



Annual Comprehensive FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2021



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF NORTH MIAMI, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2021



PREPARED BY THE FINANCE DEPARTMENT

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PREPARED BY THE FINANCE DEPARTMENT

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SPECIAL ACKNOWLEDGEMENT

Katherine Parrish – Assistant to Finance Director

Meghan Thumann – Graphic Designer

Our Mission

S T A T E M E N T

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



CITY OF NORTH MIAMI, FLORIDA

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I. Introductory Section

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



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March, 29, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report for the City of North Miami, Florida, (the “City”) for the fiscal year ended September 30, 2021. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report is published to fulfill the requirements of Chapter 11.45 of the Florida Statutes, and Section 16 of the City Charter which require that City accounts be audited annually by independent auditors.

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

The City’s accounts and financial statements have been audited by Anthony Brunson, P.A. The firm has issued an unmodified opinion on the City’s financial statements for the year ended September 30, 2021. The independent auditor’s report is located at the beginning of the financial report section on page 1.

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

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

PROFILE OF THE CITY OF NORTH MIAMI GOVERNMENT

The City is located in the Northeastern region of Miami-Dade County, Florida. The City of North Miami is the seventh largest City in Miami-Dade County, and the forty-first largest in the State. It encompasses 10 square miles in area and has a population of approximately 60,191 residents.

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

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

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

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

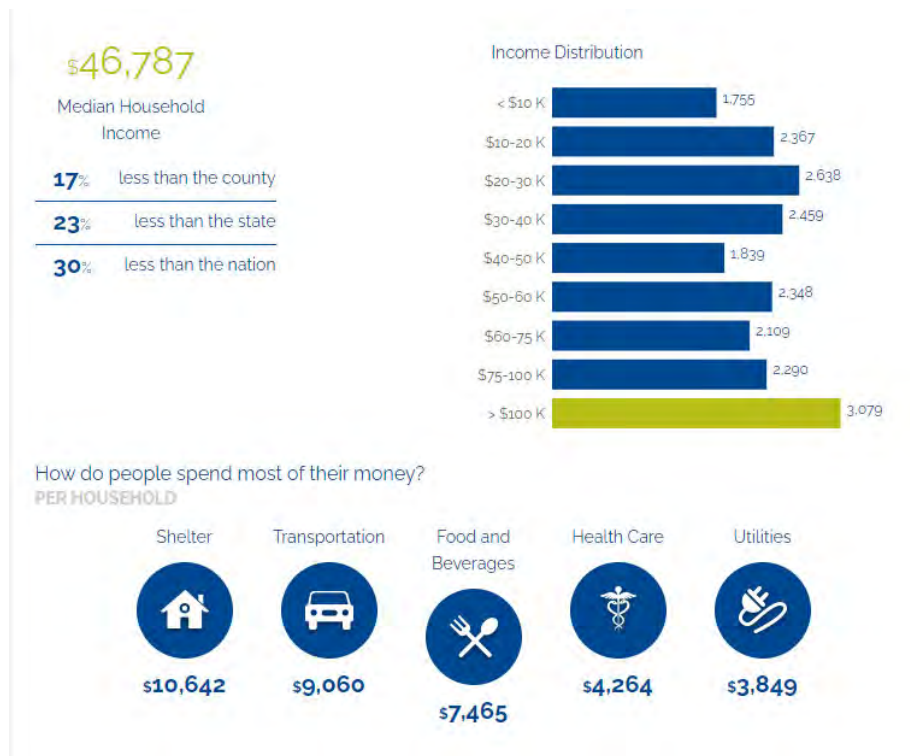
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The City is strategically located between Fort Lauderdale and Miami. It is served by an excellent transportation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

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

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

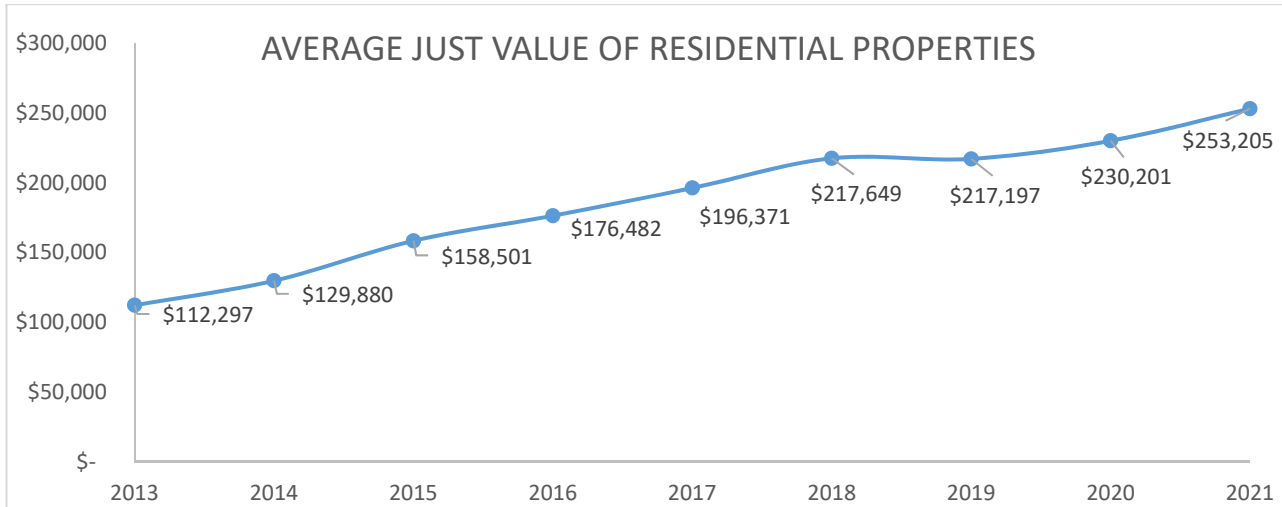
The 2020 pandemic took a toll on the North Miami economy similar to other cities across the nation. The economy is still dealing with the effects of the pandemic, but there have been signs of recovery from the last two years. North Miami's current unemployment rate is down to 7.2%, which is 11.3% lower than last September 2020.

Households in North Miami earn a median yearly income of \$46,787, which is less than the median annual income of \$65,712 across the United States. Household expenditures average \$49,942 per year. The majority of earnings get spent on Shelter, Transportation, Food and Beverages, Health Care, and Utilities.



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

Average Market Value of Residential Properties



Source: Miami-Dade County Property Appraiser 2013-2021 Preliminary Average and Median Residential Values

Under Florida State law, Ch. 200.065 (5), F.S., the maximum millage rate that the City can levy is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied and adjusted for the change in per capita income, unless a higher rate is adopted, in which case the maximum is the adopted rate. The City levy for the fiscal year ended September 30, 2021, was 7.5000 mills.

MAJOR REDEVELOPMENT INITIATIVES AND OUTLOOK

New Development and Public Private Partnerships

On February 22, 2022, the City Council adopted the ordinance supporting Public Private Partnership and recognizing the importance of supporting economic growth with a viable mixed-use development, which includes new housing in the central City area, services, and employment opportunities. The administration is working to translate the resolution into action and create the environment needed to increase the City's tax base for the benefit of the entire community.

Active Development in The Pipeline

Despite the threat of Covid-19, and the shift in consumer spending in certain service sectors, the City has witnessed a significant uptick in development applications in the last year. Experts attribute the increase in development demand to lower interest rates and the influx of new residents moving from more dense cities in areas like New York and California to more suburban areas like North Miami. This combination has fueled access to capital and provided more opportunities for new projects within the City that will activate once format sites and raise the city's tax base. In 2021 Community Planning and Development received applications, which cumulatively account for over 2,967 residential units, 145,058 sq. ft. commercial space and 59,906 sq. ft. institutional use (Cristo Rey High School). A few noteworthy developments are listed below:

The Gardens Residences



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

Aliro



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

SoLē Mia Master Plan Development



Artist's Rendering of Twin Towers

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

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



Aerial View of the Crystal Lagoon



Sole Mia - East Lagoon



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

Artist's Renderings of UHealth, University of Miami Medical Facility



SoLé Mia is advancing into its next phase of development, with a medical facility by UHealth, University of Miami, opening in 2023. The proposed 325,000 sq. ft. LEED Certified outpatient medical facility will offer North Miami and the surrounding areas specialties dealing with cancer treatments from the Sylvester Comprehensive Cancer Center, designated as a Cancer Center of Excellence by the State of Florida; Bascom Palmer Eye Institute, ranked the number one eye care institute in the country; Ambulatory Care; Cardiology; Neurology, Otolaryngology; Urology; and Orthopedics as well as a host of other specialties.

Creating this new facility brings the clinical excellence and innovation of UHealth physicians further into the community, thus increasing access for residents in North Miami-Dade. The North Miami UHealth center will be carefully designed to provide a comfortable and comforting environment not only for patients and their families, but also for doctors, nurses, and staff.

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

SoLé Mia Corner Parcel

Artist's Rendering of Shopping Plaza



Artist's Rendering of Shopping Plaza



Proposal of a 77,200 square foot retail development on approximately 7.49 acres on the southeast corner of Biscayne Boulevard and NE 151st Street.

Villa SoLē

The development will consist of a 6-story building with 187 rental apartments, 9,830 square feet of retail, and a 5-story parking garage with 282 parking spaces. Residential amenities will reside at ground level and include a courtyard with a swimming pool, pavilions, green areas, barbecue pavilion, Dog Park, dog spa, gym, clubroom, lobby, and we-work area.

Artist's Rendering



Artist's Rendering



Villa Laguna

The development will consist of a 6-story building with 187 rental apartments, 9,830 square feet of retail, and a 6-story parking garage with 352 parking spaces. Residential amenities will reside at ground level and include a courtyard with a swimming pool, pavilions, green areas, barbecue pavilion, Dog Park, dog spa, gym, clubroom, lobby, and we-work area.



SoLē Mia High-Rise Rental

The development will consist of a 30-story building with 328 rental apartments, and an attached 7-story parking garage with 541 parking spaces. Residential amenities will reside at ground and garage rooftop level and include a swimming pool, pavilions, green areas, basketball & pickle-ball courts, dog spa and park, gym, clubroom, and we-work office space areas.



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



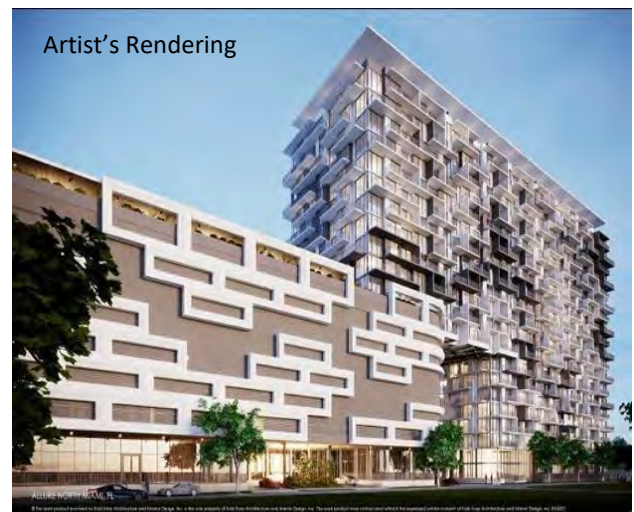
Emblem Tower Apartments

Proposal of a 1-acre site to construct a 139-unit, 20-story, apartment building, with a combined square footage of 9,989 of ground level retail and office space. The overall development is anticipated to create an annual taxable impact of approximately \$386,009.



Allure of North Miami

Proposal of a 2-acre residential multi-family apartment complex to consist of 360 units: 30 studios, 187 one bedrooms, 132 two bedrooms, and 11 three bedrooms. The project is also to include a percentage of affordable housing options for the community through City of North Miami's Community Redevelopment Agency (CRA) Department. The overall development is anticipated to create an annual taxable impact of approximately \$663,300.



Manor Biscayne



Artist's Rendering

Proposal of a 2-acre, 8-story, residential multi-family apartment complex to consist of 382 units: 27 studios, 138 one bedrooms, 173 two bedrooms, and 44 three bedrooms. The overall development is anticipated to create an annual taxable impact of approximately \$1,342,398.



Artist's Rendering

Residences at Griffing Park



Proposal of a 28-unit mixed-use residential development to allocate 15% of residential units to allow a range of housing options from Affordable to Market Rate Units. The 15% of the Residential Units will be set-aside strictly for Workforce Housing. This 7-Story rental apartment building will include a Lobby, Living and work units, a neighborhood Pedestrian Promenade on NE 125th Street, and 445 square feet of retail and services space located in the front of the building. Project also includes a 1 level Garage with [38] parking spaces, to serve the Mixed-Use Development. The overall development in anticipated to create an annual taxable impact of approximately \$37,463.

Oleta



This modern mixed-use project includes development of a 5.5 acres site located in the Special Development and Transit Overlay District (SDTOD), as well as one of the City of North Miami's opportunity zones. 832 rental units will span throughout four buildings: two at 20-stories, and two at 8-stories. The ground level will include 20,000 square feet of commercial and restaurant space. The project anticipates generating an annual taxable impact of \$1,153,500.

North Miami Opportunity Zones

On June 14, 2018 the U.S. Department of Treasury certified the designation of 427 census tracts as Opportunity Zones in the State of Florida as part of the passage of the Tax Cuts & Jobs Act of 2017. Of those 427 tracts, three Opportunity Zones were located within the City of North Miami in crucial development areas that are poised for investment. The first is Opportunity Zone 4.05 -- the Cultural Arts & Innovation District which is located in the western part of the city. The second is Opportunity Zone 2.09 which borders from N.E. 135th Street on the south to N.E. 151th Street on the north, and West Dixie Highway on the west to Biscayne Boulevard on the east. The third is Opportunity Zone 1.09 -- the SoLē Mia Master Planned Development located in the northeastern part of the city. The City continues to actively work with development stakeholders to secure investment within these Zones, and economic investment is expected to result from the designation and marketing of these Zones and their assets.

AWARDS AND ACKNOWLEDGEMENTS

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Miami for its annual comprehensive financial report for fiscal year ended September 30, 2020. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

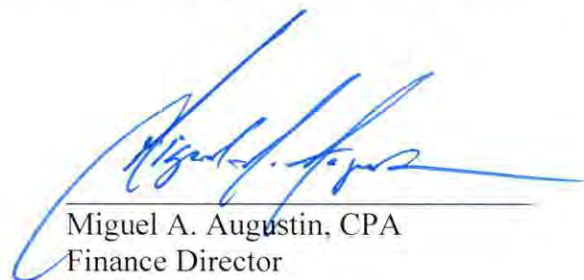
A Certificate of achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievements Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) of the United States and Canada also presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year 2021.

Respectfully submitted,



Theresa Therilus, Esq.
City Manager



Miguel A. Augustin, CPA
Finance Director

Elected Officials



Mayor
Philippe Bien-Aime



Councilman
Scott Galvin



Councilwoman
Mary Estimé-Irvin



Councilwoman
Kassandra Timothe, MPA



Councilman
Alix Desulme, Ed.D.



City Clerk
Vanessa Joseph, Esq.

Executive Staff



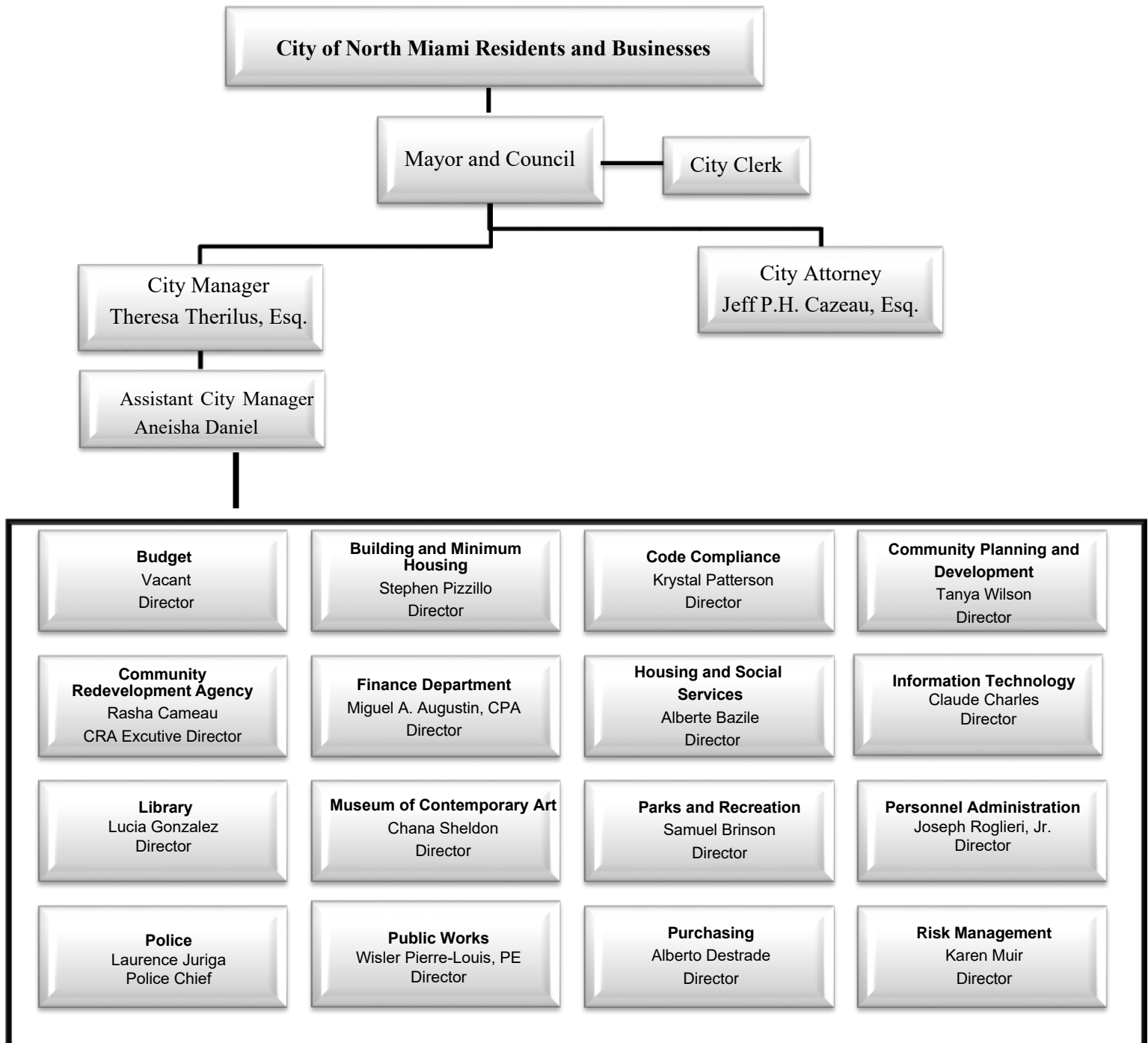
City Manager
Theresa Therilus, Esq.



City Attorney
Jeff P. H. Cazeau, Esq.



Organizational Structure





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Miami
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



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II. Financial Section

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



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Independent Auditor's Report



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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clair T. Singerman Plan and the Police Pension Plan which represent 100 percent of the total assets, total net position/fund balance and total revenues/additions of the fiduciary fund information opinion unit. We did not audit the financial statements of the Community Redevelopment Agency, which is both a major fund and represents 3 percent, 11 percent, and 7 percent, respectively, of the total assets/deferred outflows, total net position, and total revenues of the governmental activities opinion unit. We did not audit the financial statements of the Museum of Contemporary Art which represents 1 percent, 4 percent, and 3 percent, respectively, of the total assets/deferred outflows, total net position and total revenues of the governmental activities opinion unit.



Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Museum of Contemporary Art, Clair T. Singerman Plan, Police Pension Plan, and the Community redevelopment Agency, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Museum of Contemporary Art were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

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

Adoption of Accounting Standard

As describe in the report by other auditors, in 2021, the City adopted new accounting guidance of GASB 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Miami, Florida
March 29, 2022



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



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City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2021

The Management's Discussion and Analysis ("MD&A") provides a narrative overview and analysis of the financial activities of the City of North Miami, Florida (the "City") for the fiscal year ended September 30, 2021. This MD&A is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal, which can be found starting in the Introductory Section of this report. For simplification, all amounts in this section have been rounded to the nearest one hundred thousand dollars, and as a result, may vary somewhat from certain numbers shown in the body of this report.

Financial Highlights

At September 30, 2021, the government-wide assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows by \$119.7 million compared with \$113.3 million in the previous year. This means there was an overall increase in the City's total net position, which is explained below.

The City's total net position increased by \$6.4 million or 5.7% in the current year, compared to prior year increase of \$5.3 million. The current year increase was due primarily to the net effect of significant changes for the following:

- The City received \$9.6 million funds received from the American Rescue Plan Act (ARPA);
- There was an overall net increase of \$7.1 million in payroll related expenditures due mainly to the following:
 - The Florida Retirement System (FRS) had significant decrease in net pension liability of (\$9.2 million); decrease in deferred outflows of (\$1.6 million) and increase in deferred inflows of \$7.7 million and resulting in a net increase of \$0.106 million in payroll related expenditures.
 - The City's pension plans also had significant changes based on the pension actuarial report, net pension liability decreased (\$3.2 million); deferred outflows increased \$11 million and deferred inflows increased by \$0.832 million resulting in net increase of \$7.0 million in payroll related expenditures.
- Increase of \$3 million or 6% for charges for services due mainly to rate increases for sanitation fees in the fiscal year.
- Increase of \$2.8 million for property taxes due primarily to property value appreciation.
- Decrease of \$1.2 million for miscellaneous revenues related to grants received by business-type activities in prior year.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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- Decreases of \$3.8 million for Physical Environment expenses related to the Munisport Landfill remediation; the draw requests are based on a reimbursement of expenses for each phase of development. There were no completed areas in 2021, hence no draw requests were made in the current year.

At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$23.1 million, an increase of \$15.0 million in comparison to the prior year's increase of \$10.8 million. The current year's increase was due primarily to the receipt of \$9.6 million from the ARPA funding, the net impact of the Biscayne Landings property land swap for \$0.9 million, and the decrease in overall expenditures of \$10 million.

Included in the combined ending governmental funds balances is \$4.8 million of restricted fund balance, which is only available for use in the CRA, a component unit of the City. Also included is approximately \$1.8 million, which is only available for use for the Museum of Contemporary Art, Inc. ("MOCA"), \$5.8 million is restricted for landfill closure, \$7 million in the General Fund restricted for capital projects and \$8.7 million for special revenues and grant related projects.

At the end of the fiscal year, the City's General Fund reported a total fund balance of \$3.9 million of which (\$3.3 million) was unassigned fund deficit. There was an increase in current year general fund balance of \$8.9 million from operations, primarily due to the \$5.0 million American Rescue Plan Act (ARPA) funding, the \$0.9 million proceeds from the Biscayne Landing property land swap, and overall decrease in expenditures of \$9.2 million.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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

Both government-wide financial statements distinguish functions of the City that are principally supported by ad-valorem taxes and intergovernmental revenues such as shared taxes, grants, etc. (governmental activities), from other functions that are intended to recover all, or a significant portion of their costs, through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and transportation, culture and recreation, physical environment, and housing and urban/economic development. The business-type activities of the City include a water and sewer utility fund and a storm-water utility fund.

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

- City of North Miami CRA Executive Director, 735 NE 125 Street, Suite 100, North Miami, Florida 33161
- City of North Miami MOCA Executive Director, 770 NE 125 Street, North Miami, Florida 33161

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

Fund Financial Statements

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

Governmental Funds

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

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheets and in the governmental funds statements of revenues, expenditures and changes in fund balances for the General Fund, C.D.B.G. Entitlement, CRA Component Unit, Landfill Closure Fund and American Rescue Plan Act Fund, which are all considered major funds. Information for the other governmental funds is combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 127-132 of this report.

The City adopts annual budgets for its major governmental funds. To demonstrate compliance with the budget, budgetary comparison schedules have been provided as Required Supplementary Information for each of the major funds. The budgetary comparison schedules can be found on pages 113-116.

Proprietary Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements; only in more detail. The proprietary fund financial statements provide separate information for the water and sewer and storm-water operations. Both funds are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. The basic proprietary fund financial statements can be found on pages 38-40 of this report. The individual fund data for the internal service funds is provided in the form of combining statements on pages 133-135.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2021

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds comprise the general employee and the police pension funds and can be found on pages 136-137 of this report.

Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 43-112 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and retirees and budgetary comparison schedules. The required supplementary information can be found on pages 119-126 of this report.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the 2021 fiscal year, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$119.7 million of which approximately 36% was for governmental activities and 64% was for business-type activities.

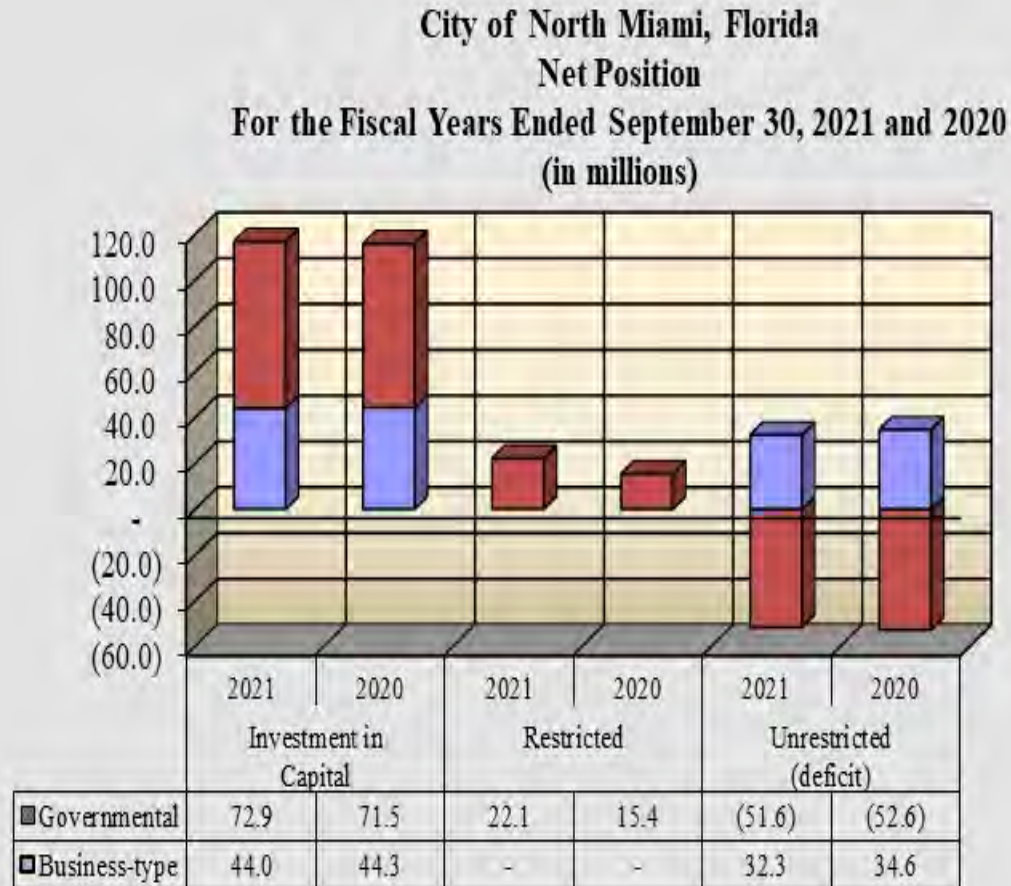
At the end of the current fiscal year, the City reported positive balances in all three categories of net position for its business-type activities. The governmental activities net position is either restricted as to the purpose to which it can be used, or is invested in capital assets. The governmental activities unrestricted net position showed a deficit of approximately (\$51.6 million) compared to prior year unrestricted deficit of (\$52.6 million). The unrestricted deficit was due primarily to operations whereby expenditures have exceeded revenues on a cumulative basis.

Although the business-type activities reflect \$32.3 million in unrestricted net position, these resources cannot be used to make up the deficit in governmental activities. The City generally can use only the net position to finance the continuing operations of water and sewer, and storm-water operations.

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 63,916,148	\$ 49,944,178	\$ 46,627,037	\$ 49,398,731	\$ 110,543,185	\$ 99,342,909
Capital assets	72,968,882	72,897,890	49,598,516	50,917,965	122,567,398	123,815,855
Total assets	136,885,030	122,842,068	96,225,553	100,316,696	233,110,583	223,158,764
Deferred outflows of resources:						
Loss on debt refunding	-	-	3,935	7,869	3,935	7,869
OPEB related items	1,549,614	1,925,198	226,192	286,229	1,775,806	2,211,427
Pension related items	21,887,774	33,713,452	3,315,008	4,220,810	25,202,782	37,934,262
Total deferred outflows of resources	23,437,388	35,638,650	3,545,135	4,514,908	26,982,523	40,153,558
Other liabilities	17,078,973	17,595,339	7,583,757	8,628,652	24,662,730	26,223,991
Noncurrent liabilities:						
Due within one year	4,013,407	4,498,033	1,002,793	927,919	5,016,200	5,425,952
Due in more than one year	75,528,956	90,144,209	12,582,776	14,687,829	88,111,732	104,832,038
Total liabilities	96,621,336	112,237,581	21,169,326	24,244,400	117,790,662	136,481,981
Deferred inflows of resources:						
OPEB related items	2,535,094	2,088,965	357,932	286,618	2,893,026	2,375,583
Pension related items	17,802,691	9,857,942	1,936,418	1,328,051	19,739,109	11,185,993
Total deferred inflows of resources	20,337,785	11,946,907	2,294,350	1,614,669	22,632,135	13,561,576
Net position						
Net investment in capital assets	72,855,470	71,535,115	43,971,484	44,346,083	116,826,954	115,881,198
Restricted	22,102,939	15,394,117	-	-	22,102,939	15,394,117
Unrestricted (deficit)	(51,595,112)	(52,633,002)	32,335,528	34,626,452	(19,259,584)	(18,006,550)
Total net position	\$ 43,363,297	\$ 34,296,230	\$ 76,307,012	\$ 78,972,535	\$ 119,670,309	\$ 113,268,765

The City's net investment in capital assets, totaling \$116.8 million represented, by far, the largest portion of the net position. Net investment in capital assets comprises land, buildings, infrastructure and machinery and equipment, less any outstanding related debt used to acquire them. The net investment in capital assets increased over the prior year by \$0.9 million.

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

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

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Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for services	\$ 26,892,609	\$ 24,515,996	\$ 34,594,455	\$ 33,578,377	\$ 61,487,064	\$ 58,094,373
Operating grants/contributions	16,105,745	8,138,621	-	-	16,105,745	8,138,621
Capital grants/contributions	271,837	264,018	-	-	271,837	264,018
General Revenues:						
Property taxes	27,888,626	25,070,539	-	-	27,888,626	25,070,539
Utility and gas taxes	4,463,924	4,297,833	-	-	4,463,924	4,297,833
Communication services tax	1,064,829	1,032,010	-	-	1,064,829	1,032,010
Franchise fees	3,877,296	4,193,023	-	-	3,877,296	4,193,023
Intergovernmental	10,319,491	9,068,989	-	-	10,319,491	9,068,989
Gain on sale of capital assets	1,037,411	17,338,940	-	-	1,037,411	17,338,940
Landfill closure (cost) adjustments	394,531	86,388	-	-	394,531	86,388
Investment earnings	332,420	195,619	-	-	332,420	195,619
Miscellaneous revenues	5,567,855	4,786,599	79,655	1,175,791	5,647,510	5,962,390
Total revenues	98,216,574	98,988,575	34,674,110	34,754,168	132,890,684	133,742,743
Expenses:						
General government	26,003,696	24,471,010	-	-	26,003,696	24,471,010
Public safety	37,374,754	37,929,647	-	-	37,374,754	37,929,647
Physical environment	10	3,879,546	-	-	10	3,879,546
Transportation and public works	6,960,208	5,841,175	-	-	6,960,208	5,841,175
Housing and social services	3,824,796	2,309,283	-	-	3,824,796	2,309,283
Culture and recreation	10,152,424	15,738,792	-	-	10,152,424	15,738,792
Community planning and development	3,876,505	3,380,630	-	-	3,876,505	3,380,630
Debt service - interest	1,196,756	1,264,361	-	-	1,196,756	1,264,361
Water and sewer	-	-	34,115,767	30,792,646	34,115,767	30,792,646
Stormwater	-	-	2,984,224	2,807,175	2,984,224	2,807,175
Total expenses	89,389,149	94,814,444	37,099,991	33,599,821	126,489,140	128,414,265
Change in net position before transfers	8,827,425	4,174,131	(2,425,881)	1,154,347	6,401,544	5,328,478
Transfers	239,642	223,493	(239,642)	(223,493)	-	-
Change in net position	9,067,067	4,397,624	(2,665,523)	930,854	6,401,544	5,328,478
Net position - beginning as restated	34,296,230 *	29,898,606	78,972,535	78,041,681	113,268,765	107,940,287
Net position - ending	\$ 43,363,297	\$ 34,296,230	\$ 76,307,012	\$ 78,972,535	\$ 119,670,309	\$ 113,268,765

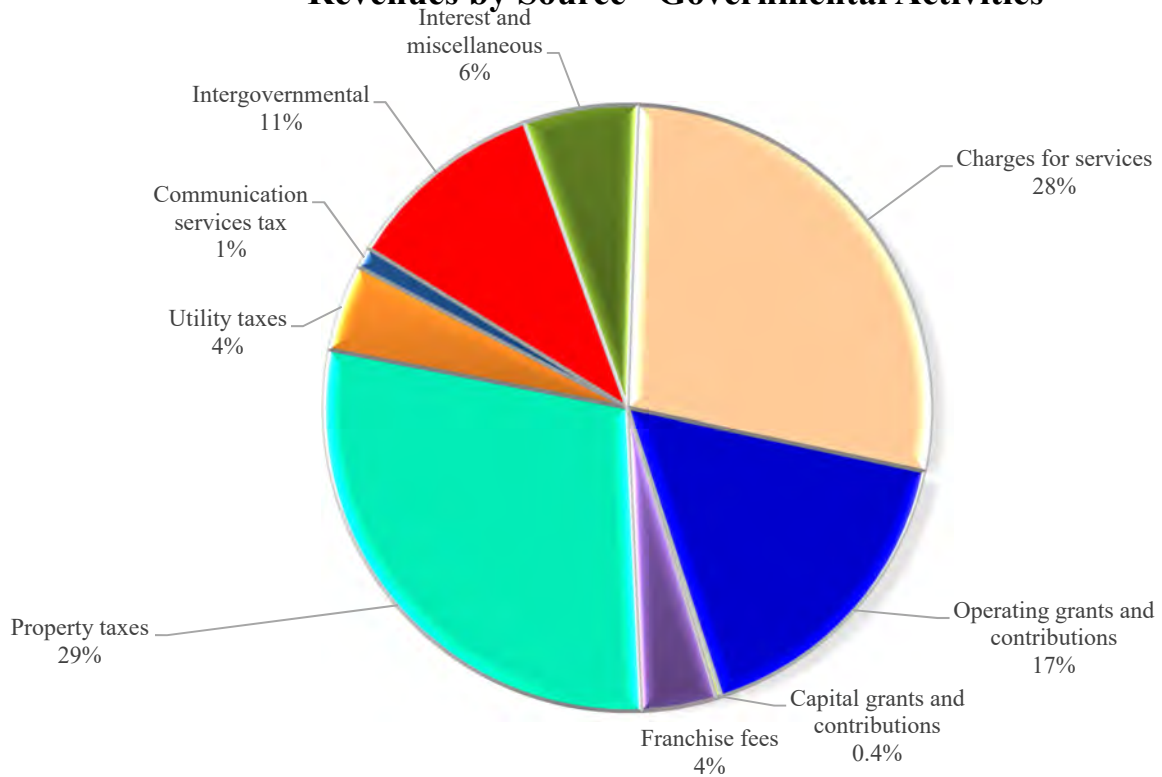
* Prior year restated,

City of North Miami, Florida

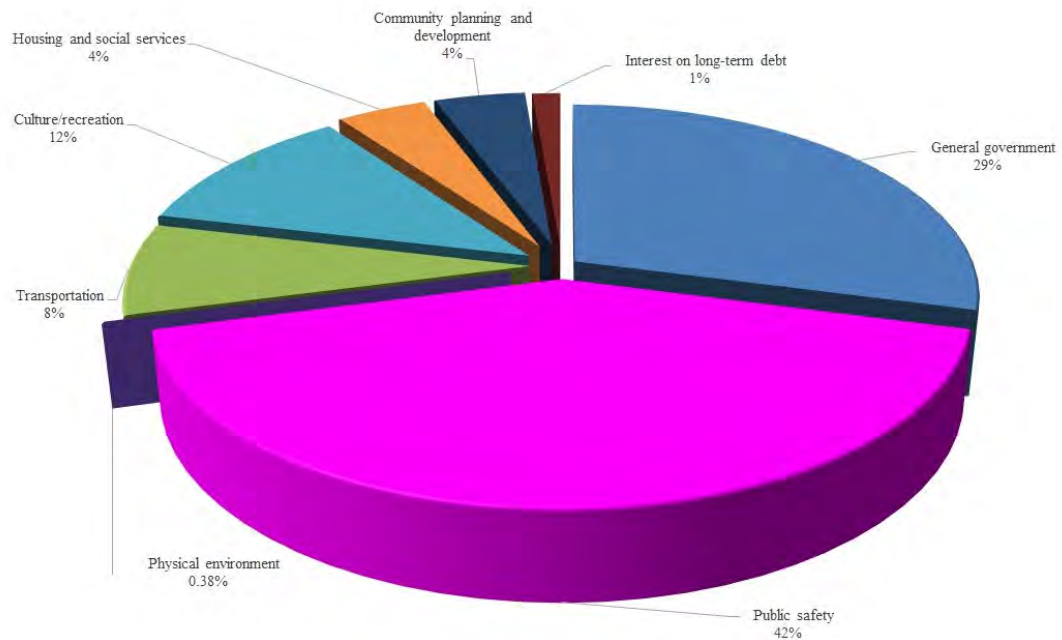
Management's Discussion and Analysis – Unaudited

September 30, 2021

Revenues by Source - Governmental Activities



Expenses by Program - Governmental Activities



City of North Miami, Florida

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Governmental Activities

Governmental activities for fiscal year 2021 increased the City's net position by \$9.1 million. This resulted primarily from an overall net decrease in total expenses while revenues overall remained flat as follows:

Net decrease of \$0.6 million in revenues:

- Increase of \$2.3 million for charges for services due mainly to increase of \$1.1 million for inter-fund charges for services, and an increase of \$1.0 million for sanitization fees resulting from rate increases in the current year.
- Net increase of \$7.9 million or 98% for operating grants and contributions comprising the following:
 - \$1.5 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding received in the current year;
 - Decrease of \$3.8 million for Federal Emergency Management Agency (FEMA) reimbursements as a result of significant receipts of receivables in prior year;
 - \$9.6 million funds received from the American Rescue Plan Act (ARPA)
 - \$0.6 million increased funding from the Community Development Block Grant (CDBG) due to increased activities related to Covid-related assistance to residents;
- Increase of \$2.8 million for property taxes. The increase was due primarily to property value appreciation.
- Decrease of \$0.3 million for franchise fees due mainly to GASB 63 adjustments in the current year for FPL franchise tax for September 2021, received after the measurement date.
- Net increase of \$1.2 million for intergovernmental revenues due to increase for local government half cent sales tax of \$0.8 million and state revenue sharing of \$0.4 million
- Decrease of \$16.3 million for gain on sale of capital assets was due to prior year sale of parcels of Biscayne Landing for \$18.5 million. In the current year there was \$0.9 million received related to land swaps between the City and the developer at the Biscayne Landing site.
- Increase of \$0.3 million for landfill closure cost adjustments related to decrease in valuation of closure costs for the Sole Mia (former Munisport landfill) site.

City of North Miami, Florida

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- Increase of \$0.8 million for miscellaneous revenues earnings due mainly to:
 - \$0.173 million default grants refunded to the CRA;
 - \$0.171 million for MOCA related to receipt of forgiveness of a note payable;
 - \$0.534 million for WastePro contractual payment in accordance with the terms of the City's agreement with that entity.

Net decrease of \$5.4 million in expenditures:

- Decrease of \$1.5 million for General Government due mainly to allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows.
- Decrease of \$0.5 million for Public Safety due primarily to the net effect of the following:
 - \$4 million increase for allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows mentioned above.
 - \$2.1 million decrease in allocation of compensated absences
 - \$1.3 million decrease in community policing division
 - \$1.7 million decrease in police investigative unit
 - \$1.5 million increase for the new building fund administration and permits etc.
- Decreases of \$3.8 million for Physical Environment expenses related to the Munisport Landfill remediation; the draw requests are based on reimbursements of expenses for each phase of development. There were no completed areas in 2021, hence no draw requests were made in the current year.
- Increase of \$1.1 million for Transportation and Public Works due to allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows mentioned above. The net allocation was an increase of \$0.3 million. There was also increases in salaries and payroll related costs resulting from post pandemic increased activities.
- Increases of \$1.5 million for Housing and Urban Development due allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows mentioned above. The net allocation was an increase of \$0.7 million. Also

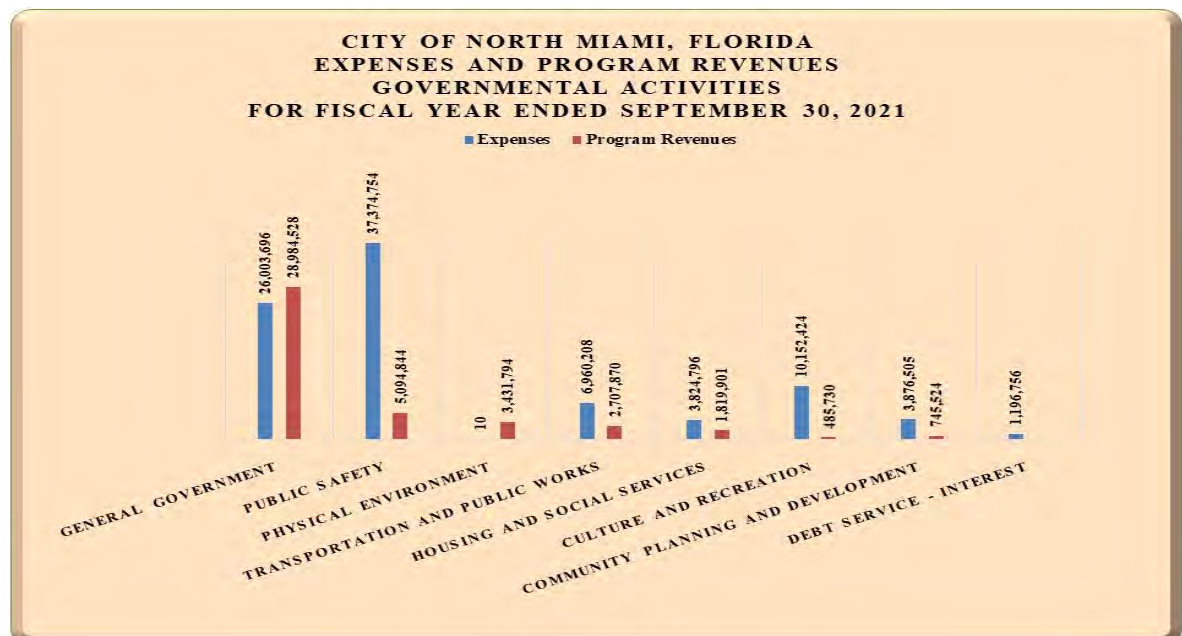
City of North Miami, Florida

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increased expenditures of \$0.4 million for CDBG and \$0.3 million for the Home Improvement Program (HIP) related to post-pandemic relief programs.

- Decrease of \$5.6 million for Culture and Recreation due primarily to the following:
 - Allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows. The net allocation was an increase of \$0.5 million.
 - \$1.3 million decrease for overall parks administration (salaries and related costs) and special events.
 - In the prior year, \$1.0 million non-department 13 accounts, including special events accounts, were grouped as Culture and Recreation. They were properly grouped as General Government in the current year.
 - In the prior year \$3.8 million (of the \$8.0 million related to the Biscayne Landing lands restatement) was allocated to Culture and Recreation. There was no similar allocation in the current year.
- Increase of \$0.5 million for Community Planning and Development due to the allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows. The net allocation was an increase of \$0.1 million. There was also net increase of \$0.6 million for commercial incentive programs in conjunction with the Community Redevelopment Agency (CRA).



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In 2021, program revenues comprised charges for services, operating and capital grants, and contributions, and represented approximately 44.6% of the governmental activities total revenues (excluding change in landfill closure cost, gains on sale of capital assets and transfers). Property taxes, accounting for approximately 52% of general revenues (excluding change in landfill closure cost, gains on sale of capital assets and transfers), are non-program specific and can be used to fund all activities not covered by program revenues.

Business-type Activities

	Water and Sewer		Stormwater		Total Business-type Activities	
	2021	2020	2021	2020	2021	2020
OPERATING REVENUES						
Charges for water	\$ 15,067,273	\$ 14,021,274	\$ -	\$ -	\$ 15,067,273	\$ 14,021,274
Sanitary sewer fees	16,902,558	16,524,135	-	-	16,902,558	16,524,135
Stormwater charges	-	-	2,429,775	2,404,654	2,429,775	2,404,654
Other revenues	194,849	628,314	-	-	194,849	628,314
Total operating revenues	<u>32,164,680</u>	<u>31,173,723</u>	<u>2,429,775</u>	<u>2,404,654</u>	<u>34,594,455</u>	<u>33,578,377</u>
OPERATING EXPENSES						
Personnel services	4,770,064	5,027,414	721,281	688,521	5,491,345	5,715,935
Wholesale water cost and sewage disposal	15,557,720	13,406,163	-	-	15,557,720	13,406,163
Materials, supplies, services and other operating expenses	11,312,233	9,918,388	1,803,150	1,668,802	13,115,383	11,587,190
Depreciation	2,442,542	2,409,907	422,880	401,339	2,865,422	2,811,246
Total operating expenses	<u>34,082,559</u>	<u>30,761,872</u>	<u>2,947,311</u>	<u>2,758,662</u>	<u>37,029,870</u>	<u>33,520,534</u>
Operating (loss) income	<u>(1,917,879)</u>	<u>411,851</u>	<u>(517,536)</u>	<u>(354,008)</u>	<u>(2,435,415)</u>	<u>57,843</u>
NON-OPERATING REVENUES (EXPENSES) AND TRANSFERS						
Interest income	59,137	92,281	-	-	59,137	92,281
Gain from sale of capital assets	-	-	27,277	-	27,277	-
Other non-operating revenues	56,750	415,965	20,518	667,545	77,268	1,083,510
Interest expense	(117,235)	(30,774)	(36,913)	(48,463)	(154,148)	(79,237)
Transfers out	(213,933)	(199,404)	(25,709)	(24,089)	(239,642)	(223,493)
Total non-operating revenues (expenses)	<u>(215,281)</u>	<u>278,068</u>	<u>(14,827)</u>	<u>594,993</u>	<u>(230,108)</u>	<u>873,061</u>
Change in net position	(2,133,160)	689,919	(532,363)	240,985	(2,665,523)	930,904
Net position- beginning	<u>70,420,223</u>	<u>69,730,304</u>	<u>8,552,312</u>	<u>8,311,327</u>	<u>78,972,535</u>	<u>78,041,631</u>
Net position - ending	<u>\$ 68,287,063</u>	<u>\$ 70,420,223</u>	<u>\$ 8,019,949</u>	<u>\$ 8,552,312</u>	<u>\$ 76,307,012</u>	<u>\$ 78,972,535</u>

Net position of the City's business-type activities decreased from \$78.9 million in the prior fiscal year to \$76.3 million in the current fiscal year.

The change in net position for the water and sewer fund decreased from a \$0.7 million in the prior year to a negative (\$2.1 million) for the current fiscal year. There was also operating loss of (\$1.9 million) in the current year compared to operating income of \$0.4 million in the previous fiscal year. The decrease of \$2.3 million in operating income over the previous year was primarily due to the net effect of the following factors:

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Operating revenues increased \$1.0 million due primarily to:

- Increase of \$1.0 million for charges for water due to a 4% rate increase in the current fiscal year and new customers.
- Increase of \$0.378 million for sanitary sewer fees due mainly to rate increase of approximately 45%. Although rates increased significantly, there were also bill credits of approximately \$0.674 million issued in the current year. The rate increase took effect in February 2021.
- Other revenues decrease of \$0.433 million due mainly to fewer new customers for fire-flow and fire services in the current year: prior year was \$0.6 million compared to current year of only \$4,915.

Operating expenses increased by a net of \$3.3 million due primarily to the net of the following:

- Decrease of \$0.257 million for personnel services due mainly to the net impact of a decrease of \$0.4 million allocation for compensated absences and \$0.231 million allocation of the net significant changes in the actuarial valuations for net pension liability (NPL) and deferred inflows/outflows.
- Increase of \$2.1 million for wholesale water cost and sewage due mainly to rate increase from the Miami-Dade Water and Sewer department.
- Increase of \$1.4 million for materials, supplies, services and other operating expenses due primarily to increases for the following:
 - \$0.340 million for lost return on investments in utilities (calculations for this expense was based on 2019 net capital assets);
 - \$0.311 million for on-going street repairs services;
 - \$0.127 million for inventory items for the meter shop; and
 - \$0.150 million related to risk assessment plan initiated in the current year.

Non-operating revenues/(expenses) net decrease of \$0.493 million was due primarily to \$0.415 million of grant funds that were received in the prior year from the State Revolving Loan and the GOB water and sewer enhancement grant: there were no similar grants in the current year.

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The net position for the storm-water utility fund decreased from \$8.6 million in the prior year to \$8.0 million for the current fiscal year.

Operating loss for 2021 was (\$0.517 million) compared to (\$0.355 million) in the previous year. The increase of \$0.164 million in operating loss from the previous year was due primarily to overall net increases in expenses: specifically, materials, supplies, services and other operating expenses of \$0.134 million.

The net decrease of \$0.610 million for non-operating revenues (expenses) was due to reimbursement of \$0.645 million in the prior year for funds from the Arch Creek drainage grant LP13185: there was no similar receipt in the current year.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

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

Governmental Funds

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

As of September 30, 2021, the City's governmental funds reported combined ending fund balance of \$23.1 million, which was a total increase of \$15.0 million in the current year compared to a \$11.0 million increase in the prior year.

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\$26.9 million of the ending fund balances constitutes non-spendable and restricted fund balances. Funds were set up to separately account for certain revenue sources that are legally restricted for expenditures for specified purposes. Restricted fund balances of \$26.6 million included \$5.9 million for landfill closure cost, \$0.4 million restricted for housing and other capital projects, \$7 million restricted for the Cagni Park project and \$4.8 million for CRA projects.

In addition to balances noted above, governmental funds also showed negative unassigned fund deficit of (\$4.4) million resulting from operations, whereby expenditures have exceeded revenues on a cumulative basis over time.

General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts not allocated to another fund by law or contractual commitment, are accounted for in this fund. General operating expenditures and capital improvement costs not paid through another fund are paid from this fund. At September 30, 2021, the general fund had negative unassigned fund balances of \$3.3 million, a decrease in the deficit of \$9.0 million over 2020, due primarily to the decrease of \$9.2 million for expenditures and net increase in revenues of \$1.2 million.

The General Fund expenditures decrease of \$9.2 million represented a 13.8% from prior year. Revenues (including other financing sources) also decreased by \$10.0 million or approximately 13% from the prior year.

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

	2021 Amount	Percent of Total	2020 Amount	Percent of Total	Change	
					Increase (Decrease) From Prior Year	
General Fund Expenditures						
General government	\$ 13,168,098	22.8%	\$ 13,580,418	20.3%	\$ (412,320)	-3.0%
Public safety	31,650,571	54.9%	35,881,234	53.6%	(4,230,663)	-11.8%
Physical environment and transportation	4,324,747	7.5%	4,657,554	7.0%	(332,807)	-7.1%
Culture and recreation	6,031,033	10.5%	8,423,294	12.6%	(2,392,261)	-28.4%
Community planning and development	1,334,266	2.3%	1,470,969	2.2%	(136,703)	-9.3%
Housing and social services	876,044	1.5%	1,193,141	1.8%	(317,097)	100.0%
Debt service	148,486	0.3%	156,788	0.2%	(8,302)	-5.3%
Capital outlay	112,395	0.2%	1,538,707	2.3%	(1,426,312)	-92.7%
Total expenditures	<u>\$ 57,645,640</u>	<u>100%</u>	<u>\$ 66,902,105</u>	<u>100%</u>	<u>\$ (9,256,465)</u>	<u>-13.84%</u>

The primary factor contributing to the net decrease in General Fund expenditures was the overall efforts to adhere to budget controls for all major expenditure categories. The significant decreases were due primarily to the following:

- General Government decrease of \$0.4 million was due primarily to the net effect of a decrease of \$0.874 million for special events (prior year event) and net increase of \$0.233 million for 2021 election expense and increase of \$0.284 million in budgeted fund reserve.

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- Public safety decrease of \$4.2 million was due primarily to:
 - Decrease of \$1.0 million for budgeted allocation for inter-fund services provided for equipment rental and risk management.
 - \$1.6 million decrease due to transfer of the building and zoning activities to the new building fund.
 - \$2.1 million decrease for overall police administration (in particular the community policing division which had a decrease of \$1.3 million and the police uniform patrol with a decrease of \$1.0 million).
- Physical environment and transportation decrease of \$0.332 million was due primarily decrease of \$0.246 for budgeted allocation for inter-fund services provided for equipment rental and risk management and over \$0.100 million decrease in salaries and related payroll costs.
- Culture and recreation net decrease of \$2.4 million was due primarily to the overall reduction of \$1.1 million in administration costs; in particular, \$0.367 million for community events and \$0.713 million for salaries and payroll related costs; decrease of \$0.212 million for library administration; decrease of \$0.120 million for support to MOCA.
- Housing and social services net decrease of \$0.317 million as due primarily to reduced services provided by general fund to the North Miami Foundation for Seniors (funding was also received from the CDBG program) - a decrease of \$0.135 million; decrease of \$0.108 million for general housing rehabilitation and \$0.09 decrease in salaries and payroll related costs.
- Capital outlay net decrease of \$1.4 million was due primarily to completion of capital projects that were completed in the prior year; in particular, computers purchased for \$0.312 million; sidewalk repairs for \$0.413 million.

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

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	2021	Percent	2020	Percent	Change	
	Amount	of Total	Amount	of Total	Increase (Decrease)	From Prior Year
General Fund Revenues						
Taxes:						
Ad valorem taxes	\$ 21,110,185	31.0%	\$ 19,660,883	25.2%	\$ 1,449,302	7.4%
Utility and communication taxes	4,812,381	7.1%	4,650,241	6.0%	162,140	3.5%
Franchise fees	3,877,296	5.7%	4,193,023	5.4%	(315,727)	-7.5%
Total taxes	29,799,862	43.8%	28,504,147	36.5%	1,295,715	4.5%
Charges for services	12,871,822	18.9%	10,331,815	13.2%	2,540,007	24.6%
Return on investment - utility	3,149,940	4.6%	2,809,024	3.6%	340,916	12.1%
Fines and forfeitures	532,329	0.8%	527,272	0.7%	5,057	1.0%
Intergovernmental	8,994,680	13.2%	7,764,983	9.9%	1,229,697	15.8%
Licenses and permits	931,898	1.4%	2,582,178	3.3%	(1,650,280)	-63.9%
Interest and other earnings	4,296,431	6.3%	5,611,680	7.2%	(1,315,249)	-23.4%
Rents and royalties	1,455,097	2.1%	1,457,807	1.9%	(2,710)	-0.2%
Total revenues	32,232,197	47.4%	31,084,759	39.8%	1,147,438	3.7%
Other Financing Sources(Uses)						
Proceeds from sale of capital assets	966,241	1.4%	18,250,000	23.4%	(17,283,759)	100.0%
Proceeds from capital leases	-	0.0%	253,543	0.3%	(253,543)	100.0%
Transfers in	5,000,000	7.4%	-	0.0%	5,000,000	100.0%
Total other financing source (uses)	5,966,241	8.8%	18,503,543	23.7%	(12,537,302)	100.0%
Total	\$ 67,998,300	100%	\$ 78,092,449	100%	\$ (10,094,149)	-12.9%

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

- Property tax revenues increased by a net of \$1.4 million or 7.4%. Although gross increase was \$3.1 million including TIF refund from the CRA, there was also increase of \$1.5 million TIF payment to the CRA.
- Franchise fees net decrease of \$0.316 million due primarily to \$0.289 million current year GASB 63 adjustment for FPL franchise tax receivables that were not received within the measurement period of 60 days after year end. In the prior year \$0.290 million was released from the GASB 63 related deferred inflows.
- Charges for services net increase of \$2.5 million or 24.6%, primarily to the following:
 - Sanitation fees increased by \$1.0 million due to rate increases in the current year;
 - Inter-fund charges for services increased \$0.450 million based on predetermined budgeted calculations;
 - \$0.406 million increase for GASB 63 release of prior year adjustments: prior year was a debit of \$0.125 million versus current year credit of \$0.281 million.

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- d. Off-duty police reimbursement increased by \$0.216 million due to post pandemic increase in request for off-duty police also more businesses added (example Publix supermarket)
4. Return on investment – utility increased by \$0.340 million due to allocation based yearly calculation on net capital assets in the Water and Sewer Fund in the previous two years.
5. Intergovernmental increased by \$1.2 million or 15.8%, primarily due to:
 - a. \$0.804 million increase for local government half-cent sales tax: amounts received May to September of the current year were an average of \$0.500 million compared to the same period in the prior year of an average of \$0.300 million.
 - b. \$0.404 million for state sharing revenues due mainly to a \$0.466 million true-up received in the current year.
6. Licenses and permits decrease of \$1.6 million or 63.9% related to building permit revenues of \$1.7 million for the current year recorded in the new building fund 120.
7. Interest and other earnings net decrease of \$1.3 million or 23.4%, was primarily due to:
 - a. \$1.6 million decrease in participation rent from the Sole Mia (Biscayne Landing project) based on amendments to long term lease agreement.
 - b. \$0.480 million increase based on agreement for Waste-Pro contributions.
8. Proceeds from sale of capital assets of decreased by \$17.2 million. In the prior year, \$18.3 million related to disposal of parcels at Biscayne Landing. The current year amount for \$0.9 million related to fees and other charges for the Biscayne Landing land swap.
9. The \$5 million for transfers in is from the ARPA funds to cover post pandemic loss of revenues.

FINANCIAL ANALYSIS OF OTHER GOVERNMENTAL FUNDS

Landfill Closure Fund (Major Fund)

This fund is restricted for funding the remediation and closure costs of an old landfill. The fund was set up from a one-time contribution of \$31 million, received from the Miami-Dade County in 2004, which was placed in an escrow account. At the end of 2021, the long-term cost was estimated to be \$7.6 million. There was no remediation cost for the current year because there were no completed areas in 2021.

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This fund had a restricted fund balance of \$5.9 million at September 30, 2021. See **NOTE 12** for additional information on the landfill.

CRA Component Unit Capital Projects Fund (Major Fund)

The CRA, a component unit of the City, reported a \$4.8 million restricted fund balance at year end. During the year, approximately \$6.7 million in property tax incremental revenues was recognized in the CRA (both the City and Miami-Dade County portions). The CRA refunded tax increment revenues of approximately \$3.22 million to Miami-Dade County. The City acts as a pass-through for the tax incremental property tax monies that were transferred to the CRA.

The CRA recorded a transfer of \$1.0 million to the City, to be used for the residential rehabilitation program for the City.

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

The C.D.B.G. fund accounts for grant-related revenues and expenditures for housing rehabilitation programs. For the fiscal year, the fund awarded a total of \$1.2 million toward direct housing and rehabilitation projects.

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

The A.R.P.A. fund accounts for revenues and expenditures for post-pandemic recovery. For the fiscal year the City received approximately \$9.6 million of which \$5 million was transferred to the General Fund.

Other Governmental Funds (Nonmajor)

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

1. Special revenues restricted fund balance at year-end was \$3.0 million, comprised primarily of:
 - The Neighborhood Stabilization Program (“NSP”) reported \$0.338 million;
 - Law Enforcement Trust Fund reported \$0.490 million;
 - Federal Forfeiture Fund reported \$0.070 million;
 - Half-cent Transportation Surtax Fund reported \$0.620 million;
 - Developer Impact Fees Fund reported \$0.848 million;
 - Building Fund reported \$0.536 million;

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2. The Home Investment Partnership Program (HIP) and the Neighborhood Stabilization NSP combined funds awarded a total of \$0.611 million in direct housing grants and aid to home owners and local businesses.
3. MOCA is included as a component unit of the City because the City provides significant financial support for MOCA's daily operations. The City provided support of approximately \$1.8 million to fund approximately \$2.8 million of total expenditures shown in MOCA'S financial statements.

Internal Service Funds

In 2021, the General Risk Management Fund reflected net position of \$0.426 million - a decrease from the prior year's \$1.6 million. The operating loss of (\$1.1 million) was due primarily to increase in expenses for insurance and worker's compensation claims paid amounting to \$0.924 million.

The Fleet Management Fund reflected net position remained at \$6.6 million (prior year was \$6.6 million). Operating income was minimal compared to prior year's total of \$1.4 The decrease was due to decrease in budget allocation of \$1.3 million for services provided to other funds.

Fiduciary Funds

Net investment income from interest and dividends for both City pension plans combined was reported at \$1.0 million. The Plans' investment policies set the portfolio allocation. Many U.S. market indices posted favorable returns across the board this year. There was a significant appreciation for both plans of approximately \$52.7 million (prior year net appreciation was \$13.7 million). Employer contribution for 2021, for both plans was \$8.1 million. During 2021, benefit payouts approximated \$16.0 million for both plans combined.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2021, the City's capital assets for the governmental and business-type activities amounted to \$122.5 million (net of accumulated depreciation), compared with \$123.8 million in the previous fiscal year. These assets include land, construction in progress, buildings, and improvements, infrastructure, machinery and equipment and library books. The total net decrease in the City's capital assets balances from prior fiscal year was \$1.2 million or 1%.

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CAPITAL ASSETS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES						
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Capital assets, not being depreciated:						
Land	\$ 19,009,371	\$ 19,009,371	\$ 653,080	\$ 653,080	\$ 19,662,451	\$ 19,662,451
Construction in progress	2,248,977	396,793	506,448	961,865	2,755,425	1,358,658
Total capital assets, not being depreciated	21,258,348	19,406,164	1,159,528	1,614,945	22,417,876	21,021,109
Capital assets, being depreciated, net:						
Land Improvements	19,549,528	19,549,528	1,249,069	1,249,069	20,798,597	20,798,597
Buildings and improvements	26,152,861	26,117,959	2,522,999	2,522,999	28,675,860	28,640,958
Infrastructure	62,178,031	61,613,430	92,868,077	90,901,211	155,046,108	152,514,641
Machinery and equipment	21,082,169	22,568,995	7,024,625	7,006,228	28,106,794	29,575,223
Library books	2,439,410	2,413,171	-	-	2,439,410	2,413,171
Total capital assets, being depreciated	131,401,999	132,263,083	103,664,770	101,679,507	235,066,769	233,942,590
Accumulated depreciation:						
Land Improvements	(14,800,702)	(14,438,492)	(142,507)	(138,806)	(14,943,209)	(14,577,298)
Buildings and improvements	(12,908,100)	(12,451,235)	(1,114,758)	(1,038,840)	(14,022,858)	(13,490,075)
Infrastructure	(32,652,671)	(31,458,731)	(48,100,211)	(45,722,785)	(80,752,882)	(77,181,516)
Machinery and equipment	(17,017,622)	(18,168,467)	(5,868,306)	(5,476,056)	(22,885,928)	(23,644,523)
Library books	(2,312,370)	(2,254,432)	-	-	(2,312,370)	(2,254,432)
Total accumulated depreciation	(79,691,465)	(78,771,357)	(55,225,782)	(52,376,487)	(134,917,247)	(131,147,844)
Total capital assets, being depreciated, net	51,710,534	53,491,726	48,438,988	49,303,020	100,149,522	102,794,746
Total Capital Assets, net	\$ 72,968,882	\$ 72,897,890	\$ 49,598,516	\$ 50,917,965	\$ 122,567,398	\$ 123,815,855

Total net increase in capital assets for governmental activities (excluding depreciation) was \$0.9 million, due primarily to the following significant changes:

1. \$1.8 million increase for construction in progress primarily related to the FDOT LAP grant for N.E. 125 roadway improvement project and the Thomas Sasso Pool renovations.
2. \$1.4 million decrease for machinery and equipment due primarily disposal of fully depreciated obsolete equipment.
3. \$0.5 million net increase for infrastructure, primarily for paving of sidewalks and drainage improvement throughout the City.
4. Total net increase in capital assets for business-type activities (excluding depreciation) was \$0.6 million, due primarily to the completion of projects transferred from construction in progress for the water main line improvements and the sewer main projects.

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

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Long-term Debt

At September 30, 2021, the City had total outstanding debt of approximately \$17.1 million (bonds, notes, leases etc.) compared to approximately \$18.5 million at the end of the previous fiscal year. The majority of the City's outstanding debt was secured by specific revenue sources. The outstanding debts are summarized below:

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Note payable	\$ 10,570,000	\$ 11,520,000	\$ -	\$ -	\$ 10,570,000	\$ 11,520,000
Unamortized bond discount	(334,868)	(402,752)	-	-	(334,868)	(402,752)
Capital lease obligation	1,435,403	1,210,053	-	-	1,435,403	1,210,053
Purchase installment liability	-	93,600	-	-	-	93,600
FMLC Series 2016 Refunding (stormwater)	-	-	405,000	800,000	405,000	800,000
Unamortized bond premiums and discount	-	-	20,510	41,020	20,510	41,020
State revolving fund loan	-	-	5,070,329	5,332,957	5,070,329	5,332,957
Total	\$ 11,670,535	\$ 12,420,901	\$ 5,495,839	\$ 6,173,977	\$ 17,166,374	\$ 18,594,878

During the fiscal year 2021, the City had the following debt activity:

Governmental Activities –Total debt decreased by a net \$0.7 million: \$1.9 million for debt repayments and new capital leases for \$1.21 million.

Business-type Activities – The total debt decreased by a net of \$0.6 million from the prior year, primarily due to scheduled debt repayments.

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

Overall Budget

The fiscal year 2021 adopted budget of \$164.1 million represents an increase of 9.4% compared to the fiscal year 2020 Budget.

The difference between the original and final amended general fund budget for 2021 was approximately \$15.4 million. The increase was due to re-appropriations for prior year projects.

The general fund is the largest component of the total budget, accounting for \$63.9 million or 39% of the total budget. The budgetary highlights are based on the following schedule:

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GENERAL FUND BUDGETARY HIGHLIGHTS

UNAUDITED FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 21,206,258	\$ 21,206,258	\$ 21,110,185	\$ (96,073)
Utility and communication taxes	4,763,707	4,763,707	4,812,381	48,674
Charges for services	13,987,492	15,398,478	12,871,822	(2,526,656)
Return on investment - utility	3,149,940	3,149,940	3,149,940	-
Franchise fees	4,369,008	4,369,008	3,877,296	(491,712)
Fines and forfeitures	646,600	646,600	532,329	(114,271)
Intergovernmental	8,342,159	8,389,159	8,994,680	605,521
Licenses and permits	907,257	907,257	931,898	24,641
Interest	410,584	410,584	409,190	(1,394)
Other earnings	2,953,663	4,076,429	3,887,241	(189,188)
Rents and royalties	1,980,713	1,980,713	1,455,097	(525,616)
Total revenues	62,717,381	65,298,133	62,032,059	(3,266,074)
EXPENDITURES				
General Government:				
Mayor and city council	1,339,725	1,419,790	1,375,448	44,342
City manager	2,314,541	2,455,775	2,585,689	(129,914)
City clerk	685,511	705,511	712,181	(6,670)
Financial Services	3,243,392	3,268,392	3,212,286	56,106
Legal	1,029,865	1,229,165	1,231,537	(2,372)
Human resources	738,783	794,708	791,287	3,421
Information technology	2,035,284	2,014,834	1,806,712	208,122
Management and budget	475,202	475,202	408,399	66,803
Procurement and purchasing	508,913	508,913	505,937	2,976
Non-departmental	3,148,816	4,118,092	538,622	3,579,470
Total general government	15,520,032	16,990,382	13,168,098	3,822,284
Public Safety:				
Police	28,123,301	28,180,756	26,821,591	1,359,165
Building and zoning	-	-	6,539	(6,539)
Code enforcement	5,070,798	5,060,798	4,822,441	238,357
Total public safety	33,194,099	33,241,554	31,650,571	1,590,983
Physical Environment				
Public works	1,417,801	1,427,296	1,422,908	4,388
Transportation	2,523,938	2,885,293	2,901,839	(16,546)
Total physical environment	3,941,739	4,312,589	4,324,747	(12,158)
Economic Environment:				
Community planning and development	1,362,459	1,420,950	1,334,266	86,684
Housing and social services	1,036,127	1,858,118	876,044	982,074
Total economic environment	2,398,586	3,279,068	2,210,310	1,068,758
Culture and Recreation:				
Parks and recreation	4,839,274	4,876,723	3,779,207	1,097,516
Library	914,765	961,765	893,510	68,255
MOCA	1,363,603	1,389,614	1,358,316	31,298
Total culture and recreation	7,117,642	7,228,102	6,031,033	1,197,069
Debt service	149,400	149,400	148,486	914
Capital outlay	110,000	774,858	112,395	662,463
Total expenditures	62,431,498	65,975,953	57,645,640	8,330,313
Excess (deficiency) of revenues over (under) expenditures	285,883	(677,820)	4,386,419	5,064,239
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,150,158	2,113,861	966,241	(1,147,620)
Transfers in	-	-	5,000,000	5,000,000
Transfers out	(1,436,041)	(1,436,041)	(1,436,041)	-
Total other financing sources (uses)	(285,883)	677,820	4,530,200	3,852,380
Net change in fund balance (deficit)	\$ -	\$ -	8,916,619	\$ 8,916,619
Fund balance (deficit), beginning			(5,018,744)	
Fund balance (deficit), ending			\$ 3,897,875	

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2021

Actual total revenues were \$2.2 million less than the final budgeted revenues, due largely to the following factors:

- a. Charges for services were \$2.5 million less than budgeted because increased sanitation fees budgeted for the entire fiscal year did not take effect until mid-year. In addition, the yearly GASB 63 adjustments for receivables not collected within the measurement period of 60 days after year end, was \$0.450 million more than prior year: this amount is usually not determinable during the budget process.
- b. Franchise fees were \$0.491 million less than budgeted because collections for Florida Power and Light were not received within the measurement period of 60 days after year end, therefore revenues were deferred in accordance with GASB 63.
- c. Fines and forfeitures collections were \$0.114 million less than the budget due to decrease in special magistrate sessions that were not anticipated in the budget.
- d. Intergovernmental revenues were \$0.6 million more than budgeted due mainly to \$0.466 million true-up for state sharing revenues received in the current year that was not anticipated.
- e. Other earnings were \$0.189 million less than budgeted due to the City receiving less than budgeted rental fees from SoleMia as a result of the land swap.
- f. Rents and royalties were \$0.525 million less than budgeted further adjustments were made to calculations for Biscayne Landings long-term lease agreement which were not anticipated in the budget.

The net positive variance of \$8.3 million for expenditures was due to the following factors:

- a. City manager's department had budget savings of \$0.129 million due to Public Information Officers staff reduction.
- b. The following departments had budget savings of more than \$0.050 million due primarily to adherence to budget control involving staff cuts and furloughs:
 - Financial services department realized \$0.056 million
 - Management and Budget realized \$0.066 million
- c. Non-departmental shows a positive variance of \$3.5 million due primarily to expenditure reduction plan implemented to address the general fund deficit. As such, several expenditures were deferred.
- d. Public safety shows a net positive variance of \$1.5 million due primarily to: decrease of \$0.915 million in budgeted allocation for inter-fund services for equipment rental and risk

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2021

management which was not included in the budget; decrease of \$0.187 million in community policing; and decrease of \$0.227 for uniform patrol.

- e. Economic environment had positive variance of \$1.0 million due mainly to the Housing and Social Services department reduced services to the North Miami Foundation for Seniors, and for general housing rehabilitation.
- f. Culture and recreation had budget savings of \$1.1 million due to a \$1.3 million overall reduction in administration costs, in particular \$0.367 million expenditures for community events and \$0.713 million for salaries and payroll related costs.
- g. Capital outlay had a positive variance of \$0.662 million due to sidewalk projects that were not completed.

Economic Factors and Next Year's Budgets and Rates

The fiscal year 2021 budget allocates resources to support the level of service residents and businesses have come to expect. The goal is to provide basic levels of service in the most equitable and efficient manner and focus on areas of the city where the services are most needed, particularly as it relates to affordable housing. The fiscal year 2021 budget supports essential city services with increases in service fees such as water and sewer and stormwater utility. It also keeps the millage rate constant at 7.5.

Economic Impact on the Immediate Budget

For the seventh consecutive year, the city realized an increase in assessed taxable value as reported by the Miami-Dade County Property Appraiser. Fiscal year 2020-21 assessed taxable value was \$3.739 billion and represents a 12 percent increase from the previous year of \$3.330 billion. This increase will generate an additional \$2.9 million in property tax revenue and at the same millage from the previous year. The majority of the growth occurred within the North Miami Community Redevelopment area.

Our revenues for fiscal 2022 may be affected by the COVID-19 crisis. We are reviewing them on a continuous basis to determine how the impact of these losses will affect the city's ability to reduce the deficit. We believe that once the national crisis is over, revenues will begin to normalize.

The City is also continuously reviewing revenues and expenditures to determine areas where shortfalls and surpluses are expected. The following were implemented during the fiscal year 2021 to reduce the deficit:

- 18 full-time positions were eliminated from the budget
- 107 part-time employees not included in budget
- Implementation of 12 furlough days throughout the fiscal year
- Elimination of certain merit increases
- Reduction to special events

City of North Miami, Florida

Management's Discussion and Analysis – Unaudited

September 30, 2021

- Fifty-percent reduction in grants
- \$1 million budgeted for deficit reduction

Future Economy and Budget Years

From fiscal year 2017 to fiscal year 2021, property tax revenue increased approximately 51%. This increase was primarily due to increasing property tax values.

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

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

1. ***Capitalize on the CRA*** – The North Miami Community Redevelopment Agency (CRA) will be a major funding mechanism the City will use to advance the local economy. CRA revenue from tax increment financing (TIF) continues to grow as the property values increase within the area. Fiscal year 2021 TIF revenues increased by 29 percent from the previous year (from \$5.273 million to \$6.791 million). As the TIF contributions grow, the City's utilization of the CRA to provide innovative and capital-intensive services will as well.
2. ***Workforce Development Initiatives*** – The Community Planning and Development Department continues scholarship programs, professional development courses, and strategic partnerships to raise the skill level of the North Miami workforce and improve wages in the community.
3. ***Strengthen Footprint*** – Several important indicators that assist in determining a City's financial footprint include the growth of property values, revenues, the amount of debt held, and the ability to pay off that debt. The City of North Miami has growing property values, ad-valorem revenue and reducing debt.

Request for Information

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

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

or

Visit our website at www.northmiamifl.gov/financialreports



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Basic Financial Statements



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Government-wide Financial Statements



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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 30,915,477	\$ 20,865,659	\$ 51,781,136
Investments	3,263,971	7,073,729	10,337,700
Receivables, net	3,251,497	18,076,427	21,327,924
Due from other governments	4,375,699	-	4,375,699
Inventories and supplies	48,544	546,399	594,943
Prepays, deposits and other assets	411,616	62,494	474,110
Unamortized debt issuance - prepaid insurance	-	2,329	2,329
Notes receivable	8,752,000	-	8,752,000
Restricted cash	12,897,344	-	12,897,344
Capital assets not being depreciated	21,258,349	1,159,528	22,417,877
Capital assets being depreciated, net	51,710,533	48,438,988	100,149,521
Total assets	136,885,030	96,225,553	233,110,583
DEFERRED OUTFLOW OF RESOURCES			
Loss on debt refunding	-	3,935	3,935
OPEB related items	1,549,614	226,192	1,775,806
Pension related items	21,887,774	3,315,008	25,202,782
Total deferred outflow of resources	23,437,388	3,545,135	26,982,523
LIABILITIES			
Vouchers payable and accrued liabilities	2,224,292	4,366,332	6,590,624
Construction contracts payable	113,412	137,457	250,869
Accrued payroll and benefits	744,655	102,725	847,380
Unearned revenues	13,227,551	-	13,227,551
Deposits	577,482	2,977,243	3,554,725
Interest payable	191,581	-	191,581
Noncurrent liabilities:			
Due within one year	4,013,407	1,002,793	5,016,200
Due in more than one year	75,528,956	12,582,776	88,111,732
Total liabilities	96,621,336	21,169,326	117,790,662
DEFERRED INFLOW OF RESOURCES			
OPEB related items	2,535,094	357,932	2,893,026
Pension related items	17,802,691	1,936,418	19,739,109
Total deferred inflows of resources	20,337,785	2,294,350	22,632,135
NET POSITION			
Net investments in capital assets	72,855,470	43,971,484	116,826,954
Restricted for:			
Capital projects	5,772,861	-	5,772,861
Housing and development	422,862	-	422,862
Public safety	559,332	-	559,332
Transportation	620,274	-	620,274
Other purposes	14,727,610	-	14,727,610
Unrestricted (deficit)	(51,595,112)	32,335,528	(19,259,584)
Total net position	\$ 43,363,297	\$ 76,307,012	\$ 119,670,309

See notes to basic financials statements.

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 26,003,696	\$ 17,819,969	\$ 11,164,559	\$ -	\$ 2,980,832	\$ -	\$ 2,980,832
Public safety	37,374,754	4,824,106	270,738	-	(32,279,910)	-	(32,279,910)
Physical environment	10	3,431,794	-	-	3,431,784	-	3,431,784
Transportation and public works	6,960,208	38,391	2,669,479	-	(4,252,338)	-	(4,252,338)
Housing and social services	3,824,796	-	1,819,901	-	(2,004,895)	-	(2,004,895)
Culture and recreation	10,152,424	425,689	60,041	-	(9,666,694)	-	(9,666,694)
Community planning and development	3,876,505	352,660	121,027	271,837	(3,130,981)	-	(3,130,981)
Interest and fiscal charges	1,196,756	-	-	-	(1,196,756)	-	(1,196,756)
Total governmental activities	89,389,149	26,892,609	16,105,745	271,837	(46,118,958)	-	(46,118,958)
Business-type activities:							
Water and sewer	34,199,794	32,164,680	-	-	-	(2,035,114)	(2,035,114)
Stormwater	2,984,224	2,429,775	-	-	-	(554,449)	(554,449)
Total business-type activities	37,184,018	34,594,455	-	-	-	(2,589,563)	(2,589,563)
Total primary government	\$ 126,573,167	\$ 61,487,064	\$ 16,105,745	\$ 271,837	\$ (46,118,958)	\$ (2,589,563)	\$ (48,708,521)
General revenues							
Taxes:							
Property taxes levied for general purposes					\$ 27,888,626	\$ -	\$ 27,888,626
Utility taxes					3,747,552	-	3,747,552
Local option gas tax					716,372	-	716,372
Communication services tax					1,064,829	-	1,064,829
Franchise fees based on gross receipts					3,877,296	-	3,877,296
Intergovernmental not restricted to specific programs					10,319,491	-	10,319,491
Landfill closure					394,531	-	394,531
Gain/(loss) on sale of capital assets					1,037,411	84,027	1,121,438
Unrestricted investment earnings					332,420	-	332,420
Miscellaneous revenues					5,567,855	79,655	5,647,510
Total general revenues					54,946,383	163,682	55,110,065
Transfers					239,642	(239,642)	-
Total general revenues and transfers					55,186,025	(75,960)	55,110,065
Change in net position					9,067,067	(2,665,523)	6,401,544
Net position, beginning					34,296,230	78,972,535	113,268,765
Net position, ending					\$ 43,363,297	\$ 76,307,012	\$ 119,670,309

See notes to basic financials statements.



Fund Financial Statements



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**CITY OF NORTH MIAMI, FLORIDA
BALANCE SHEET**

**GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General	CRA	C.D.B.G. Entitlement	Landfill Closure	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled cash and cash equivalents	\$ 6,349,485	\$ 5,240,406	\$ -	\$ -	\$ 4,635,642	\$ 5,001,448	\$ 21,226,981
Pooled investments	672,261	-	-	-	-	1,231,641	1,903,902
Accounts receivables, net of allowance	2,874,935	4,400	-	-	-	332,972	3,212,307
Due from other governments and entities	1,911,077	-	279,082	-	-	2,176,999	4,367,158
Due from other funds	1,318,266	-	-	-	-	-	1,318,266
Prepays, deposits and other current assets	213,923	14,879	-	-	-	75,543	304,345
Restricted cash	7,000,000	-	-	5,897,344	-	-	12,897,344
Notes receivable	8,752,000	-	-	-	-	-	8,752,000
Total Assets	29,091,947	5,259,685	279,082	5,897,344	4,635,642	8,818,603	53,982,303
LIABILITIES							
Vouchers payable	950,881	431,087	93,188	-	25,741	544,761	2,045,658
Construction contracts payable	10,226	-	-	-	-	101,163	111,389
Accrued payroll and benefits	669,111	-	2,865	-	-	39,390	711,366
Due to other funds	-	-	115,268	-	-	1,202,998	1,318,266
Unearned revenues	11,998,321	-	-	-	-	1,229,230	13,227,551
Other liabilities and deposits	128,377	-	-	-	-	449,105	577,482
Total Liabilities	13,756,916	431,087	211,321	-	25,741	3,566,647	17,991,712
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - from other sources	2,685,156	-	38,924	-	-	1,440,090	4,164,170
Unavailable revenue from notes receivable	8,752,000	-	-	-	-	-	8,752,000
Total deferred inflows of resources	11,437,156	-	38,924	-	-	1,440,090	12,916,170
FUND BALANCES (DEFICITS)							
Non-spendable	213,923	14,879	-	-	-	75,543	304,345
Restricted	7,000,000	4,813,719	28,837	5,897,344	4,609,901	4,267,682	26,617,483
Assigned	-	-	-	-	-	591,002	591,002
Unassigned (deficit)	(3,316,048)	-	-	-	-	(1,122,361)	(4,438,409)
Total Fund Balances (Deficits)	3,897,875	4,828,598	28,837	5,897,344	4,609,901	3,811,866	23,074,421
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 29,091,947	\$ 5,259,685	\$ 279,082	\$ 5,897,344	\$ 4,635,642	\$ 8,818,603	\$ 53,982,303

See notes to basic financials statements.

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

Fund balance - total governmental funds		\$ 23,074,421
Amounts reported for governmental activities in the statement of net position (page 32) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		69,572,087
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.		
Other unavailable revenues	4,164,170	
Unavailable revenues relating to loans receivable	8,752,000	
		12,916,170
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Unamortized bond discount	334,868	
Bonds and loans payable	(10,570,000)	
Capital leases payable	(194,383)	
Compensated absences liability	(5,605,621)	
Landfill closure liability	(7,633,050)	
Claims payable	(435,864)	
Net pension liability	(35,478,600)	
Total other post-employment benefit (OPEB) liability	(12,289,883)	
		(71,872,533)
Accrued interest payable		(191,581)
Net deferred outflows (inflows) for pensions and OPEB which are not recognized under the modified accrual basis of accounting		2,807,733
Assets and liabilities of internal service funds are included in governmental activities statement of net position.		7,057,000
Net position of governmental activities		\$ 43,363,297

See notes to basic financials statements.

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

	General	CRA	C.D.B.G. Entitlement	Landfill Closure	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	\$ 21,110,185	\$ 6,778,441	\$ -	\$ -	\$ -	\$ -	\$ 27,888,626
Utility and communication taxes	4,812,381	-	-	-	-	-	4,812,381
Charges for services:							
Sanitation fees	3,431,794	-	-	-	-	-	3,431,794
Interfund charges	5,798,162	-	-	-	-	-	5,798,162
Other	3,641,866	-	-	-	-	111,953	3,753,819
Return on investment - utility	3,149,940	-	-	-	-	-	3,149,940
Franchise fees	3,877,296	-	-	-	-	29,395	3,906,691
Fines and forfeitures	532,329	-	-	-	-	-	532,329
Intergovernmental	8,994,680	-	1,253,286	-	9,677,259	7,575,304	27,500,529
Licenses and permits	931,898	-	-	-	-	2,506,393	3,438,291
Interest and other earnings	4,296,431	216,783	-	11,102	-	1,135,013	5,659,329
Rents and royalties	1,455,097	-	-	-	-	-	1,455,097
Total revenues	<u>62,032,059</u>	<u>6,995,224</u>	<u>1,253,286</u>	<u>11,102</u>	<u>9,677,259</u>	<u>11,358,058</u>	<u>91,326,988</u>
EXPENDITURES							
Current:							
General government	13,168,098	3,335,120	-	-	67,358	1,335,292	17,905,868
Public safety	31,650,571	-	-	-	-	2,178,806	33,829,377
Physical environment	4,324,747	-	-	10	-	1,632,136	5,956,893
Housing and social services	876,044	-	1,274,207	-	-	929,934	3,080,185
Culture and recreation	6,031,033	-	-	-	-	2,860,279	8,891,312
Community planning and development	1,334,266	2,375,507	-	-	-	115,190	3,824,963
Debt service:							
Principal retirement	144,348	-	-	-	-	950,000	1,094,348
Interest and fiscal charges	4,138	-	-	-	-	835,200	839,338
Capital outlay	112,395	-	24,987	-	-	2,006,091	2,143,473
Total expenditures	<u>57,645,640</u>	<u>5,710,627</u>	<u>1,299,194</u>	<u>10</u>	<u>67,358</u>	<u>12,842,928</u>	<u>77,565,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,386,419</u>	<u>1,284,597</u>	<u>(45,908)</u>	<u>11,092</u>	<u>9,609,901</u>	<u>(1,484,870)</u>	<u>13,761,231</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	966,241	-	-	-	-	-	966,241
Transfers in	5,000,000	-	-	-	-	1,785,200	6,785,200
Transfers out	(1,436,041)	-	-	-	(5,000,000)	(56,441)	(6,492,482)
Total other financing sources (uses)	<u>4,530,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000,000)</u>	<u>1,728,759</u>	<u>1,258,959</u>
Net change in fund balances (deficits)	8,916,619	1,284,597	(45,908)	11,092	4,609,901	243,889	15,020,190
Fund balances (deficits), beginning	(5,018,744)	3,544,001	74,745	5,886,252	-	3,567,977	8,054,231
Fund balances (deficits), ending	<u>\$ 3,897,875</u>	<u>\$ 4,828,598</u>	<u>\$ 28,837</u>	<u>\$ 5,897,344</u>	<u>\$ 4,609,901</u>	<u>\$ 3,811,866</u>	<u>\$ 23,074,421</u>

See notes to basic financials statements.

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

Net change in fund balances - total governmental funds	\$	15,020,190
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital assets	2,143,473	
Net effect of various transactions involving capital assets	1,121,774	
	3,265,247	
Less current year depreciation	(2,478,827)	786,420

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

Grant and other revenues		(1,641,664)
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Governmental funds do not report deferred outflows (inflows) related to pensions and OPEB. However, in the statement of activities, changes in these balances are recognized as adjustments to revenues and expenses.

(19,912,448)

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

Amortization of bond discount	(67,884)	
Principal paid on bonds, loans and capital leases	1,000,726	
Installment purchases	93,600	1,026,442

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

Compensated absences	2,713,560	
Landfill and closure cost	394,531	
Total OPEB liability	551,096	
Net pension liability	11,298,035	
Accrued interest on long term debt	17,219	14,974,441

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

(1,186,314)

Change in net position of governmental activities	\$	9,067,067
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CITY OF NORTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
			Total	Internal Service
	Water and Sewer	Stormwater	Enterprise Funds	Funds
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 20,830,551	\$ 35,108	\$ 20,865,659	\$ 9,688,496
Pooled investments	7,073,729	-	7,073,729	1,360,069
Accounts receivables, net of allowance	16,849,182	1,227,245	18,076,427	39,190
Grants receivables from other governments	-	-	-	8,541
Inventories and supplies	546,399	-	546,399	48,544
Prepays and deposits	62,089	405	62,494	107,272
Unamortized debt issuance - prepaid insurance	-	2,329	2,329	-
Total current assets	45,361,950	1,265,087	46,627,037	11,252,112
Non-current assets:				
Capital assets, net	41,365,240	8,233,276	49,598,516	3,396,795
Total non-current assets	41,365,240	8,233,276	49,598,516	3,396,795
Total assets	86,727,190	9,498,363	96,225,553	14,648,907
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on debt refunding	-	3,935	3,935	-
OPEB related items	194,823	31,369	226,192	35,262
Pension related items	2,948,507	366,501	3,315,008	855,652
Total deferred outflow of resources	3,143,330	401,805	3,545,135	890,914
LIABILITIES				
Current liabilities:				
Vouchers payable	4,353,137	13,195	4,366,332	178,634
Constructions contracts payable	137,457	-	137,457	2,023
Accrued payroll and benefits	82,230	20,495	102,725	33,289
Deposits and performance bonds	2,977,243	-	2,977,243	-
Compensated absences	268,829	33,986	302,815	100,708
Bonds, notes, leases payable	294,978	405,000	699,978	926,389
Total current liabilities	8,113,874	472,676	8,586,550	1,241,043
Non-current liabilities:				
Compensated absences	565,882	11,764	577,646	298,888
Bonds, notes and lease payable	4,775,351	20,510	4,795,861	314,631
Claims payable	-	-	-	4,352,779
Net pension liability	4,434,884	765,094	5,199,978	1,309,233
Total OPEB liability	1,722,774	286,517	2,009,291	367,202
Total non-current liabilities	11,498,891	1,083,885	12,582,776	6,642,733
Total liabilities	19,612,765	1,556,561	21,169,326	7,883,776
DEFERRED INFLOWS OF RESOURCES				
OPEB related items	310,550	47,382	357,932	60,402
Pension related items	1,660,142	276,276	1,936,418	538,643
Total deferred inflows of resources	1,970,692	323,658	2,294,350	599,045
NET POSITION				
Net investment in capital assets	36,157,454	7,814,030	43,971,484	2,153,752
Unrestricted	32,129,609	205,919	32,335,528	4,903,248
Total net position	\$ 68,287,063	\$ 8,019,949	\$ 76,307,012	\$ 7,057,000

See notes to basic financials statements.

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

	Business-type Activities - Enterprise Funds			Governmental Activities
			Total	
	Water and Sewer	Stormwater	Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for water	\$ 15,067,273	\$ -	\$ 15,067,273	\$ -
Sanitary sewer fees	16,902,558	-	16,902,558	-
Stormwater charges	-	2,429,775	2,429,775	-
Premiums and charges for services provided to other funds	-	-	-	5,131,518
Other revenues	194,849	-	194,849	136,705
Total operating revenues	<u>32,164,680</u>	<u>2,429,775</u>	<u>34,594,455</u>	<u>5,268,223</u>
OPERATING EXPENSES				
Personnel services	4,770,064	721,281	5,491,345	1,394,272
Wholesale water cost and sewage disposal	15,557,720	-	15,557,720	-
Materials, supplies, services and other operating expenses	11,312,233	1,803,150	13,115,383	2,196,874
Claims cost	-	-	-	1,819,525
Depreciation	2,442,542	422,880	2,865,422	1,015,527
Total operating expenses	<u>34,082,559</u>	<u>2,947,311</u>	<u>37,029,870</u>	<u>6,426,198</u>
Operating income (loss)	<u>(1,917,879)</u>	<u>(517,536)</u>	<u>(2,435,415)</u>	<u>(1,157,975)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	59,137	-	59,137	2,104
Gain from sale of capital assets	56,750	27,277	84,027	71,170
Other non-operating revenues	-	20,518	20,518	-
Interest expense	(117,235)	(36,913)	(154,148)	(48,537)
Total non-operating revenues (expenses)	<u>(1,348)</u>	<u>10,882</u>	<u>9,534</u>	<u>24,737</u>
Income before transfers	<u>(1,919,227)</u>	<u>(506,654)</u>	<u>(2,425,881)</u>	<u>(1,133,238)</u>
TRANSFERS				
Transfers out	(213,933)	(25,709)	(239,642)	(53,076)
Total transfers out	<u>(213,933)</u>	<u>(25,709)</u>	<u>(239,642)</u>	<u>(53,076)</u>
Change in net position	(2,133,160)	(532,363)	(2,665,523)	(1,186,314)
Net position - beginning	<u>70,420,223</u>	<u>8,552,312</u>	<u>78,972,535</u>	<u>8,243,314</u>
Net position - ending	<u>\$ 68,287,063</u>	<u>\$ 8,019,949</u>	<u>\$ 76,307,012</u>	<u>\$ 7,057,000</u>

See notes to basic financials statements.

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

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Stormwater Utility	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 31,969,831	\$ 2,429,775	\$ 34,399,606	\$ -
Cash receipts from other funds for premiums and charges for services	-	-	-	5,131,518
Other cash receipts	194,849	-	194,849	136,705
Payments to employees	(4,770,064)	(721,281)	(5,491,345)	(1,394,272)
Payments for wholesale water & sewer	(15,557,720)	-	(15,557,720)	-
Payments to suppliers	(9,063,244)	(979,564)	(10,042,808)	(2,218,305)
Payments for claims	-	-	-	(696,098)
Payments for interfund services	(4,621,675)	(12,896)	(4,634,571)	-
Net cash (used in) provided by operating activities	(1,848,023)	716,034	(1,131,989)	959,548
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other revenues	-	20,518	20,518	-
Advances to /(from) other funds	4,401,295	148,699	4,549,994	-
Transfers out	(213,933)	(25,709)	(239,642)	(53,076)
Net cash provided by (used in) noncapital financing activities	4,187,362	143,508	4,330,870	(53,076)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on bonds, notes and capital leases	(262,628)	(395,000)	(657,628)	(926,371)
Interest paid on bonds, notes and capital leases	(117,235)	(36,913)	(154,148)	(48,537)
Proceeds from sale of capital assets	56,750	27,277	84,027	71,170
Acquisition and construction of capital assets	(1,578,909)	(419,798)	(1,998,707)	(74,150)
Net cash used in capital and related financing activities	(1,902,022)	(824,434)	(2,726,456)	(977,888)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(9,639)	-	(9,639)	(2,104)
Interest earnings	59,137	-	59,137	2,104
Net cash provided by investing activities	49,498	-	49,498	-
Net increase (decrease) in pooled cash and cash equivalents	486,815	35,108	521,923	(71,416)
Pooled cash and cash equivalents, beginning	20,343,736	-	20,343,736	9,759,912
Pooled cash and cash equivalents, ending	\$ 20,830,551	\$ 35,108	\$ 20,865,659	\$ 9,688,496
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,917,879)	\$ (517,536)	\$ (2,435,415)	\$ (1,157,975)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation expense	2,442,542	422,880	2,865,422	1,015,527
Changes in assets and liabilities, deferred inflows and outflows of resources:				
(Increase) decrease in accounts receivable	(1,732,111)	94,631	(1,637,480)	(23,335)
Decrease (increase) in grants receivable from other governments	30,007	646,750	676,757	(311)
Decrease in inventories and supplies	70,021	-	70,021	9,187
Decrease (increase) in prepaids and deposits	-	2,328	2,328	(17,775)
Decrease in deferred outflows of resources	834,011	135,762	969,773	303,563
Increase (decrease) in vouchers payable	(793,145)	9,460	(783,685)	25,504
Decrease in constructions contracts payable	(200,642)	-	(200,642)	-
Decrease in accrued payroll and benefits	(21,257)	(4,729)	(25,986)	(7,987)
Increase in deposits and performance bonds	39,278	-	39,278	-
Decrease in compensated absences	(340,886)	(32,739)	(373,625)	(127,602)
Increase in claims payable	-	-	-	1,032,288
Decrease in other post-employment benefits obligation	(17,213)	(2,694)	(19,907)	(19,573)
Decrease in net pension liability	(766,034)	(121,161)	(887,195)	(284,710)
Increase in deferred inflows of resources	525,285	83,082	608,367	212,747
Net cash (used in) provided by operating activities	\$ (1,848,023)	\$ 716,034	\$ (1,131,989)	\$ 959,548
Non-cash investing, capital and financing activities:				
Amortization of deferred amounts	\$ -	\$ (20,510)	\$ (20,510)	\$ -
Capital lease financing	-	-	-	1,202,447
Total non-cash investing, capital and financing activities:	\$ -	\$ (20,510)	\$ (20,510)	\$ 1,202,447

See notes to basic financials statements.

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

	Pension Trust Funds
	<hr/>
ASSETS	
Cash	\$ 1,458,809
Investments:	
Short-term investments	9,347,859
U.S. treasuries	13,816,678
U.S. agency obligations	11,358,801
Corporate bonds	5,570,090
Equity mutual funds	35,085,674
Common stock and mutual funds	65,425,555
Real estate funds	42,644,614
Bond index fund	24,055,758
Index funds (collective investment trust funds)	65,143,258
Total investments	<hr/> 272,448,287 <hr/>
Receivables:	
Plan members' contributions	28,181
CNM Share Plan	42,972
Receivable from broker on investments sold	40,577
Accrued interest	78,964
Accrued dividends	29,555
Total receivables	<hr/> 220,249 <hr/>
Total assets	<hr/> 274,127,345 <hr/>
LIABILITIES	
Accounts payable	12,688
Payable to broker for investments purchased	1,555,439
Benefits payable	318,766
Total liabilities	<hr/> 1,886,893 <hr/>
NET POSITION	
Net position restricted for pension benefits	<hr/> \$ 272,240,452 <hr/>

See notes to basic financials statements.

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

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 8,169,240
Plan members	1,646,553
County	5,951
Other	188,834
Total contributions	<u>10,010,578</u>
Investment income:	
Net appreciation in fair value of investments	51,715,721
Interest	532,189
Dividends	1,343,023
Gross investment income	<u>53,590,933</u>
Less investment expenses	(840,510)
Net investment income	<u>52,750,423</u>
Total additions	<u>62,761,001</u>
DEDUCTIONS	
Benefits paid directly to Plan members:	
Normal retirement	12,886,180
Disability retirement	376,284
Death benefit	37,708
Lump sum retirement	2,608,301
Refund of contributions	159,684
Total benefits paid	<u>16,068,157</u>
Administrative expenses	717,216
Total deductions	<u>16,785,373</u>
Increase in net position	45,975,628
Net position restricted for pension benefits - beginning	<u>226,264,824</u>
Net position restricted for pension benefits - ending	<u><u>\$ 272,240,452</u></u>

See notes to basic financials statements.



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Notes to Basic Financial Statements



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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Financial Reporting Entity

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

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

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements, when applicable, to emphasize that they are legally separate from the City. The financial balances and activities for each blended and discretely presented component unit are as of and for the year ended September 30, 2021.

Blended Component Units

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Discretely Presented Component Unit

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

Related Entity

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the City and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on user fees and charges to recover their costs and for capital renewal.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include:

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, pension, postemployment benefits other than pensions, and landfill closure cost are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major proprietary funds:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Additionally, the City reports the following fund types:

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

Resources of all funds, with the exception of the pension trust funds and certain other cash and investment accounts, which are maintained in accordance with legal requirements, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated based upon equity balances of the respective funds. The average interest rate earned on investments was approximately .79% for fiscal year 2021.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Investments

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

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

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Interfund Receivables, Payables and Transfers

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

3. Receivables

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

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

4. Inventories and Prepaids

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

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

5. Capital Assets

Capital assets, which include land, buildings, machinery, equipment and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks, and similar items) are reported at cost or estimated historical cost in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at their acquisition value at the date of donation. The City's capitalization thresholds are: \$1,000 for equipment and \$5,000 each for land buildings, and infrastructure items. The City's capitalization threshold for intangible assets is

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

\$30,000 for software and \$75,000 for easements. The costs of normal maintenance and repairs that do not increase the capacity or efficiency of the asset or materially extend asset lives beyond one year are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

6. Use of Estimates

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

7. Deferred Outflows/Inflows of Resources and Unearned Revenues

Deferred Outflows and Inflows of Resources

The Statement of Net Position also includes a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will be recognized as expenses in the future period to which it applies. The City currently reports deferred outflows related to debt refunding, pensions and other post-employment benefits (OPEB) in this category. The deferred outflow relating to debt includes the difference between the carrying value of refunded debt and its reacquisition price. New sources were used for the refunding. This amount is being deferred and amortized over the life of the refunding debt. The deferred outflows related to pensions and OPEB are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, respectively. These will be recognized as either pension/OPEB expense or a reduction in the net pension/OPEB liability, respectively, in future

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

reporting years. Details on the composition of deferred outflows related to pensions and OPEB are reported in subsequent notes.

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

Unearned Revenues

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

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

	Deferred Outflows	Deferred Inflows	Unearned Revenues
<u>Governmental Activities</u>			
Grant funds received in advance	\$ -	\$ -	\$ 1,229,230
Rent received in advance	-	-	11,998,321
OPEB	1,549,614	2,535,094	-
Pensions	21,887,774	17,802,691	-
Total governmental activities	<u>\$ 23,437,388</u>	<u>\$ 20,337,785</u>	<u>\$ 13,227,551</u>
<u>Business-type Activities</u>			
Loss on debt refunding	\$ 3,935	\$ -	
OPEB	226,192	357,932	
Pensions	3,315,008	1,936,418	
Total business-type activities	<u>\$ 3,545,135</u>	<u>\$ 2,294,350</u>	

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Compensated Absences

It is the City's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, due to employee resignation or retirement. The estimated liability is measured using rates in effect at the balance sheet date; benefits are computed at current salary rates at the time of payment. Upon separation from City service, vacation leave is paid at 100% and sick leave is paid at 25% to 100% depending on years of service. The General Fund has primarily been used in prior years to liquidate the liability for compensated absences of governmental funds.

9. Other post-employment benefits (OPEB)

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

10. Pensions

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

11. Long-Term Debt

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the old debt on refunded debt transactions is deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing

sources while discounts on debt issuances are reported as other financing use. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Net Position and Fund Balance

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

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

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City's restricted fund balances are for the following purposes:

Landfill closure \$5,897,344; housing and other community development \$705,283; public safety projects \$547,787; developer impact fees \$848,090; City transportation programs \$731,326; capital projects \$7,000,000; other purposes \$9,682,757.

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

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

\$1,189,682 funding for MOCA activities and \$23,149 to fund on-going project for the Arch Creek Bridge project.

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

The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. Accordingly, in addition to the General Fund negative unassigned fund balance of (\$3,263,548), and the nonmajor governmental funds reported a total negative unassigned fund balance of (\$554,508).

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Impact of Recently Issued Accounting Pronouncements

Issued and Adopted Accounting Pronouncements

For the year ended September 30, 2021, the City adopted the following statements of financial accounting standards issued by the GASB:

Accounting Standards Adopted

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

GASB Statement No. 84, *Fiduciary Activities*, was issued January 2017. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption resulted in no financial reporting impact for the City.

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

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was issued June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The adoption resulted in no financial reporting impact for the City.

GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this Statement will be effective for the City beginning with its year ended September 30, 2021. The adoption resulted in no additional financial reporting impact for the City.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Adopted

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

- GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022.
- GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023.
- GASB Statement No. 92, *Omnibus 2020*, was issued January 2020. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. This statement addresses accounting and financial reporting implications that result from the replacement of a LIBOR. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued June 2020. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits – Excluding Pension Trust Funds

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

Investments – Excluding Pension Trust Funds

The State Board Administration (SBA) administers the Florida PRIME which is governed by Ch. 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is a money market funds recorded at amortized cost.

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

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

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

As of September 30, 2021, the City's deposit and investment balances, including balances for the City's blended component unit, were as follows:

<u>Investment Type</u>	<u>Balance</u>
Pooled Cash and Investments:	
SBA (State Investment Pool):	
Florida PRIME	\$ 6,765,372
Certificates of deposit	2,340,687
Cash	45,985,169
Total pooled cash and investments	<u>55,091,228</u>
Non-Pooled Cash:	
North Miami CRA	5,240,406
MOCA	1,737,016
Cash in escrow	7,000,000
Cash	5,947,530
	<u>19,924,952</u>
Total Cash and Investments	<u>\$ 75,016,180</u>

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

	<u>Fair Value Measurements Using</u>	
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Investments by fair value level		
Certificates of Deposit:		
First Horizon (Formerly Iberia Bank)	\$ 1,500,000	\$ 1,500,000
Truist (Formerly Suntrust Bank)	840,687	840,687
Total Investments by Fair Value	<u>\$ 2,340,687</u>	<u>\$ 2,340,687</u>

Investments in the SBA Florida PRIME totaling \$6,765,372 are recorded at amortized cost.

Interest Rate Risk

The City has an investment policy that limits the maturities on individual investments to no more than five years. The investments at September 30, 2021, meet the City's investment policy restrictions.

Credit Risk

The City has an investment policy that limits investments to the highest ratings by two nationally recognized statistical rating organizations (NRSRO) Standard and Poor's and Moody's Investment Services. Excess funds are invested with the SBA Florida PRIME which is rated AAAM by Standard and Poor's. The City's investments in certificate of deposit of \$2,340,687 are not rated.

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

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

Concentration Credit Risk

The City's investment policy limits its investments to no more than 15% in any one issuer. This includes certificates of deposit, U.S. Federal Agencies, and federal instrumentalities. The maximum limit for total investments varies from 35% to 60% by type. The City does not have an issuers limit for the SBA Trust Funds. GASB 40 requires disclosure when 5% or more of any investment is held in any one issuer. More than 5 percent of the City's investments are in certificates of deposits. These investments are 25.7% of the City's total investments.

Custodial Credit Risk

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

Risks and Uncertainties

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

Investments – Pension Trust Funds

The City's Pension Trust Funds are Clair T. Singerman ("CTS") Retirement System and the North Miami Police Pension Plan ("NMPP"). As of September 30, 2021, the City's Pension Trust Funds had the following combined investments:

Combined Investments - CTS Retirement System and NMPP Plan					
	Investment Maturities (In Years)				
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10 or More Years
U.S. Treasuries	\$ 13,816,678	\$ 1,189,972	\$ 7,665,288	\$ 4,961,418	\$ -
U.S. Agency Obligations	11,358,801	844,887	-	-	10,513,914
Corporate bonds	5,570,090	2,009,660	777,641	2,782,789	-
Bond index funds	24,055,758	-	-	-	24,055,758
Total	<u>\$ 54,801,327</u>	<u>\$ 4,044,519</u>	<u>\$ 8,442,929</u>	<u>\$ 7,744,207</u>	<u>\$ 34,569,672</u>

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

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

Clair T. Singerman (CTS) Retirement System

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

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

Investment Maturity

Neither State law, nor the CTS Retirement System investment policy limit maturity term on fixed income holdings. As of September 30, 2021, the following table shows the distribution of the CTS Retirement System's investments by maturity:

	Investments - CTS Retirement System				
	Investment Maturities (In Years)				
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10 or More Years
U.S. Treasuries	\$ 7,529,110	\$ 634,985	\$ 4,393,491	\$ 2,500,634	\$ -
U.S. Agency Obligations	5,611,687	239,970	-	-	5,371,717
Corporate bonds	3,160,714	1,413,257	332,268	1,415,189	-
Bond index funds	19,012,750	-	-	-	19,012,750
Total	<u>\$ 35,314,261</u>	<u>\$ 2,288,212</u>	<u>\$ 4,725,759</u>	<u>\$ 3,915,823</u>	<u>\$ 24,384,467</u>

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

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

Interest Rate Risk

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

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 8.02%. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The CTS Retirement System's investment policy utilizes portfolio diversification in order to control this risk.

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

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

Concentration of Credit Risk

The CTS Retirement System's investment policy stipulates that not more than 5% of its assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2021, the value of each position held by the Plan portfolio comprised less than 5% of fiduciary net position and less than 5% of the value of the outstanding capital stock of any company. GASB 40 requires disclosure when 5% or more in any investment is held with any one

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

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

issuer. The CTS Retirement System does not have more than 5% of their investment in any one issuer.

Custodial Credit Risk

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

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

Fair Value

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

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

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

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

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

Money market funds are reported at amortized cost.

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

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

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

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

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

CTS Retirement System investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2021:

		CTS Retirement System	
		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
		9/30/2021	
Investments by Fair Value Level			
Debt securities:			
U.S. Treasury	\$ 7,529,110	\$ 7,529,110	\$ -
U.S. Agencies	5,611,687	-	5,611,687
Corporate bonds	3,160,714	-	3,160,714
Total Debt Securities	16,301,511	7,529,110	8,772,401
Equity securities:			
Common stock	39,368,008	39,368,008	-
Equity mutual fund	21,594,162	21,594,162	-
Total Equity Securities	60,962,170	60,962,170	-
Total Investments by Fair Value	\$ 77,263,681	\$ 68,491,280	\$ 8,772,401
Investments Measured at Net Asset Value (NAV)*			
Real estate funds	\$ 24,732,058		
Collective investment trust funds:			
Bond index fund	19,012,750		
Equity securities index fund	40,559,975		
Total investments measured at NAV	84,304,783		
Money market funds (exempt)	5,771,308		
Total Investments	\$ 167,339,772		

* As required by GAAP, certain investments measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

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

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

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

CTS Retirement System				
Investments Measured at NAV	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Day)
Real estate funds ¹	\$ 24,732,058			
Collective investment trust funds:		\$ -	Daily	10 - 90
Bond index fund ²	19,012,750	-	-	-
Equity securities index fund ²	40,559,975	-	Daily	1
Total investments measured at NAV	<u>\$ 84,304,783</u>	<u>\$ -</u>		

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

North Miami Police Pension Plan

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

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

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

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

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

Investment Maturity

Neither state law nor the NMPP Plan investment policy limits maturity term on fixed income holdings. As of September 30, 2021, the following table shows the distribution of the NMPP Plan's investments, by maturity:

Investments - NMPP Plan					
Investment Maturities (In Years)					
	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10 or More Years
U.S. Treasuries	\$ 6,287,568	\$ 554,987	\$ 3,271,797	\$ 2,460,784	\$ -
U.S. Agency Obligations	5,747,114	604,917	-	-	5,142,197
Corporate bonds	2,409,376	596,403	445,373	1,367,600	-
Bond index funds	5,043,008	-	-	-	5,043,008
Total	<u>\$ 19,487,066</u>	<u>\$ 1,756,307</u>	<u>\$ 3,717,170</u>	<u>\$ 3,828,384</u>	<u>\$ 10,185,205</u>

Interest Rate Risk

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

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 0.58%. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Credit Risk

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

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

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

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

Concentration of Credit Risk

The NMPP Plan's investment policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2021, the value of each position held by the NMPP Plan portfolio comprised less than 5% of fiduciary net position and less than 5% of the value of the outstanding capital stock of the respective company. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. The plan does not have more than 5% of their investment in any one issuer.

Custodial Credit Risk

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

Fair Value

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

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

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

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

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

Money market funds are reported at amortized cost.

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

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

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

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

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

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

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

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

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

Plan investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2021:

	9/30/2021	NMPP Plan	
		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt securities:			
U.S. Treasury	\$ 6,287,568	\$ 6,287,568	\$ -
U.S. Agencies	5,747,114	-	5,747,114
Corporate bonds	2,409,376	-	2,409,376
Total Debt Securities	14,444,058	6,287,568	8,156,490
Equity securities:			
Common stock	26,057,547	26,057,547	-
Equity mutual fund	13,491,512	13,491,512	-
Total Equity Securities	39,549,059	39,549,059	-
Total Investments by Fair Value	53,993,117	\$ 45,836,627	\$ 8,156,490
Investments Measured at Net Asset Value (NAV)*			
Real estate funds	\$ 17,912,556		
Collective investment trust fund:			
Bond index fund	5,043,008		
Equity securities index funds	24,583,283		
Total investments measured at NAV	47,538,847		
Money market funds (exempt)	3,576,551		
Total Investments	\$ 105,108,515		

* As required by GAAP, certain investments measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

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

North Miami Police Pension				
Investments Measured at NAV	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Day)
Real estate funds ¹	\$ 17,912,556	\$ -	Daily	10 - 90
Collective investment trust fund				
Bond index fund ²	5,043,008	-	Daily	1
Equity securities ²	24,583,283	-	Daily	1
Total investments measured at NAV	<u>\$ 47,538,847</u>			

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

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

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

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

NOTE 3. RECEIVABLES

Receivables as of September 30, 2021, for the City's individual major funds and nonmajor funds, in the aggregate, net of the allowances for uncollectable accounts, are as follows:

	General	CDBG Entitlement	CRA	Nonmajor Governmental	Water and Sewer	Stormwater	Internal Service Funds	Total
Receivables:								
Customer accounts	\$ 2,316,732	\$ -	\$ -	\$ -	\$ 19,861,207	\$ 1,452,311	\$ -	\$ 23,630,250
Due from component unit	217,761	-	-	-	-	-	-	217,761
Other - liens interest	3,691,195	-	-	-	579,831	-	-	4,271,026
Miscellaneous - receivable	860,564	-	4,400	-	634	-	39,190	904,788
Intergovernmental	1,911,077	279,082	-	2,509,971	-	-	8,541	4,708,671
Gross receivables	8,997,329	279,082	4,400	2,509,971	20,441,672	1,452,311	47,731	33,732,496
Less allowance for uncollectables	(4,211,317)	-	-	-	(3,592,490)	(225,066)	-	(8,028,873)
Total net receivables	\$ 4,786,012	\$ 279,082	\$ 4,400	\$ 2,509,971	\$ 16,849,182	\$ 1,227,245	\$ 47,731	\$ 25,703,623

Notes Receivable - Oleta Partners

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

The future minimum receipts are as follows:

Fiscal year ending	Note 1		Note 2		Total	
September 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 934,714	\$ 130,859	\$ 815,686	\$ 114,196	\$ 1,750,400	\$ 245,055
2023	934,714	98,145	815,686	85,647	1,750,400	183,792
2024	934,714	65,430	815,686	57,098	1,750,400	122,528
2025	934,714	32,715	815,686	28,549	1,750,400	61,264
2026	934,714	-	815,686	-	1,750,400	-
	<u>\$ 4,673,570</u>	<u>\$ 327,149</u>	<u>\$ 4,078,430</u>	<u>\$ 285,490</u>	<u>\$ 8,752,000</u>	<u>\$ 612,639</u>

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

NOTE 3. RECEIVABLES (Continued)

Mortgage Loans Receivable - Housing Urban Development (HUD)

The City provides subsidy assistance to certain qualified residents of the City through the Home Purchase Subsidy Assistance Program in accordance with HUD guidelines. The Program was designed to assist in the acquisition and/or rehabilitation of qualified primary residences, in an amount not to exceed \$50,000 per participant. Each subsidy is secured by a mortgage on the property, which is required to be paid back in the event of a default. The amount outstanding at September 30, 2021, totaled \$1,989,736. The loans are forgivable ratably over a ten-year period and have therefore been allowed for as of fiscal year end.

NOTE 4. PROPERTY TAXES

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

The total taxable value of property, as established by the Miami-Dade County Property Appraiser, at July 1, 2021, upon which the 2021 budget was based, was approximately \$3.7 billion. The City is permitted by Article 7, Section 9 of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed value for general governmental services other than the payment of principal and interest on general obligation long-term debt. For the year ended September 30, 2021, the tax rate to finance General Fund operations was 7.5000 mills per \$1,000 of assessed value. Property taxes receivable representing collections within 60 days subsequent to September 30 for billings through the fiscal year then ended amounted to approximately \$255,000 for the General Fund.

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

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from and advances to/from other funds consisted of the following balances at September 30, 2021:

Funds	Interfund	
	Receivable	Payable
General Fund	\$ 1,318,266	\$ -
C.D.B.G. Entitlement Fund	-	115,268
Non-major Funds:		
FEMA Disaster Recovery	-	251,531
Other nonmajor funds	-	951,467
Total non-major funds	-	1,202,998
Total	<u>\$ 1,318,266</u>	<u>\$ 1,318,266</u>

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

Interfund Transfers

Interfund transfers for the year ended September 30, 2021, consisted of the following:

Transfers out	Transfers in		
		Debt Service	
Funds	General Fund	Nonmajor Fund	Total
General	\$ -	\$ 1,436,041	\$ 1,436,041
American Rescue Plan Act	5,000,000	-	5,000,000
Building	-	48,862	48,862
Half-cent Transportation Surtax	-	7,579	7,579
Water and sewer	-	213,933	213,933
Stormwater utility	-	25,709	25,709
Internal service	-	53,076	53,076
Total	<u>\$ 5,000,000</u>	<u>\$ 1,785,200</u>	<u>\$ 6,785,200</u>

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

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

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	(1) Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 19,009,371	\$ -	\$ -	\$ -	\$ 19,009,371
Construction in progress	396,793	2,154,639		(302,455)	2,248,977
Total capital assets not being depreciated	19,406,164	2,154,639	-	(302,455)	21,258,348
Capital assets, being depreciated:					
Land improvements	19,549,528	-	-	-	19,549,528
Building and improvements	26,117,959	79,450	(62,371)	17,823	26,152,861
Infrastructure	61,613,430	282,022	(2,053)	284,632	62,178,031
Machinery and equipment	22,568,995	1,481,038	(2,967,864)	-	21,082,169
Library Books	2,413,171	27,739	(1,500)	-	2,439,410
Total capital assets being depreciated	132,263,083	1,870,249	(3,033,788)	302,455	131,401,999
Less accumulated depreciation for:					
Land improvements	(14,438,492)	(362,210)	-	-	(14,800,702)
Building and improvements	(12,451,235)	(457,758)	893	-	(12,908,100)
Infrastructure	(31,458,731)	(1,195,993)	2,053	-	(32,652,671)
Machinery and equipment	(18,168,467)	(1,418,955)	2,569,800	-	(17,017,622)
Library Books	(2,254,432)	(59,438)	1,500	-	(2,312,370)
Total accumulated depreciation	(78,771,357)	(3,494,354)	2,574,246	-	(79,691,465)
Total capital assets being depreciated, net	53,491,726	(1,624,105)	(459,542)	302,455	51,710,534
Governmental activities capital assets, net	\$ 72,897,890	\$ 530,534	\$ (459,542) ⁽²⁾	\$ -	\$ 72,968,882

(1) Increases in construction in progress and building and improvements include approximately \$570,000 donations from the CRA.

(2) No accumulated depreciation was being recorded for some assets that were duplicated and written off in the current year.

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

NOTE 6. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 653,080	\$ -	\$ -	\$ -	\$ 653,080
Construction in progress	961,865	716,652	-	(1,172,069)	506,448
Total capital assets not being depreciated	<u>1,614,945</u>	<u>716,652</u>	<u>-</u>	<u>(1,172,069)</u>	<u>1,159,528</u>
Capital assets, being depreciated:					
Land improvements	1,249,069	-	-	-	1,249,069
Building and improvements	2,522,999	-	-	-	2,522,999
Infrastructure	90,901,211	1,172,889	(378,092)	1,172,069	92,868,077
Machinery and equipment	7,006,228	18,398	-	-	7,024,626
Total capital assets being depreciated	<u>101,679,507</u>	<u>1,191,287</u>	<u>(378,092)</u>	<u>1,172,069</u>	<u>103,664,771</u>
Less accumulated depreciation for:					
Land improvements	(138,806)	(3,701)	-	-	(142,507)
Building and improvements	(1,038,840)	(75,918)	-	-	(1,114,758)
Infrastructure	(45,722,785)	(2,393,552)	16,126	-	(48,100,211)
Machinery and equipment	(5,476,056)	(392,251)	-	-	(5,868,307)
Total accumulated depreciation	<u>(52,376,487)</u>	<u>(2,865,422)</u>	<u>16,126</u>	<u>-</u>	<u>(55,225,783)</u>
Total capital assets being depreciated, net	<u>49,303,020</u>	<u>(1,674,135)</u>	<u>(361,966)</u>	<u>1,172,069</u>	<u>48,438,988</u>
Business-type activities capital assets, net	<u>\$ 50,917,965</u>	<u>\$ (957,483)</u>	<u>\$ (361,966) (1)</u>	<u>\$ -</u>	<u>\$ 49,598,516</u>

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

Governmental activities:	
General government	\$ 628,928
Public safety	274,365
Transportation and public works	879,713
Culture and recreation	669,152
Physical environment	24,377
Housing and urban development	2,292
Subtotal	<u>2,478,827</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	<u>1,015,527</u>
Total depreciation expense – governmental activities	<u>\$ 3,494,354</u>
Business-type activities:	
Water and sewer	\$ 2,442,542
Stormwater	422,880
Total depreciation expense – business-type activities	<u>\$ 2,865,422</u>

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

NOTE 7. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of changes in long-term liabilities for governmental activities for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Debt payable:					
Pension obligation note-Series 2010 - direct borrowing	\$ 11,520,000	\$ -	\$ (950,000)	\$ 10,570,000	\$ 1,020,000
Unamortized bond discount	(402,752)	-	67,884	(334,868)	-
Capital lease obligation	1,210,053	1,202,447	(977,097)	1,435,403	359,504
Total debt payable	<u>12,327,301</u>	<u>1,202,447</u>	<u>(1,859,213)</u>	<u>11,670,535</u>	<u>1,379,504</u>
Other liabilities:					
Compensated absences	8,879,518	-	(2,874,301)	6,005,217	2,633,903
Landfill closure	8,027,581	-	(394,531)	7,633,050	-
Total OPEB liability	13,227,754	-	(570,671)	12,657,083	-
Net pension liability	35,495,289	-	(3,027,207)	32,468,082	-
Net pension liability - FRS	12,875,289	-	(8,555,536)	4,319,753	-
Purchase installment liability	93,600	-	(93,600)	-	-
Claims payable (risk)	3,280,045	1,072,734	-	4,352,779	-
Claims payable (other)	435,864	-	-	435,864	-
Total other liabilities	<u>82,314,940</u>	<u>1,072,734</u>	<u>(15,515,846)</u>	<u>67,871,828</u>	<u>2,633,903</u>
Governmental activities - long-term liabilities	<u>\$ 94,642,241</u>	<u>\$ 2,275,181</u>	<u>\$ (17,375,059)</u>	<u>\$ 79,542,363</u>	<u>\$ 4,013,407</u>

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

Note Payable

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

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

The Promissory Note agreement also includes the following additional information:

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

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

Fiscal years ending September 30:	Principal	Interest	Total
2022	\$ 1,020,000	\$ 939,419	\$ 1,959,419
2023	1,095,000	845,622	1,940,622
2024	1,175,000	744,938	1,919,938
2025	1,260,000	636,913	1,896,913
2026	1,350,000	521,094	1,871,094
2027-2029	4,670,000	781,278	5,451,278
Total	<u>\$ 10,570,000</u>	<u>\$ 4,469,264</u>	<u>\$ 15,039,264</u>

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

Business-type Activities

The following is a summary of changes in long-term liabilities of the City for business-type activities for the year ended September 30, 2021:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Business-type Activities					
Debt payable:					
FMLC Series 2016 Refunding (stormwater) - direct borrowing	\$ 800,000	\$ -	\$ (395,000)	\$ 405,000	\$ 405,000
Unamortized bond premiums	41,020	-	(20,510)	20,510	-
State Revolving Fund Loans - direct borrowings	5,332,957	-	(262,628)	5,070,329	294,978
Total debt payable	<u>6,173,977</u>	<u>-</u>	<u>(678,138)</u>	<u>5,495,839</u>	<u>699,978</u>
Other liabilities:					
Compensated absences	1,254,086	-	(373,625)	880,461	302,815
Total OPEB Liability	2,100,511	-	(91,221)	2,009,290	-
Net Pension Liability	4,620,082	-	(231,874)	4,388,208	-
Net Pension Liability - FRS	1,467,091	-	(655,320)	811,771	-
Total other liabilities	<u>9,441,770</u>	<u>-</u>	<u>(1,352,040)</u>	<u>8,089,730</u>	<u>302,815</u>
Business-type activities - long-term liabilities	<u>\$ 15,615,747</u>	<u>\$ -</u>	<u>\$ (2,030,178)</u>	<u>\$ 13,585,569</u>	<u>\$ 1,002,793</u>

Loans Payable

Stormwater Utility Loan

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

The loan agreement also includes the following additional information:

- The City is required to provide an annual Continuing Disclosure Certificate along with the annual audited financial statements, no later than the June 30th, following the end of each fiscal year. Failure to provide the reports can affect the City's bond ratings.
- Events of Default: Default in the payment of principal or interest when due; default in the performance of any part of the agreement; and/or any petition to declare bankruptcy.
- Remedies for an Event of Default include, but are not limited to, the approval of the Bond Insurer for the Trustee to pursue any available remedy allowed by law to enforce the payment of principal and interest.

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

Debt Service Requirements to Maturity

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

FMLC Loan - 2016	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 405,000	\$ 16,200	\$ 421,200
Total	<u>\$ 405,000</u>	<u>\$ 16,200</u>	<u>\$ 421,200</u>

State Revolving Fund Loans

Clean Water State Revolving Fund Loan – WW-131810

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

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

The purpose of the loan was to provide financial assistance for the planning and designing of the City’s sewer rehabilitation project. As of September 30, 2021, the total loan amount disbursed and outstanding was \$2,461,225.

The loan agreement also includes the following additional information:

- Annual certification indicating that pledged revenue collections satisfy the rate coverage requirement; monthly escrow or loan debt service account is being maintained for the repayment of the loan; insurance which adequately covers customary risks. The certification must be submitted with the annual audit report.
- Event of Default: Failure to make any monthly loan deposit or installment of the semiannual loan payment when due and such failure continues for 30 days; failure to perform of any part of the agreement; any bankruptcy, insolvency or other similar proceedings instituted against the City.
- Remedies for an Event of Default include, but are not limited to requiring the City to account for all moneys received from the Department and to account for the receipt, use and application or disposition of the Pledged Revenues; apply to the court to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges and apply the revenues to reduce the

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

obligations under the agreement; the Department may intercept the delinquent amount plus a penalty from the unobligated funds due to the City under any revenue or tax sharing fund established by the State; the Department may also impose a penalty not to exceed 18% interest in addition to charging cost to handle and process the debt; notify financial market credit rating agencies and potential creditors; accelerating the repayment schedule or increasing the financing rate on the unpaid principal as much as 1.667 times the financing rate.

Drinking Water State Revolving Fund Loan – DW-131831

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

The purpose of the loan was to provide assistance for the City’s water treatment filters rehabilitation project. As of September 30, 2021, the total loan amount disbursed and outstanding was \$2,927,692.

The loan agreement also includes the following additional information:

- Annual certification indicating that pledged revenue collections satisfy the rate coverage requirement; monthly escrow or loan debt service account is being maintained for the repayment of the loan; insurance which adequately covers customary risks. The certification must be submitted with the annual audit report.
- Events of Default: Failure to make any monthly loan deposit or installment of the semiannual loan payment when due and such failure continues for 30 days; failure to perform of any part of the agreement; any bankruptcy, insolvency or other similar proceedings instituted against the City.

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

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

Summary Debt Service Requirements to Maturity

Principal and interest are payable through 2040:

	Loan - WW131810			Loan - DW131831			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Fiscal year ending September 30:									
2022	\$ 146,439	\$ 20,516	\$ 166,955	\$ 148,540	\$ 16,959	\$ 165,499	\$ 294,979	\$ 37,475	\$ 332,454
2023	147,736	19,218	166,954	149,447	16,051	165,498	297,183	35,269	332,452
2024	149,047	17,908	166,955	150,360	15,138	165,498	299,407	33,046	332,453
2025	150,371	16,584	166,955	151,279	14,220	165,499	301,650	30,804	332,454
2026	157,191	15,247	172,438	152,203	13,295	165,498	309,394	28,542	337,936
2027 - 2031	779,065	62,648	841,713	775,077	52,415	827,492	1,554,142	115,063	1,669,205
2032 - 2036	765,979	13,276	779,255	799,044	25,113	824,157	1,565,023	38,389	1,603,412
2037 - 2040	-	-	-	448,551	-	448,551	448,551	-	448,551
Total	\$ 2,295,828	\$ 165,397	\$ 2,461,225	\$ 2,774,501	\$ 153,191	\$ 2,927,692	\$ 5,070,329	\$ 318,588	\$ 5,388,917

Pledged Revenues

The City issues debt that is secured by a pledge of specific revenues. Total pledged revenues to repay principal and interest on outstanding debt as of September 30, 2021 follows:

	Non Ad-Valorem Revenues Pledged	
Governmental Activities:		
Description of debt	Note payable	
Purpose of debt	Refunded the Taxable Special Obligation Bonds -Series 2002 used to fund City pension obligations	
Current revenue	\$40,974,374	
Total future revenues pledged	\$15,039,264	
Term of commitment (years)	2010-2029	
Current year debt service	\$1,785,200	
Percentage of current year debt service to pledged revenues	4.36%	
	Non Ad-Valorem Revenues Pledged	
Business-Type Activities:		
Description of debt	FMLC Loan - Series 2016 (stormwater)	State Revolving Loans (drinking water)
Purpose of debt	Capital improvements	Capital improvements (drinking water)
Current revenue	\$2,429,775	\$31,969,831
Total future revenues pledged	\$421,200	\$5,388,917
Term of commitment (years)	2002-2022	2014-2036
Current year debt service	\$429,313	\$117,235
Percentage of current year debt service to pledged revenues	17.67%	0.37%

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

NOTE 7. LONG-TERM LIABILITIES (Continued)

Purchase Installment Agreement

On March 7, 2017, the City entered into an agreement with Point Blank Enterprises, Inc. to purchase body-worn cameras and the related monitoring software for the police department. The agreement is for an initial period of five (5) years for a total cost of \$533,000. At September 30, 2021, the amount was fully paid.

Capital Leases

The City finances the acquisition of certain vehicles and equipment through capital leases. The leases are collateralized by the leased vehicles and equipment. Future minimum total lease payments and the present value of minimum lease payments as of September 30, 2021 follows:

	<u>Governmental Activities</u>
Fiscal year ending September 30:	
2022	\$ 977,097
2023	328,196
2024	328,196
2025	<u>87,321</u>
Total minimum lease payments	1,720,810
Less amount representing interest	<u>(285,407)</u>
Present value of minimum lease payments	<u>\$ 1,435,403</u>

The net book value of assets acquired through capital leases as of September 30, 2021 follows:

	<u>Governmental</u>
Fleet	\$ 1,312,983
Equipment	<u>792,714</u>
Total cost	2,105,697
Less accumulated depreciation	<u>(670,294)</u>
Total net book value	<u>\$ 1,435,403</u>

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

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

Plan Description

The City provides an optional single-employer defined benefit post-employment healthcare, dental, and group term-life insurance plan to eligible individuals. The Plan allows employees and

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

their beneficiaries, at their own cost, to continue to obtain health, dental, and life insurance benefits upon retirement.

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

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

Benefits Provided

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

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

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

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

Funding Policy

The City does not directly contribute to the Plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates that are charged for active employees. The premiums vary depending on the benefits selected and whether the retiree elects single or family coverage. The premium also varies depending on whether the retiree elects coverage under the HMO or POS plan. However, the City's actuary, in the actuarial valuation, calculates an offset to the cost of

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

these benefits as an employer contribution, based on the implicit rate subsidy. This offset equals the total age-adjusted premiums paid by the City or its active employees for coverage of the retirees and their dependents for the year, net of the retiree's own annual payments.

Plan Membership

At September 30, 2020, the date of the latest actuarial valuation, plan participation consisted of the following:

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

Total OPEB Liability

The City's total OPEB liability of \$14,666,373 was determined by an actuarial valuation as of September 30, 2020, measurement date.

Actuarial Assumptions and Other Inputs

Valuation Date: September 30, 2020

Measurement Date: September 30, 2020

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method - Entry-Age Normal

Inflation - 2.25%

Discount Rate – 2.41% - For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.41% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.75% as of the previous measurement date.

Salary Increases - Rates are based on those used in the respective October 1, 2019, actuarial valuations. For participants in Florida Retirement System, salary rates are based on those used in the July 1, 2020, actuarial valuation of Florida Retirement System.

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Retirement Age - Rates are based on those rates used in the respective October 1, 2020 actuarial valuations. For participants in Florida Retirement System, retirement rates are based on those used in the July 1, 2020 actuarial valuation of Florida Retirement System.

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

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

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

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

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

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the total OPEB liability for the fiscal year ended September 30, 2021, were as follows:

Balance at September 30, 2020	<u>\$ 15,328,265</u>
Changes for the year:	
Service cost	767,179
Interest	435,487
Difference between expected and actual experience	(754,813)
Changes in assumptions	(590,616)
Benefits payments	<u>(519,129)</u>
Net changes	<u>(661,892)</u>
Balance at September 30, 2021	<u><u>\$ 14,666,373</u></u>

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

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.41%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	<u>1 % Decrease</u>	<u>Current Discount Rate Assumption</u>	<u>1 % Increase</u>
	1.41%	2.41%	3.41%
Total OPEB liability	<u><u>\$ 17,019,105</u></u>	<u><u>\$14,666,373</u></u>	<u><u>\$ 12,792,941</u></u>

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

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

	<u>1 % Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1 % Increase</u>
Total OPEB liability	<u><u>\$ 13,695,527</u></u>	<u><u>\$14,666,373</u></u>	<u><u>\$ 15,808,586</u></u>

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the fiscal year ended September 30, 2021, the City recognized OPEB expense of \$720,046.

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

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,119,272
Changes in assumptions and other inputs	1,346,931	1,773,754
	<u>1,346,931</u>	<u>2,893,026</u>
City contributions made subsequent to the measurement date	428,875	-
	<u>\$ 1,775,806</u>	<u>\$ 2,893,026</u>

The deferred outflows of resources totaling \$428,875, resulting from City contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the fiscal year ended September 30, 2022. The amount reported as net deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	Amount
2022	\$ (482,620)
2023	(482,620)
2024	(326,215)
2025	115,840
2026	(194,992)
Thereafter	(175,488)
Total	<u>\$ (1,546,095)</u>

NOTE 9. SELF-INSURANCE

The City maintains a self-insurance program accounted for in the internal service funds. The General Risk Management fund was established by City Ordinance to account for insurance activities relating to workers' compensation and general liability risks. Charges to departments are based upon amounts determined by management to be necessary to meet the required annual payouts during the fiscal year and to maintain adequate fund reserves. The funding level and estimated claims liability for workers' compensation and general liability for fiscal year 2021, is based on recommended funding requirements, as determined by a self-insurance actuarial review as of September 30, 2021, performed by outside actuary consultants.

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

NOTE 9. SELF-INSURANCE (Continued)

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

As of September 30, 2021, the City's risk retention for certain types of risk is as follows:

<u>Line of Coverage</u>	<u>Retention/Deductible</u>	<u>Coverage after Retention/Deductible</u>
Self-insured:		
Workers' compensation	Self-insured retention of \$500,000	Excess worker's compensation Part I - Statutory Part II - \$1,000,000 (employers liability)
General & automobile liability	Fully self-insured	F.S. 768.28 (\$200,000/individual, \$300,000/occurrence)
Commercial insurance:		
Property:		
Property, multi-peril	\$5,000 general & 5% named storm	\$67,544,996 (bldg) and \$14,064,250 (contents)
Boiler and machinery	\$1,000	\$50,000,000
Flood	Buildings: \$1,000 to \$2,000	Buildings: \$25,000 to \$333,300
	Contents: \$1,000 to \$2,000 varies according to facility	Contents: \$0 to \$200,000 varies according to facility
Other:		
Police professional liability	\$150,000/claim	\$2,000,000/loss and aggregate
Public officials' liability	\$150,000 EPLI/wrongful acts	\$2,000,000/loss and aggregate

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

Workers' Compensation

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

General Liability

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

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

NOTE 9. SELF-INSURANCE (Continued)

Estimated Claims Liability

The estimated claims liability of \$4,352,779 in the General Risk Management internal service fund includes estimates for claims incurred but not reported (IBNR) and allocated loss adjustment expenses. The estimates are based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the estimated claims liability are as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>2021</u> <u>Total</u>	<u>2020</u> <u>Total</u>
Estimated claims liability - beginning of year	\$ 1,632,771	\$ 1,647,274	\$ 3,280,045	\$ 3,244,809
Current year claims and changes in estimates	907,184	912,341	1,819,525	895,482
Claim payments	<u>(403,210)</u>	<u>(343,581)</u>	<u>(746,791)</u>	<u>(860,246)</u>
Estimated claims liability - end of year	<u>\$ 2,136,745</u>	<u>\$ 2,216,034</u>	<u>\$ 4,352,779</u>	<u>\$ 3,280,045</u>

The City carries Excess Workers' Compensation insurance to secure statutory worker's compensation coverage in excess of the self-insured retention. In 2021, there was no reduction in insurance coverage from the prior year. During the past three years, there have been no settlements that exceeded insurance coverage. The City continues to seek annual recovery on cases where payments have been made, through the Workers' Compensation Third Party Administrator, in excess of the self-insured retention. The City recovered reimbursements from the excess carrier on two cases where the self-insured retentions of \$250,000 and \$350,000 were exceeded.

NOTE 10. EMPLOYEE RETIREMENT PLANS

Pension Plans Sponsored by the City of North Miami

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

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

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

Each of the Plans issues a publicly available stand-alone report that includes financial statements and required supplementary information for each Plan. These reports may be obtained by writing to: North Miami Employees' Retirement Systems, 12000 Biscayne Boulevard Suite 508, Miami, Florida 33181.

Summary of Significant Accounting Policies

Basis of Accounting

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

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

Method Used to Value Investments

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

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

North Miami Police Pension Plan (NMPP Plan)

Plan Description

The City of North Miami (the employer) is the sponsor of a single-employer defined benefit plan (hereafter the "Plan") established to provide pension benefits for its employees. The Plan is

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

administered by a seven-member Board of Trustees comprised of three members occupying positions specifically designated by Ordinance and four elected police members.

Since the Plan is a single-employer public employees' retirement system plan sponsored by the City, the Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. The latest available actuarial valuation is as of October 1, 2018 (beginning of year valuation date); however, employer contribution requirements for the year ended September 30, 2021, were based on an October 1, 2020, valuation. Benefit and contribution provisions are established by City ordinance and may be amended only by the City Council.

Membership in the Plan as of October 1, 2021, follows:

Inactive plan members and beneficiaries currently receiving benefits	59
Inactive plan members entitled but not yet receiving benefits	2
Active plan members	<u>89</u>
Total members	<u>150</u>

Pension Benefits

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

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

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

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

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

Contributions and Funding Policies

Employees contribute 9.51% of their base salaries or wages based on the Plan's investment performance. Interest is credited annually on members' accumulated contributions at a rate of

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

interest determined at the discretion of the Board of Trustees. The interest rate was 0.00% for 2021. Employer and state contributions for the fiscal year ended September 30, 2021, was 53.24% of covered payroll.

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

Pursuant to Chapter 185, Florida Statutes and the collective bargaining agreement of October 1, 2018, insurance premium tax monies received are shared between the City and the North Miami Police Share Plan. The net insurance premium tax received during the fiscal year was \$186,255.

Net Pension Liability

Components of the net pension liability of the City as of September 30, 2021:

	<u>NMPP Plan</u>
Total pension liability	\$124,763,419
Plan fiduciary net position	<u>(105,037,573)</u>
Net pension liability	<u>\$ 19,725,846</u>
Plan fiduciary net position as a percentage of total pension liability	84.19%

Actuarial Assumptions

The total pension liability was measured as of September 30, 2020, and determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions and applied to all prior periods included in the measurement.

Assumptions Used to Determine Net Pension Liability

Actuarial cost method – Entry age normal

Inflation – 2.50%

Salary Increases – 3.50% to 9.00% depending on service

Investment rate of return – 7.10%

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

Mortality – The mortality tables are the PUB-2010 Headcount Weighted Safety Below Median Tables which use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2019 Actuarial Valuation of the Florida Retirement System (FRS).

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

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

Discount Rate - A single discount rate of 7.2% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.2%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments (7.2%) was applied.

Changes in Net Pension Liability

The following table shows the changes in net pension liability based on the actuarial information provided to the City at September 30, 2021:

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

	NMPP Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2020	<u>\$ 112,155,010</u>	<u>\$ 80,605,147</u>	<u>\$ 31,549,863</u>
Changes for the year			
Service cost	2,745,074	-	2,745,074
Interest	8,192,391	-	8,192,391
Difference between actual & expected experience	1,490,024	-	1,490,024
Assumption changes	(2,593,823)	-	(2,593,823)
Benefit payments	(5,351,111)	-	(5,351,111)
Refunds	-	-	-
Contributions - employer	-	4,682,955	(4,682,955)
Contributions - employer (from State/Share Plan)	-	197,038	(197,038)
Contributions - member	-	875,237	(875,237)
Net investment income	-	3,509,502	(3,509,502)
Benefit payments	-	(5,351,111)	5,351,111
Refunds	-	-	-
Administrative expense	-	(270,755)	270,755
Net changes	<u>4,482,555</u>	<u>3,642,866</u>	<u>839,689</u>
Balance at September 30, 2021	<u><u>\$ 116,637,565</u></u>	<u><u>\$ 84,248,013</u></u>	<u><u>\$ 32,389,552</u></u>

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

Below is a table providing the sensitivity of the net pension liability of the City to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate of 7.2%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	NMPP Plan		
	Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	6.2%	7.2%	8.2%
Net pension liability	<u><u>\$ 52,353,139</u></u>	<u><u>\$ 32,389,552</u></u>	<u><u>\$ 21,419,525</u></u>

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

For the year ended September 30, 2021, the City recognized pension expense of \$5,555,844. At September 30, 2021, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	NMPP Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,234,274	\$ (2,271,838)
Assumptions changes	2,869,386	(2,154,192)
Net difference between projected and actual earnings on pension plan investments	3,805,742	-
	10,909,402	(4,426,030)
Employer contributions made subsequent to the measurement date	4,731,505	-
	<u>\$ 15,640,907</u>	<u>\$ (4,426,030)</u>

The deferred outflows of resources related to the Plan, totaling \$4,731,505 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflow (Inflow) of Resources
2022	\$ 1,743,865
2023	1,908,044
2024	2,262,086
2025	823,701
2026	(254,324)
Thereafter	-
Total	<u>\$ 6,483,372</u>

Clair T. Singerman Retirement System

Plan Description

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

The CTS Retirement System was established by the City's Ordinance 691 effective January 1, 1968. The Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. All full-time employees are eligible except for sworn police personnel hired after 1976. The latest actuarial valuation is as of October 1, 2020; however, the required employer contribution for the fiscal year ended September 30, 2021, is based on the October 1, 2020, actuarial valuation. Benefit and contribution provisions are established by City ordinance and may be amended only by the Board of Trustees, subject to approval of the City Council.

Membership in the CTS Retirement System as of October 1, 2020 follows:

Inactive plan members and beneficiaries currently receiving benefits	229
Inactive plan members entitled but not yet receiving benefits	3
Active plan members	<u>185</u>
Total members	<u>417</u>

Pension Benefits

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

Normal retirement is attained for:

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

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

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

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Contributions and Funding Policies

Plan members contribute either 6%, 7% or 8% of their annual compensation depending on their credited years of service as of November 10, 2015. Interest is credited annually on members' accumulated contributions through the prior year-end. The interest rate determined by the Board of Trustees was 0.00% in 2021. Employer contributions for the fiscal year ended September 30, 2021 was 25.59% of covered payroll. The total employer contribution on the statement of changes in fiduciary net position is \$3,629,941 for 2021.

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

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

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of \$147,586 (the 1997 threshold) are utilized by this Plan for the purchase of additional benefits for the one remaining sworn police personnel that was included in this Plan prior to 1976. The excess of insurance premium tax monies amounted to \$2,579 for the fiscal year ended September 30, 2021, and is reported as other contributions; the balance to be received as of September 30, 2021, was \$42,972. The funds were received by the City of North Miami's Police Share Plan, and are held there until this Plan determines what benefit enhancements will be made.

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

Net Pension Liability

Components of the net pension liability of the City at September 30, 2021 follows:

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

Actuarial Assumptions

The total pension liability was measured as of September 30, 2020, and determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions and applied to all prior periods included in the measurement:

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Assumptions Used to Determine Net Pension Liability

Actuarial cost method – Entry age normal

Inflation – 2.50%

Salary Increases – 3.00% to 6.00% depending on service

Investment rate of return – 6.75%

Retirement Age – Experience-based table of rates

Mortality – PUB-2010 Headcount Weighted Below Median which use ages set back one year for future improvements projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System in their actuarial valuation as of July 1, 2019.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

CTS Retirement System		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	48.00%	7.50%
International equity	12.00%	8.50%
Domestic bonds	24.00%	2.50%
Real Estate	16.00%	4.50%
Alternative assets	0.00%	5.94%

Discount Rate – A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Changes in Net Pension Liability

The following table shows the changes in net pension liability based on the actuarial information provided to the City at September 30, 2021:

	CTS Retirement System		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2020	<u>\$ 142,309,622</u>	<u>\$ 133,744,114</u>	<u>\$ 8,565,508</u>
Changes for the year			
Service cost	1,908,045	-	1,908,045
Interest	9,617,391	-	9,617,391
Difference between actual & expected experience	2,635,026	-	2,635,026
Assumption changes	(2,353,306)	-	(2,353,306)
Benefit payments	(7,613,250)	-	(7,613,250)
Refunds	(22,347)	-	(22,347)
Other	2,368	-	2,368
Contributions - employer	-	4,018,087	(4,018,087)
Contributions - employer (from State/Share Plan)	-	2,368	(2,368)
Contributions - non-employer contributing entity	-	108,396	(108,396)
Contributions - member	-	833,994	(833,994)
Net investment income	-	11,308,249	(11,308,249)
Benefit payments	-	(7,613,250)	7,613,250
Refunds	-	(22,347)	22,347
Administrative expense	-	(362,800)	362,800
Net changes	<u>4,173,927</u>	<u>8,272,697</u>	<u>(4,098,770)</u>
Balance at September 30, 2021	<u><u>\$ 146,483,549</u></u>	<u><u>\$ 142,016,811</u></u>	<u><u>\$ 4,466,738</u></u>

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

Below is a table providing the sensitivity of the net pension liability of the City to changes in the discount rate. In particular, the table presents the Plan's net pension liability (asset), if it were calculated using a single discount rate of 6.75% as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	CTS Retirement System		
	Single Discount Rate		
	1% Decrease	Assumption	1% Increase
	5.75%	6.75%	7.75%
Net pension liability (asset)	<u><u>\$ 22,263,474</u></u>	<u><u>\$ 4,466,738</u></u>	<u><u>\$ (10,337,293)</u></u>

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

For the year ended September 30, 2021, the City recognized pension expense of \$3,044,049. At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	CTS Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,251,991	\$ -
Assumptions changes	884,849	(1,594,175)
Net difference between projected and actual earnings on pension plan investments	-	(2,465,131)
	4,136,840	(4,059,306)
Employer contributions made subsequent to the measurement date	3,629,523	-
	<u>\$ 7,766,363</u>	<u>\$ (4,059,306)</u>

The deferred outflows of resources related to the CTS Retirement System, totaling \$3,629,523 resulting from City contributions to the CTS Retirement System subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2022. Other amounts reported as net deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflow (Inflow) of Resources
2022	\$ 539,761
2023	(198,435)
2024	158,089
2025	(421,881)
Total	<u>\$ 77,534</u>

Pension Plans Administered by the State of Florida

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

FLORIDA RETIREMENT SYSTEM

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

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

The City's pension expense for FRS totaled \$947,678 for the fiscal year ended September 30, 2021.

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

Plan Description

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

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

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

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

FRS Retirement Benefits and Contributions

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

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

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

Required Contributions for fiscal year 2021 were as follows:

Class ⁽²⁾	Percent of Gross Salary	
	Employee ⁽²⁾	Employer ⁽¹⁾
FRS, Regular	3.00%	10.00%
FRS, Elected Council Officers	3.00%	49.18%
FRS, Senior Management Service	3.00%	27.29%

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

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

The City's contributions to the FRS amounted to \$1,471,874 and employees' contributions amounted to \$263,545 for the fiscal year ended September 30, 2021.

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

On September 30, 2021, the City reported a liability of \$2,230,477 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's 2021 fiscal year contributions relative to the participating members. At June 30, 2021, the City's proportionate share was 0.0295% compared to 0.0265% in the prior year. For the fiscal year ended September 30, 2021, the City recognized pension expense of \$947,697 related to the Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	FRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,526,203	\$ -
Difference between expected and actual experience	382,307	-
Difference between projected and actual investment earnings	-	(7,781,572)
Changes in proportion and differences between City FRS contributions and proportionate share of contributions	3,016,585	(5,087)
	<u>4,925,095</u>	<u>(7,786,659)</u>
City FRS contributions subsequent to the measurement date	362,318	-
Total	<u>\$ 5,287,413</u>	<u>\$ (7,786,659)</u>

The deferred outflows of resources related to pensions, totaling \$362,318, resulting from the City's contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. The amount reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2022	\$ (572,312)
2023	(572,312)
2024	(572,312)
2025	(572,312)
Thereafter	(572,316)
	<u>\$ (2,861,564)</u>

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions

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

Inflation - 3.25%

Salary Increases - 3.25% average, including inflation

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

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

The actuarial assumptions used in July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

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

FRS				
Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investment	3.7%	5.7%	5.4%	8.4%
	<u>100%</u>			
Assumed inflation-mean		2.4%		1.2%

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

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

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

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

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

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
City's proportionate share of the net pension liability	\$ 9,974,839	\$ 2,234,781	\$ (4,242,943)

Retiree Health Insurance Subsidy Program (HIS)

Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution rate was 1.66%. The City contributed 100% of its statutorily required contributions for the current fiscal year. The HIS contributions are deposited in a separate trust fund from which payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

The City's contributions to the HIS totaled \$139,016 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the City reported a net pension liability of \$2,901,047 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportionate share of the net pension liability was based on the City's 2021 fiscal year contributions relative to the 2021 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was 0.0236%.

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$535,357 related to the HIS. In addition, the City reported, deferred outflows of resources and deferred inflows of resources related to the HIS from the following sources:

	HIS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 97,076	\$ (1,215)
Changes of Assumptions	227,957	(119,531)
Net difference between projected and actual earnings on HIS pension plan investments	3,024	-
Changes in proportion and differences between City HIS contributions and proportionate share of contributions	<u>1,157,342</u>	<u>(1,720)</u>
	1,485,399	(122,466)
City HIS contributions subsequent to the measurement date	<u>41,292</u>	-
Total	<u>\$ 1,526,691</u>	<u>\$ (122,466)</u>

The deferred outflows of resources related to pensions, totaling \$41,292 resulting from the City's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. The amount reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2022	\$ 272,587
2023	272,587
2024	272,587
2025	272,587
Thereafter	<u>272,585</u>
Total	<u>\$ 1,362,933</u>

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions

The HIS plan's actuarial valuation was determined using the following actuarial assumptions as of June 30, 2021, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates - Investment Rate of Return	2.16%

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

The actuarial assumptions used in July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability for the HIS Plan was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following presents the City's proportionate share of the net pension liability calculated using a discount rate of 2.16%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	HIS		
	Decrease	Current	Increase
	1.16%	Discount Rate	3.16%
City's proportionate share of the net pension liability	\$ 3,346,779	\$ 2,895,017	\$ 2,524,677

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

NOTE 10. EMPLOYEE RETIREMENT PLANS (Continued)

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

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

Plan	PENSION RELATED ITEMS			
	Net Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources	Pension Expenses/ Expenditures
North Miami Police Pension Plan	\$ 32,389,552	\$ 6,081,775	\$ 13,421,202	\$ 5,555,844
Clair T. Singerman Employee Retirement System	4,466,738	5,546,355	4,967,475	3,044,049
Florida Retirement System	2,230,477	7,988,513	6,059,109	947,678
Retiree Health Insurance Subsidy Program	2,901,047	122,466	754,996	535,357
Total	<u>\$ 41,987,814</u>	<u>\$ 19,739,109</u>	<u>\$ 25,202,782</u>	<u>\$ 10,082,928</u>

NOTE 11. DEFINED CONTRIBUTION PLANS

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

The City of North Miami Police Officers' Retirement Pension Fund Share Plan established by (Ord. 592.1.1) (the Plan) provides retirement benefits for police officers of the City of North Miami. These benefits are funded from the State of Florida insurance premium tax monies and are in addition to benefits provided by the City of North Miami's retirement system. A separate Board of Trustees is responsible for the administration of this Plan. In accordance with GASB Statement No. 24, the City recognized \$382,269 as on behalf payments for contributions of these premiums into the Plan.

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

Managers' Pension Plan

The Managers' Pension Plan is an IRS Section 401(a) defined contribution pension plan for those members of the Administrative Staff not eligible to participate in the City's defined benefit pension plan. This Plan is funded through employer contributions consisting of 10% of a participant's compensation. This Plan can only be amended by the City Council. During fiscal year 2021, the City contributed approximately \$89,905 into this Plan, which is administered through a third party administrator.

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

NOTE 11. DEFINED CONTRIBUTION PLANS (Continued)

Excess Benefit Plan

In May 1968, the City established the Excess Benefit Plan, a qualified governmental excess benefit arrangement as defined in Section 415(m)(3) of the Internal Revenue Code. The City contributed approximately \$32,302 into this Plan. This Plan is administered by the City.

NOTE 12. ENVIRONMENTAL MATTERS (Munisport Landfill Site)

Historical Background

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

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

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

In May 2012, the City entered into a 99-year lease and development agreement for the site with Oleta Partners (see Note 14). In connection with the agreement, the developer assumed responsibility for the remediation and closure of the site beyond the costs funded by the County contribution mentioned above. As of September 30, 2021, the liability assumed by the developer for remediation and closure is approximately \$19.8 million. In accordance with the guidance provided by GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs*, the City met the requirements to transfer its responsibility for closure and post-closure to the developer. Therefore, the \$19.8 million is not reported in the City's financial statements for post-closure cost. The City has reported a landfill closure liability of approximately \$7.6 million at year end related to the site.

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

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

Overall Outlook

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

Recent Studies and Developments

A Remediation and Landfill Closure Cost Projection was completed in 2019, which estimated the cost of remediation and closure at approximately \$8 million. This cost estimate is a decrease from a previous cost projection of \$9 million and is based on the proposed groundwater remediation system, the reevaluated stormwater management system, and the closure-related activities. While this latest method has tentatively been approved by DERM and the FDEP, the newly proposed groundwater remediation system is at the conceptual level as of September 30, 2021, and uncertainties remains as to the ultimate cost of the remediation and closure of the landfill site.

During 2021, the City incurred no site closure costs as no new areas were completed in the current year. In addition to the remediation and closure of the site, as discussed above, it is estimated that long-term closure care costs will be approximately \$660,469 per year over 30 years, for a projected total cost of approximately \$19.8 million.

Landfill Closure Escrow Account

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

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

The following is a schedule of restricted assets and the activity of the closure escrow account in the Landfill Closure special revenue fund as of the year ended September 30, 2021:

Restricted assets:	
Cash in bank (money market fund)	\$ 5,897,344
Beginning balance - October 1, 2020	\$ 5,886,252
Interest	11,102
Disbursements	(10)
Ending balance - September 30, 2021	\$ 5,897,344

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

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

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

Long-term Care Escrow Account

The City opened a second escrow account for the purpose of funding the landfill's long term care costs. This account will remain dormant until the time of facility closing where it will be funded in accordance with Rule 62-701.630(5)(c), Florida Administrative Code. Therefore, as of September 30, 2021, the balance in this escrow account is \$0.

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

As provided by Rule 62-701.630(5)(c), Florida Administrative Code, the City is required to annually submit to the Florida Department of Environmental Protection an audit of the landfill closure account with a list of all deposits and disbursements made. For the year ended September 30, 2021, disbursements of \$10 were made from the account, and no additional deposits, other than interest received of \$11,102 were made.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

The City has active construction projects as of September 30, 2021. The projects include park facilities improvements, infrastructure redevelopment and improvement and various water, wastewater and drainage projects. At year end, the City's outstanding commitments related to these projects amounted to approximately \$6,000,000.

Contingencies

Lawsuits

- The City has been named in a class action lawsuit alleging miscalculation of utility bills in contradiction with the established code of ordinances. City management estimates that the potential loss from this case is approximately \$1,101,968. The City has entered into a settlement agreement approving the award of approximately \$716,000 in potential water bill credits to qualifying class members for the time period encompassing December 2016 through November 9, 2021. The class action settlement agreement is pending court approval at this time.
- The City is a defendant in several other lawsuits as of September 30, 2021, incidental to its operations, the outcomes of which are uncertain at this time. However, in the opinion of management and legal counsel, the ultimate outcome of such actions will not have a material adverse effect on the financial condition or operations of the City.

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

NOTE 13. COMMITMENTS AND CONTINGENCIES(Continued)

Grantor Agencies

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

NOTE 14. BISCAYNE LANDING LEASE

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

In Fiscal Year 2021, the City reported basic rents, additional rents and bifurcated lease payments of \$1,326,474.

NOTE 15. FUND DEFICITS

The following City funds had fund balance deficits as September 30, 2021:

<u>Fund</u>	<u>Fund Deficits</u>
Special Revenue Funds:	
FEMA Disaster Recovery	\$ 251,531
HOME Investment Partnership	286,668
Other special revenue funds	298,604
Capital Project Funds	285,558
Total	<u>\$ 1,122,361</u>

NOTE 16. SUBSEQUENT EVENTS

In November 2021, the City signed as lessee a fifteen (15) year lease with TR Wildcat Investment, LLC for a large facility known currently as the Wildcat Center. The building is to be used as a community center and event space, office space for the Parks Department's administration, and for indoor sporting events. The rent will be approximately \$1,000,000 per year, and the City will have the option to purchase the land and building after year three of the lease for \$11,250,000.



**Required Supplementary Information
(Unaudited)**



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Budgetary Comparison Schedule



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**CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 21,206,258	\$ 21,206,258	\$ 21,110,185	\$ (96,073)
Utility and communication taxes	4,763,707	4,763,707	4,812,381	48,674
Charges for services	13,987,492	15,398,478	12,871,822	(2,526,656)
Return on investment - utility	3,149,940	3,149,940	3,149,940	-
Franchise fees	4,369,008	4,369,008	3,877,296	(491,712)
Fines and forfeitures	646,600	646,600	532,329	(114,271)
Intergovernmental	8,342,159	8,389,159	8,994,680	605,521
Licenses and permits	907,257	907,257	931,898	24,641
Interest	410,584	410,584	409,190	(1,394)
Other earnings	2,953,663	4,076,429	3,887,241	(189,188)
Rents and royalties	1,980,713	1,980,713	1,455,097	(525,616)
Total revenues	<u>62,717,381</u>	<u>65,298,133</u>	<u>62,032,059</u>	<u>(3,266,074)</u>
EXPENDITURES				
General Government:				
Mayor and city council	1,339,725	1,419,790	1,375,448	44,342
City manager	2,314,541	2,455,775	2,585,689	(129,914)
City clerk	685,511	705,511	712,181	(6,670)
Financial Services	3,243,392	3,268,392	3,212,286	56,106
Legal	1,029,865	1,229,165	1,231,537	(2,372)
Human resources	738,783	794,708	791,287	3,421
Information technology	2,035,284	2,014,834	1,806,712	208,122
Management and budget	475,202	475,202	408,399	66,803
Procurement and purchasing	508,913	508,913	505,937	2,976
Non-departmental	3,148,816	4,118,092	538,629	3,579,463
Total general government	<u>15,520,032</u>	<u>16,990,382</u>	<u>13,168,105</u>	<u>3,822,277</u>
Public Safety:				
Police	28,123,301	28,180,756	26,821,591	1,359,165
Building and zoning	-	-	6,539	(6,539)
Code enforcement	5,070,798	5,060,798	4,822,441	238,357
Total public safety	<u>33,194,099</u>	<u>33,241,554</u>	<u>31,650,571</u>	<u>1,590,983</u>
Physical Environment				
Public works	1,417,801	1,427,296	1,422,908	4,388
Transportation	2,523,938	2,885,293	2,901,839	(16,546)
Total physical environment	<u>3,941,739</u>	<u>4,312,589</u>	<u>4,324,747</u>	<u>(12,158)</u>
Economic Environment:				
Community planning and development	1,362,459	1,420,950	1,334,259	86,691
Housing and social services	1,036,127	1,858,118	876,044	982,074
Total economic environment	<u>2,398,586</u>	<u>3,279,068</u>	<u>2,210,303</u>	<u>1,068,765</u>
Culture and Recreation:				
Parks and recreation	4,839,274	4,876,723	3,779,207	1,097,516
Library	914,765	961,765	893,510	68,255
MOCA	1,363,603	1,389,614	1,358,316	31,298
Total culture and recreation	<u>7,117,642</u>	<u>7,228,102</u>	<u>6,031,033</u>	<u>1,197,069</u>
Debt service	149,400	149,400	148,486	914
Capital outlay	110,000	774,858	112,395	662,463
Total expenditures	<u>62,431,498</u>	<u>65,975,953</u>	<u>57,645,640</u>	<u>8,330,313</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>285,883</u>	<u>(677,820)</u>	<u>4,386,419</u>	<u>5,064,239</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,150,158	2,113,861	966,241	(1,147,620)
Transfers in	-	-	5,000,000	5,000,000
Transfers out	(1,436,041)	(1,436,041)	(1,436,041)	-
Total other financing sources (uses)	<u>(285,883)</u>	<u>677,820</u>	<u>4,530,200</u>	<u>3,852,380</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	8,916,619	<u>\$ 8,916,619</u>
Fund balance (deficit), beginning			(5,018,744)	
Fund balance (deficit), ending			<u>\$ 3,897,875</u>	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CRA
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 11,090,096	\$ 11,090,096	\$ 6,778,441	\$ (4,311,655)
Interest and other earnings	54,500	215,367	216,783	1,416
Carry over surplus	2,972,732	4,307,031	-	(4,307,031)
Total revenues	<u>14,117,328</u>	<u>15,612,494</u>	<u>6,995,224</u>	<u>(8,617,270)</u>
EXPENDITURES				
General government	2,336,779	2,728,461	3,335,120	(606,659)
Community planning and development	7,468,894	8,572,378	2,375,507	6,196,871
Capital outlay	-	-	-	-
Total expenditures	<u>9,805,673</u>	<u>11,300,839</u>	<u>5,710,627</u>	<u>5,590,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,311,655</u>	<u>4,311,655</u>	<u>1,284,597</u>	<u>(3,027,058)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated fund balance	4,311,655	4,311,655	-	(4,311,655)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,284,597	<u>\$ (7,338,713)</u>
Fund balances - beginning			3,544,001	
Fund balances - ending			<u>\$ 4,828,598</u>	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
C.D.B.G.
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 769,534	\$ 2,763,120	\$ 1,253,286	\$ (1,509,834)
Total revenues	<u>769,534</u>	<u>2,763,120</u>	<u>1,253,286</u>	<u>(1,509,834)</u>
EXPENDITURES				
Housing and economic development	769,534	2,738,120	1,274,207	1,463,913
Capital outlay	-	25,000	24,987	13
Total expenditures	<u>769,534</u>	<u>2,763,120</u>	<u>1,299,194</u>	<u>1,463,926</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>-</u>	<u>-</u>	<u>(45,908)</u>	<u>(45,908)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing source	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(45,908)	<u>\$ (45,908)</u>
Fund balances - beginning			<u>74,745</u>	
Fund balances (deficit) - ending			<u>\$ 28,837</u>	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LANDFILL CLOSURE
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and other earnings	\$ 9,638,038	\$ 9,638,038	\$ 11,102	\$ (9,626,936)
Total revenues	9,638,038	9,638,038	11,102	(9,626,936)
EXPENDITURES				
Physical environment	9,638,038	9,638,038	10	9,638,028
Total expenditures	9,638,038	9,638,038	10	9,638,028
Excess (deficiency) of revenues over (under) expenditures	-	-	11,092	11,092
Net change in fund balances	\$ -	\$ -	11,092	\$ 11,092
Fund balances - beginning			5,886,252	
Fund balances - ending			<u>\$ 5,897,344</u>	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN (ARPA)
UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest and other earnings	\$ -	\$ 164,560	\$ 9,677,259	\$ 9,512,699
Total revenues	-	164,560	9,677,259	9,512,699
EXPENDITURES				
General government	-	164,560	67,358	97,202
Total expenditures	-	164,560	67,358	97,202
Excess (deficiency) of revenues over (under) expenditures	-	-	9,609,901	9,609,901
Net change in fund balances				
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(5,000,000)	(5,000,000)
Total other financing source (uses)	-	-	(5,000,000)	(5,000,000)
Net change in fund balances (deficits)	\$ -	\$ -	4,609,901	\$ 4,609,901
Fund balances (deficits) - beginning			-	
Fund balances (deficits) - ending			\$ 4,609,901	

See notes to the required supplementary information.

CITY OF NORTH MIAMI, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

September 30, 2021

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

- 1) Between September 3 and September 18 the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget is restricted to proposed expenditures and the means of financing them through appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures, including capital outlay and operating transfers in the General Fund is legally maintained at the departmental level. Below is brief explanation for departments with significant variances:

- City Manager department had a negative variance of \$129,914 due to five (5) employees who were terminated and paid out for a sick and vacation. Part-time employees were hired which were not budgeted.
- Information technology department had a positive variance of \$208,122 due to staff positions that were budgeted but were not filled in the current year. In addition, the Information Technology Director resigned in the middle of the year and the Assistant Information Technology Director was promoted but at a lower salary.
- Non-departmental had a positive variance of \$3,579,463 due to major projects that were not started. Example, SoleMia Park Design and Community Center (\$650,000) and Breezeswept Tot Lot (\$500,000). In addition, there were contingencies for insurance for \$447,000 and case cost for \$300,000 and technology improvements for \$393,000 that did not materialize.
- The Police department had an overall positive variance of \$1,590,983 due to the stoppage of allocation for fleet contributions resulting in savings of \$1,000,000. There were also savings of \$886,000 from multiple operational line items including rent/lease as the Code Compliance department moved back to the trailer on N.E. 8th avenue.
- Economic environment had an overall positive variance of \$1,068,758 due to Housing and Social Services undisbursed housing rehabilitation grants and reduced activities senior citizen activities.
- Culture and recreation had an overall positive variance of \$1,197,073 because Parks operated below 70% resulting in savings of approximately \$812,000. Most parks were closed to the public, which contributed to savings of approximately \$364,000 for personnel costs and special events that were halted during fiscal 2021.

CITY OF NORTH MIAMI, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

September 30, 2021

- Capital outlay had a positive variance of \$662,463 million because capital projects that were not completed during the fiscal year due to the pandemic. The funds were carried over to 2022 fiscal year.
- 2) Two public hearings are conducted to obtain taxpayers' comments as required by Truth in Millage (TRIM) legislation. Prior to September 28 (unless preempted by TRIM) as stated in the City's Charter, the budget is legally enacted through passage of an ordinance.
 - 3) The City Manager may at any time transfer any unencumbered appropriated balance or portion thereof between general classifications of expenditures within an office, department or agency. The Council may by resolution transfer any unencumbered appropriated balance or portion thereof, from one office, department or agency to another.
 - 4) Budget amendments, according to the Budget Resolution, allows for administrative approval. During fiscal year 2021, budget amendments to general fund revenues and expenditures totaled \$3,544,455. \$1 million was amended for the 2020 participation Rent, \$.09 million for the sale of City assets, approximately \$0.8 million was related to re-appropriations from unfinished projects from the prior year, \$0.5 million was related to encumbrance rollover and \$0.2 million for miscellaneous grants and donations. Note that most of the initiatives cited above came from fiscal year 2020, but they were not undertaken. Therefore, 2021 budget was amended to include them.
 - 5) Unencumbered appropriations lapse at year-end. All encumbrances outstanding at the end of the current fiscal year will be appropriated as part of the subsequent year's budget.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability							
Service cost	\$ 2,745,074	\$ 2,884,226	\$ 2,874,281	\$ 2,736,585	\$ 2,688,621	\$ 2,364,576	\$ 2,474,226
Interest	8,192,391	7,986,311	7,175,820	7,112,421	6,699,774	6,407,038	5,987,806
Difference between actual & expected experience	1,490,024	(2,846,387)	5,426,628	(586,971)	(722,729)	(2,551,912)	-
Assumption changes	(2,593,823)	1,471,145	1,422,393	2,910,987	1,055,450	973,319	-
Benefit payments	(5,351,111)	(4,686,763)	(4,550,105)	(4,280,161)	(2,859,026)	(2,992,356)	(3,537,499)
Refunds	1	(71,572)	(18,657)	(32,663)	(160,092)	-	(72,946)
Net change in total pension liability	4,482,556	4,736,960	12,330,360	7,860,198	6,701,998	4,200,665	4,851,587
Total pension liability - beginning	112,155,011	107,418,051	95,087,691	87,227,493	80,525,495	76,324,830	71,473,243
Total pension liability - ending (a)	\$ 116,637,567	\$ 112,155,011	\$ 107,418,051	\$ 95,087,691	\$ 87,227,493	\$ 80,525,495	\$ 76,324,830
Plan fiduciary net position							
Contributions - employer	\$ 4,682,955	\$ 4,724,031	\$ 3,884,945	\$ 3,744,407	\$ 3,558,223	\$ 3,358,659	\$ 3,194,000
Contributions - employer (from State/Share Plan)	197,038	184,085	82,682	82,682	82,682	82,682	82,682
Contributions - non-employer contributing entity	-	-	-	-	494,141	-	-
Contributions - member	875,237	907,850	932,232	1,153,440	1,014,411	846,576	791,906
Net investment income	3,509,502	420,126	8,694,199	6,933,826	5,759,158	1,672,653	4,798,319
Benefit payments	(5,351,111)	(4,686,763)	(4,550,107)	(4,280,161)	(2,859,026)	(2,992,356)	(3,537,499)
Refunds	-	(71,573)	(18,657)	(32,663)	(160,092)	-	(72,946)
Administrative expense	(270,751)	(253,291)	(227,839)	(159,823)	(136,260)	(126,435)	(132,094)
Net change in plan fiduciary net position	3,642,870	1,224,465	8,797,455	7,441,708	7,753,237	2,841,779	5,124,368
Plan fiduciary net position - beginning	80,605,145	79,380,680	70,583,225	63,141,517	55,388,280	52,546,501	47,422,133
Plan fiduciary net position - ending (b)	84,248,015	80,605,145	79,380,680	70,583,225	63,141,517	55,388,280	52,546,501
Net pension liability - ending (a) - (b)	\$ 32,389,552	\$ 31,549,866	\$ 28,037,371	\$ 24,504,466	\$ 24,085,976	\$ 25,137,215	\$ 23,778,329
Plan fiduciary net position as a percentage of total pension liability	72.23%	71.87%	73.90%	74.23%	72.39%	68.78%	68.85%
Covered payroll	\$ 8,936,209	\$ 9,667,188	\$ 9,962,588	\$ 9,058,510	\$ 9,185,954	\$ 8,901,956	\$ 8,327,087
Net pension liability as a percentage of covered payroll	362.45%	326.36%	281.43%	270.51%	262.20%	282.38%	285.55%
Measurement Date	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014

Note to Schedule:

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

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

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 1,908,045	\$ 1,812,287	\$ 1,759,663	\$ 1,959,651	\$ 2,659,600	\$ 2,438,790	\$ 2,250,457
Interest	9,617,391	9,216,810	8,939,070	8,775,025	9,099,037	8,937,243	8,638,765
Benefit changes	(2,353,306)	1,601,838	1,522,923	4,504,616	(6,839,780)	-	-
Difference between actual & expected experience	2,635,026	3,067,379	1,551,666	2,228,073	(1,266,151)	(2,263,638)	-
Benefit payments	(7,613,250)	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(22,347)	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Other	2,368	2,595	1,901	1,657	1,423	1,253	1,253
Net change in total pension liability	4,173,927	7,310,998	6,150,709	10,145,433	(3,570,957)	1,984,336	3,765,690
Total pension liability - beginning	142,309,622	134,998,624	128,847,915	118,702,482	122,273,439	120,289,103	116,523,413
Total pension liability - ending (a)	\$ 146,483,549	\$ 142,309,622	\$ 134,998,624	\$ 128,847,915	\$ 118,702,482	\$ 122,273,439	\$ 120,289,103
Plan fiduciary net position							
Contributions - employer	\$ 4,018,087	\$ 5,537,669	\$ 5,135,715	\$ 4,924,792	\$ 5,900,606	\$ 5,452,219	\$ 4,024,959
Contributions - employer (from State/Share Plan)	2,368	2,595	1,901	1,657	1,423	1,253	1,253
Contributions - non-employer contributing entity	108,396	194,266	195,277	103,860	92,782	145,792	171,222
Contributions - member	833,994	824,981	813,650	788,484	920,667	853,456	789,599
Net investment income	11,308,249	6,279,184	12,802,737	12,071,492	11,084,389	548,641	9,493,224
Benefit payments	(7,613,250)	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(22,347)	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Administrative expense	(362,800)	(344,954)	(333,039)	(262,418)	(250,675)	(235,209)	(284,291)
Net change in plan fiduciary net position	8,272,697	4,103,830	10,991,727	10,304,278	10,524,106	(363,160)	7,071,181
Plan fiduciary net position - beginning	133,744,114	129,640,284	118,648,557	108,344,279	97,820,173	98,183,333	91,112,152
Plan fiduciary net position - ending (b)	142,016,811	133,744,114	129,640,284	118,648,557	108,344,279	97,820,173	98,183,333
Net pension liability - ending (a) - (b)	\$ 4,466,738	\$ 8,565,508	\$ 5,358,340	\$ 10,199,358	\$ 10,358,203	\$ 24,453,266	\$ 22,105,770
Plan fiduciary net position as a percentage of total pension liability	96.95%	93.98%	96.03%	92.08%	91.27%	80.00%	81.62%
Covered payroll	\$ 12,384,844	\$ 11,992,650	\$ 11,989,341	\$ 11,834,725	\$ 11,618,974	\$ 12,192,229	\$ 11,173,564
Net pension liability as a percentage of covered payroll	36.07%	71.42%	44.69%	86.18%	89.15%	200.56%	197.84%
Measurement Date	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014

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

See notes to the required supplementary information.

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

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Actual Contribution as % of Covered Payroll
2014	\$ 4,196,181	\$ 4,196,181	\$ -	\$ 11,173,564	37.55%
2015	5,598,011	5,598,011	-	12,192,229	45.91%
2016	5,993,388	5,993,388	-	11,618,974	51.58%
2017	5,028,652	5,028,652	-	11,834,725	42.49%
2018	5,330,992	5,330,992	-	11,989,341	44.46%
2019	5,731,935	5,731,935	-	11,992,650	47.80%
2020	4,126,483	4,126,483	-	12,384,844	33.32%
2021	3,629,523	3,629,941	(418)	12,267,117	29.59%

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

Valuation Date : October 1, 2019

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	General: Level Percentage of Payroll, Closed Police and Fire: Level Dollar, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Inflation	2.50%
Salary Increases	3.00% to 6.00% depending on service
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB

Note to Schedule:

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

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

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as % of Covered Payroll</u>
2014	\$ 3,239,178	\$ 3,276,682	\$ (37,504)	\$ 8,327,087	39.35%
2015	3,441,341	3,441,341	-	8,901,956	38.66%
2016	3,640,905	4,135,046	(494,141)	9,185,954	45.01%
2017	3,827,089	3,827,089	-	9,058,510	42.25%
2018	3,967,627	3,967,627	-	9,962,588	39.83%
2019	4,908,116	4,908,116	-	9,667,188	50.77%
2020	4,879,993	4,879,993	-	8,936,209	54.61%
2021	4,731,505	4,731,505	-	8,887,506	53.24%

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

Valuation Date : October 1, 2019

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Inflation	2.50%
Salary Increases	3.50% to 9.00% depending on service
Investment Rate of Return	7.20%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected using Scale BB.

Note to Schedule:

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

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

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

Year Ending September 30,	City's Proportionate % Share of the FRS Net Pension Liability	City's Proportionate Share of the FRS Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the FRS Net Pension Liability as a % of its Covered Payroll	FRS Plan Fiduciary Net Position as a % of the Total Pension Liability
2016	0.0011%	\$ 287,371	\$ 208,324	18.55%	84.88%
2017	0.0136%	4,039,330	2,617,041	154.35%	83.89%
2018	0.0142%	4,285,357	4,627,929	92.60%	84.26%
2019	0.0190%	6,549,910	6,275,292	104.38%	82.61%
2020	0.0265%	11,481,127	8,171,636	140.50%	78.85%
2021	0.0295%	2,230,477	8,413,638	26.51%	96.40%

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Year Ending September 30,	Contractually Required FRS Contribution	FRS Contribution in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	City's Covered Payroll	FRS Contribution as a % of covered payroll
2016	\$ 27,754	\$ 27,754	-	\$ 600,141	1.79%
2017	355,375	355,375	-	3,170,437	11.21%
2018	405,469	405,469	-	5,110,969	7.93%
2019	589,729	589,729	-	6,654,954	8.86%
2020	880,143	880,143	-	8,336,804	10.56%
2021	1,124,875	1,124,875	-	8,784,640	12.81%

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

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

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

Year Ending September 30,	City's Proportionate % Share of the HIS Net Pension Liability	City's Proportionate Share of the HIS Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the HIS Net Pension Liability as a % of its Covered Payroll	HIS Plan Fiduciary Net Position as a % of the Total Pension Liability
2016	0.0002%	\$ 5,330,992	\$ 208,324	1.67%	0.97%
2017	0.0092%	5,731,935	2,617,041	58.64%	0.50%
2018	0.0137%	1,447,001	4,627,929	31.27%	2.15%
2019	0.0188%	2,108,959	6,275,292	33.61%	2.63%
2020	0.0234%	2,861,253	8,171,636	35.01%	3.00%
2021	0.0236%	2,901,047	8,413,638	34.48%	3.56%

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Fiscal Ending September 30,	Contractually Required HIS Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	City's Covered Payroll	HIS Contribution as a % of covered payroll
2016	\$ 1,136	\$ 1,136	-	\$ 600,141	0.07%
2017	49,166	49,166	-	3,170,437	1.55%
2018	74,141	74,141	-	5,110,969	1.45%
2019	104,664	104,664	-	6,654,954	1.57%
2020	135,039	135,039	-	8,336,804	1.62%
2021	139,016	139,016	-	8,784,640	1.58%

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

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

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

<u>September 30,</u>	<u>CTS</u>	<u>NMPP</u>
2014	9.47%	10.91%
2015	0.78%	2.82%
2016	10.61%	8.07%
2017	12.53%	13.20%
2018	11.04%	12.26%
2019	4.83%	0.58%
2020	8.02%	4.94%
2021	22.28%	25.96%

Notes to Schedule:

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

CITY OF NORTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND
RELATED RATIOS**

SEPTEMBER 30, 2021

UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balance at September 30, 2020	\$ 15,328,265	\$ 12,722,294	\$ 14,965,694
Changes for the year:			
Service cost	767,179	568,651	712,084
Interest	435,487	499,472	539,189
Difference between expected and actual experience	(754,813)	-	(964,046)
Changes in assumptions	(590,616)	2,037,665	(1,985,898)
Benefits payments	<u>(519,129)</u>	<u>(499,817)</u>	<u>(544,729)</u>
Net changes	<u>(661,892)</u>	<u>2,605,971</u>	<u>(2,243,400)</u>
Balance at September 30, 2021	<u><u>\$ 14,666,373</u></u>	<u><u>\$ 15,328,265</u></u>	<u><u>\$ 12,722,294</u></u>
 Covered-Employee Payroll	 \$ 27,945,304	 \$ 24,908,751	 \$ 23,950,722
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 52.48%	 61.54%	 53.12%

Notes to Schedule:

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

See notes to the required supplementary information.



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Combining Fund Statements and Schedules



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS – (Continued)

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

DEBT SERVICE FUNDS

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

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

CAPITAL PROJECTS FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS - (Continued)

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

INTERNAL SERVICE FUNDS

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

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

PENSION TRUST FUNDS

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

**CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue						
	HOME Investment Partnership	Neighborhood Stabilization Program	Local Housing (SHIP)	2005 Recovery	FEMA Disaster Recovery	Police Training	Law Enforcement Trust
ASSETS							
Pooled cash and cash equivalents	\$ 22,921	\$ 1,146,358	\$ 85,623	\$ 55,526	\$ -	\$ 552	\$ 493,691
Pooled investments	-	-	-	-	-	-	-
Accounts receivables, net of allowance	-	-	-	-	-	-	-
Due from other governments and entities	19,336	-	-	-	134,369	373	-
Prepays, deposits and other current assets	-	-	-	-	-	-	1,500
Restricted cash	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	42,257	1,146,358	85,623	55,526	134,369	925	495,191
LIABILITIES							
Vouchers payable	601	24,216	180	-	-	-	4,706
Construction contracts payable	-	-	-	-	-	-	-
Accrued payroll and benefits	2,412	952	-	-	-	-	-
Due to other funds	-	-	-	-	251,531	-	-
Unearned revenues	290,117	781,543	88,655	-	-	-	-
Other liabilities and deposits	-	1,148	-	-	-	-	-
Total liabilities	293,130	807,859	88,835	-	251,531	-	4,706
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - from other sources	35,795	-	-	-	134,369	-	-
Total deferred inflows of resources	35,795	-	-	-	134,369	-	-
FUND BALANCES (DEFICITS)							
Non-spendable	-	-	-	-	-	-	1,500
Restricted	-	338,499	-	55,526	-	925	488,985
Assigned	-	-	-	-	-	-	-
Unassigned (deficit)	(286,668)	-	(3,212)	-	(251,531)	-	-
Total Fund Balances (Deficits)	(286,668)	338,499	(3,212)	55,526	(251,531)	925	490,485
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 42,257	\$ 1,146,358	\$ 85,623	\$ 55,526	\$ 134,369	\$ 925	\$ 495,191

(Continued)

**CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue							
	Federal Forfeiture	Justice Assistance Grants	Half-Cent Transportation Surtax	Developer Impact Fees	Building Fund	Miscellaneous & Other Grants	MOCA	Total Special Revenue Funds
ASSETS								
Pooled cash and cash equivalents	\$ 73,060	\$ -	\$ 615,557	\$ 848,090	\$ 1,060,180	\$ -	\$ 505,375	\$ 4,906,933
Pooled investments	-	-	-	-	-	-	1,231,641	1,231,641
Accounts receivables, net of allowance	-	-	-	-	364	-	332,608	332,972
Due from other governments and entities	-	12,897	1,505,684	-	-	418,729	-	2,091,388
Prepays, deposits and other current assets	-	-	-	-	-	-	74,043	75,543
Restricted cash	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	73,060	12,897	2,121,241	848,090	1,060,544	418,729	2,143,667	8,638,477
LIABILITIES								
Vouchers payable	2,713	-	120,723	-	48,948	5,458	312,089	519,634
Construction contracts payable	-	-	101,163	-	-	-	-	101,163
Accrued payroll and benefits	-	-	9,155	-	26,871	-	-	39,390
Due to other funds	-	5,037	-	-	-	647,608	-	904,176
Unearned revenues	-	26,549	-	-	-	42,366	-	1,229,230
Other liabilities and deposits	-	-	-	-	447,957	-	-	449,105
Total liabilities	2,713	31,586	231,041	-	523,776	695,432	312,089	3,242,698
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - from other sources	-	-	1,269,926	-	-	-	-	1,440,090
Total deferred inflows of resources	-	-	1,269,926	-	-	-	-	1,440,090
FUND BALANCES (DEFICITS)								
Non-spendable	-	-	-	-	-	-	74,043	75,543
Restricted	70,347	-	620,274	848,090	536,768	-	1,189,682	4,149,096
Assigned	-	-	-	-	-	-	567,853	567,853
Unassigned (deficit)	-	(18,689)	-	-	-	(276,703)	-	(836,803)
Total Fund Balances (Deficits)	70,347	(18,689)	620,274	848,090	536,768	(276,703)	1,831,578	3,955,689
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 73,060	\$ 12,897	\$ 2,121,241	\$ 848,090	\$ 1,060,544	\$ 418,729	\$ 2,143,667	\$ 8,638,477

(Continued)

**CITY OF NORTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Debt Service	Capital Projects						
	Pension Obligation Bonds	North Miami Cagni Park Project	E May Avil Library	Transportation Gas Tax	Arch Creek Bridge	Other Capital Project Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS								
Pooled cash and cash equivalents	\$ 7,534	\$ -	\$ -	\$ 63,832	\$ 23,149	\$ -	\$ 86,981	\$ 5,001,448
Pooled investments	-	-	-	-	-	-	-	1,231,641
Accounts receivables, net of allowance	-	-	-	-	-	-	-	332,972
Due from other governments and entities	-	38,391	-	47,220	-	-	85,611	2,176,999
Prepays, deposits and other current assets	-	-	-	-	-	-	-	75,543
Restricted cash	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	7,534	38,391	-	111,052	23,149	-	172,592	8,818,603
LIABILITIES								
Vouchers payable	-	25,127	-	-	-	-	25,127	544,761
Construction contracts payable	-	-	-	-	-	-	-	101,163
Accrued payroll and benefits	-	-	-	-	-	-	-	39,390
Due to other funds	-	107,941	47,514	-	-	143,367	298,822	1,202,998
Unearned revenues	-	-	-	-	-	-	-	1,229,230
Other liabilities and deposits	-	-	-	-	-	-	-	449,105
Total liabilities	-	133,068	47,514	-	-	143,367	323,949	3,566,647
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - from other sources	-	-	-	-	-	-	-	1,440,090
Total deferred inflows of resources	-	-	-	-	-	-	-	1,440,090
FUND BALANCES (DEFICITS)								
Non-spendable	-	-	-	-	-	-	-	75,543
Restricted	7,534	-	-	111,052	-	-	111,052	4,267,682
Assigned	-	-	-	-	23,149	-	23,149	591,002
Unassigned (deficit)	-	(94,677)	(47,514)	-	-	(143,367)	(285,558)	(1,122,361)
Total Fund Balances (Deficits)	7,534	(94,677)	(47,514)	111,052	23,149	(143,367)	(151,357)	3,811,866
Total liabilities, deferred inflows of resources and fund balances (deficits)								
	\$ 7,534	\$ 38,391	\$ -	\$ 111,052	\$ 23,149	\$ -	\$ 172,592	\$ 8,818,603

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue						
	HOME Investment Partnership	Neighborhood Stabilization Program	Local Housing (SHIP)	2005 Recovery	FEMA Disaster Recovery	Police Training	Law Enforcement Trust
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-
Charges for services:							
Sanitation fees	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	219,981	1,163	318,675	-	152,424	3,175	142,104
Licenses and permits	-	-	-	-	-	-	-
Interest and other earnings	-	2,435	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-	-
Total revenues	219,981	3,598	318,675	-	152,424	3,175	142,104
EXPENDITURES							
Current:							
General government	-	-	-	-	11,433	-	-
Public safety	-	-	-	-	-	-	97,799
Physical environment: transportation	-	-	-	-	-	-	-
Housing and social services	547,725	63,367	318,842	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community planning and development	-	190	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	40,956	-	-	-	-	6,328
Total expenditures	547,725	104,513	318,842	-	11,433	-	104,127
Excess (deficiency) of revenues over (under) expenditures	(327,744)	(100,915)	(167)	-	140,991	3,175	37,977
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances (deficits)	(327,744)	(100,915)	(167)	-	140,991	3,175	37,977
Fund balances (deficits), beginning	41,076	439,414	(3,045)	55,526	(392,522)	(2,250)	452,508
Fund balances (deficits), ending	\$ (286,668)	\$ 338,499	\$ (3,212)	\$ 55,526	\$ (251,531)	\$ 925	\$ 490,485

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue						
	Federal Forfeiture	Justice Assistance Grants	Half-Cent Transportation Surtax	Developer Impact Fees	Building Fund	Miscellaneous & Other Grants	Total Special Revenue Funds
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-
Charges for services:							
Sanitation fees	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-
Other	-	-	2,625	62,602	-	-	111,953
Franchise fees	-	-	29,395	-	-	-	29,395
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	12,894	2,669,479	-	-	1,540,418	7,265,076
Licenses and permits	-	-	-	-	2,506,393	-	2,506,393
Interest and other earnings	-	-	-	2,860	35	-	1,135,013
Rents and royalties	-	-	-	-	-	-	-
Total revenues	-	12,894	2,701,499	65,462	2,506,428	1,540,418	11,047,830
EXPENDITURES							
Current:							
General government	-	-	-	-	-	1,323,859	1,335,292
Public safety	24,932	12,897	-	-	1,920,798	122,380	2,178,806
Physical environment: transportation	-	-	1,632,136	-	-	-	1,632,136
Housing and social services	-	-	-	-	-	-	929,934
Culture and recreation	-	-	-	-	-	7,193	2,860,279
Community planning and development	-	-	-	-	-	115,000	115,190
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	1,550,592	-	-	5,313	1,603,189
Total expenditures	24,932	12,897	3,182,728	-	1,920,798	1,573,745	10,654,826
Excess (deficiency) of revenues over (under) expenditures	(24,932)	(3)	(481,229)	65,462	585,630	(33,327)	393,004
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(7,579)	-	(48,862)	-	(56,441)
Total other financing sources (uses)	-	-	(7,579)	-	(48,862)	-	(56,441)
Net change in fund balances (deficits)	(24,932)	(3)	(488,808)	65,462	536,768	(33,327)	336,563
Fund balances (deficits), beginning	95,279	(18,686)	1,109,082	782,628	-	(243,376)	3,619,126
Fund balances (deficits), ending	\$ 70,347	\$ (18,689)	\$ 620,274	\$ 848,090	\$ 536,768	\$ (276,703)	\$ 3,955,689

(Continued)

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Debt Service	Capital Projects						Total Nonmajor Governmental Funds
	Pension Obligation Bonds	North Miami Cagni Park Project	E May Avil Library	Transportation Gas Tax	Arch Creek Bridge	Other Capital Project Funds	Total Capital Projects Funds	
REVENUES								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility and communication taxes	-	-	-	-	-	-	-	-
Charges for services:								
Sanitation fees	-	-	-	-	-	-	-	-
Interfund charges	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	111,953
Franchise fees	-	-	-	-	-	-	-	29,395
Fines and forfeitures	-	-	-	-	-	-	-	-
Intergovernmental	-	38,391	-	271,837	-	-	310,228	7,575,304
Licenses and permits	-	-	-	-	-	-	-	2,506,393
Interest and other earnings	-	-	-	-	-	-	-	1,135,013
Rents and royalties	-	-	-	-	-	-	-	-
Total revenues	-	38,391	-	271,837	-	-	310,228	11,358,058
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	1,335,292
Public safety	-	-	-	-	-	-	-	2,178,806
Physical environment: transportation	-	-	-	-	-	-	-	1,632,136
Housing and social services	-	-	-	-	-	-	-	929,934
Culture and recreation	-	-	-	-	-	-	-	2,860,279
Community planning and development	-	-	-	-	-	-	-	115,190
Debt service:								
Principal retirement	950,000	-	-	-	-	-	-	950,000
Interest and fiscal charges	835,200	-	-	-	-	-	-	835,200
Capital outlay	-	132,187	-	270,715	-	-	402,902	2,006,091
Total expenditures	1,785,200	132,187	-	270,715	-	-	402,902	12,842,928
Excess (deficiency) of revenues over (under) expenditures	(1,785,200)	(93,796)	-	1,122	-	-	(92,674)	(1,484,870)
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-	-
Transfers in	1,785,200	-	-	-	-	-	-	1,785,200
Transfers out	-	-	-	-	-	-	-	(56,441)
Total other financing sources (uses)	1,785,200	-	-	-	-	-	-	1,728,759
Net change in fund balances (deficits)	-	(93,796)	-	1,122	-	-	(92,674)	243,889
Fund balances (deficits), beginning	7,534	(881)	(47,514)	109,930	23,149	(143,367)	(58,683)	3,567,977
Fund balances (deficits), ending	\$ 7,534	\$ (94,677)	\$ (47,514)	\$ 111,052	\$ 23,149	\$ (143,367)	\$ (151,357)	\$ 3,811,866

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Totals</u>
ASSETS			
Current assets:			
Pooled cash and cash equivalents	\$ 3,797,843	\$ 5,890,653	\$ 9,688,496
Pooled investments	1,360,069	-	1,360,069
Accounts receivables, net of allowance	26,415	12,775	39,190
Grants receivables from other governments	-	8,541	8,541
Inventories and supplies	-	48,544	48,544
Prepays and deposits	99,965	7,307	107,272
Total current assets	<u>5,284,292</u>	<u>5,967,820</u>	<u>11,252,112</u>
Non-current assets:			
Capital assets, net	-	3,396,795	3,396,795
Total assets	<u>5,284,292</u>	<u>9,364,615</u>	<u>14,648,907</u>
DEFERRED OUTFLOW OF RESOURCES			
OPEB related items	10,993	24,269	35,262
Pension related items	339,191	516,461	855,652
Total deferred outflow of resources	<u>350,184</u>	<u>540,730</u>	<u>890,914</u>
LIABILITIES			
Current liabilities:			
Vouchers payable	106,400	72,234	178,634
Constructions contracts payable	-	2,023	2,023
Accrued payroll and benefits	16,396	16,893	33,289
Compensated absences	38,428	62,280	100,708
Bonds, notes, leases payable	-	926,389	926,389
Total current liabilities	<u>161,224</u>	<u>1,079,819</u>	<u>1,241,043</u>
Non-current liabilities:			
Bonds, notes and lease payable	-	314,631	314,631
Compensated absences	81,671	217,217	298,888
Claims payable	4,352,779	-	4,352,779
Net pension liability	287,148	1,022,085	1,309,233
Total OPEB liability	120,435	246,767	367,202
Total non-current liabilities	<u>4,842,033</u>	<u>1,800,700</u>	<u>6,642,733</u>
Total liabilities	<u>5,003,257</u>	<u>2,880,519</u>	<u>7,883,776</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	19,437	40,965	60,402
Pension related items	184,808	353,835	538,643
Total deferred inflows of resources	<u>204,245</u>	<u>394,800</u>	<u>599,045</u>
NET POSITION			
Net investment in capital assets	-	2,153,752	2,153,752
Unrestricted	426,974	4,476,274	4,903,248
Total net position	<u>\$ 426,974</u>	<u>\$ 6,630,026</u>	<u>\$ 7,057,000</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Risk Management	Fleet Management	Totals
OPERATING REVENUES			
Premiums and charges for services provided to other funds	\$ 2,001,096	\$ 3,130,422	\$ 5,131,518
Other revenues	72,263	64,442	136,705
Total operating revenues	<u>2,073,359</u>	<u>3,194,864</u>	<u>5,268,223</u>
OPERATING EXPENSES			
Personnel services	534,552	859,720	1,394,272
Materials, supplies, services and other operating expenses	883,596	1,313,278	2,196,874
Claims cost	1,819,525	-	1,819,525
Depreciation	-	1,015,527	1,015,527
Total operating expenses	<u>3,237,673</u>	<u>3,188,525</u>	<u>6,426,198</u>
Operating income (loss)	<u>(1,164,314)</u>	<u>6,339</u>	<u>(1,157,975)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	2,104	-	2,104
Gain from sale of capital assets	-	71,170	71,170
Proceeds from capital leases	-	-	-
Interest expense	-	(48,537)	(48,537)
Total non-operating revenues (expenses)	<u>2,104</u>	<u>22,633</u>	<u>24,737</u>
Income before transfers	<u>(1,162,210)</u>	<u>28,972</u>	<u>(1,133,238)</u>
TRANSFERS			
Transfers out	(19,495)	(33,581)	(53,076)
Total transfers out	<u>(19,495)</u>	<u>(33,581)</u>	<u>(53,076)</u>
Change in net position	(1,181,705)	(4,609)	(1,186,314)
Net position - beginning	1,608,679	6,634,635	8,243,314
Net position - ending	<u>\$ 426,974</u>	<u>\$ 6,630,026</u>	<u>\$ 7,057,000</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Risk Management	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from other funds for premiums and charges for services	\$ 2,001,096	\$ 3,130,422	\$ 5,131,518
Other cash receipts	72,263	64,442	136,705
Payments to employees	(534,552)	(859,720)	(1,394,272)
Payments to suppliers	(835,207)	(1,383,098)	(2,218,305)
Payments for claims	(696,098)	-	(696,098)
Net cash provided by operating activities	<u>7,502</u>	<u>952,046</u>	<u>959,548</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out - pension debt service	(19,495)	(33,581)	(53,076)
Net cash used for noncapital financing activities	<u>(19,495)</u>	<u>(33,581)</u>	<u>(53,076)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital leases	-	(926,371)	(926,371)
Interest paid on capital leases	-	(48,537)	(48,537)
Acquisition and construction of capital assets	-	(74,150)	(74,150)
Proceeds from sale of capital assets	-	71,170	71,170
Net cash used for capital and related financing activities	<u>-</u>	<u>(977,888)</u>	<u>(977,888)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(2,104)	-	(2,104)
Interest earnings	2,104	-	2,104
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in pooled cash and cash equivalents:	(11,993)	(59,423)	(71,416)
Pooled cash and cash equivalents at beginning of year	3,809,836	5,950,076	9,759,912
Pooled cash and cash equivalents at end of the year	<u>\$ 3,797,843</u>	<u>\$ 5,890,653</u>	<u>\$ 9,688,496</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating (loss) income	\$ (1,164,314)	\$ 6,339	\$ (1,157,975)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	1,015,527	1,015,527
Changes in assets, liabilities, deferred inflows and outflows of resources:			
(Increase) in accounts receivable	(10,560)	(12,775)	(23,335)
(Increase) in grants receivable from other governments	-	(311)	(311)
Decrease in inventories and supplies	-	9,187	9,187
(Increase) in prepaids and deposits	(17,775)	-	(17,775)
Decrease in deferred outflows of resources	128,439	175,124	303,563
Increase (decrease) in vouchers payable	77,253	(51,749)	25,504
(Decrease) in accrued payroll and benefits	(1,247)	(6,740)	(7,987)
Increase (decrease) in compensated absences	808	(128,410)	(127,602)
Increase in claims payable	1,032,288	-	1,032,288
(Decrease) in other post-employment benefits obligation	(4,299)	(15,274)	(19,573)
(Decrease) in net pension liability	(123,030)	(161,680)	(284,710)
Increase in deferred inflows of resources	89,939	122,808	212,747
Net cash provided by operating activities	<u>\$ 7,502</u>	<u>\$ 952,046</u>	<u>\$ 959,548</u>
Non-cash investing, capital and financing activities:			
Capital lease financing	\$ -	\$ 1,202,447	\$ 1,202,447
Total non-cash investing, capital and financing activities:	<u>\$ -</u>	<u>\$ 1,202,447</u>	<u>\$ 1,202,447</u>

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	691 CTS Plan	748 Police Plan	Totals
ASSETS			
Cash	\$ 993,512	\$ 465,297	\$ 1,458,809
Investments:			
Short term investments	5,771,308	3,576,551	9,347,859
U.S. Treasuries	7,529,110	6,287,568	13,816,678
U.S. Agency obligations	5,611,687	5,747,114	11,358,801
Corporate bonds	3,160,714	2,409,376	5,570,090
Common stock	39,368,008	26,057,547	65,425,555
Equity mutual funds	21,594,162	13,491,512	35,085,674
Real estate funds	24,732,058	17,912,556	42,644,614
Bond Index Funds	19,012,750	5,043,008	24,055,758
Index funds (collective investment trust funds)	40,559,975	24,583,283	65,143,258
Total investments	167,339,772	105,108,515	272,448,287
Receivables:			
Plan members' contributions	13,701	14,480	28,181
Share Plan	42,972	-	42,972
Receivable from broker on investments sold	24,872	15,705	40,577
Accrued interest	41,558	37,406	78,964
Accrued dividends	18,764	10,791	29,555
Total receivables	141,867	78,382	220,249
Total assets	168,475,151	105,652,194	274,127,345
LIABILITIES AND NET POSITION RESTRICTED FOR PENSION BENEFITS			
Liabilities:			
Accounts payable and accrued liabilities	6,369	6,319	12,688
Payable to broker for investments purchased	947,137	608,302	1,555,439
Benefits payable	318,766	-	318,766
Total liabilities	1,272,272	614,621	1,886,893
Net position restricted for pension benefits	\$ 167,202,879	\$ 105,037,573	\$ 272,240,452

CITY OF NORTH MIAMI, FLORIDA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	691 CTS Plan	748 Police Plan	Totals
ADDITIONS			
Employer	\$ 3,623,990	\$ 4,545,250	\$ 8,169,240
Plan members	800,962	845,591	1,646,553
County	5,951	-	5,951
Other	2,579	186,255	188,834
Total contributions	<u>4,433,482</u>	<u>5,577,096</u>	<u>10,010,578</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	30,330,363	21,385,358	51,715,721
Interest	277,427	254,762	532,189
Dividends	864,455	478,568	1,343,023
Gross investment income	<u>31,472,245</u>	<u>22,118,688</u>	<u>53,590,933</u>
Less investment expenses	(499,213)	(341,297)	(840,510)
Net investment income	<u>30,973,032</u>	<u>21,777,391</u>	<u>52,750,423</u>
Total additions	<u>35,406,514</u>	<u>27,354,487</u>	<u>62,761,001</u>
DEDUCTIONS			
Benefits paid to Plan members:			
Normal retirement	8,030,404	4,855,776	12,886,180
Disability retirement	131,496	244,788	376,284
Death benefit	5,529	32,179	37,708
Lump sum retirement	1,515,061	1,093,240	2,608,301
Refunds of contributions	100,969	58,715	159,684
	<u>9,783,459</u>	<u>6,284,698</u>	<u>16,068,157</u>
Administrative expenses	436,987	280,229	717,216
Total deductions	<u>10,220,446</u>	<u>6,564,927</u>	<u>16,785,373</u>
Increase in net position	25,186,068	20,789,560	45,975,628
Net position restricted for pension benefits - beginning	142,016,811	84,248,013	226,264,824
Net position restricted for pension benefits - ending	<u>\$ 167,202,879</u>	<u>\$ 105,037,573</u>	<u>\$ 272,240,452</u>

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Home Investment Partnership				Neighborhood Stabilization Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ 298,154	\$ 1,003,185	\$ 219,981	\$ (783,204)	\$ 397,412	\$ 424,107	\$ 1,163	\$ (422,944)
Interest and other earnings	-	-	-	-	-	2,435	2,435	-
Total revenues	<u>298,154</u>	<u>1,003,185</u>	<u>219,981</u>	<u>(783,204)</u>	<u>397,412</u>	<u>426,542</u>	<u>3,598</u>	<u>(422,944)</u>
EXPENDITURES								
Housing and social services	298,154	1,003,185	547,725	455,460	57,010	111,140	63,367	47,773
Community planning and development	-	-	-	-	-	-	190	(190)
Capital outlay	-	-	-	-	340,402	315,402	40,956	274,446
Total expenditures	<u>298,154</u>	<u>1,003,185</u>	<u>547,725</u>	<u>455,460</u>	<u>397,412</u>	<u>426,542</u>	<u>104,513</u>	<u>322,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(327,744)</u>	<u>(327,744)</u>	<u>-</u>	<u>-</u>	<u>(100,915)</u>	<u>(100,915)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>(327,744)</u>	<u>(327,744)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(100,915)</u>	<u>(100,915)</u>
Fund balances - beginning			41,076				439,414	
Fund balances - ending			<u>(286,668)</u>				<u>338,499</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Local Housing (SHIP)				FEMA Disaster Recovery			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ 433,871	\$ 318,675	\$ (115,196)	\$ -	\$ -	\$ 152,424	\$ 152,424
Interest and other earnings	-	-	-	-	-	-	-	-
Total revenues	-	433,871	318,675	(115,196)	-	-	152,424	152,424
EXPENDITURES								
General government	-	-	-	-	-	20,300	11,433	8,867
Housing and social services	-	433,871	318,842	115,029	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	433,871	318,842	115,029	-	20,300	11,433	8,867
Excess (deficiency) of revenues over (under) expenditures	-	-	(167)	(167)	-	(20,300)	140,991	161,291
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	20,300	-	(20,300)
Transfers out	-	-	-	-	-	-	-	-
Total other financing source (uses)	-	-	-	-	-	20,300	-	(20,300)
Net change in fund balances (deficits)	\$ -	\$ -	(167)	\$ (167)	\$ -	\$ -	140,991	\$ 140,991
Fund balances (deficits) - beginning			(3,045)				(392,522)	
Fund balances (deficits) - ending			<u>\$ (3,212)</u>				<u>\$ (251,531)</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Police Training				Law Enforcement Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 3,175	\$ 3,175	\$ 196,068	\$ 217,396	\$ 142,104	\$ (75,292)
Interest and other earnings	-	-	-	-	-	30,000	-	(30,000)
Total revenues	-	-	3,175	3,175	196,068	247,396	142,104	(105,292)
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	187,696	232,696	97,799	134,897
Capital outlay	-	-	-	-	8,372	14,700	6,328	8,372
Total expenditures	-	-	-	-	196,068	247,396	104,127	143,269
Excess (deficiency) of revenues over (under) expenditures	-	-	3,175	3,175	-	-	37,977	37,977
Net change in fund balances (deficits)	\$ -	\$ -	3,175	\$ 3,175	\$ -	\$ -	37,977	\$ 37,977
Fund balances (deficits) - beginning			(2,250)				452,508	
Fund balances (deficits) - ending			<u>\$ 925</u>				<u>\$ 490,485</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Federal Forfeiture				Justice Assistance Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ 84,162	\$ 102,162	\$ -	\$ (102,162)	-	46,153	12,894	(33,259)
Total revenues	84,162	102,162	-	(102,162)	-	46,153	12,894	(33,259)
EXPENDITURES								
Public safety	64,934	82,934	24,932	58,002	-	46,153	12,897	33,256
Capital outlay	19,228	19,228	-	19,228	-	-	-	-
Total expenditures	84,162	102,162	24,932	77,230	-	46,153	12,897	33,256
Excess (deficiency) of revenues over (under) expenditures	-	-	(24,932)	(24,932)	-	-	(3)	(3)
Net change in fund balances	\$ -	\$ -	(24,932)	\$ (24,932)	\$ -	\$ -	(3)	\$ (3)
Fund balances (deficits) - beginning			95,279				(18,686)	
Fund balances - ending			\$ 70,347				\$ (18,689)	
								Continued

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	1/2 Cent Transportation				Developer Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Charges for services - other	\$ 31,000	\$ 31,000	\$ 2,625	\$ (28,375)	\$ -	\$ -	\$ 62,602	\$ 62,602
Franchise fees	-	-	29,395	29,395	-	-	-	-
Intergovernmental	3,042,995	4,840,015	2,669,479	(2,170,536)	-	-	-	-
Interest and other earnings	-	-	-	-	-	-	2,860	2,860
Total revenues	3,073,995	4,871,015	2,701,499	(2,169,516)	-	-	65,462	65,462
EXPENDITURES								
Physical environment: transportation	2,635,415	-	1,632,136	(1,632,136)	-	-	-	-
Capital outlay	431,001	-	1,550,592	(1,550,592)	-	-	-	-
Total expenditures	3,066,416	-	3,182,728	(3,182,728)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	7,579	4,871,015	(481,229)	(5,352,244)	-	-	65,462	65,462
OTHER FINANCING SOURCES (USES)								
Appropriated reserves	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(7,579)	-	(7,579)	7,579	-	-	-	-
Total other financing source (uses)	(7,579)	-	(7,579)	7,579	-	-	-	-
Net change in fund balances	\$ -	\$ -	(488,808)	(5,344,665)	\$ -	\$ -	65,462	65,462
Fund balances (deficits) - beginning			1,109,082				782,628	
Fund balances (deficits) - ending			<u>\$ 620,274</u>				<u>\$ 848,090</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Building Fund				Miscellaneous & Other Grants			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 20,300	\$ 1,374,493	\$ 1,540,418	\$ 165,925
Licenses and permits	3,107,413	3,107,413	2,506,393	(601,020)	-	-	-	-
Interest and other earnings	-	-	35	35	-	-	-	-
Total revenues	<u>3,107,413</u>	<u>3,107,413</u>	<u>2,506,428</u>	<u>(600,985)</u>	<u>20,300</u>	<u>1,374,493</u>	<u>1,540,418</u>	<u>-</u>
EXPENDITURES								
General government					-	1,156,323	1,323,859	(167,536)
Public safety	3,058,551	3,058,551	1,920,798	1,137,753	-	124,708	122,380	2,328
Culture and recreation	-	-	-	-	17,019	12,280	7,193	5,087
Community planning and development	-	-	-	-	-	75,000	115,000	(40,000)
Capital outlay	-	-	-	-	3,281	6,182	5,313	869
Total expenditures	<u>3,058,551</u>	<u>3,058,551</u>	<u>1,920,798</u>	<u>1,137,753</u>	<u>20,300</u>	<u>1,374,493</u>	<u>1,573,745</u>	<u>(31,716)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,862</u>	<u>48,862</u>	<u>585,630</u>	<u>536,768</u>	<u>-</u>	<u>-</u>	<u>(33,327)</u>	<u>(31,716)</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	(48,862)	(48,862)	(48,862)	-	-	-	-	-
Total other financing source (uses)	<u>(48,862)</u>	<u>(48,862)</u>	<u>(48,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>536,768</u>	<u>\$ 536,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(33,327)</u>	<u>\$ (31,716)</u>
Fund balances (deficits) - beginning			-				(243,376)	
Fund balances (deficits) - ending			<u><u>\$ 536,768</u></u>				<u><u>\$ (276,703)</u></u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
(UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Debt Service Fund			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget
			(Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Debt service	1,785,200	1,785,200	-
Total expenditures	1,785,200	1,785,200	-
Excess (deficiency) of revenues over (under) expenditures	(1,785,200)	(1,785,200)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	1,785,200	1,785,200	-
Transfers out	-	-	-
Total other financing source (uses)	1,785,200	1,785,200	-
Net change in fund balances (deficits)	\$ -	\$ -	\$ -
Fund balances (deficits) - beginning			7,534
Fund balances - ending			\$ 7,534

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Capital Projects Funds							
	North Miami Cagni Park Project				E May Avil Library			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ 1,164,929	\$ 38,391	\$ (1,126,538)	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	-	-	-	-	-	-	-	-
Total revenues	-	1,164,929	38,391.00	(1,126,538)	-	-	-	-
EXPENDITURES								
Capital outlay	-	1,164,929	132,187	1,032,742	-	-	-	-
Total expenditures	-	1,164,929	132,187	1,032,742	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(93,796)	(93,796)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Total other financing source (uses)	-	-	-	-	-	-	-	-
Net change in fund balances (deficits)	\$ -	\$ -	(93,796)	\$ (93,796)	\$ -	\$ -	-	\$ -
Fund balances (deficits) - beginning			(881)				(47,514)	
Fund balances - ending			<u>\$ (94,677)</u>				<u>\$ (47,514)</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL (UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Capital Projects Funds								
	Transportation Gas Tax				Arch Creek Bridge			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ 352,305	\$ 352,305	\$ 271,837	\$ (80,468)	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	-	-	-	-	-	-	-	-
Total revenues	<u>352,305</u>	<u>352,305</u>	<u>271,837</u>	<u>(80,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Capital outlay	281,102	281,102	270,715	10,387	-	-	-	-
Total expenditures	281,102	281,102	270,715	10,387	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>71,203</u>	<u>71,203</u>	<u>1,122</u>	<u>(70,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Appropriated reserves	(71,203)	(71,203)	-	71,203	-	-	-	-
Total other financing source (uses)	<u>(71,203)</u>	<u>(71,203)</u>	<u>-</u>	<u>71,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,122	<u>\$ 1,122</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances - beginning			109,930				23,149	
Fund balances - ending			<u>\$ 111,052</u>				<u>\$ 23,149</u>	

Continued

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL
(UNAUDITED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Capital Projects Funds			
	Other Capital Projects			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances (deficits)	\$ -	\$ -	-	\$ -
Fund balances (deficits) - beginning			(143,367)	
Fund balances (deficits) - ending			\$ (143,367)	



III. Statistical Section (Unaudited)

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information



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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	149-154
Revenue Capacity	
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	155-160
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	161-168
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	169-171
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	172-173

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



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Financial Trends



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TABLE 1

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:				*Restated		* *Restated				
Net investment in capital assets	\$ 6,437,906	\$ 66,674,275	\$ 67,178,164	\$ 55,314,367	\$ 61,274,246	\$ 61,365,386	\$ 62,452,076	\$ 63,668,765	\$ 71,535,115	\$ 72,855,470
Restricted	8,706,305	17,939,652	16,375,077	17,238,381	8,644,742	9,412,706	8,443,236	7,428,554	15,394,117	22,102,939
Unrestricted	<u>24,390,475</u>	<u>(11,995,241)</u>	<u>(10,892,183)</u>	<u>(35,615,832)</u>	<u>(32,812,317)</u>	<u>(32,309,472)</u>	<u>(42,688,281)</u>	<u>(49,355,131)</u>	<u>(52,633,002)</u>	<u>(51,595,112)</u>
Total governmental activities net position	<u>\$ 39,534,686</u>	<u>\$ 72,618,686</u>	<u>\$ 72,661,058</u>	<u>\$ 36,936,916</u>	<u>\$ 37,106,671</u>	<u>\$ 38,468,620</u>	<u>\$ 28,207,031</u>	<u>\$ 21,742,188</u>	<u>\$ 34,296,230</u>	<u>\$ 43,363,297</u>
Business-type activities:										
Net investment in capital assets	\$ 35,913,554	\$ 36,003,493	\$ 38,424,467	\$ 39,868,520	\$ 38,449,795	\$ 39,310,886	\$ 40,449,030	\$ 43,997,155	\$ 44,346,083	\$ 43,971,484
Restricted	16,044,755	18,099,926	18,099,926	13,060,381	-	-	-	-	-	-
Unrestricted	<u>7,808,454</u>	<u>7,835,776</u>	<u>12,040,052</u>	<u>20,113,189</u>	<u>36,997,374</u>	<u>37,264,087</u>	<u>37,311,231</u>	<u>34,044,526</u>	<u>34,626,452</u>	<u>32,335,528</u>
Total business-type activities net position	<u>\$ 59,766,763</u>	<u>\$ 61,939,195</u>	<u>\$ 68,564,445</u>	<u>\$ 73,042,090</u>	<u>\$ 75,447,169</u>	<u>\$ 76,574,973</u>	<u>\$ 77,760,261</u>	<u>\$ 78,041,681</u>	<u>\$ 78,972,535</u>	<u>\$ 76,307,012</u>
Net position:										
Net investment in capital assets	\$ 42,351,460	\$ 102,677,768	\$ 105,602,631	\$ 95,182,887	\$ 99,724,041	\$ 100,676,272	\$ 102,901,106	\$ 107,665,920	\$ 115,881,198	\$ 116,826,954
Restricted	24,751,060	36,039,578	34,475,003	30,298,762	8,644,742	9,412,706	8,443,236	7,428,554	15,394,117	22,102,939
Unrestricted	<u>32,198,929</u>	<u>(4,159,465)</u>	<u>1,147,869</u>	<u>(15,502,643)</u>	<u>4,185,057</u>	<u>4,954,615</u>	<u>(5,377,050)</u>	<u>(15,310,605)</u>	<u>(18,006,550)</u>	<u>(19,259,584)</u>
Total net position	<u>\$ 99,301,449</u>	<u>\$ 134,557,881</u>	<u>\$ 141,225,503</u>	<u>\$ 109,979,006</u>	<u>\$ 112,553,840</u>	<u>\$ 115,043,593</u>	<u>\$ 105,967,292</u>	<u>\$ 99,783,869</u>	<u>\$ 113,268,765</u>	<u>\$ 119,670,309</u>

* Beginning net position was restated with the implementation of GASB 72, as of October 1, 2015, and recognition of long term lease agreement unearned revenues.

** Beginning net position was restated with the implementation of GASB 75, as of October 1, 2017.

TABLE 2

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
EXPENSES										
Governmental activities:										
General government	\$ 12,289,475	\$ 13,670,164	\$ 17,919,295	\$ 18,721,535	\$ 19,969,995	\$ 20,424,384	\$ 26,879,421	\$ 24,976,815	\$ 24,471,010	\$ 26,003,696
Public safety	25,714,309	27,150,284	26,006,919	26,983,295	25,166,834	30,837,393	30,386,983	34,892,457	37,929,647	37,374,754
Physical environment	6,514,175	6,699,659	3,020,021	1,665,406	1,526,731	388,242	591,810	338,808	3,879,546	10
Transportation and public works	5,174,884	5,677,229	-	5,605,540	5,771,515	5,954,245	7,806,930	8,035,250	5,841,175	6,960,208
Economic environment (Housing & Social Services)	2,968,567	4,203,130	3,513,528	1,069,839	1,119,540	1,823,347	979,480	1,191,742	2,309,283	3,824,796
Parks and community services (Culture & recreation)	6,253,611	7,352,980	7,204,954	10,905,337	10,623,998	11,722,459	13,023,252	13,157,580	15,738,792	10,152,424
Community planning and development	-	-	-	1,931,045	2,175,156	1,693,997	4,647,836	4,865,507	3,380,630	3,876,505
Interest and fiscal charges (6)	1,298,470	984,926	2,221,435	1,256,720	1,225,739	1,265,498	1,166,356	1,667,794	1,264,361	1,196,756
Total governmental activities expenses	<u>60,213,491</u>	<u>65,738,372</u>	<u>59,886,152</u>	<u>68,138,717</u>	<u>67,579,508</u>	<u>74,109,565</u>	<u>85,482,068</u>	<u>89,125,953</u>	<u>94,814,444</u>	<u>89,389,149</u>
Business-type activities:										
Water and sewer	21,741,967	22,478,172	23,951,276	26,685,028	28,538,868	30,434,388	32,023,616	32,068,870	30,792,646	34,199,794
Solid waste (8)	6,099,743	-	-	-	-	-	-	-	-	-
Stormwater	2,375,777	2,641,893	2,248,332	2,123,669	1,848,527	2,513,502	2,707,044	2,490,524	2,807,175	2,984,224
Total business-type activities expenses	<u>30,217,487</u>	<u>25,120,065</u>	<u>26,199,608</u>	<u>28,808,697</u>	<u>30,387,395</u>	<u>32,947,890</u>	<u>34,730,660</u>	<u>34,559,394</u>	<u>33,599,821</u>	<u>37,184,018</u>
Total expenses	<u>\$ 90,427,978</u>	<u>\$ 91,285,896</u>	<u>\$ 86,085,760</u>	<u>\$ 96,947,414</u>	<u>\$ 97,966,903</u>	<u>\$ 107,057,455</u>	<u>\$ 120,212,728</u>	<u>\$ 123,685,347</u>	<u>\$ 128,414,265</u>	<u>\$ 126,573,167</u>

(Continued)

TABLE 2

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 7,986,221	\$ 12,762,768	\$ 11,304,253	\$ 7,034,086	\$ 13,660,794	\$ 12,401,125	\$ 13,391,131	\$ 13,657,832	\$ 17,104,504	\$ 17,819,969
Public safety	5,237,148	3,123,181	4,723,934	6,646,252	4,512,782	5,487,160	5,485,203	4,756,368	4,098,398	4,824,106
Physical environment	32,754	2,728,755	2,573,756	1,915,022	3,020,822	3,887,943	2,233,747	3,062,052	2,484,512	3,431,794
Transportation and public works	116,265	147,453	132,658	835,931	88,368	47,346	40,025	2,959,562	19,730	38,391
Economic environment (Housing & Social Services)	61,110	573,625	467,411	1,394,763	-	-	-	-	-	-
Parks and community services (Culture & recreation)	469,914	359,463	118,730	2,785,645	2,993,270	3,278,530	3,592,542	977,624	455,915	425,689
Community planning and development	-	-	-	134,132	777,851	584,838	550,107	268,313	352,937	352,660
Operating grants and contributions	28,322,616	8,382,304	7,006,123	3,603,994	5,353,062	5,956,341	6,692,586	5,829,519	8,138,621	16,105,745
Capital grants and contributions	4,592,697	99,709	794,857	6,677,318	544,232	670,841	317,960	301,146	264,018	271,837
Total governmental activities program revenues	<u>46,818,725</u>	<u>28,177,258</u>	<u>27,121,722</u>	<u>31,027,143</u>	<u>30,951,181</u>	<u>32,314,124</u>	<u>32,303,301</u>	<u>31,812,416</u>	<u>32,918,635</u>	<u>43,270,191</u>
Business-type activities:										
Charges for services:										
Water and sewer	22,487,389	28,528,757	30,523,694	34,849,639	32,195,213	31,600,606	33,629,399	31,388,997	31,173,723	32,164,680
Solid waste	4,757,902	-	-	-	-	-	-	-	-	-
Stormwater	2,321,676	2,479,164	2,525,987	2,287,685	2,598,048	2,610,940	2,552,977	2,639,510	2,404,654	2,429,775
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>29,566,967</u>	<u>31,007,921</u>	<u>33,049,681</u>	<u>37,137,324</u>	<u>34,793,261</u>	<u>34,211,546</u>	<u>36,182,376</u>	<u>34,028,507</u>	<u>33,578,377</u>	<u>34,594,455</u>
Total program revenues	<u>\$ 76,385,692</u>	<u>\$ 59,185,179</u>	<u>\$ 60,171,403</u>	<u>\$ 68,164,467</u>	<u>\$ 65,744,442</u>	<u>\$ 66,525,670</u>	<u>\$ 68,485,677</u>	<u>\$ 65,840,923</u>	<u>\$ 66,497,012</u>	<u>\$ 77,864,646</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ (13,394,766)	\$ (37,561,114)	\$ (32,764,430)	\$ (37,111,574)	\$ (36,628,327)	\$ (41,795,441)	\$ (53,178,767)	\$ (57,313,537)	\$ (61,895,809)	\$ (46,118,958)
Business-type activities	(650,520)	5,887,856	6,850,073	8,328,627	4,405,866	1,263,656	1,451,716	(530,887)	(21,444)	(2,589,563)
Total (expense) revenue	<u>\$ (14,045,286)</u>	<u>\$ (31,673,258)</u>	<u>\$ (25,914,357)</u>	<u>\$ (28,782,947)</u>	<u>\$ (32,222,461)</u>	<u>\$ (40,531,785)</u>	<u>\$ (51,727,051)</u>	<u>\$ (57,844,424)</u>	<u>\$ (61,917,253)</u>	<u>\$ (48,708,521)</u>

(Continued)

TABLE 2

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

	<u>2012</u>	<u>2013 ^(7 & 8)</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 16,827,107	\$ 17,773,329	\$ 16,156,844	\$ 17,138,805	\$ 18,708,191	\$ 19,194,672	\$ 20,975,744	\$ 22,739,789	\$ 25,070,539	\$ 27,888,626
Utility service tax	2,780,568	2,986,873	3,328,202	4,210,073	4,311,844	4,343,095	4,034,989	4,453,176	4,297,833	4,463,924
Communication service tax	1,777,062	1,556,784	1,407,118	1,415,105	1,308,539	1,212,133	1,203,462	1,073,231	1,032,010	1,064,829
Franchise taxes	3,327,030	3,459,702	3,662,902	3,539,715	3,742,335	4,356,029	3,992,099	4,084,241	4,193,023	3,877,296
Unrestricted investment earnings	101,103	155,253	75,073	86,549	259,140	98,716	235,600	259,593	195,619	332,420
Miscellaneous	3,081,160	40,996,820	14,204,424	12,290,361	23,539,227	13,710,937	14,599,586	17,997,399	31,280,916	17,319,288
Transfers	<u>(203,602)</u>	<u>3,716,203</u>	<u>210,292</u>	<u>187,739</u>	<u>205,115</u>	<u>241,808</u>	<u>228,835</u>	<u>241,265</u>	<u>223,493</u>	<u>239,642</u>
Total governmental activities	<u>27,690,428</u>	<u>70,644,964</u>	<u>39,044,855</u>	<u>38,868,347</u>	<u>52,074,391</u>	<u>43,157,390</u>	<u>45,270,315</u>	<u>50,848,694</u>	<u>66,293,433</u>	<u>55,186,025</u>
Business-type activities:										
Unrestricted investment earnings	92,675	-	-	-	-	-	-	-	-	-
Miscellaneous	1,054,813	-	10,457	55,368	299,700	105,956	321,223	1,053,572	1,175,791	163,682
Transfers	<u>203,602</u>	<u>(3,716,203)</u>	<u>(210,292)</u>	<u>(187,739)</u>	<u>(205,115)</u>	<u>(241,808)</u>	<u>(228,835)</u>	<u>(241,265)</u>	<u>(223,493)</u>	<u>(239,642)</u>
Total business-type activities	<u>1,351,090</u>	<u>(3,716,203)</u>	<u>(199,835)</u>	<u>(132,371)</u>	<u>94,585</u>	<u>(135,852)</u>	<u>92,388</u>	<u>812,307</u>	<u>952,298</u>	<u>(75,960)</u>
Total	<u>29,041,518</u>	<u>66,928,761</u>	<u>38,845,020</u>	<u>38,735,976</u>	<u>52,168,976</u>	<u>43,021,538</u>	<u>45,362,703</u>	<u>51,661,001</u>	<u>67,245,731</u>	<u>55,110,065</u>
CHANGE IN NET POSITION										
Governmental activities	14,295,662	33,083,850	6,280,425	1,756,773	15,446,064	1,361,949	(7,908,452)	(6,464,843)	4,397,624	9,067,067
Business-type activities	<u>700,570</u>	<u>2,171,653</u>	<u>6,650,238</u>	<u>8,196,256</u>	<u>4,500,451</u>	<u>1,127,804</u>	<u>1,544,104</u>	<u>281,420</u>	<u>930,854</u>	<u>(2,665,523)</u>
Total	<u>\$ 14,996,232</u>	<u>\$ 35,255,503</u>	<u>\$ 12,930,663</u>	<u>\$ 9,953,029</u>	<u>\$ 19,946,515</u>	<u>\$ 2,489,753</u>	<u>\$ (6,364,348)</u>	<u>\$ (6,183,423)</u>	<u>\$ 5,328,478</u>	<u>\$ 6,401,544</u>

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

(8) In fiscal year 2013 the solid waste fund was closed

TABLE 3

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:				* Restated						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Non-spendable	22,585	1,607,840	313,403	141,595	49,197	79,227	87,743	127,422	199,956	213,923
Restricted	5,000,000	-	-	-	-	-	1,190,000	7,549,440	7,000,000	7,000,000
Committed	-	6,500,000	6,500,000	-	-	-	-	-	-	-
Assigned	-	5,602,529	5,604,450	4,544,241	-	-	-	-	-	-
Unassigned	11,517,432	6,539,393	4,371,591	9,114,161	(396,516)	(4,921,302)	(9,460,185)	(21,357,402)	(12,218,700)	(3,316,048)
Total general fund	<u>\$ 16,540,017</u>	<u>\$ 20,249,762</u>	<u>\$ 16,789,444</u>	<u>\$ 13,799,997</u>	<u>\$ (347,319)</u>	<u>\$ (4,842,075)</u>	<u>\$ (8,182,442)</u>	<u>\$ (13,680,540)</u>	<u>\$ (5,018,744)</u>	<u>\$ 3,897,875</u>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Non-spendable:										
Assets held for sale	3,245,256	652,368	731,320	652,368	-	-	-	-	-	-
Inventories & prepaids	-	4,064	3,399	-	-	30,524	60,906	85,029	61,849	90,422
Notes receivable	-	1,509,095	-	261,194	-	-	-	-	-	-
Restricted	19,248,154	18,450,787	16,603,444	16,928,309	18,734,688	19,018,489	16,865,784	16,806,263	14,280,369	19,617,483
Assigned	-	-	1,736,361	2,800,546	535,690	374,794	260,605	785,729	258,445	591,002
Unassigned	5,524,256	-	(259,248)	(965,261)	(544,321)	(960,234)	(5,094,005)	(5,842,303)	(1,527,688)	(1,122,361)
Total all other governmental funds	<u>\$ 28,017,666</u>	<u>\$ 20,616,314</u>	<u>\$ 18,815,276</u>	<u>\$ 19,677,156</u>	<u>\$ 18,726,057</u>	<u>\$ 18,463,573</u>	<u>\$ 12,093,290</u>	<u>\$ 11,834,718</u>	<u>\$ 13,072,975</u>	<u>\$ 19,176,546</u>

⁽¹⁾ New presentation due to the implementation of GASB Statement No. 54 - Fund Balance Reporting

* Beginning fund balance was restated with the implementation of GASB 72, as of October 1, 2015

TABLE 4

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES										
Taxes	\$ 24,696,132	\$ 26,992,235	\$ 24,051,638	\$ 25,497,860	\$ 27,004,717	\$ 28,003,594	\$ 29,388,710	\$ 31,514,118	\$ 33,913,803	\$ 36,607,698
Charges for services	7,535,891	5,857,578	8,418,568	8,025,835	8,982,469	9,682,205	10,428,442	12,260,943	10,472,838	12,983,775
Return on investment - utility ⁽¹⁾	-	-	-	-	-	-	2,479,828	2,717,132	2,809,024	3,149,940
Fines and forfeitures	4,739,880	3,251,870	2,621,393	2,829,842	1,249,133	1,061,091	899,657	682,350	527,272	532,329
Intergovernmental	17,241,278	8,952,044	13,604,235	15,063,947	13,970,999	15,785,674	15,146,231	17,899,963	18,238,137	27,500,529
Licenses and permits	1,871,538	1,927,293	2,046,697	2,428,695	2,015,318	3,790,191	3,749,809	3,084,316	2,582,178	3,438,291
Other (including interest)	16,533,084	8,575,254	4,998,962	4,357,063	8,144,393	6,869,743	5,861,113	7,146,703	7,636,307	7,114,426
Total revenues	<u>72,617,803</u>	<u>55,556,274</u>	<u>55,741,493</u>	<u>58,203,242</u>	<u>61,367,029</u>	<u>65,192,498</u>	<u>67,953,790</u>	<u>75,305,525</u>	<u>76,179,559</u>	<u>91,326,988</u>
EXPENDITURES										
General government	10,252,078	13,065,334	13,601,116	10,244,783	13,235,866	14,433,923	19,903,764	14,681,817	16,965,183	17,905,868
Public safety	23,835,245	24,656,128	24,589,073	26,374,717	26,211,652	28,977,056	28,433,232	36,229,740	36,201,345	33,829,377
Physical environment	6,462,587	4,633,395	2,994,813	4,977,118	3,816,477	4,087,042	4,493,213	3,443,049	6,383,691	3,055,054
Transportation	4,438,321	4,638,210	5,335,652	4,548,595	4,911,156	4,883,548	4,632,752	2,801,521	3,377,627	2,901,839
Economic environment (Housing and Social Services) ⁽⁴⁾	1,047,167	-	-	1,026,725	1,267,140	1,555,253	895,341	1,356,648	2,218,381	3,080,185
Parks and community services (Culture & recreation)	5,385,596	5,970,868	6,337,376	7,610,932	10,298,060	10,849,824	12,021,487	12,334,120	11,235,237	8,891,312
Community planning & development	-	4,029,061	3,435,625	4,412,735	2,139,498	1,584,272	3,034,419	6,340,619	3,372,582	3,824,963
Grants/aids ⁽²⁾	994,098	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	860,000	752,390	585,000	625,000	779,197	877,292	1,022,527	542,144	1,042,068	1,094,348
Interest and fiscal charges ⁽³⁾	1,614,562	930,203	1,494,225	1,150,357	1,123,491	789,728	761,523	1,321,680	899,363	839,338
Capital outlay	10,728,157	3,541,649	2,993,386	3,773,231	1,912,530	2,841,065	2,750,721	2,309,530	2,368,393	2,143,473
Total expenditures	<u>65,617,811</u>	<u>62,217,238</u>	<u>61,366,266</u>	<u>64,744,193</u>	<u>65,695,067</u>	<u>70,879,003</u>	<u>77,948,979</u>	<u>81,360,868</u>	<u>84,063,870</u>	<u>77,565,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,999,992</u>	<u>(6,660,964)</u>	<u>(5,624,773)</u>	<u>(6,540,951)</u>	<u>(4,328,038)</u>	<u>(5,686,505)</u>	<u>(9,995,189)</u>	<u>(6,055,343)</u>	<u>(7,884,311)</u>	<u>13,761,231</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	-	178,707	83,218	-	4,400,914	-	-	6,145	18,250,000	966,241
Capital leases and installment purchase	-	-	-	-	-	629,483	-	-	253,543	-
Proceeds from debt ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-
Transfers in	1,751,363	2,956,476	1,850,954	2,765,531	2,068,702	1,971,534	2,720,102	2,404,018	1,784,369	6,785,200
Contributions	-	2,628,702	1,523,031	3,101,299	-	-	-	-	-	-
Transfers out	(1,620,216)	(1,714,136)	(1,584,667)	(2,524,588)	(1,829,936)	(1,671,752)	(2,435,564)	(2,111,489)	(1,511,952)	(6,492,482)
Total other financing sources (uses)	<u>131,147</u>	<u>4,049,749</u>	<u>1,872,536</u>	<u>3,342,242</u>	<u>4,639,680</u>	<u>929,265</u>	<u>284,538</u>	<u>298,674</u>	<u>18,775,960</u>	<u>1,258,959</u>
Net change in fund balances (deficits)	<u>\$ 7,131,139</u>	<u>\$ (2,611,215)</u>	<u>\$ (3,752,237)</u>	<u>\$ (3,198,709)</u>	<u>\$ 311,642</u>	<u>\$ (4,757,240)</u>	<u>\$ (9,710,651)</u>	<u>\$ (5,756,669)</u>	<u>\$ 10,891,649</u>	<u>\$ 15,020,190</u>
Debt service (excluding issuance costs)										
as a percentage of noncapital expenditures	4.5%	2.9%	3.6%	2.9%	3.0%	2.5%	2.4%	2.4%	2.4%	2.6%

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

(2) As of 2013, grants and aids were reclassified and included in community planning and development

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

(4) Housing and Social Services as of 2020



Revenue Capacity



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TABLE 5

CITY OF NORTH MIAMI, FLORIDA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year		Property Tax	Franchise Tax	Sales and Use Tax	Utility Service Tax	Communication Services Tax	Total
2012	\$	16,827,107	\$ 3,327,030	\$ 746,246	\$ 2,780,568	\$ 1,777,062	\$ 25,458,013
2013		17,773,329	3,459,702	759,659	2,986,873	1,556,784	26,536,347
2014		16,156,844	3,662,902	774,414	3,328,202	1,407,118	25,329,480
2015		17,138,805	3,539,715	805,838	3,404,235	1,415,105	26,303,698
2016		18,708,191	3,742,335	797,888	3,513,956	1,308,539	28,070,909
2017		19,194,672	4,356,029	826,941	3,516,154	1,212,133	29,105,929
2018		20,975,744	3,992,099	784,910	3,217,405	1,203,462	30,173,620
2019		22,739,789	4,084,241	784,648	3,616,857	1,073,231	32,298,766
2020		25,070,539	4,193,023	679,602	3,618,231	1,032,010	34,593,405
2021		27,888,626	332,420	716,372	4,463,924	1,064,829	34,466,171
Change 2012-2021		65.74%	-90.01%	-4.00%	60.54%	-40.08%	35.38%

TABLE 6

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

Fiscal <u>Year</u>	Real <u>Property</u>	Personal <u>Property</u>	(1) Centrally Assessed <u>Property</u>	Taxable Gross <u>Total</u>	Real Estate <u>Adjustments</u>	Net Assessed Property <u>Value</u>	(2) Total Direct <u>Tax Rate</u>
2012	\$ 1,984,176,233	\$ 93,286,553	\$ 1,314,055	\$ 2,078,776,841	\$ 2,245,132	\$ 2,076,531,709	8.196
2013	1,961,574,942	100,021,455	1,409,896	2,063,006,293	2,293,529	2,060,712,764	7.934
2014	2,090,641,105	109,820,351	1,548,020	2,202,009,476	10,700,032	2,191,309,444	7.934
2015	2,288,960,375	102,767,681	1,448,606	2,393,176,662	5,791,134	2,387,385,528	7.934
2016	2,499,306,636	102,681,112	1,447,386	2,603,435,134	5,191,742	2,598,243,392	7.500
2017	2,731,911,700	104,433,405	1,472,086	2,837,817,191	8,101,379	2,829,715,812	7.500
2018	2,973,808,217	126,110,194	1,777,641	3,101,696,052	46,675,273	3,055,020,779	7.500
2019	3,257,978,315	126,543,902	1,783,754	3,386,305,971	104,640,397	3,281,665,574	7.500
2020	3,581,513,406	155,958,164	2,198,376	3,739,669,946	144,313,021	3,595,356,925	7.500
2021	3,814,093,740	163,549,849	2,305,388	3,979,948,977	25,693,729	3,954,255,248	7.500

Source: Miami-Dade County Property Appraiser

(1) The basis of assessed value is approximately 100% of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding year.

(2) From Table 9.

TABLE 7

CITY OF NORTH MIAMI, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Unaudited)
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

Fiscal Year	City of North Miami			Miami-Dade County			School District	So. Fl. Water Mgt.	Total Millage
	Operating Millage (1)	Debt Service Millage	Total	Operating Millage	Debt Service Millage	Total			
2012	8.196	0.000	8.196	7.768	0.285	8.053	8.005	0.4708	24.724
2013	7.934	0.000	7.934	4.704	0.422	5.126	7.644	0.0345	20.738
2014	7.934	0.000	7.934	4.667	0.450	5.117	7.775	0.1577	20.983
2015	7.934	0.000	7.934	4.667	0.450	5.117	7.413	0.1459	20.609
2016	7.500	0.000	7.500	4.667	0.400	5.067	7.138	0.1359	19.841
2017	7.500	0.000	7.500	4.667	0.400	5.067	6.774	0.1275	19.468
2018	7.500	0.000	7.500	4.667	0.464	5.131	6.504	0.1209	19.256
2019	7.500	0.000	7.500	4.667	0.478	5.145	7.025	0.1152	19.785
2020	7.500	0.000	7.500	4.667	0.478	5.145	6.186	0.1103	18.941
2021	7.500	0.000	7.500	4.667	0.508	5.175	6.079	0.1061	18.860

Source: Miami-Dade County Property Appraiser.

(1) Includes general operations and library.

TABLE 8

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

<u>Taxpayer</u>	2021			2012		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of total City Taxable Assessed Value</u>
City of North Miami	\$ 198,000,744	1	4.97%	\$ -	-	-
BRE Portofino MF Property Owner	88,074,393	2	2.21%	-	-	-
Florida Power & Light	75,754,262	3	1.90%	-	-	-
Countyline Auto Center Inc	59,538,700	4	1.50%	-	-	-
1490 North 123rd LLC	41,611,063	5	1.05%	-	-	-
Public Super Markets Inc.	25,314,134	6	0.64%	-	-	-
Causeway Square LLC	22,781,000	7	0.57%	-	-	-
G1R Florida LLC	21,213,795	8	0.53%	-	-	-
RK Causeway Plaza LLC	17,898,324	9	0.45%	-	-	-
NMB Partners LLC	16,707,000	10	0.42%	-	-	-
Countyline Auto Center Inc	-	-	-	55,881,881	1	2.69%
Stellar Biscayne LP	-	-	-	53,790,000	2	2.59%
Florida Power & Light	-	-	-	39,402,532	3	1.90%
Yale Steam Center Court LLC	-	-	-	36,000,117	4	1.73%
City Of North Miami/Biscayne Landing	-	-	-	26,719,871	5	1.29%
Greenwich Park Apartments	-	-	-	26,288,538	6	1.27%
Royal Oaks Lane North Miami LLC	-	-	-	19,317,620	7	0.93%
Causeway Square LLC	-	-	-	18,033,534	8	0.87%
127th Street Shopping Center, Inc.	-	-	-	14,843,648	9	0.71%
JVR Investments Green Acres Inc.	-	-	-	13,800,000	10	0.66%
Totals	\$ 566,893,415		14.24%	\$ 304,077,741		15%

Source: Miami-Dade County Property Appraiser

TABLE 9

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

Fiscal Year	Total Tax Levy ⁽²⁾	(3) Current Tax Collected	Percent of Current Taxes Collected	(3) Delinquent Tax Collections	Total Tax Collections	Ratio Tax Collections to Total Tax Levy
2012	\$ 17,491,452	\$ 15,365,264	87.84%	\$ 1,461,842	\$ 16,827,107	96.20%
2013	15,562,351	13,865,000	89.09%	1,105,019	14,970,019	96.19%
2014	16,586,310	15,652,829	94.37%	285,570	15,938,399	96.09%
2015	18,159,696	16,838,805	92.73%	300,000	17,138,805	94.38%
2016	18,744,800	18,485,170	98.61%	223,021	18,708,191	99.80%
2017	20,489,338	18,489,766	90.24%	704,905	19,194,671	93.68%
2018	22,303,562	19,983,848	89.60%	991,896	20,975,744	94.05%
2019	24,434,837	21,516,408	88.06%	1,223,381	22,739,789	93.06%
2020	26,861,351	23,829,457	88.71%	1,241,082	25,070,539	93.33%
2021	28,605,703	26,765,365	93.57%	1,123,262	27,888,626	97.49%

Source: Miami-Dade County Property Appraiser and internally generated data.

(1) Includes levies and collections for personal and real properties.

(2) Includes levies for general operations, and debt service. Beginning in fiscal year 2006, total tax levy also includes tax-increment financing for the North Miami Community Redevelopment Agency (CRA).

(3) Tax certificate sales reclassified from current tax collected to delinquent tax collections.

TABLE 10

CITY OF NORTH MIAMI, FLORIDA
Enterprise Funds and Utility Rates (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Water			Sewer		Sewer Treatment Charge		Capital Improvement Fees				Sanitation	Recycling	Stormwater
	(1)	(2)	(2)	As a percentage of			(5)	(6)		Annual Charge	Monthly Charge	(4) Monthly Charge Per ERU		
	Base Rate per 5,000	Rate per 1,000 gallons	Over Minimum	Water rates		1,000	Water	Sewer						
	Gallons	Residential	Commercial	Residential	Commercial	2014	Gallons	Residential	Commercial					
	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial				
2012 ⁽⁹⁾	\$ 11.40	\$ 1.73	\$ 1.57	N/A	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	\$ 441.18	\$ 3.72	\$ 5.92
2013	11.63	1.76	1.60	N/A	N/A	N/A	3.69	N/A	N/A	N/A	N/A	254.40	N/A	6.05
2014	15.73	1.81	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2015	12.51	1.81	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2016	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2017	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2018	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2019	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2020	12.51	1.89	1.72	N/A	N/A	N/A	4.41	N/A	N/A	N/A	N/A	254.40	N/A	6.19
2021	13.02	1.97	1.79	N/A	N/A	N/A	4.59	N/A	N/A	N/A	N/A	393.00	N/A	7.12

Source: City Utility Billing Department

(1) Rates are based on 3/4" meter for single family residence. Monthly rate per 5,000 gallons.

(2) Overage is based on water usage over 5,000 gallons per month.

(4) Equivalent residential units determined based on 1 ERU for every 1,760 square ft. of impervious land for commercial accounts. For residential accounts, each residential unit is assessed as 1 ERU.

(5) In 2008, monthly fees charged to finance building of a new water plant and renovate existing water plant. Rates effective November 2007 for commercial units and January 2008 for residential units.

(6) Fees charged to upgrade sewer system as per federal mandate.

(8) In February 2009, City Council approved reducing capital improvement fees for residential and commercial to \$7.67 as the building of the new water plant was delayed in favor of renovations for the existing one.

(9) In April 2012, a new consumption based rate structure was implemented. Residents are charged for usage in incremental units of 5,000 gallons. Detailed rate structure can be found at www.northmiamifl.gov

Note: The City bills residents for the aforementioned services on a quarterly basis except for the period from January 2002 to October 2006 when residential accounts were billed monthly. All commercial accounts are billed monthly.



Debt Capacity



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TABLE 11

CITY OF NORTH MIAMI, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities					Total		Per Capita	(Restated) Percentage of Personal Income (1)
	Pension Obligation Bonds (2)	Notes Payable	Capital Leases	Sewer Revenue Bonds	Capital Leases	Loan Payable (3)	SRF Loan Payable	Notes Payable	Primary Government	Population (1)		
2012	-	\$ 17,150,000	\$ 864,702	\$ 50,450	\$ 790,674	\$ 3,430,000	\$ -	\$ -	\$ 22,285,826	60,143	\$ 371	2.07%
2013	-	16,605,000	657,312	-	371,189	3,160,000	95,751	-	20,889,252	60,312	346	1.90%
2014	-	16,020,000	92,215	-	233,089	2,616,357	214,840	-	19,176,501	61,578	311	1.72%
2015	-	14,530,987	278,317	-	100,765	2,292,681	2,043,548	-	19,246,298	58,786	327	1.78%
2016	-	13,963,084	1,098,926	-	-	2,388,060	2,996,913	-	20,446,983	57,146	358	1.90%
2017	-	13,340,604	801,566	-	2,393	2,017,550	2,864,933	-	19,027,046	62,042	307	1.60%
2018	-	12,663,213	355,330	-	1,593	1,637,040	3,042,232	-	17,699,408	62,225	284	1.45%
2019	-	11,920,559	1,180,522	-	793	1,246,530	4,634,579	-	18,982,983	62,996	301	1.51%
2020	-	11,117,248	1,210,053	-	-	841,020	5,332,957	-	18,501,278	62,822	295	1.45%
2021	-	10,235,131	1,435,403	-	-	425,510	5,070,329	-	17,166,373	62,146	276	1.33%

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

(2) In February 2010, the City issued Taxable Promissory Note, Series 2010 for the purpose of refunding the City's outstanding Pension Obligation Bonds, Series 2002 and to pay a termination fee with respect to a related interest rate swap.

(3) In fiscal 2016 the FMLC 2016 Bond was issued for the purpose of refunding the outstanding FMLC Series 2001A Bond

TABLE 12

CITY OF NORTH MIAMI, FLORIDA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA (Unaudited)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>(1) Population*</u>	<u>(2) Assessed Value*</u>	<u>(3) Gross Bonded Debt*</u>	<u>(4) Less Debt Service Fund*</u>	<u>Net Bonded Debt*</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2012	60	\$ 2,076,532	-	-	-	0%	-
2013	60	2,060,713	-	-	-	0%	-
2014	61	2,191,309	-	-	-	0%	-
2015	59	2,387,386	-	-	-	0%	-
2016	59	2,598,243	-	-	-	0%	-
2017	59	2,829,716	-	-	-	0%	-
2018	62	3,055,021	-	-	-	0%	-
2019	63	3,281,666	-	-	-	0%	-
2020	63	3,595,357	-	-	-	0%	-
2021	62	3,954,255	-	-	-	0%	-

*Amounts expressed in thousands.

Source: City of North Miami Finance Department.

(1) From Table 19.

(2) From Table 6.

(3) Amount does not include special obligation bonds or note payable. All general obligation bonded debt is expected to be repaid through general governmental resources.

(4) Amount available for repayment of FMLC loan (general obligation debt).

TABLE 13

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS (1) (Unaudited)
(IN THOUSANDS)
SEPTEMBER 30, 2021

<u>Jurisdiction</u>	<u>Taxable Property Value</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To North Miami</u>	<u>Amount Applicable To North Miami</u>
Direct:				
City of North Miami (1)	\$ 3,814,094	\$ 11,670,534	-	\$ -
Overlapping:				
Miami-Dade County (2)	396,053,981	2,350,765	0.96% (4)	22,638
Miami-Dade County Schools (3)	366,114,505	885,856	1.04% (4)	9,229
Total overlapping debt		3,236,621		31,867
Total direct and overlapping debt		\$ 14,907,155		\$ 31,867

(1) Excludes the City of North Miami's taxable promissory note issued in 2010, which is not payable from property taxes (see Table 12).

(2) Source: Miami-Dade County Property Appraiser - Taxable Property Estimated Value as of July 1, 2021, amounts and Net General Obligation Bonded Debt Outstanding figures are as of September 30, 2021

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

(4) Based on the percentage of the County's/School Board's tax roll valuation comprised of real and personal property situated in the City of North Miami. The percentage applicable to North Miami is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total 2021 preliminary taxable value.

TABLE 14

CITY OF NORTH MIAMI, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR BONDED DEBT⁽¹⁾
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (Unaudited)
LAST TEN FISCAL YEARS
(IN THOUSAND DOLLARS)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (3)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2012	\$ 860	\$ 985	\$ 1,845	\$ 60,177	3.0%
2013	545	916	1,461	58,676	2.0%
2014	585	1,494	2,079	58,146	4.0%
2015	625	1,150	1,775	58,146	3.0%
2016	779	844	1,623	65,553	2.0%
2017	877	789	1,666	70,601	2.0%
2018	1,022	761	1,783	78,776	2.0%
2019	839	579	1,418	81,018	2.0%
2020	954	899	1,853	83,522	2.0%
2021	950	835	1,785	77,163	2.0%

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

(2) Includes debt issuance and other costs. In 2010, includes a swap termination payment of \$4,120,000.

(3) Does not include expenditures for capital projects funds.

TABLE 15

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF REVENUE BOND COVERAGE
WATER & SEWER AND STORMWATER ENTERPRISE FUNDS (Unaudited)
(IN THOUSANDS)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest (3)</u>		
2012	\$ 22,680	\$ 19,735	\$ 2,945	\$ 190	\$ 160	\$ 350	8.41
2013	28,485	21,604	6,881	300	152	452	15.22
2014	30,497	23,422	7,075	300	152	452	15.65
2015	37,192	26,775	10,417	315	137	452	23.05
2016	(7) 35,290	27,943	7,347	330	103	433	16.97
2017	34,297	30,386	3,911	603	197	800	4.89
2018	36,696	32,170	4,525	523	99	622	7.27
2019	34,210	31,816	2,394	534	86	620	3.86
2020	34,720	31,487	3,233	737	79	816	3.96
2021	34,654	34,164	489	678	154	832	0.59

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

(2) Total operating expenses exclusive of depreciation.

(3) Including fiscal charges.

(4) In October 2007, the City implemented a capital improvement fee (CIF) to fund three water and sewer capital improvement projects and to pay

(6) The new Series 2008A Note matured on August 28, 2011.

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

(8) In fiscal 2016 the FMLC 2016 Bond was issued for the purpose of refunding the outstanding FMLC Series 2001A Bond

TABLE 16

CITY OF NORTH MIAMI, FLORIDA
FISCAL YEAR BUDGETED AND HISTORIC NON-AD VALOREM FUNDS (Unaudited)
FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Sources of Funds</u>	(6) 2022 (Budgeted)	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General government funds (1):								
Franchise fees	\$ 4,294,905	\$ 4,369,008	\$ 4,376,529	\$ 4,323,846	\$ 4,132,730	\$ 3,938,066	\$ 3,474,031	\$ 3,353,975
Utility taxes	3,915,623	3,763,707	3,663,407	3,517,469	3,681,003	3,672,003	3,513,956	3,404,235
Communication services tax	1,036,291	1,000,000	1,200,000	1,165,811	1,297,205	1,620,000	1,308,539	1,415,105
Licenses and permits	942,257	907,257	7,326,202	4,901,352	4,029,604	3,715,830	2,015,318	2,428,695
Intergovernmental revenues (2)	8,151,004	7,634,489	8,559,325	7,702,962	7,549,406	6,942,319	7,645,393	7,839,966
Charges for services (3)	5,579,832	6,923,914	6,006,557	4,937,245	5,498,383	4,583,081	9,843,445	7,857,362
Fines and forfeitures	442,120	646,600	718,300	1,054,633	786,836	735,830	1,249,133	2,829,842
Other (5)	5,453,310	6,710,843	8,436,766	6,598,372	9,572,444	3,650,801	6,612,323	3,897,607
Total general government non-ad valorem funds	<u>29,815,342</u>	<u>31,955,818</u>	<u>40,287,086</u>	<u>34,201,690</u>	<u>36,547,611</u>	<u>28,857,930</u>	<u>35,662,138</u>	<u>33,026,787</u>
Enterprise funds (4):								
Building	2,927,988	3,107,413	-	-	-	-	-	-
Water and sewer utility	46,437,852	49,973,082	59,532,531	49,372,814	51,109,343	51,453,090	32,195,213	34,849,639
Stormwater utility	<u>3,655,000</u>	<u>4,305,197</u>	<u>4,138,138</u>	<u>4,389,308</u>	<u>4,356,721</u>	<u>2,795,257</u>	<u>2,598,048</u>	<u>2,287,684</u>
Total enterprise funds non-ad valorem funds	<u>53,020,840</u>	<u>57,385,692</u>	<u>63,670,669</u>	<u>53,762,122</u>	<u>55,466,064</u>	<u>54,248,347</u>	<u>34,793,261</u>	<u>37,137,323</u>
Total non-ad valorem funds	<u>\$ 82,836,182</u>	<u>\$ 89,341,510</u>	<u>\$ 103,957,755</u>	<u>\$ 87,963,812</u>	<u>\$ 92,013,675</u>	<u>\$ 83,106,277</u>	<u>\$ 70,455,399</u>	<u>\$ 70,164,110</u>

(1) Includes general fund, special revenue funds and debt service funds; excludes capital project funds.

(2) All intergovernmental revenue restricted for specific use and not available to fund debt service has been excluded from this category.

(3) Includes interfund services provided and used.

(4) Only operating revenues are shown.

(5) Excludes revenues legally restricted for specific use and not available to fund debt service. Includes \$12.5M Biscayne Landing settlement unassigned funds in 2012

(6) As originally budgeted.

TABLE 17

CITY OF NORTH MIAMI, FLORIDA
DEBT SERVICE REQUIREMENTS AND COVERAGE (Unaudited)
OUTSTANDING AND PROPOSED
PAYABLE FROM NON-AD VALOREM FUNDS

Fiscal Year	Outstanding Debt Service (1)	(3) City of North Miami 2010 Taxable Promissory Note (Pension)			Total Principal Debt Service	Non-Ad Valorem Funds (2)	Coverage Ratio Percentage
		Principal	Interest	Total			
2022	\$ 1,959,419	\$ 1,020,000	\$ 939,419	\$ 1,959,419	\$ 3,918,838	\$ 89,341,510	22.80
2023	1,940,622	1,095,000	845,622	1,940,622	3,881,244	89,341,510	23.02
2024	1,919,938	1,175,000	744,938	1,919,938	3,839,876	89,341,510	23.27
2025	1,896,913	1,260,000	636,913	1,896,913	3,793,826	89,341,510	23.55
2026	1,871,094	1,350,000	521,094	1,871,094	3,742,188	89,341,510	23.87
2027	1,846,937	1,450,000	396,938	1,846,938	3,693,875	89,341,510	24.19
2028	1,818,628	1,555,000	263,628	1,818,628	3,637,256	89,341,510	24.56
2029	1,785,713	1,665,000	120,713	1,785,713	3,571,426	89,341,510	25.02
	<u>\$ 15,039,264</u>	<u>\$ 10,570,000</u>	<u>\$ 4,469,263</u>	<u>\$ 15,039,263</u>	<u>\$ 30,078,527</u>	<u>\$ 714,732,080</u>	

(1) This assumes that total debt service for this debt is paid from Non-Ad Valorem Funds (see Table 18).

(2) This reflects the budgeted funds available for the fiscal year ending September 30, 2021 from General Government Non-Ad Valorem Funds and Enterprise Funds (see Table 16).

(3) Reflects new debt issuance. The Taxable Special Obligation Refunding Bonds-Series 2002 (Pension) were in February 2010 refunded through the issuance of City of North Miami Taxable Promissory Note, Series 2010.

TABLE 18

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

<u>Year</u>	(1) 2010 Taxable Promissory Note (Pension)
2022	\$ 1,959,419
2023	1,940,622
2024	1,919,938
2025	1,896,913
2026	1,871,094
2027	1,846,937
2028	1,818,628
2029	1,785,713
Total	<u>\$ 15,039,264</u>

Source: City of North Miami, Florida Finance Department



Demographic/Economic



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TABLE 19

**CITY OF NORTH MIAMI, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
LAST TEN FISCAL YEARS**

Fiscal <u>Year</u>	(1) <u>Population</u>	Personal Income (in thousands)	(2) Per Capita Personal Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate Percentage
2012	60,585	\$ 1,084,956	\$ 17,908	34	349,945	11.1
2013	60,312	1,106,655	18,266	32	356,944	11.1
2014	61,420	1,109,675	18,067	34	323,301	7.3
2015	58,786	1,131,869	18,428	34	349,822	9.8
2016	57,146	1,154,506	18,799	34	349,817	4.9
2017	62,042	1,177,596	19,170	34	356,086	4.8
2018	62,225	1,201,148	19,554	34	354,263	4.2
2019	62,996	1,225,171	19,945	35	350,101	3.3
2020	62,822	1,249,674	20,344	35	346,427	11.9
2021	62,146	1,274,668	20,751	36	332,776	4.7

(1) U.S. Census Bureau

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

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

(4) Source: Miami-Dade County School Board. Data is for the School District of Miami-Dade County.

(5) U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 20

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

<u>Employer</u>	2021			2012		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Miami-Dade Public Schools	934	1	3.05			-
City of North Miami(Including Police Dept.)	458	2	1.50	412	3	1.69
Florida International University	361	3	1.18	450	2	1.85
Villa Marie Nursing Home	400	4	1.31	400	4	1.64
Sunshine Family Medical Center	300	5				
Publix Super Markets	270	6	0.88	250	5	1.03
Lexus Of North Miami	250	7	0.82	184	7	0.75
Costco	220	8	0.72	-	-	-
Fountain Manor Nursing & Rehab	193	9	0.63	-	-	-
Best Western	164	10	0.54	-	-	-
Total	<u>3,550</u>		<u>10.63</u>	<u>1,696</u>		<u>6.96</u>
Estimated Labor Force	30,581			24,382		

Source: Economic Development Division
Miami-Dade Beacon Council
2020-2021

TABLE 21

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

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:										
General government	66	66	51	58	58	80	86	88	76	108
Public safety (1)	178	170	176	159	159	149	151	155	144	149
Transportation	32	38	8	42	42	55	51	50	46	40
Personnel services	4	4	5	6	6	6	6	6	4	4
Culture and recreation	63	63	73	54	54	56	54	57	49	25
Physical environment	-	-	-	-	-	-	-	-	-	-
Economic environment	10	9	9	10	10	10	8	7	11	15
Business-type activities:										
Water & sewer utility	49	50	38	42	42	49	51	49	46	42
Solid waste (2)	-	-	-	-	-	-	-	-	-	-
Stormwater	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>15</u>	<u>12</u>	<u>14</u>	<u>8</u>
Total	<u>410</u>	<u>409</u>	<u>369</u>	<u>380</u>	<u>380</u>	<u>412</u>	<u>422</u>	<u>424</u>	<u>390</u>	<u>391</u>

Source: City Personnel Department

(1) Beginning in 2007, includes other public safety.

(2) Solid Waste Services outsourced as of 2012



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Operating Information



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TABLE 22

CITY OF NORTH MIAMI, FLORIDA
OPERATING INDICATORS BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public safety:										
Police: (1)										
Physical arrests	2,705	3,226	3,961	3,218	1,563	1,448	1,442	1,218	1,013	968
Traffic citations	15,136	33,729	28,247	23,728	16,332	11,718	13,023	8,923	5,758	7,991
Parking citations	1,017	1,644	2,102	2,229	2,644	2,018	2,566	2,953	1,861	1,606
Number of calls for service	45,566	49,961	47,218	50,177	46,664	46,610	53,529	48,065	63,769	75,404
Fire: (2)										
Number of calls answered	9,292	9,097	9731	9838	10,163	9,070	11,842	9,208	9,412	12,928
Culture and recreation: (3)										
Athletic field permits issued (rentals):										
Soccer	191	256	360	310	325	295	125	95	1	1
Football	53	58	102	78	64	45	-	-	4	3
Baseball	16	3	29	27	45	57	51	50	-	2
Basketball	7	2	67	25	48	148	178	120	6	0
Other(Rugby, Kickball, Field Hockey)	89	22	46	35	56	28	15	16	6	1
Membership (yearly):										
Tennis	22	12	15	8	4	4	1	25	37	21
Swim	5 N/A		1	2	0	0	-	1	0	0
Adult center	73	57	175	119	132	90	166	162	58	0
Afterschool	45	44	81	31	21	26	58	32	7	0
Camp program participants	807	846	929	1,152	1,737	1,119	1,226	1,199	16	0
Youth athletic participants (all sports)	565	524	615	448	655	583	841	632	50	0
Adult participants (all sports)	160	88	150	0	125	748	150	195	0	0
Water: (4)										
Daily average treatment in gallons (plant)	7,618,397	7,882,500	7,894,603	7,558,849	6,876,175	5,403,781	3,188,301	5,272,111	6,915,479	6,077,068
Average daily consumption in gallons	11,475,438	12,491,240	12,347,589	13,300,054	11,499,644	12,517,534	12,689,616	12,958,383	13,264,301	13,086,849
Solid waste:										
Refuse and trash collected (tons) (5)	3578	- -	-	-		15,658.00	11,101	10,941	11,885	11,938
Stormwater:										
Equivalent and commercial residential units (ERU's)	32,681	34,653	34,934.00	35,495	35,394	35,237	35,188	36,334	36,704	36,778

(1) Source: North Miami Police Department

(2) Source: Miami-Dade County Fire Department

(3) Source: North Miami Parks and Recreation Department

(4) Source: North Miami Public Works Department

The difference between the daily average treatment in gallons and average daily consumption in gallons represents water purchased from Miami-Dade County

*In 2008, daily average treatment in gallons (plant) decreased due to the main raw water well being out of service

(5) Solid waste services outsourced.

N/A - Not available

TABLE 23

CITY OF NORTH MIAMI, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION (Unaudited)
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public safety:										
Police:										
Stations (including off-site locations)	1	1	1	2	2	2	2	1	1	1
Patrol units	64	64	64	64	64	68	68	93	71	88
Transportation:										
Streets (miles)	136	136	136	136	136	113	113	109	109	109
Street lights (FPL and City owned) (1)	4,397	4,397	4,397	4,447	4,447	2,623	2,623	2,623	2,623	2,752
Culture and recreation:										
Library	1	1	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1	1	1
Parks	16	16	16	16	17	16	17	18	19	19
Park acreage	549	549	549	549	549	549	549	549	549	549
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	25	25	25	25	25	25	25	25	25	25
Community centers	7	7	7	7	7	7	7	7	7	8
Water:										
Water mains (miles)	308	311	311	311	311	311	311	311	312	316
Maximum daily capacity in gallons	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000	9,300,000
Fire hydrants	944	927	927	927	927	935	941	941	959	969
Sewage system:										
Miles of storm sewers	28	38	38	38	38	38	39	39	39	39
Miles of sanitary sewers	154	175	175	175	175	175	175	175	175	175
Solid waste:										
Collection trucks	2	2	2	-	-	-	-	-	-	-

Sources: Various city departments.

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

(1) Prior to 2009, figures represented only the number of poles maintained by FPL. This number represents the total number of poles in the City.



IV. Compliance Section



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CITY OF NORTH MIAMI, FLORIDA

COMPLIANCE REPORTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
AND RULES OF THE FLORIDA AUDITOR GENERAL

FISCAL YEAR ENDED SEPTEMBER 30, 2021

CITY OF NORTH MIAMI, FLORIDA
COMPLIANCE REPORTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
AND RULES OF THE FLORIDA AUDITOR GENERAL
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2022. Our report includes a reference to other auditors who audited the financial statements of the Museum of Contemporary Art, Clair T. Singerman Plan, Police Pension Plan, and the Community Redevelopment Agency. This report does not include the results of the other's auditors' testing of internal control over financial reporting or compliance and other matters that reported on separately by those auditors. The financial statements of the Museum of Contemporary Art were not audited in accordance with Government Auditing Standards, and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Museum of Contemporary Art.

Internal Control over Financial Reporting

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items **2020-01**, **2020-02**, and **2020-03** that we consider to be material weaknesses.

Compliance and Other Matters

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

City's Response to the Findings

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

Purpose of this Report

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



Miami, Florida
March 29, 2022

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued	Unmodified Opinion
Internal control over financial reporting:	
• Material weaknesses identified?	Yes
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
• Noncompliance material to financial statements noted?	No

Section II - Current Year Findings and Recommendations to Improve Financial Management

There were no findings and recommendations to improve financial management noted during the current year.

Section III - Prior Year Findings and Recommendations to Improve Financial Management

Status of Prior Year Findings

Finding No.	Finding Title	Current Year Status
2020-01	General Fund Deficit	Improved, yet ongoing
2020-02	Capital Assets	Remains relevant
2020-03	Water & Sewer and Stormwater Accounts Receivables	Remains relevant

Actual findings presented in prior year's report follow.

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Section III - Prior Year Findings and Recommendations to Improve Financial Management (cont'd)

2020-01 General Fund Deficit

Criteria

Management should establish a long-term financial plan and prepare annual budgets that result in the City's General Fund maintaining a positive fund balance on an ongoing basis.

Condition

The General Fund, which serves as the primary operating fund of the City, reported a fund balance (deficit) of (\$5,018,744) for the fiscal year ended September 30, 2020.

Cause

Actual expenditures have exceeded operating revenues on a cumulative basis for the fiscal years ended September 30, 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues	\$ 52,514,000	\$ 55,261,571	\$ 57,732,065	\$ 60,772,185	\$ 59,588,906
Expenditures	(54,474,605)	(58,124,891)	(61,016,868)	(67,140,007)	(66,902,105)
Expenditures over revenues	(1,960,605)	(2,863,320)	(3,284,803)	(6,367,822)	(7,313,199)
Transfers and other items, net	2,570,978	(1,631,436)	(55,564)	(146,872)	16,991,591
Change in fund balance	610,373	(4,494,756)	(3,340,367)	(6,514,694)	9,678,392
Beginning fund balance(deficit)	(957,692)	(347,319)	(4,842,075)	(8,182,442)	(14,697,136)
Ending fund balance (deficit)	\$ (347,319)	\$ (4,842,075)	\$ (8,182,442)	\$ (14,697,136)	\$ (5,018,744)

Effect

In the current fiscal year, the City relied on a one-time land sale transaction to fund a portion of the General Fund's operating activities. If the General Fund's expenditures continue to exceed operating revenues, and management and those charged with governance fail to establish financially sound budgets and implement a fund balance (deficit) reduction plan going forward, this could result in a state of financial emergency as defined in Section 218.503(1), Florida Statutes.

Recommendation

We recommend that management and those charged with governance develop a long-term financial plan to reduce and eliminate the General Fund's fund balance (deficit) over the next three to five years. This plan will require that management budget for a surplus of revenues over expenditures in each fiscal year. Additionally, we recommend that management implement budgetary controls, policies and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues and expenditures and the monitoring of the City's budget to actual balances on an ongoing basis, to ensure that the fund balance (deficit) reduction plan is implemented.

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Section III - Prior Year Findings and Recommendations to Improve Financial Management (cont'd)

2020-01 General Fund Deficit (cont'd)

Prior Year's Views of Responsible Officials

The City recognizes and acknowledges the General Fund still has a fund deficit at the end of FY 2020 and continues its commitment to eliminate this condition through a number of measures. Management understands this is a multi-year process and has a plan to do so.

Current Year Status

	<u>2021</u>
Revenues	\$ 62,032,059
Expenditures	<u>(57,645,640)</u>
Excess of revenue over expenditures	4,386,419
Transfers and other items, net	<u>4,530,200</u>
Change in fund balance	8,916,619
Beginning fund balance(deficit)	<u>(5,018,744)</u>
Ending fund balance (deficit)	<u>\$ 3,897,875</u>

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

Current Year's Views of Responsible Officials

The City has been able to accelerate the turnaround of the General Fund deficit by making some difficult decisions to reduce personnel costs and expenditures while maintaining a consistent level of service. The City implemented a balanced budget and successfully generated more revenue than expenditures, resulting in a positive year-end balance. Additionally, the fund balance was improved through asset sales that successfully mitigated a larger deficit during the pandemic's peak, and the receipt of American Rescue Plan Act funding to cover revenue shortfalls resulting from economic effects of the pandemic.

The City conducted a comprehensive review of all fees, from the Building Department to all general fund revenues, to benchmark and ensure our rates are competitive with those of other similar-sized cities. The City will continue to promote development and work toward building a Fund Balance that includes sufficient reserves for contingencies to cover unforeseen circumstances in the future.

**CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section III - Prior Year Findings and Recommendations to Improve Financial Management (cont'd)

2020-02 Capital Assets

Criteria

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

Condition

Material accounting adjustments were made to capital asset balances in order for the financial statements to comply with generally accepted accounting principles.

Context

The condition relates to the proper accounting for capital assets on an ongoing basis.

Cause

Established controls requiring the reconciliation and review of capital asset account balances failed to identify the errors noted.

Effect

The October 1, 2019, net position balance of the governmental activities was restated to properly report financial statement balances.

Recommendation

We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital asset balances on an ongoing basis.

Current Year Status

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

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

Management concurs with the observation of the auditor regarding the accurate recording and disclosure of capital asset balances on an ongoing basis.

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

Management continued detailed review of capital assets and made significant adjustments for obsolete machinery and equipment in the current fiscal year. The detailed review will continue for other capital assets category.

CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Section III – Prior Year Findings and Recommendations to Improve Financial Management (cont'd)

2020-03 Water & Sewer and Stormwater Accounts Receivables

Criteria

The timely billing and collection for water & sewer and stormwater services provided to residents and businesses operating within the City is essential to the City's ongoing operations.

Condition

We noted that the water & sewer and stormwater accounts receivable balances due for services provided to residents and businesses operating within the City have shown a steady increase for the fiscal years 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Water & sewer and stormwater accounts receivables, net	\$ 13,900,856	\$ 15,140,690	\$ 15,960,187	\$ 16,192,683	\$ 16,440,475

Cause

The City currently bills for water & sewer and stormwater services provided on a quarterly basis, which allows for the accumulation of significant unpaid accounts receivable balances on an ongoing basis. Additionally, the City has experienced a steady increase in the rate of nonpaying customers for fiscal years 2016 through 2020.

Effect

This has resulted in a higher than normal rate of accounts receivable write-offs, nonpayment for services received by residents and businesses over time and an ultimate loss of revenues to the City. For the year ended September 30, 2020, management recorded an estimated allowance of \$3,462,307 for customer balances not considered to be collectible in future periods. If not addressed, this will result in a cash flow shortage to City.

Recommendation

We recommend that management consider taking the following actions to address the condition identified above:

- Implement monthly billing cycles for all accounts
- Update City policy to establish customer credit limits
- Increase collection efforts on all past due balances, to include taking legal action as necessary to collect significant individual account balances due
- Record liens on properties for nonpayment, to ensure that outstanding receivable balances are collected at a future date

These actions will improve the City's collection rates and increase revenues and cash flows on an ongoing basis.

**CITY OF NORTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section III – Prior Year Findings and Recommendations to Improve Financial Management (cont'd)

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

Current Year Status

Similar increasing Water & Sewer and Stormwater Accounts Receivables trend noted for fiscal year 2021. Accounts receivables increase from, \$16,440,475 to \$18,076,425, an increase of approximately \$1.63 million.

Prior Year's Views of Responsible Officials and Planned Corrective Actions

Management concurs with the recommendation of the auditors. The City will continue its efforts to increase collection of delinquent account balances through a combination of increased collection efforts internally, including possibly taking legal action, recording of liens, and engaging a third-party collection agency. Management continues to explore and develop the concept of moving completely to a monthly billing cycle. This will involve upgrading the meter reading capacity either through technology or through staffing increases.

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

The City continues to increase its collection efforts internally. As a result of the COVID-19 Pandemic, many of our customers were adversely affected in their ability to make timely payments. The City has worked with customers by setting up payment arrangements and providing assistance to those who are unable to pay. Some of the assistance was funded by the American Rescue Plan Act funds received from the Federal Government.

The City continues to lien large balances, but these are only collected when either the property's loan is refinanced, or the property is sold. The City continues to consider its legal action options to promote the collection, as well as the monthly billing option. Last year the City identified collection agencies for potential third-party payments of delinquent accounts. To address multi-dwelling unit accounts with delinquent high balances, the City established a collection strategy that will include the issuing of demand letters to gain compliance. Additionally, the City contacted several agencies with significant unpaid balances and began negotiating payment agreements.



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

We have examined the City of North Miami (the "City") compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* for the year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2020 to September 30, 2021.

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

Miami, Florida
March 29, 2022

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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of North Miami, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 2022. Our report includes a reference to other auditors who audited the financial statements of the following component units and funds:

Component Units / Funds	Classification
• North Miami Community Redevelopment Agency	Major fund
• Museum of Contemporary Art	Nonmajor special revenue fund
• North Miami Police Pension Plan	Aggregate remaining fund information
• Clair T. Singerman Plan	Aggregate remaining fund information

This management letter does not include the results of the other auditors' testing of compliance and other matters that are reported on separately by those auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

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

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Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions taken to address the findings and recommendations made in the preceding annual financial audit report are disclosed in *Section III – Status of Prior Year Findings and Recommendations to Improve Financial Management*.

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, 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 to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes. However, see recommendations reported as *2020-01 - General Fund Deficit and 2020-02 - Capital Assets in Section III – Prior Year Findings and Recommendations to Improve Financial Management*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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. Such recommendations are included in *Section II - Current Year Findings and Recommendations to Improve Financial Management*.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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



Miami, Florida
March 29, 2022

CITY OF NORTH MIAMI, FLORIDA

SINGLE AUDIT REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

**CITY OF NORTH MIAMI, FLORIDA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited City of North Miami, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

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

- 1 -



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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 29, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Miami, Florida
April 22, 2022

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

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

Federal Awards

Internal control over major Federal programs

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 516 of the Uniform Guidance ?

 Yes X No

Identification of Major Federal Programs:

CFDA Numbers

Name of Federal Programs

14.218	Community Development Block Grant Entitlement
21.019	Coronavirus Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

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

\$750,000

Auditee qualified as a low-risk auditee?

 Yes X No

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

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

CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Section III - Prior Year Findings - Financial Statement Audit

Other auditors whose report is dated June 11, 2021, reported the following financial statement findings.

2020-01 General Fund Deficit

Criteria

Management should establish a long-term financial plan and prepare annual budgets that result in the City's General Fund maintaining a positive fund balance on an ongoing basis.

Condition

The General Fund, which serves as the primary operating fund of the City, reported a fund balance (deficit) of (\$5,018,744) for the fiscal year ended September 30, 2020.

Cause

Actual expenditures have exceeded operating revenues on a cumulative basis for the fiscal years ended September 30, 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues	\$ 52,514,000	\$ 55,261,571	\$ 57,732,065	\$ 60,772,185	\$ 59,588,906
Expenditures	(54,474,605)	(58,124,891)	(61,016,868)	(67,140,007)	(66,902,105)
Expenditures over revenues	(1,960,605)	(2,863,320)	(3,284,803)	(6,367,822)	(7,313,199)
Transfers and other items, net	2,570,978	(1,631,436)	(55,564)	(146,872)	16,991,591
Change in fund balance	610,373	(4,494,756)	(3,340,367)	(6,514,694)	9,678,392
Beginning fund balance(deficit)	(957,692)	(347,319)	(4,842,075)	(8,182,442)	(14,697,136)
Ending fund balance (deficit)	\$ (347,319)	\$ (4,842,075)	\$ (8,182,442)	\$ (14,697,136)	\$ (5,018,744)

Effect

In the current fiscal year, the City relied on a one-time land sale transaction to fund a portion of the General Fund's operating activities. If the General Fund's expenditures continue to exceed operating revenues, and management and those charged with governance fail to establish financially sound budgets and implement a fund balance (deficit) reduction plan going forward, this could result in a state of financial emergency as defined in Section 218.503(1), Florida Statutes.

Recommendation

We recommend that management and those charged with governance develop a long-term financial plan to reduce and eliminate the General Fund's fund balance (deficit) over the next three to five years. This plan will require that management budget for a surplus of revenues over expenditures in each fiscal year. Additionally, we recommend that management implement budgetary controls, policies and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues and expenditures and the monitoring of the City's budget to actual balances on an ongoing basis, to ensure that the fund balance (deficit) reduction plan is implemented.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

2020-01 General Fund Deficit (cont'd)

Prior Year's Views of Responsible Officials

The City recognizes and acknowledges the General Fund still has a fund deficit at the end of FY 2020 and continues its commitment to eliminate this condition through a number of measures. Management understands this is a multi-year process and has a plan to do so.

Current Year Status

	<u>2021</u>
Revenues	\$ 62,032,059
Expenditures	<u>(57,645,640)</u>
Excess of revenue over expenditures	4,386,419
Transfers and other items, net	<u>4,530,200</u>
Change in fund balance	8,916,619
Beginning fund balance(deficit)	<u>(5,018,744)</u>
Ending fund balance (deficit)	<u>\$ 3,897,875</u>

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

Current Year's Views of Responsible Officials

The City has been able to accelerate the turnaround of the General Fund deficit by making some difficult decisions to reduce personnel costs and expenditures while maintaining a consistent level of service. The City implemented a balanced budget and successfully generated more revenue than expenditures, resulting in a positive year-end balance. Additionally, the fund balance was improved through asset sales that successfully mitigated a larger deficit during the pandemic's peak, and the receipt of American Rescue Plan Act funding to cover revenue shortfalls resulting from economic effects of the pandemic.

The City conducted a comprehensive review of all fees, from the Building Department to all general fund revenues, to benchmark and ensure our rates are competitive with those of other similar-sized cities. The City will continue to promote development and work toward building a Fund Balance that includes sufficient reserves for contingencies to cover unforeseen circumstances in the future.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

2020-02 Capital Assets

Criteria

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

Condition

Material accounting adjustments were made to capital asset balances in order for the financial statements to comply with generally accepted accounting principles.

Context

The condition relates to the proper accounting for capital assets on an ongoing basis.

Cause

Established controls requiring the reconciliation and review of capital asset account balances failed to identify the errors noted.

Effect

The October 1, 2019, net position balance of the governmental activities was restated to properly report financial statement balances.

Recommendation

We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital asset balances on an ongoing basis.

Current Year Status

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

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

Management concurs with the observation of the auditor regarding the accurate recording and disclosure of capital asset balances on an ongoing basis.

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

Management continued detailed review of capital assets and made significant adjustments for obsolete machinery and equipment in the current fiscal year. The detailed review will continue for other capital assets categories.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

2020-03 Water & Sewer and Stormwater Accounts Receivables

Criteria

The timely billing and collection for water & sewer and stormwater services provided to residents and businesses operating within the City is essential to the City's ongoing operations.

Condition

We noted that the water & sewer and stormwater accounts receivable balances due for services provided to residents and businesses operating within the City have shown a steady increase for the fiscal years 2016 through 2020, as follows:

	Fiscal Year				
	2016	2017	2018	2019	2020
Water & sewer and stormwater accounts receivables, net	\$ 13,900,856	\$ 15,140,690	\$ 15,960,187	\$ 16,192,683	\$ 16,440,475

Cause

The City currently bills for water & sewer and stormwater services provided on a quarterly basis, which allows for the accumulation of significant unpaid accounts receivable balances on an ongoing basis. Additionally, the City has experienced a steady increase in the rate of nonpaying customers for fiscal years 2016 through 2020.

Effect

This has resulted in a higher than normal rate of accounts receivable write-offs, nonpayment for services received by residents and businesses over time and an ultimate loss of revenues to the City. For the year ended September 30, 2020, management recorded an estimated allowance of \$3,462,307 for customer balances not considered to be collectible in future periods. If not addressed, this will result in a cash flow shortage to City.

Recommendation

We recommend that management consider taking the following actions to address the condition identified above:

- Implement monthly billing cycles for all accounts
- Update City policy to establish customer credit limits
- Increase collection efforts on all past due balances, to include taking legal action as necessary to collect significant individual account balances due
- Record liens on properties for nonpayment, to ensure that outstanding receivable balances are collected at a future date

These actions will improve the City's collection rates and increase revenues and cash flows on an ongoing basis.

**CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

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

Current Year Status

Similar increasing Water & Sewer and Stormwater Accounts Receivables trend noted for fiscal year 2021. Accounts receivables increase from, \$16,440,475 to \$18,076,425, an increase of approximately \$1.63 million.

Prior Year's Views of Responsible Officials and Planned Corrective Actions

Management concurs with the recommendation of the auditors. The City will continue its efforts to increase collection of delinquent account balances through a combination of increased collection efforts internally, including possibly taking legal action, recording of liens, and engaging a third-party collection agency. Management continues to explore and develop the concept of moving completely to a monthly billing cycle. This will involve upgrading the meter reading capacity either through technology or through staffing increases.

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

The City continues to increase its collection efforts internally. As a result of the COVID-19 Pandemic, many of our customers were adversely affected in their ability to make timely payments. The City has worked with customers by setting up payment arrangements and providing assistance to those who are unable to pay. Some of the assistance was funded by the American Rescue Plan Act funds received from the Federal Government.

The City continues to lien large balances, but these are only collected when either the property's loan is refinanced, or the property is sold. The City continues to consider its legal action options to promote the collection, as well as the monthly billing option. Last year the City identified collection agencies for potential third-party payments of delinquent accounts. To address multi-dwelling unit accounts with delinquent high balances, the City established a collection strategy that will include the issuing of demand letters to gain compliance. Additionally, the City contacted several agencies with significant unpaid balances and began negotiating payment agreements.

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

None reported.

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

None reported.

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

<u>FEDERAL AGENCY/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL/ CFDA NUMBER</u>	<u>GRANT OR IDENTIFYING NUMBER</u>	<u>PASS THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
<i>U.S. Department of Commerce</i>				
Economic Adjustment Program	11.307	04-69-07290		\$ 40,000
<i>Total U.S. Department of Commerce</i>				<u>40,000</u>
<i>U.S. Department of Housing And Urban Development</i>				
Community Development Block Grant Entitlement	14.218	B-14-MC-12-0039		70,269
Community Development Block Grant Entitlement	14.218	B-15-MC-12-0039		11,618
Community Development Block Grant Entitlement	14.218	B-17-MC-12-0039		4,200
Community Development Block Grant Entitlement	14.218	B-18-MC-12-0039		31,072
Community Development Block Grant Entitlement	14.218	B-19-MC-12-0039		358,446
Community Development Block Grant Entitlement	14.218	B-20-MC-12-0039		234,040
Community Development Block Grant Entitlement	14.218	B-20-MW-12-0039		<u>582,566</u>
Sub-Total				<u>1,292,211</u>
Home Investment Partnerships Program	14.239	M-15-MC-12-0231		9,772
Home Investment Partnerships Program	14.239	M-16-MC-12-0231		4,579
Home Investment Partnerships Program	14.239	M-18-MC-12-0231		188,691
Home Investment Partnerships Program	14.239	M-19-MC-12-0231		53,002
Home Investment Partnerships Program	14.239	M-20-MC-12-0231		<u>282,341</u>
Sub-Total				<u>538,385</u>
Neighborhood Stabilization Program 3	14.264	B-11-MN-12-0019		<u>80,367</u>
Sub-Total				<u>80,367</u>
<i>Total U.S. Department of Housing and Urban Development</i>				<u>1,910,963</u>
<i>U.S. Department of Justice</i>				
<i>Pass Through the State of Florida Office of the Attorney General</i>				
<i>Office of Justice Program - Bureau of Justice Assistance</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-DJ-BX-0641		<u>6,471</u>
<i>Pass Through the State of Florida Office of the Attorney General</i>				
Crime Victim Assistance	16.575	VOCA-2020-City of North Miami Police-00537		<u>111,238</u>
Bulletproof Vest Partnership Grant Program-03	16.607	2019		8,237
Bulletproof Vest Partnership Grant Program-03	16.607	2020		<u>2,907</u>
				<u>11,144</u>
<i>Pass Through Miami-Dade County</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-DADE-15-5R- 124	2019-MU-BX-0036	6,426
Equitable Sharing Program	16.922	N/A		<u>2,062</u>
<i>Total U.S. Department of Justice</i>				<u>137,341</u>

See Notes to Schedule.

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

<u>FEDERAL AGENCY/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL/ CFDA NUMBER</u>	<u>GRANT OR IDENTIFYING NUMBER</u>	<u>PASS THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
<i>Florida Department of Transportation</i>				
Highway Planning and Construction	20.205	436624-1	D618-087-B	<u>725,725</u>
<i>Total Florida Department of Transportation</i>				
<i>U.S. Department of Treasury</i>				
Equitable Sharing	21.016	N/A		<u>19,708</u>
<i>Pass Through State Housing Initiative Partnership (SHIP)</i>				
<i>Florida Housing Finance Corporation</i>				
Coronavirus Relief Fund	21.019	130-2020		274,974
<i>Pass Through Miami-Dade County</i>				
Coronavirus Relief Fund	21.019	07-698-7692		<u>1,311,315</u>
Sub-Total				<u>1,586,289</u>
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027			<u>5,041,617</u>
<i>Total United States Department of Treasury</i>				<u>6,647,614</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 9,461,643</u>

See Notes to Schedule.

CITY OF NORTH MIAMI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of the City of North Miami, Florida (the City) for the year ended September 30, 2021.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

The expenditures in the accompanying Schedule are presented using the modified accrual basis of accounting, except for the pass-through to subrecipients, which is presented using the cash basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the City becomes obligated for a payment as a result of the receipt of the related goods or services.

Note 3 - Contingencies

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

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

Note 4 - Subrecipients

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

Note 5 - Indirect Cost Rate

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

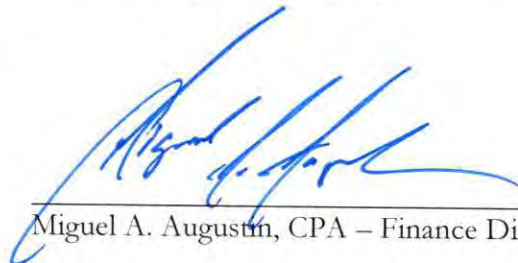


IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Miguel A. Augustin who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of North Miami which is a local governmental entity of the State of Florida;
2. The governing body of the City of North Miami adopted Ordinance No. 1302 implementing an impact fee or authorized the City of North Miami to receive and expend proceeds of an impact fee implemented; and
3. The City of North Miami has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Miguel A. Augustin, CPA – Finance Director

STATE OF FLORIDA
COUNTY OF THE CITY OF NORTH MIAMI

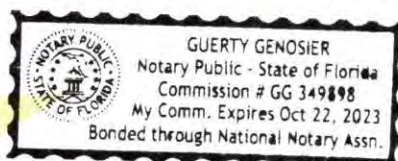
SWORN TO AND SUBSCRIBED before me this 19 day of April 2022.


NOTARY PUBLIC
Print Name Guerty Genosier

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires: Oct 22, 2023





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Annual Comprehensive Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2021

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