrective Action:** City of Miami Beach Finance Department – Allison Williams, Deputy Finance Director.

**Anticipated Completion Date:** Corrective action plan will be in place for the fiscal year ending September 30, 2020.

**Audit Finding Number:** IC 2019-003 Reporting

**State of Florida Housing and Finance Corporation -  
State Housing Initiatives Partnership Program (SHIP) (CSFA No. 40.901)**

**Condition:** The annual report certification was not submitted by the due date stipulated by Florida Housing.

**Corrective Actions Taken or Planned:** The City will ensure that control measures are in place to comply with timely submission of future certifications. For this specific certification, the Office of Housing and Community Services experienced delays in the internal form approval process. Future streamlining of the process will eliminate delays and result in timely filing. In addition, the Finance Department will help monitor the timely filing of the certification.

**Contact Person Responsible for Corrective Action:** City of Miami Beach Finance Department – Allison Williams, Deputy Finance Director.

**Anticipated Completion Date:** Corrective action plan will be in place for the fiscal year ending September 30, 2020.