

AUDIT REPORT

CITY OF MIAMI BEACH, FLORIDA
For the Fiscal Year Ended
September 30, 2022



City of Miami Beach, Florida

AUDIT REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2022

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Miami Beach, Florida

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2022

Alina T. Hudak
City Manager

Jason Greene
Chief Financial Officer

Report prepared by: Finance Department

**City of Miami Beach, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022**

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INTRODUCTORY SECTION

MIAMIBEACH

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

April 14, 2023

Honorable Mayor, Members of the City Commission and Miami Beach Citizens:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby present the Annual Comprehensive Financial Report (ACFR) of the City of Miami Beach, Florida (the "City"), for the fiscal year ended September 30, 2022.

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

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

State statutes require an annual audit by independent certified public accountants and for the City Commission to appoint an audit committee to make the selection of the independent auditor. RSM US LLP was selected by the audit committee and then approved by the City Commission. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City's basic financial statements for the fiscal year ended September 30, 2022 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the federal requirements of Single Audit Act of 1996 as amended, the State of Florida Single Audit Act in accordance with the Uniform Guidance and Florida Rules of the Auditor General, Section 10.550. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with applicable laws and regulations and federal, state, and county programs. This internal control structure is subject to periodic evaluation by management and the Internal Audit Department of the City. These reports are available in the City's separately issued Single Audit Report.

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

Profile of the Government

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

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

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

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

Local Economy

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

The population of Miami Beach is approximately 80,671 with a median household income of \$59,162 and a median age of 41. The City's labor force consists of 45,573 individuals; the primary industries are sales (15.9%), office and administrative services (14.2%), food preparation and serving (13.9%), and executive, managers, & administrators (13.7%). The City's tourism and hospitality industry provide a foundation for revenue generated through room nights and resort taxes. Simultaneously, the newly renovated Miami Beach Convention Center plays host to major conferences and shows worldwide.

In comparison to 2019, the last pre-COVID year, in 2022 the City of Miami Beach experienced a 9.2% dip in hotel occupancy rates, finishing at 69.6%. This decrease, however, was offset by a 37.1% increase in room rates to \$437.97 along with a 24.5% increase in revenue per available room (RevPar) to \$256.32 compared to 2019. The future trends look favorable, with 2022 air travel into Miami International Airport setting new records and accommodating demand by adding additional air service. As has been the case in previous years, the City continues to attract the interest of notable events, conventions, and conferences including, but not limited to, the Miami

International Boat Show, Longines Global Champions Polo Tour, South Beach Wine and Food Festival, Art Basel Miami Beach, Design Miami, Air & Sea Show, Miami Beach Gay Pride Festival, Art Deco Weekend, Seatrade Cruise Global Annual Meeting, eMerge America's Technology Conference, Florida Super-Con, Jeweler's International Showcase, and the Miami International Auto Show. A new event in 2022 was the FTX Grand Prix Festival, bringing international visitors and race car aficionados to the Art Deco Cultural District.

Miami Beach continued to be a strong brand with a solid reputation as a leading travel destination, with the Miami Beach Convention Center receiving notable recognition. In 2022, the Miami Beach Convention Center received recognition awards that include the Northstar Meeting Group's Silver Stella Award, Exhibitor Magazine's Centers of Excellence Award, Smart Meetings Magazine's Smart Stars 2022, ConventionSouth Reader's Choice Award Winner, and Facilities & Destination's Prime Site Award Winner.

The City of Miami Beach remains committed to diversifying its tourism/hospitality-based economy, a strategy that is delivering a multi-industry community including, but not limited to, financial services, technology, health and wellness, and art and culture. The Miami Beach business community is evolving and attracting innovative start-ups, investors and industry ecosystem leaders who contribute to cross-industry collaboration and mutual benefit, and the overall health of the labor market. The economic diversity is increasing resiliency and positioning the city to better respond to economic challenges and opportunities by motivating leaders, creators, and talent to invest in the long-term stability of the City.

In an effort to leverage opportunities and address challenges, the City is focused on improving the business climate and growing the business community by promoting Miami Beach as a best in choice destination to start, relocate and/or expand a business, realize a meaningful career, or explore real estate development and investment. A key element to the City's business appeal is rooted in offering key business incentives and programs such as concierge services, the Vacant Storefront Cover Program, Expedited Plan Review and Permitting Program, and Job Creation Incentive Programs. Additionally, the City is investing in streetscape projects, and cultivating special business districts, which demonstrate the City's dedication to growing a diverse economy and leveraging resources. Likewise, in response to the fluctuation of the global, national, and regional economy impacting supply chain, talent acquisition, and housing inventory, the City is also concentrating on helping the small business community adapt by providing grant resources and information and offering free technical training while working to mitigate barriers to business success.

The City is prioritizing economic development in targeted business corridors by implementing strategic initiatives to maximize community potential, assets, character, aesthetics, and engagement. The creation of the North Beach Community Redevelopment Agency serves as a meaningful catalyst for investment, development and elevated quality of life improvements in North Beach. Strategic initiatives, such as programs and services within the Art Deco Cultural District (ADCD) continue to be transformative for the South Beach community, together with the re-imagined Miami Beach Convention Center campus, including leveraging eight acres of public park space and the forthcoming Convention Center hotel. The promising renaissance of the Mid-Beach community through the establishment and advancement of a business improvement district and public improvements, will have long-term impacts on the resident experience and the city's world-class tourist and visitor destination status.

Miami Beach is home to some of the country's most sought after commercial and residential real estate. Major private investment and financial services firms are relocating or expanding to Miami Beach and bringing new energy, talent, and ancillary businesses and groups, specifically in the South Beach area and Civic Center neighborhood. Lincoln Road continues to rank as one of Florida's most expensive retail leasing locations and is diversifying with new, well-established office and restaurant tenants, with a major public renovation project planned. Moreover, the City's hospitality community remain amongst national leaders for average daily rate and occupancy by offering memorable experiences in first-class restaurants, iconic historic architecture, and unforgettable entertainment, public art, and lifestyles. Opportunity is the new foundation of Miami Beach and it is being revealed in the arrival of investors, entrepreneurs, thought-leaders and talent, who are individually and collectively driving our business-friendly environment and preparing the city for the next generation.

New Convention Center Hotel

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

In June 2022, the developer of the future Grand Hyatt Convention Center Hotel commenced work under an Early Access agreement to prepare the site for the future footprint of the hotel. Per a status report from April 2023, the developer anticipates vertical construction to begin in fall 2023 with a 30-month construction duration.

General Obligation Improvement Program

In November 2018, voters approved all three ballot items of the proposed \$439 million General Obligation Bond, which addresses critical infrastructure needs for the city's parks, recreation facilities and cultural facilities (\$169 million); neighborhood and infrastructure (\$198 million); and police, fire and public safety (\$72 million). In April 2023 the program will enter its fourth year from the issuance of the bonds in 2019.

The bond program is comprised of 57 projects, including enhancements to community centers; funding for the revitalization of major public roads; completion of the 6-mile pedestrian beachwalk promenade connecting the entirety of the island along the east side; the planting of 5,000 shade trees to enhance the City's tree canopy; replacing 119 miles of deteriorating roads; replacing 2.5 million square feet of aged sidewalks; boosting street lighting; adding more license plate readers and security cameras and upgrading the public safety radio system to enhance safety; replacing two aging fire stations that have nearly reached the end of their useful life; refurbishing many of the City's parks; neighborhood resiliency improvements and beautification to compliment the planned storm water and water/sewer projects; and building and improving major City facilities.

Of the total 57 projects in the first tranche of funding in the amount of \$151 million, 11 are fully completed and 32 others are in some form of "Active" status (Planning, Design, or Construction). Approximately \$41 million worth of projects are expected to move to the construction phase in calendar year 2023.

To date, \$3.7 million in project funds have been saved, benefitting other projects with funding gaps. The City has also received nearly \$56.0 million in grant funding for projects with matching funds in the G.O. Bond Program. More than \$15.0 million of the grant funding has been awarded directly to G.O. Bond projects to subsidize their budgets.

Climate Resilience

Miami Beach is at the forefront of climate resilience planning and action, tackling challenges head-on with an integrated approach that improves quality of life today for the community. The City has been recognized by ratings agencies and Federal Emergency Management Agency (FEMA) having a robust program to reduce risk. One of the City's top resilience stresses is flooding and sea level rise, and the City has made a commitment to invest in aging infrastructure, incrementally adapt to sea level rise, and use the best available science and engineering.

The City has undertaken comprehensive planning that includes integrating climate resilience into the 2040 Comprehensive Plan, the Water and Sewer Master Plan, the Blue Green Infrastructure Plan, Road Elevation Strategy and Neighborhood Project Prioritization Plan, Buoyant City: Historic District Resiliency Adaptation Guidelines, and the Urban Forestry Master Plan. In addition, the City participates in longer term Army Corps of Engineers studies to reduce risks from storm surge and sea level rise. From a land use perspective, the City has updated the land development regulations to incorporate climate adaptation and resilience, such increasing sea wall height, increasing base flood elevation, establishing freeboard above FEMA base flood elevation, requiring sea level rise and resilience review criteria for Land Use Boards, introducing additional commercial height standards, and increasing set-backs and open space for single family homes. A thorough update of the City's Code was adopted in 2023.

Construction projects are holistic and include elevating roads, increasing the level of service to provide flooding protection from a ten-year storm, upgrading the gravity-based stormwater infrastructure with tidal control valves, pump stations and water quality treatment systems and new pipes. The projects integrate aesthetic, pedestrian and biking elements and the City has adopted a ten-year financial plan to fund public seawall upgrades. Nature-based infrastructure, including the coral reef tract, the beach and our mature sand dune system protect the island from wave energy and storm surge events. A \$40 million Army Corps of Engineers beach renourishment project is underway to address erosional hot spots, and a \$1 million grant has been awarded for dune system enhancements. The City is also implementing living shorelines with seawalls where feasible to help enhance water quality and ecosystem benefits.

Regionally, the City works with the Southeast Florida Climate Change Compact and Resilient305, an intergovernmental resilience strategy that was co-produced by the City of Miami Beach, the City of Miami and

Miami-Dade County and was launched officially July 2019 by the Greater Miami and the Beaches. Greater Miami and the Beaches was organized first in 2016 when Miami Beach was selected by the Rockefeller Foundation's 100 Resilient Cities program (100RC), a global initiative to make urban cities more resilient to the physical, social, and economic challenges they face in the ever-changing 21st century. Urban resilience is the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow, no matter what kinds of chronic stresses and acute shocks they experience. As part of this unique effort, 100RC brought expert consultants, community partnerships and other resources together to assist the three involved municipalities as they crafted Resilient305. The City adopted a Strategic Plan in July 2019 that combines traditional strategic planning with resilience priorities. The City's annual operating budget and capital budgets establish priorities and funding for strategic priorities and service delivery.

Budgeting

Although the development of our budget this year has been challenging, especially due to the impacts of COVID-19, through rigorous review and strategic leadership, the Adopted Work Plan and Budget for the fiscal year ended September 30, 2022 was balanced and enables the City to continue delivering outstanding, enhanced services to our residents, businesses and visitors, and continuing structural enhancements to ensure the long-term sustainability of the City.

Adopted tax rates: The millage rate is the tax per dollar of assessed value of property. The rate is expressed in "mills", where one mill is one-tenth of a cent (\$0.001). The City Commission adopted a total combined millage rate for the City of 6.0515 mills. The total adopted operating millage is 5.7626 mills, which is comprised of a General millage rate of 5.6636 mills that funds operating costs in the General Fund, a Capital Renewal and Replacement (CRR) millage rate of 0.0235 mills that provides a dedicated source of funding for renewal and replacement projects that extend the useful life of General Fund capital assets, and a Capital Pay-As-You-Go (PayGo) millage rate of 0.0755 mills that provides a dedicated source of funding for General Fund capital projects. The adopted voted debt service millage rate that funds the required debt service for outstanding General Obligation Bonds, including the first tranche of the General Obligation Bonds issued by the City in 2019, following the voter referendum approval of the City's General Obligation Bond program on November 6, 2018, decreased from 0.3227 to 0.2889 mills, which is a decrease of 0.0338 mills.

Property Values and Ad Valorem Taxes: On July 1, 2021, the City received the "2021 Certification of Taxable Value" from the Miami-Dade County Property Appraiser's Office indicating that the taxable value for the City of Miami Beach was \$41.9 billion, including \$215.6 million in new construction. The certified 2021 value received July 1, 2021 represents an increase of \$123.7 million, or 0.3 percent, more than the City's "2020 Certification of Taxable Value" of \$41.7 billion received on July 1, 2020.

Determining the Voted Debt Service Millage Levy: The general obligation debt service payment for Fiscal Year 2022 was approximately \$11.5 million. Based on the City's "2021 Certification of Taxable Value" that was received from the Miami-Dade County Property Appraiser's Office on July 1, 2021, these bonds required the levy of a voted debt service millage of 0.2889 mills, which represents a decrease of 0.0338 mills from the prior year levy adopted in Fiscal Year 2021 of 0.3227 mills.

Debt Administration

The general obligation debt rating of the City remained at Aa2 with Moody's and AA+ with Standard and Poor's. Under current state statutes, general obligation bonded debt issued by the City is subject to a legal limitation based on 15% of total assessed value of real and personal property. At September 30, 2022, the total net debt applicable to the limit as of percentage of debt limit is 2.53%.

The City continues to responsibly manage its debt financing. On October 14, 2021, the City issued \$32,480,000 in Water and Sewer Revenue Refunding Bonds, Series 2021A. The bonds will be repaid solely from the pledged revenues of the Water and Sewer System. The proceeds of the Series 2021A Bonds were used, together with other legally available moneys, to (i) refund and prepay the City's (a) \$10,000,000 outstanding principal amount of the City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B and (b) \$30,000,000 outstanding principal amount of City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2009J-1C and together with the Series 2009J-1B Bonds, and (ii) pay the costs of issuance of the Series 2021A Bonds and the refunding and prepayment of the Refunded Bonds.

On November 8, 2022, the electorate of the City of Miami Beach approved the issuance of up to \$159,000,000 of general obligation bonds to improve facilities for resiliency of arts and cultural institutions throughout the City, including museums, performance venues, artistic playgrounds, senior/cultural centers, botanical garden, aquatic sculpture park, and related artist/workforce housing.

Outstanding general and special obligation debt was reduced by \$16.1 million. The City drew \$3.4 million from the equipment line of credit to finance the purchase of fleet vehicles to facilitate the vehicle replacement program. In the coming year the City will continue to evaluate the source of funding for the replacement program. Net reduction in other outstanding debt including revenue bonds, was \$9.4 million for the fiscal year. For more details on debt, see Note 10. For details on the debt coverage ratio compliance, see statistical section beginning on pg. 152 of this report.

COVID-19 Recovery

Last year at this time, we faced the challenge of flat property values and revenue uncertainty due to the adverse impact of the COVID-19 pandemic on the City's economy and operations. Since then, the City's local economy has experienced a robust recovery in property values and the City realized its highest ever Resort Tax collections. The City's current financial position has improved significantly, even as millage rates remain at a historically low level. Further, the City has the highest reserve levels in history in its General and Resort Tax funds. In addition, the City has simultaneously identified additional funding to address funding gaps in capital projects, which have resulted from high cost inflation. Due to the successful management of its reserves and the strong budget balancing plans employed by the City since the COVID-19 pandemic began, the City has been able to maintain its AA+ credit rating despite the significant fiscal challenges that were encountered.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. This was the thirty-fifth (35) consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

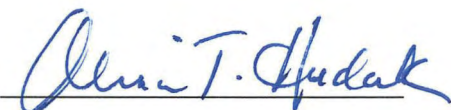
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2021. In order, to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

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

Sincerely,



Alina T. Hudak
City Manager



Jason D. Greene
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Miami Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

RESIDENTS



OFFICE OF THE INSPECTOR GENERAL

CITY ATTORNEY

CITY CLERK

CITY OF MIAMI BEACH
Mayor & Commission

City Manager

MARKETING & COMMUNICATIONS

POLICE DEPARTMENT

FIRE DEPARTMENT

CHIEF FINANCIAL OFFICER
FINANCE

Assistant City Manager

Deputy City Manager

CHIEF OF INTERGOVERNMENTAL
AND EXTERNAL AFFAIRS

OFFICE OF MANAGEMENT
& BUDGET

CODE COMPLIANCE

BUILDING

TOURISM & CULTURE

GRANTS MANAGEMENT

HUMAN RESOURCES

CAPITAL IMPROVEMENT PROJECTS

ECONOMIC DEVELOPMENT

PERFORMANCE INITIATIVES AND
CHIEF EDUCATION OFFICER

INFORMATION TECHNOLOGY

CHIEF RESILIENCY OFFICER
ENVIRONMENT & SUSTAINABILITY

HOUSING & COMMUNITY AFFAIRS

FINANCE & ECONOMIC
RESILIENCY COMMITTEE

PARKS & RECREATION

FACILITIES & FLEET MANAGEMENT

PARKING

PROCUREMENT

GO BOND / MBCC HOTEL

PLANNING

NEIGHBORHOOD &
QUALITY OF LIFE COMMITTEE

PUBLIC WORKS

TRANSPORTATION & MOBILITY

LAND USE &
SUSTAINABILITY COMMITTEE

SPECIAL
PROJECTS

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

September 30, 2022

City Commission

Dan Gelber, Mayor

Ricky Arriola, Commissioner
Laura Dominguez, Commissioner
Alex J. Fernandez, Commissioner
Steven Meiner, Commissioner
David Richardson, Commissioner
Kristen Rosen Gonzalez, Commissioner

Administration

Alina T. Hudak, City Manager
Eric Carpenter, Deputy City Manager

Jason Greene, Chief Financial Officer

John M. Taxis, Assistant City Manager
Rickelle Williams, Assistant City Manager

MIAMI BEACH

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FINANCIAL SECTION



Independent Auditor's Report

RSM US LLP

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Miami Beach Florida Employees Retirement Plan, the City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters Relief and Pension Fund, which collectively represent 78%, 43%, and 83%, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information opinion unit as of September 30, 2022. 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 the City of Miami Beach Florida Employees Retirement Plan, the City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters Relief and Pension Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 18 to the financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standard Board Statement No. 87, *Leases*, as of October 1, 2021. As a result, beginning lease receivable, right-of-use asset, lease liability, and deferred inflows of resources balances were restated. The City restated the beginning net position, assets and liabilities of the Parking major enterprise fund and the business-type activities and recorded other lease related items in the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and other schedules, listed in the table of contents as supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying combining individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
April 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Our discussion and analysis of the City of Miami Beach's (the "City") financial performance provides an overview of the City's financial activities for the year ended September 30, 2022. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2022 by \$1.28 billion (net position). Of this amount, \$1.5 billion was in net investments in capital assets. Additionally, \$226 million was restricted by laws, agreements, or debt covenants. The City has a negative unrestricted net position of \$465.9 million.
- During fiscal year 2022, the City's net position increased by \$182.1 million. Of this amount, there was an increase in governmental activities of \$100.3 million in governmental activities and an increase of \$81.8 million in business-type activities. For governmental activities, revenues for charges for services increased \$23.7 million or 27.9%, operating grants and contributions decreased by \$5.4 million or 8.3% over prior year, and capital grants and contributions decreased \$1.0 million or 13%. Additionally, transfers out decreased \$6.4 million from \$35.1 to \$28.7 million or 18.1% over the prior year. For business-type activities, charges for services increased by \$44.4 million or 22.2%, while operating grants and contributions increased by \$14.6 million or 160% from \$9.1 million to \$23.7 million. Also, investment returns increased by \$2.3 million or 109.5%.
- Overall, the City's assets and deferred outflows had an increase of \$78.7 million. Major changes were attributed to an increase of \$100.6 million in total assets offset by a net decrease of \$21.9 in deferred outflows. This decrease is comprised of a 30% decrease of \$15.0 million for Miami Beach Employee Pension Plan, \$13.9 million in the City's OPEB actuarial estimates, netted with an increase of 6.5 million for the Police and Fire Retirement Plan and a \$600 thousand increase for unamortized refund costs.
- The City's overall liabilities and deferred inflows decreased from \$2.5 billion to \$2.4 billion. Major changes are attributed to decreases in total liabilities of \$378.4 which included significant reductions in long term liabilities like Pension and OPEB liabilities whereas, deferred inflows increased by 280.5 million mainly attributed to an increase of \$39.7 million for lease deferrals and \$240.8 million related to Employees, Police and Fire retirement Plans and to OPEB.
- At September 30, 2022, the City's governmental funds had fund balances totaling \$594.2 million an increase of \$22.6 million or 4% compared to prior year.
- At September 30, 2022, the General Fund had a fund balance of \$85.3 million. This is a decrease of \$20.3 million or 19.3% compared to prior year.
- For the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) 87, *Leases*. This implementation resulted in the restatement of net position balances of approximately \$5.5 million, in Business-Type Activities.

Overview of the Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the City's net position changed during each fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, resort tax special revenue fund, Miami Beach

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Redevelopment Agency special revenue fund, and capital projects fund which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds

The City maintains eight different types of enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its storm water utilities, water and sewer utilities, parking, convention center complex, sanitation, building and Miami Beach Redevelopment Agency's parking and leasing. The City maintains 7 internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management, property management, central services, risk management self-insurance, health self-insurance and communications operations and the Office of the Inspector General. Since these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees and the budgetary comparison schedules for the general fund and major special revenue funds.

The combining statements referred to earlier in connection with non-major governmental funds, non-major

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

enterprise funds and internal service funds are presented immediately following the required supplemental information (RSI).

Government-wide Financial Analysis

The table below summarizes the statement of net position:

CITY OF MIAMI BEACH Net Position (deficit) (in thousands)

	Governmental activities		Business-type activities		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 782,154	\$ 809,524	\$ 543,283	\$ 596,052	\$ 1,325,437	\$ 1,405,576
Capital assets	738,776	762,806	1,281,548	1,278,020	2,020,324	2,040,826
Total assets	<u>1,520,930</u>	<u>1,572,330</u>	<u>1,824,831</u>	<u>1,874,072</u>	<u>3,345,761</u>	<u>3,446,402</u>
Deferred outflows	188,865	171,485	27,127	22,573	215,992	194,058
	<u>188,865</u>	<u>171,485</u>	<u>27,127</u>	<u>22,573</u>	<u>215,992</u>	<u>194,058</u>
Long-term liabilities outstanding	1,660,466	1,378,438	626,363	579,888	2,286,829	1,958,326
Other liabilities	90,365	58,160	44,624	26,930	134,989	85,090
Total liabilities	<u>1,750,831</u>	<u>1,436,598</u>	<u>670,987</u>	<u>606,818</u>	<u>2,421,818</u>	<u>2,043,416</u>
Deferred inflows	33,148	281,072	3,137	35,665	36,285	316,737
	<u>33,148</u>	<u>281,072</u>	<u>3,137</u>	<u>35,665</u>	<u>36,285</u>	<u>316,737</u>
Net position (deficit):						
Net investment in capital assets	616,295	644,990	903,480	903,320	1,519,775	1,548,310
Restricted	176,869	145,281	73,663	80,753	250,532	226,034
Unrestricted	(867,348)	(764,126)	200,691	270,089	(666,657)	(494,037)
GASB 87 Restatement	-	-	(5,521)	-	(5,521)	-
Total net position (deficit)	<u>\$ (74,184)</u>	<u>\$ 26,145</u>	<u>\$ 1,172,313</u>	<u>\$ 1,254,162</u>	<u>\$ 1,098,129</u>	<u>\$ 1,280,307</u>

Net position may serve, over time, as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded its liabilities and deferred inflows at September 30, 2022 by \$1.28 billion which represents a change of \$182.2 million or 16.6% compared to prior year.

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

An additional portion of the City's net position, \$226 million or 17.7% represents resources that are subject to external restrictions on how they may be used. This includes but is not limited to grant proceeds, Redevelopment Agency tax increments, Resort Tax proceeds, impact fees, Interlocal agreements, and debt service requirements. The remaining balance of net position is negative and represents unrestricted net position. Unrestricted net position is a negative \$465.9 million, consists of deficit \$734.5 million from governmental activities and a positive net position of \$268.7 million from business-type activities. The large deficit in governmental activities is being driven by the long-term obligations for pensions and OPEB which will be funded over time; however, this deficit improved by \$132.8 million compared to fiscal year 2021.

At the end of the current fiscal year, the City as a whole is able to report a positive net position. The City's

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

net position increased by \$182.2 million, or 16.6%, during the current fiscal year. Governmental activities accounted for an increase of \$100.3 million and business type activities accounted for an increase of \$81.9 million.

City of Miami Beach Changes in Net Position- Governmental Activities For the fiscal year ended September 30, 2022 and 2021 (in thousands)

	2021	2022	% of Total Rev/Exp/ Other
Revenues:			
Program revenues:			
Charges for services	\$ 84,719	\$ 108,370	19.2 %
Operating grants and contributions	65,698	60,261	10.7
Capital grants and contributions	7,740	6,737	1.2
General revenues			
Taxes:			
Property taxes, levied for general purposes	195,031	201,012	35.6
Property taxes, levied for debt services	12,743	11,568	2.0
Resort tax	82,207	117,307	20.7
Tax increments	78,781	64,602	11.4
Utility	13,077	14,399	2.5
Local business tax	3,707	4,978	0.9
Communication Service Tax	3,501	3,693	0.7
Miscellaneous	2,403	6,326	1.1
Gain (loss) on sale of capital assets	-	407	0.1
Unrestricted investment earnings	7,456	(34,314)	(6.1)
Total revenues	<u>557,063</u>	<u>565,346</u>	<u>100.0 %</u>
Expenses			
General government	62,200	47,548	10.9
Public safety	268,822	222,042	50.9
Physical environment	13,089	16,309	3.7
Transportation	22,110	25,470	5.8
Economic environment	11,822	17,865	4.1
Human services	4,442	4,014	0.9
Culture and recreation	78,882	72,382	16.6
Interest on long-term debt	38,361	30,644	7.0
Total expenses	<u>499,728</u>	<u>436,274</u>	<u>100.0 %</u>
Changes in net position before transfers	57,335	129,072	
Transfers	(35,105)	(28,744)	
Change in net position (deficit)	<u>22,230</u>	<u>100,328</u>	
Net position (deficit) - beginning	(96,414)	(74,184)	
Net position (deficit) - ending	<u>\$ (74,184)</u>	<u>\$ 26,144</u>	

Governmental Activities

Governmental activities increased by \$100.3 million. Key elements of the fluctuation are as follows:

Governmental activities revenues consisted of program revenues which amounted to \$175.4 million and general revenues which amounted to \$390 million, for a total of \$565.4 million. Property tax revenue for general purposes which represents 35.6% of total revenues was \$201 million. This is an increase of \$6 million or 3.1% over prior year.

Property taxes are levied by the City based on the Miami-Dade County property appraisers determined property values in the City. The Miami-Dade County Property Appraiser determined that certified taxable property values in the City increased from \$41.7 billion in 2020 to \$41.9 billion in 2021, an increase of \$200 million. The City's operating millage rate for 2022 was 6.0515 millage same as prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Resort tax which represents 20.7% of total revenues was \$117.3 million which is an increase of \$35.1 million or 42.7% from the prior year. Resort tax represents 20.7% of total revenues; it is a 4% tax on the rent. Resort tax is a 4% tax on the rent of a room or rooms in any hotel, motel, rooming house or apartment house and 2% on the total sales price of all food and beverage (included beer and wine sold at retail in any restaurant). Fluctuations in resort tax revenues are based on the fluctuations in the sales of the above items and vary from one year to another based on the economy. For fiscal year 2022, the hotel occupancy rate decreased by 9.2 %, however this was mitigated by increase room rates resulting in higher taxes.

Charges for services which represent 19.2% of total revenues were \$108.4 million. The City's charges for services increased by \$23.7 million or 27.9% over the prior year. These charges at the government wide statement level are primarily derived from Parks and Recreation (including Golf Courses) user fees, ambulance fees, off duty services, franchise fees, rents and leases, licenses, permits, fines, forfeitures and administrative fees from enterprise funds and some forms of intergovernmental revenues. The increase represents a return to normal operations.

Tax increment revenue which represents 11.4% of total revenues, was \$64.6 million, a decrease of \$14.2 million or 18.0% compared to fiscal year 2021. Tax increments revenue is computed by applying the operating tax rate for the City and Miami-Dade County, Florida, (the "County") multiplied by the increased value of property in the district over the base property value minus 5%. Both the City and the County are required to fund this amount annually without regard to tax collections or other obligations. Fluctuations in tax increment revenue are based on real estate property values City wide. Tax increment revenues are received from the County.

Grants and contributions revenues totaled \$67 million for the year. Grants and contributions revenue decreased by \$6.4 million or 8.8% from the prior year. These revenues are derived from federal and state grantors for various City initiatives, such as community development or state housing initiatives, impact fees, special assessments, other tax sources, and capital project grants. The decrease is primarily attributed to Coronavirus Aid, Relief and Economic Security Act (CARES) funding received the prior year which was non-recurring.

Unrestricted investment earnings decreased sharply by \$41.8 million or 560.2% from prior year, this change is directly attributed to a sharp decline in market value of investments at the end of fiscal year 2022, resulting in an unrealized loss of over \$36 million. See note 3 for more information.

Governmental activities expense consisted of functional expenses for the City's general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation and interest on long-term debt. These functional expenses amounted to \$436.3 million. Significant portions of these expenses were in the public safety, culture and recreation and general government functions.

Public safety function expense was \$222 million and represents 50.9% of total expenses. The City's public safety function includes the personnel and operations for police, fire, ocean rescue, building operations, emergency 911 services and other. In addition, grant funded expenses for police, fire and other public safety activities are reported under this category. Total public safety expenses decreased by \$46.8 million or 17.4% from the prior year. The decrease in public safety expenditures is primarily related to pension and OPEB expenditures.

General government function expense was \$47.5 million and represents 10.9% of total expense. The City's general government function includes the City attorney's office, public works department, planning department, capital investment and upkeep office, budget and finance office, office of procurement, city manager's office, city clerk's office, human resources office and other special projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Culture and recreation function expense was \$72.4 million and represents 16.6% of total expenses. The City's culture and recreation function includes expenses for grant funded culture and recreation activities, the City's parks and recreation department, Office of Tourism and Cultural Development, golf course operations, and a variety of arts, cultural and entertainment programs. Expenses in this function had a net decrease of \$6.5 million or 8.2% from the prior year. The decrease relates to reduced contract maintenance costs for security, environmental, and OPEB expenses.

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

CITY OF MIAMI BEACH Changes in Net Position- Business- Type Activities for the fiscal year ended September 30, 2022 and 2021 (in thousands)

	2021	2022	Total
Program revenues:			
Charges for services	\$ 199,526	\$ 243,888	89.7 %
Operating grants and contributions	9,121	23,686	8.7
General revenues:			
Unrestricted investment earnings	2,031	4,254	1.6
Total revenues	<u>210,678</u>	<u>271,828</u>	<u>100 %</u>
Expenses:			
Storm water	\$ 25,430	\$ 25,496	11.6 %
Water	29,118	29,402	13.4
Sewer	45,510	45,887	20.9
Parking	33,963	34,037	15.5
Convention Center	36,414	42,268	19.3
Sanitation	20,450	20,228	9.2
Building (see note. 15)	17,489	15,449	7.1
Redevelopment Agency's Parking	10,875	5,693	2.6
Redevelopment Agency's Leasing	6,427	621	0.3
Total expenses	<u>225,676</u>	<u>219,081</u>	<u>100.0 %</u>
Increase (Decrease) in net position before transfers and gain on sale of capital assets	(14,998)	52,747	
Gain on sale of assets	555	358	
Transfers	<u>35,105</u>	<u>28,744</u>	
Change in net position	20,662	81,849	
Net position - beginning	1,157,172	1,172,313	
Restatement GASB 87 *	<u>(5,521)</u>		
Net position - ending	<u>\$ 1,172,313</u>	<u>\$ 1,254,162</u>	

* Cumulative effect of the implementation of GASB 87, *Leases* is recorded to the ending balances of 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Business-type activities

Business-type activities, including restatement for GASB 87, *Leases*, increased the City's net position by \$81.8 million. Key elements of the net increase are as follows:

- The Storm Water Utility fund had an increase in net position of \$7.2 million. Operating revenues increased by \$939.5 thousand from the prior year. Operating Expenses increased \$141.8 thousand or 1% as compared to last year. Total non-operating expenses decreased by \$757.3 due to mainly to an increase in interest income coupled with a reduction in interest and fiscal charges. This fund did not receive intergovernmental funds in 2022 as it did in 2021. The monthly storm water rate includes fees to cover debt service on \$256 million of outstanding storm water revenue bonds. On October 18, 2017, the City passed an ordinance to adjust the Stormwater rate by the Consumer Price Index (CPI) published by the Bureau of Labor Statistics for All Urban Consumers, Miami-Fort Lauderdale area. In Fiscal year 2022, the rate increased to \$25.60 per Equivalent Resident Unit (ERU) an increase of \$0.70 from the prior year.
- The Water and Sewer fund had an increase in net position of \$23.6 million, an increase of \$9.2 million or 63% compared to prior year. Operating revenues increased by \$8.9 million or 10.0% and operating expenses increased by \$1.6 million or 2% from the prior year. Total non-operating expenses were \$3.6 million which consisted primarily of and \$1.5 million in interest income, a strong increase of 95% over prior year; offset by \$5.3 million in interest and fiscal charges. The monthly water and sewer rates include fees to cover debt service on \$141.1 million of outstanding water and sewer revenue bonds. The consumption rates on residential units vary from \$0.307 to \$0.481 based on the units of consumption. (A unit = 1,000 gallons). Base facility charges for a residential unit vary from \$8.59 for a ¾ inch meter size to \$12.96 for a 4-inch meter. For commercial and multi-family, the base facility charge ranges from \$8.50 for a ¾ inch meter to \$1,394.48 for a 12-inch meter. Additionally, there is a consumption charge for the water that varies on the meter size from \$0.360 per unit to \$0.603 per unit. Sewer rates are also based on water consumption with a flat base facility charge. The sewer consumption rate is \$1.070 per 1,000 gallons of water usage and a base facility charge of \$9.28 for residential units. The commercial and multi-family base facility charges vary from \$9.28 for a ¾ inch meter to \$1,642.75 for a 12-inch meter.
- The Parking System fund had an increase of \$17.7 million in net position. Operating revenues increased by \$8.8 million or 24% and operating expenses also decreased by \$313 thousand or 1% from the prior year. The reduction in operation expenses were primarily due to a decrease in personnel services. Total non-operating revenues were \$1.8 million and consisted of \$3.6 million in Intergovernmental revenues, \$1.3 million in interest income, \$115 thousand in gain on disposal of assets offset by a decrease of \$3.2 million in interest and fiscal charges. Increased charges were attributed to return of normal operations.
- The Convention Center fund had a net increase of \$14.6 million. Since the Convention Center was reopened for events during fiscal year 2020, operating revenues increased by \$16.1 million or 173% over 2021. However, operating expenses increased by \$5.6 million or 15.4% over prior year. Total non-operating revenues were \$20.2 million mostly from Convention Development Tax (CDT). (CDT) funding comes from Miami-Dade County.
- Other Enterprise funds, which include the Sanitation, Building, Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds, had a combined increase in net position of \$18.7 million and increase of \$8 million or 73% including net transfers of \$16.9 million. Miami Beach Redevelopment Agency's (RDA) Parking and Leasing funds had increases to net position by \$ 6.5 million and \$5.9, respectively. The Building fund had an increase in net position of \$4 million directly attributed to increased permitting and rental fees. The Sanitation fund improved its deficit by \$2.3 million. Overall, in the combined funds, operating revenues increased by \$9.6 million or 29.2 % and operating expenses decreased by \$13.8 million or \$25% as compared to last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Financial Analysis of the Governmental Funds

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

Governmental Funds						
(in thousands)						
	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Govern- mental Funds	Total Govern- mental fund
Fund balances Sept. 30, 2021	\$ 105,580	\$ 46,260	\$ 65,431	\$ 194,694	\$ 159,643	\$ 571,608
Revenues	317,034	117,996	49,081	16,611	54,933	555,655
Expenditures	335,854	29,861	25,073	25,634	92,388	508,810
Other financing sources (uses)	(1,510)	(80,016)	(54,313)	53,526	58,095	(24,218)
Fund balances Sept. 30, 2022	<u>\$ 85,250</u>	<u>\$ 54,379</u>	<u>\$ 35,126</u>	<u>\$ 239,197</u>	<u>\$ 180,283</u>	<u>\$ 594,235</u>

Governmental Funds

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

The General fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the General fund was \$85.3 million a decrease of \$20.3 million or 19.3% compared to prior year. This consisted of 65.1 million in reserves for emergencies and unrealized loss of \$33.2 million and \$4.0 million in encumbrances carried forward.

The General fund's net decrease in fund balance for the fiscal year was \$20.3 million. Overall revenues had a net increase of 22.9 million 6.7% over the prior year. Ad-valorem tax, which is 63.1% of the General fund revenue collected (excluding transfers), increased by \$4.7 million or 2.4%. Local business fees were \$5.0 million which represents an increase of 1.3%. Permit fees was \$17.8 million a 99% increase from the prior year. Charges for services revenue increased from \$19.4 million to \$23.4 million. Charges for services included revenues from various sources including off-duty charges and fees charged by the golf courses. Franchise fees were \$9.6 million in fiscal year 2022 as compared to \$8.2 million in the prior year. Also, in 2022, Administrative Revenue was \$21.8 or 10% over fiscal year 2021. Other Revenues to include utility, communication and fuel taxes, fines and forfeitures and other combined, increased \$4.7 million or 171.4%, the increase is attributed to contribution receipts, concession revenue and miscellaneous support services provided by City Police. Alternately, interest revenues decreased sharply by \$37.1 million or a decrease of 698.4%. Interest income it was offset by unrealized loss of \$36 million on investments compared to prior years. Intergovernmental revenues decreased \$13.7 million from \$52 million to \$39.1 million as compared to fiscal year 2021 as the City received one-time non-recurring funding through the CARE's Act and the American Rescue Plan Act (ARPA) in 2021.

Expenditures in the general fund decreased by \$2.8 million less than 1%. General government expenses increased approximately \$417 thousand or .8% as the City providing more services as compared to prior year. The City increased its Culture and Recreation expenditures by \$5 million or 13.7% due to increased

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

social and cultural activities. It also invested in capital outlay valued at \$1.2 million which represents an increase of approximately \$1 million over fiscal year 2021. Interest and fiscal charges decreased by \$6.3 million, due to an unrealized loss of \$7.1 million recognized in the prior year. All other expenditures were relatively flat compared to prior year.

The Resort Tax fund accounts for the collection of special tax levied city-wide on food, beverage and room rents used to support tourist related activities. At the end of the current fiscal year, fund balance of the resort tax fund was \$54.4 million an increase of \$8.2 million or 17.6% from the prior fiscal year. Resort tax collected during the year was \$117.3 million, an increase of 42.7% from the prior year mainly attributed to the City's return to normal operations. Interest income was \$515.3 thousand, an increase of 127.8% over fiscal year 2021. On the other hand, total expenditures increased by \$10.3 million or 52.5% compared to prior fiscal year. This increase was primarily due to \$9.2 million additional Culture and Recreation services for the year and \$1.1 million for public safety. Net other financing uses was \$80.0 million, an increase of \$40.8 million or 104.1% over the past year due to increased transfers out directly related to increased resort tax allocation to other funds.

The Miami Beach Redevelopment Agency (the Agency) Special Revenue Fund accounts for the operations of the Miami Beach Redevelopment Agency, a tax increment district of the City. The Agency was established in 1976 under the provisions of Chapter 163 of the Florida Statutes to spur development and redevelopment in the South Shore and City Center/Historic Convention Village Redevelopment and Revitalization Area of the City. The fund had lower revenues of \$49.1 million as opposed to \$57.2 the prior year. Although tax increments collected during the year were \$53.9 million, a \$2.5 million decline from last year, the fund did not receive intergovernmental funding in fiscal year 2022. Interest income also decreased precipitously by \$5.3 million primarily attributed to recognition of \$5.4 million of unrealized loss during fiscal year 2022. Net other financing uses increased by \$23.4 million or 75.8%. Total expenditures increased by \$4.3 million or 20.6%. At the end of the current fiscal year, fund balance of the Miami Beach Redevelopment Agency fund was \$35.1 million a decrease of \$30.3 million or 46.3% from the prior fiscal year.

The City's Capital Projects fund accounts for the funding of the City's capital program. The primary resources are obtained from the issuance of City debt, tax increments and intergovernmental revenues. At the end of the current fiscal year, fund balance of the City's Capital Projects fund was \$239.2 million an increase of \$44.5 million or 22.9% from the prior fiscal year. Intergovernmental revenues were \$12.7 million an increase of 8.7 million or 218% over prior year. This increase is due to reimbursements from the State for infrastructure projects. Expenditures decreased \$20.5 million or 44.4% compared to prior year, this decrease was mainly due to reduced capital outlay expenditures. In 2022 several projects were fully completed including the construction of a sanitary sewer force main from the WASD force main on Commerce Street to the City pump station on 11th Street, areawide street improvements, the completion of the West Ave Bridge, completion of Penrod's at 1 Ocean Dr. Parking Lot. Net other financing sources (uses) was \$53.5 million, a change of \$82.2 million over fiscal year 2021. The change is primarily driven by transfers in totaling \$53.5 million during the year compared to net transfers out of 33 million in prior year.

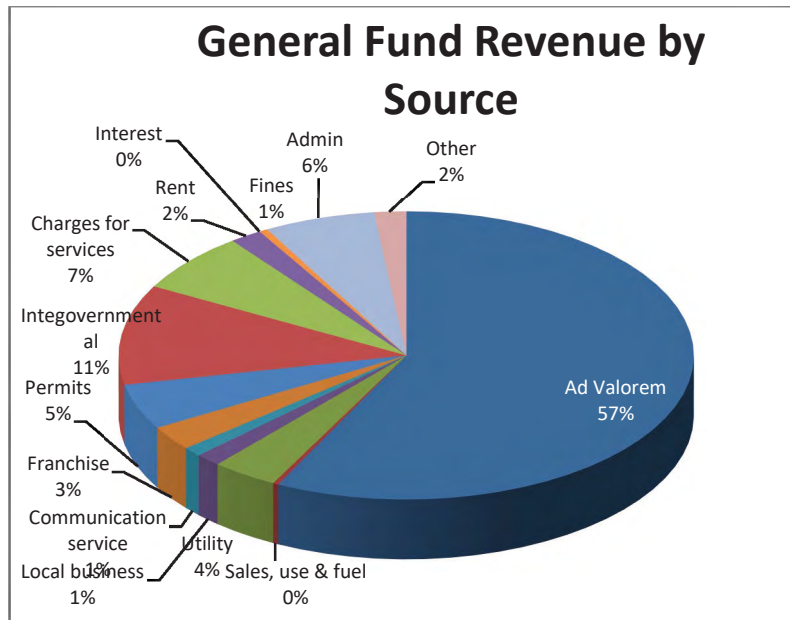
The other governmental funds consist of the City's debt service funds and other special revenue funds, which accounts primarily for grants and current debt service. As such, it makes large transfers to service current debt. Ad Valorem tax collected for debt service was \$11.5 million, a decrease of \$1.2 million or 9.7%, while special revenues balances decreased by \$3.8 million or 6.5% mainly due to a decrease of tax increment by 52.2% or \$11.7 million. Overall expenditures in these funds increased by \$3.8 million or 4.3%. Net other financing sources, which totaled \$58.1 million, decreased by \$29.0 million or 33.3% compared to \$87.1 million last fiscal year. The increase is primarily in the transfers in due to the creation of the Resiliency fund created for the purpose of addressing flooding and sea level rise issues for City residents. The fund balance increased to \$180.3 compared to \$159.6 in fiscal year 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

General Fund Budgetary Highlights

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

During the year, there was a \$5.1 million negative variance between final budget revenues and actual revenues due primarily to a \$35.8 million unfavorable variance in interest income. The negative balances in interest income are attributed to the recording of \$35.8 million in unrealized loss on investment balances at September 30, 2022. Overall, the City maintained a \$20.4 million positive variances between the final budget expenditures and transfers out and actual expenditures. The positive variance is attributed to a number of factors including strategic cost cutting measures throughout fiscal year 2022.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

General Fund Revenues Fiscal Year Ended September 30, 2022 (in thousands)

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Revenue over Total Revenue
Revenues				
Taxes:				
Property	\$ 199,884	\$ 199,884	\$ 200,055	56.2 %
Sales, use and fuel taxes	1,037	1,037	1,061	0.3
Utility	12,401	12,651	13,001	3.7
Local business	4,588	4,838	4,978	1.4
Communication service	3,414	3,664	3,693	1.0
Total tax revenue	<u>221,324</u>	<u>222,074</u>	<u>222,788</u>	<u>62.6</u>
Revenues other than taxes:				
Franchise fees	8,171	9,171	9,630	2.7
Permits	10,288	15,872	17,809	5.0
Intergovernmental	11,025	12,993	39,146	11.0
Charges for services	18,063	21,996	23,360	6.6
Rents and leases	5,441	6,388	6,357	1.8
Interest income	2,662	4,024	(31,812)	(8.9)
Fines and forfeits	916	1,166	1,641	0.4
Administrative fees	22,668	22,756	21,816	6.1
Other	743	5,743	6,299	1.8
Transfers in	25,408	38,990	38,932	10.9
Total revenues other than taxes	<u>105,385</u>	<u>139,099</u>	<u>133,178</u>	<u>37.4</u>
Total revenues	<u>\$ 326,709</u>	<u>\$ 361,173</u>	<u>\$ 355,966</u>	<u>100.0 %</u>

General Fund Expenditures Fiscal Year Ended September 30, 2022 (in thousands)

	Original Adopted Budget	Final Amended Budget	Actual	% of Actual Expenditure over Total Expenditure
General government	\$ 59,612	\$ 63,034	\$ 51,973	13.8 %
Public Safety	226,320	229,749	224,356	59.6
Physical Environment	4,337	4,927	4,819	1.3
Transportation	5,448	5,298	4,898	1.3
Economic Environment	2,981	3,125	2,551	0.7
Human Services	3,053	3,655	2,650	0.7
Culture and Recreation	46,169	46,617	41,822	11.1
Capital Outlay	648	2,869	1,219	0.3
Debt Service Retirement Interests	133	133	-	-
Debt Service Lease Payment	-	716	716	0.2
Debt Service Fiscal Charges	184	932	853	0.2
Transfers Out	5,221	40,818	40,818	10.8
Total expenditures	<u>\$ 354,106</u>	<u>\$ 401,873</u>	<u>\$ 376,675</u>	<u>100.00 %</u>

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2022 amounts to \$2 billion (net of accumulated depreciation). During the year the City implemented GASB 87, *Leases*, which requires the recording of leased assets balances categorized as "right to use assets" on the fund and government wide statements. At year end the City recorded right-to-use assets balances of \$18.1 million and \$70 thousand for the governmental and business type activities, respectively. This investment in capital assets includes land, buildings, water & sewer distribution, storm drainage systems,

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

lighting systems, sidewalks, curbs, signage, equipment, street improvements, air rights and parks, which are detailed as follows (net of accumulated depreciation):

	Capital Assets (in thousands)					
	Governmental		Business- Type		Total	
	2021*	2022*	2021	2022*	2021	2022*
Land	\$ 59,104	\$ 60,132	\$ 25,848	\$ 25,848	\$ 84,952	\$ 85,980
Intangible assets (to include rights to use assets)	23,495	22,283	4,444	4,388	27,939	26,671
Construction						
work-in-progress	249,201	254,117	265,884	268,957	515,085	523,074
Building, Structures & Parking Lots	304,436	74,059	735,362	730,205	1,039,798	804,264
Permanent Improvements		217,118				217,118
Furniture, Fixtures & Equipment	28,816	28,646	34,446	37,675	63,262	66,321
Infrastructure	93,037	106,450	215,690	210,946	308,727	317,396
Total	\$ 758,089	\$ 762,805	\$ 1,281,674	\$ 1,278,019	\$ 2,039,763	\$ 2,040,824

*The City implemented GASB Statement No. 87 Leases in fiscal year 2022

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

- \$15.9M – 54IN Diameter Redundant Sewer Force – The City needs to construct a sanitary sewer force main from the WASD force main on Commerce Street to the City pump station on 11th Street in order to provide redundancy for a 54-inch force main with several compromised sections.
- \$8.9M – West Ave/ Bay Rd. Neighborhood – Area-wide street improvement may include: street resurfacing; swale restoration; repair of sidewalks; street lighting upgrades to correct deficiencies and provide pedestrian lighting; enhanced landscaping within the street right of way; and entryway features. Scope includes West Avenue and Bay Road from 5th Street to Collins Canal, east/west side streets west of Alton Road from 6th Street to Lincoln Road, and Lincoln Court.
- \$7.1M – West Ave Bridge - The West Avenue Bridge will connect the southern portion of West Avenue at 17th Street to the northern portion of West Avenue at Dade Blvd. The bridge may alleviate traffic on Alton Rd and 17th Street by re-routing traffic onto West Avenue. The bridge will also provide enhanced transit service by providing a direct route on West Avenue and reducing travel times for the South Beach Local. The project will require the acquisition of land from the Miami Beach Housing Authority.
- \$3.7M – GO#19 Soundscape 4K Technology – Upgrade Wallcast equipment and technology to have custom-made video screens and 4K HDR visual capabilities.
- \$2.9M – Completed Penrod's at 1 Ocean Dr. Parking Lot - The lot renovation will add parking spaces, green areas, and upgrades to the lighting system, therefore improving the park availability while making the City more beautiful and safer; this project also increases the inventory of well design quality Capital Projects and well maintained infrastructure. This project brings the surface lot into compliance with ADA code requirements. The improved landscape

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

areas and new trees will comply with Planning and Zoning regulations. The additional green areas filtering capacity improve the storm water system by treating the storm water before moving into the City system.

- \$2M - North Beach Beachwalk – This section of the beachwalk runs from 79 Street to 87 Street and completes the 7-mile beachwalk in the City, providing connectivity from South Point Park to the northern City limits. This beachside amenity is part of the greater Atlantic Greenway Network (AGN), which aims to support the use of alternative modes of transportation along the Eastern Seaboard. This project includes a 25-foot wide, on-grade, Americans with Disabilities Act (ADA)-accessible paver pathway that supports bicycles, pedestrians and other nonmotorized modes of transportation.
- \$759 Thousand – GO#26 - Miami City Ballet Roof – Replace the roof at Miami City Ballet with a new sustainable roof.
- \$650 Thousand – Completed - North Shore Bandshell Canopy – The North Shore Bandshell is a City staple that is used to hold both public and private events such as movies in the park, concerts, and performances throughout the year. Being an open-air facility, events held at the site are subject to inclement weather which adversely affects the success of these events.

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

<p>Eco-friendly Lighting Improvements at Marjory</p> <ul style="list-style-type: none"> • Stoneman Douglas Park GO Bond Project (GO#9) • Allison Park Redesign • North Beach Oceanside Park Restroom Renovations • South Pointe Park, Cutwalk Remediation Study • South Pointe Park Lighting • Bioswale Pilot Project • Citywide Bridges • DERM & EPA Consent Decree • GO#48 Police Station Renovations • Anchor Garage Fire Alarm Replacement • Anchor Garage Fire Sprinkler Replacement • Window Replacement at Fire Station No. 2 • 42nd Street Garage Generator Replacement • 17th Street Garage Generator Replacement • Bass Museum Window Replacement • Historic City Hall Elevator Modernization • City Hall Commission Chamber Renovation • Unidad Elevator Modernization • City Hall Card Access System Replacement • Smart Lighting Master Plan • Street Pavement (GO #38) 	<ul style="list-style-type: none"> • Street Lighting Improvements • Valve Replacement Program • Wastewater Manhole Rehabilitation • Wastewater Stations Rehabilitation • Water & Wastewater Mains and Rehab • Water Meter Replacement Program • Water Pump Stations Improvements • West Avenue Phase II • Citywide Seawall Rehab • Brittany Bay Park • North Beach Oceanside Park • 23rd ST Streetscape Improvements • Venetian Islands Roadway Improvement • Pride Park Equipment Enclosures • Flamingo Park Softball Field (GOB) • Flamingo Park Historic Lodge • Stillwater Drive Entrance Improvements • 1st Street Alton RD to Washington • Indian Creek Landscape & Irrigation • Sidewalk Improvements (GO #37)
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Additional information on the City’s capital assets can be found in Note 6 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Long-term Debt

	Outstanding Debt					
	General Obligation, Special Obligation, Revenue Bonds and Loans					
	(in thousands)					
	Governmental activities		Business- type activities		Total	
	2021*	2022	2021	2022	2021	2022
General obligation	\$ 162,990	\$ 158,600	\$	\$	\$ 162,990	\$ 158,600
Special obligation	461,235	449,550			461,235	449,550
Revenue bonds			460,310	445,935	460,310	445,935
Loans	21,620	20,651			21,620	20,651
Other debt	7,110	4,060	32,446	30,147	39,556	34,207
Lease Liability	19,313	18,403	126	71	19,439	18,474
Total	\$ 672,268	\$ 651,264	\$ 492,882	\$ 476,153	\$ 1,165,150	\$ 1,127,417

*The City implemented GASB Statement No. 87 Leases in fiscal year 2022. Beginning balances were restated.

At September 30, 2022 Governmental activities had a net debt decrease of \$21 million or 3.1% while business-type activities debt decreased by \$17.4 million or 3.5%. The City's debt administration is discussed in the transmittal letter and details can be found in notes 10 and 19 to the financial statements

During fiscal 2022, the City implemented GASB 87 *Leases*. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. This statement categorized leases as either short- term or long- term obligations and required the recording of specific classifications of assets or liabilities and disclosures for lessees and lessors accordingly. For more information please refer to notes 1, 6, 9 and 15.

Bond Ratings

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

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

Requests for Information

This financial report is designed to provide a general overview of the City of Miami Beach's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

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

MIAMI BEACH

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CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
September 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 635,808,882	\$ 295,292,532	\$ 931,101,414	\$ 5,987,561
Cash with fiscal agent	250,000	-	250,000	-
Accounts receivable, net	14,802,979	32,891,878	47,694,857	-
Leases receivable	32,108,823	7,960,448	40,069,271	-
Due from other governments	10,190,913	-	10,190,913	966,981
Internal balances	(2,133)	2,133	-	-
Prepaid expenses	3,495,964	724,028	4,219,992	-
Inventories	1,390,173	2,801,316	4,191,489	-
Restricted cash and investments	111,478,600	256,380,094	367,858,694	-
Right to use assets, net	18,100,966	70,112	18,171,078	-
Capital assets not being depreciated:				
Land	60,132,159	25,848,303	85,980,462	-
Intangible assets	4,181,941	4,318,059	8,500,000	-
Construction in progress	254,117,219	268,957,388	523,074,607	-
Capital assets net of accumulated depreciation:				
Buildings and Structures/Parking Lots	74,058,855	730,204,726	804,263,581	-
Permanent improvements	217,118,304	-	217,118,304	-
FF&E, Meters & Hydrants	28,646,073	37,674,805	66,320,878	71,930
Infrastructure- Mains & Lines	106,450,398	210,946,278	317,396,676	-
Total assets	<u>1,572,330,116</u>	<u>1,874,072,100</u>	<u>3,446,402,216</u>	<u>7,026,472</u>
DEFERRED OUTFLOWS OF RESOURCES				
Employees Retirement Plan	26,347,102	8,586,008	34,933,110	124,295
Police & Fire Retirement Plan	67,697,284	-	67,697,284	-
OPEB	76,717,500	6,946,706	83,664,206	159,378
Unamortized refunding costs	722,702	7,040,403	7,763,105	-
Total deferred outflows of resources	<u>171,484,588</u>	<u>22,573,117</u>	<u>194,057,705</u>	<u>283,673</u>
LIABILITIES				
Accounts payable	20,784,124	11,935,266	32,719,390	1,059
Retainage payable	2,623,266	1,739,931	4,363,197	-
Accrued expenses	15,555,420	1,896,870	17,452,290	339,919
Accrued interest payable	5,853,778	2,315,907	8,169,685	-
Unearned revenue	7,461,349	1,456,382	8,917,731	-
Deposits	5,877,069	7,582,840	13,459,909	-
Due to other governments	4,541	2,762	7,303	-
Noncurrent liabilities:				
Due within one year	48,682,410	17,423,970	66,106,380	-
Due in more than one year				
Other long-term liabilities	722,466,668	507,741,006	1,230,207,674	24,091
Net Pension Liability - MBERP	75,308,987	24,541,740	99,850,727	355,278
Net Pension Liability - MBF&P	198,662,132	-	198,662,132	-
Net OPEB Liability	333,318,257	30,181,691	363,499,948	692,458
Total liabilities	<u>1,436,598,001</u>	<u>606,818,365</u>	<u>2,043,416,366</u>	<u>1,412,805</u>
DEFERRED INFLOWS OF RESOURCES				
Lease deferrals	31,782,400	7,912,735	39,695,135	-
Employees Retirement Plan	63,210,884	20,599,205	83,810,089	298,204
Police & Fire Retirement Plan	107,082,797	-	107,082,797	-
OPEB	78,996,139	7,153,035	86,149,174	164,112
Total deferred inflows of resources	<u>281,072,220</u>	<u>35,664,975</u>	<u>316,737,195</u>	<u>462,316</u>
NET POSITION				
Net investment in capital assets	644,989,729	903,320,160	1,548,309,889	71,930
Restricted for:				
Debt Service	2,239,141	80,405,496	82,644,637	-
Economic development	37,805,445	-	37,805,445	-
Capital Improvement	30,163,296	-	30,163,296	-
Convention center	-	109,866	109,866	-
Transportation	51,374,138	-	51,374,138	-
Public safety	637,214	-	637,214	-
Human services	14,684	-	14,684	-
Quality of life improvement	22,665,971	-	22,665,971	-
Water and sewer system	-	237,546	237,546	-
Culture & recreation	381,131	-	381,131	-
Unrestricted	(764,126,266)	270,088,809	(494,037,457)	5,363,094
Total net position	<u>\$ 26,144,483</u>	<u>\$ 1,254,161,877</u>	<u>\$ 1,280,306,360</u>	<u>\$ 5,435,024</u>

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2022

Functions/Programs Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-type Activities		
Governmental activities:								
General government	\$ 47,548,091	83,230,735	17,718,611	-	\$ 53,399,255	\$ -	-	
Public safety	222,041,727	12,218,994	28,715,348	-	(181,107,385)	(181,107,385)	-	
Physical environment	16,309,446	-	-	-	(16,309,446)	(16,309,446)	-	
Transportation	25,469,483	-	5,277,392	6,736,982	(13,455,109)	(13,455,109)	-	
Economic environment	17,865,354	-	4,954,968	-	(12,910,386)	(12,910,386)	-	
Human services	4,014,426	-	2,590,984	-	(1,423,442)	(1,423,442)	-	
Culture and recreation	72,382,092	12,920,579	1,005,743	-	(58,455,770)	(58,455,770)	-	
Interest on long-term debt	30,643,909	-	-	-	(30,643,909)	(30,643,909)	-	
Total governmental activities	436,274,528	108,370,308	60,261,046	6,736,982	(260,906,192)	(260,906,192)	-	
Business-type activities:								
Storm Water	25,495,558	33,073,208	-	-	7,577,650	7,577,650	-	
Water	29,402,499	38,068,395	-	-	8,665,896	8,665,896	-	
Sewer	45,887,232	58,688,087	-	-	12,800,855	12,800,855	-	
Parking	34,036,964	46,300,693	3,636,789	-	15,900,518	15,900,518	-	
Convention Center	42,268,059	25,374,930	20,048,780	-	3,155,651	3,155,651	-	
Sanitation	20,227,661	18,232,460	-	-	(1,995,201)	(1,995,201)	-	
Building	15,449,339	19,173,800	-	-	3,724,461	3,724,461	-	
Redevelopment Agency's	5,692,877	4,453,040	-	-	(1,239,837)	(1,239,837)	-	
Redevelopment Agency's Leasing	620,612	523,311	-	-	(97,301)	(97,301)	-	
Total business-type activities	219,080,801	243,887,924	23,685,569	-	48,492,692	48,492,692	-	
Total primary government	\$ 655,355,329	\$ 352,258,232	\$ 83,946,615	\$ 6,736,982	\$ (260,906,192)	\$ (212,413,500)	-	
Component units:								
Visitor and Convention Health Facilities	\$ 2,046,289	\$ -	\$ -	\$ -	\$ -	\$ -	(2,046,289)	
Total component units	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	(175)	
	\$ 2,046,464	\$ -	\$ -	\$ -	\$ -	\$ -	(2,046,464)	
General revenues:								
Taxes:								
Property taxes, levied for general purposes					201,012,146	201,012,146	-	
Property taxes, levied for debt service					11,567,655	11,567,655	-	
Resort taxes					117,307,417	117,307,417	3,770,863	
Tax increment					64,602,124	64,602,124	-	
Utility taxes					14,398,727	14,398,727	-	
Local business tax					4,977,878	4,977,878	-	
Communication service tax					3,693,299	3,693,299	-	
Miscellaneous					6,326,223	6,326,223	-	
Gain (loss) on sale of capital assets					407,511	407,511	-	
Unrestricted investment earnings					(34,313,392)	(34,313,392)	-	
Transfers					28,744,551	28,744,551	-	
Total general revenues, extraordinary expense, and transfers					361,235,037	361,235,037	-	
Change in net position					100,328,845	100,328,845	-	
Net position - beginning					(74,184,362)	(74,184,362)	-	
Restatement for GASB 87					-	-	-	
Net position (deficit) - beginning- restated					1,172,312,807	1,172,312,807	-	
Net position - ending					1,254,161,877	1,254,161,877	5,435,024	
	\$ 26,144,483	\$ -	\$ -	\$ -	\$ 1,280,306,360	\$ 1,280,306,360	\$ 5,435,024	

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

CITY OF MIAMI BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 99,322,720	\$ 50,182,262	\$ 36,002,448	\$ 253,557,243	\$ 188,603,511	\$ 627,668,184
Receivables (net of allowance for uncollectibles)	3,820,452	6,638,936	-	74,303	283,480	10,817,171
Leases receivable	32,108,823	-	-	-	-	32,108,823
Accrued interest	1,897,248	-	178,980	211,563	-	2,287,791
Due from other funds	3,609,333	-	-	-	899,785	4,509,118
Due from other governments	-	-	-	9,491,859	699,054	10,190,913
Prepays	1,102	-	-	-	1,465	2,567
Total assets	<u>\$ 140,759,678</u>	<u>\$ 56,821,198</u>	<u>\$ 36,181,428</u>	<u>\$ 263,334,968</u>	<u>\$ 190,487,295</u>	<u>\$ 687,584,567</u>
LIABILITIES						
Accounts payable	\$ 6,736,764	\$ 1,349,011	\$ 485,256	\$ 2,717,324	\$ 4,288,791	\$ 15,577,146
Retainage payable	2,535	-	-	1,743,185	853,077	2,598,797
Accrued expenditures	4,764,470	194,179	77,535	7,794,128	1,238,342	14,068,654
Environmental Remediation	85,000	-	-	1,655,000	-	1,740,000
Unearned revenues	6,674,565	-	-	-	786,784	7,461,349
Deposits	4,962,898	-	-	-	914,171	5,877,069
Due to other governments	62	-	-	-	4,479	4,541
Due to other funds	501,769	898,951	492,993	1,035,760	1,581,778	4,511,251
Total liabilities	<u>23,728,063</u>	<u>2,442,141</u>	<u>1,055,784</u>	<u>14,945,397</u>	<u>9,667,422</u>	<u>51,838,807</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	31,782,400	-	-	-	-	31,782,400
Unavailable other revenues	-	-	-	9,191,969	535,958	9,727,927
Total deferred inflows of resources	<u>31,782,400</u>	<u>-</u>	<u>-</u>	<u>9,191,969</u>	<u>535,958</u>	<u>41,510,327</u>
FUND BALANCES						
Nonspendable	327,525	-	-	-	1,465	328,990
Restricted	-	54,379,057	35,125,644	180,929,839	121,559,581	391,994,121
Committed	69,110,385	-	-	63,092,500	60,338,010	192,540,895
Assigned	9,952,400	-	-	-	-	9,952,400
Unassigned	5,858,905	-	-	(4,824,737)	(1,615,141)	(580,973)
Total fund balances	<u>85,249,215</u>	<u>54,379,057</u>	<u>35,125,644</u>	<u>239,197,602</u>	<u>180,283,915</u>	<u>594,235,433</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 140,759,678</u>	<u>\$ 56,821,198</u>	<u>\$ 36,181,428</u>	<u>\$ 263,334,968</u>	<u>\$ 190,487,295</u>	<u>\$ 687,584,567</u>

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

CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
September 30, 2022

Total fund balances - governmental funds \$ 594,235,433

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

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

Land	\$	59,523,639	
Intangible assets		4,181,941	
Construction in progress		253,449,501	
Building and structures		135,263,339	
Permanent improvements		398,142,891	
Machinery and equipment		34,744,892	
Infrastructure		273,234,625	
Leased assets (Right-to-use)		18,033,195	
Accumulated depreciation and amortization		<u>(436,861,351)</u>	
Total capital assets and right to use leased assets			739,712,672

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

Bonds payable		(608,150,000)	
Loans payable		(10,340,604)	
Net premium on bonds		(50,323,140)	
Compensated absences		(25,866,919)	
Lease liabilities		(17,317,676)	
Environmental remediation		(2,320,000)	
Accrued interest payable		(5,853,778)	
OPEB liability		(323,890,860)	
Net pension liability - MBERP		(66,717,653)	
Net pension liability - MBF&P		<u>(198,662,132)</u>	
Total long term liabilities			(1,309,442,762)

Unavailable revenues that meet the criteria for recognition in the Statement of Activities (including property taxes of \$1,690,845). 11,418,773

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

Deferred refunding costs		722,702	
Deferred outflows of resources relating to ERP pension		23,341,395	
Deferred outflows of resources relating to P&F pension		67,697,284	
Deferred outflows of resources relating to OPEB		74,547,664	
Deferred inflows of resources relating to ERP pension		(55,999,716)	
Deferred inflows of resources relating to P&F pension		(107,082,797)	
Deferred inflows of resources relating to OPEB		<u>(76,761,855)</u>	
			(73,535,323)

Internal service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 63,755,690

Net position of governmental activities \$ 26,144,483

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2022

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 200,055,310	\$ -	\$ -	\$ -	\$ 11,523,733	\$ 211,579,043
Sales, use and fuel	1,060,864	-	-	-	5,194,124	6,254,988
Special taxing districts	-	-	-	-	644,388	644,388
Utility	13,000,911	-	-	-	1,397,815	14,398,726
Resort	-	117,307,417	-	-	-	117,307,417
Local business	4,977,878	-	-	-	-	4,977,878
Tax increment	-	-	53,915,935	-	10,686,189	64,602,124
Communication service	3,693,299	-	-	-	-	3,693,299
Other	-	-	-	-	2,197,574	2,197,574
Franchise fees	9,629,701	-	-	-	-	9,629,701
Permits	17,809,453	-	-	-	954,026	18,763,479
Intergovernmental	39,145,461	-	-	12,742,317	8,427,780	60,315,558
Charges for services	23,359,648	-	-	-	8,458,450	31,818,098
Rents and leases	6,356,820	-	-	-	1,587,708	7,944,528
Interest	(31,811,663)	515,318	(4,834,612)	524,505	374,444	(35,232,008)
Fines and forfeitures	1,640,129	-	-	-	351,396	1,991,525
Administrative fees	21,816,492	-	-	-	-	21,816,492
Special assessment	-	4,329	-	7,822	-	12,151
Impact fees	-	-	-	-	2,376,089	2,376,089
Other	6,299,494	168,715	-	3,336,415	759,427	10,564,051
Total revenues	317,033,797	117,995,779	49,081,323	16,611,059	54,933,143	555,655,101
EXPENDITURES						
Current:						
General government	51,972,853	1,109,685	780,962	258,045	854,708	54,976,253
Public safety	224,355,550	7,888,018	4,863,647	241,014	14,092,394	251,440,623
Physical environment	4,819,205	-	5,866,136	1,286,469	4,117,892	16,089,702
Transportation	4,897,943	-	11,395	2,198,638	9,094,030	16,202,006
Economic environment	2,550,880	-	12,132,378	-	2,890,195	17,573,453
Human services	2,649,565	-	-	-	1,546,188	4,195,753
Culture and recreation	41,821,771	20,861,848	1,208,909	(2,393,444)	2,919,026	64,418,110
Capital Outlay	1,218,646	-	208,967	24,043,082	9,160,506	34,631,201
Debt service:						
Principal retirement	-	-	-	-	17,924,409	17,924,409
Lease Payment	715,520	-	-	-	-	715,520
Interest and fiscal charges	852,624	1,239	-	-	29,788,848	30,642,711
Total expenditures	335,854,557	29,860,790	25,072,394	25,633,804	92,388,196	508,809,741
Excess (deficiency) of revenues over (under) expenditures	(18,820,760)	88,134,989	24,008,929	(9,022,745)	(37,455,053)	46,845,360
OTHER FINANCING SOURCES (USES)						
Leases liabilities issued	374,486	-	-	-	-	374,486
Sale of capital assets	1,030	-	-	-	-	1,030
Transfers in	38,932,352	-	-	53,538,000	58,349,966	150,820,318
Transfers out	(40,818,000)	(80,015,702)	(54,313,369)	(11,971)	(254,527)	(175,413,569)
Total other financing sources (uses)	(1,510,132)	(80,015,702)	(54,313,369)	53,526,029	58,095,439	(24,217,735)
Net change in fund balances	(20,330,892)	8,119,287	(30,304,440)	44,503,284	20,640,386	22,627,625
Fund balances - beginning of year	\$ 105,580,107	\$ 46,259,770	\$ 65,430,084	\$ 194,694,318	\$ 159,643,529	\$ 571,607,808
Fund balances - end of year	\$ 85,249,215	\$ 54,379,057	\$ 35,125,644	\$ 239,197,602	\$ 180,283,915	\$ 594,235,433

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

CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF GOVERNMENT FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Net change in fund balance - total governmental funds \$ 22,627,625

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. In the current period, these amounts are:

Capital outlay	\$	34,256,715	
Capital outlay for right-to-use leased assets		374,486	
Contributions proprietary funds, net		(2,863,137)	
Deletions		(63,136)	
Depreciation expense		(24,074,540)	
Amortization expense		(961,281)	
Excess of capital outlay over depreciation expense			6,669,107

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

Loans:			
Loans principal payment		1,849,409	
Leases:			
Addition to Leases		(374,486)	
Leases principal payment		715,520	
Bonds:			
Bonds principal retirement		16,075,000	
Amortization of unamortized refunding costs		10,948	
Amortization of net bond premium(s)		3,655,597	
Total long term-debt retirement and related transactions			21,931,988

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

Environmental remediation		560,279	
Change in compensated absences		624,655	
Change in accrued interest expense		119,380	
Total additional expense			1,304,314

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

Pension Changes:			
Change in Deferred Outflow in MBERP & MBF&P		(3,282,752)	
Change in Deferred Inflow in MBERP & MBF&P		(136,929,617)	
Change in Liability in MBERP & MBF&P		183,171,563	
OPEB Changes:			
Change in Deferred Outflow		(12,414,953)	
Change in Deferred Inflow		(70,843,703)	
Change in Liability		80,879,730	
			40,580,268

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes. (1,858,651)

Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. 9,074,194

Change in net position of governmental activities \$ 100,328,845

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 53,699,680	\$ 80,958,465	\$ 73,661,881	\$ 25,540,840	\$ 61,431,666	\$ 295,292,532	\$ 119,619,298
Cash with fiscal agent	-	-	-	-	-	-	250,000
Restricted cash and investments:							
Revenue bonds covenant	7,063,930	23,389,067	14,714,953	-	-	45,167,950	-
Accounts receivable (net of allowance for uncollectibles)	3,309,656	12,572,422	670,492	15,615,850	700,261	32,868,681	7,173
Leases receivable	-	-	6,719,759	-	1,240,689	7,960,448	-
Accrued interest receivable	14,781	2,713	5,703	-	-	23,197	-
Due from other funds	-	-	-	-	500,935	500,935	-
Prepaid expenses	-	-	405,182	190,894	127,952	724,028	3,493,396
Inventories	-	2,801,316	-	-	-	2,801,316	1,390,173
Total current assets	64,088,047	119,723,983	96,177,970	41,347,584	64,001,503	385,339,087	124,760,040
Noncurrent assets:							
Restricted cash and investments:							
Customer deposits and advance sales	-	7,672,988	502,163	4,102,481	1,432,635	13,710,267	-
Impact fees	-	237,546	-	-	-	237,546	-
Interlocal agreement	-	-	-	109,866	-	109,866	-
Revenue bonds covenant	91,667,233	101,224,359	4,262,873	-	-	197,154,465	-
Right-to-use assets, net	-	-	-	-	70,112	70,112	1,029,052
Capital assets:							
Land	12,874	1,492,598	18,844,498	2,089,371	3,408,962	25,848,303	608,520
Intangible assets	-	-	4,318,059	-	-	4,318,059	-
Buildings and structures	23,719,291	10,151,858	170,341,835	588,519,162	58,967,457	851,699,603	2,748,960
Parking lots	-	-	10,545,474	-	-	10,545,474	-
Mains and lines	99,368,633	198,894,324	-	-	-	298,262,957	-
Meters and hydrants	-	15,905,287	17,386,639	-	-	33,291,926	-
Machinery and equipment	4,501,415	55,339,234	9,373,639	6,358,523	7,001,216	82,574,027	68,309,480
Construction in progress	181,144,954	81,636,923	4,684,455	-	1,491,056	268,957,388	667,718
Less accumulated depreciation	(30,614,194)	(108,554,178)	(78,029,679)	(61,251,405)	(19,098,722)	(297,548,178)	(50,270,487)
Total capital assets (net of accumulated depreciation)	278,132,973	254,866,046	157,464,920	535,715,651	51,769,969	1,277,949,559	22,064,191
Total noncurrent assets	369,800,206	364,000,939	162,229,956	539,927,998	53,272,716	1,489,231,815	23,093,243
Total assets	433,888,253	483,724,922	258,407,926	581,275,582	117,274,219	1,874,570,902	147,853,283
DEFERRED OUTFLOWS OF RESOURCES							
Pensions - MBERP	649,755	1,412,511	2,148,194	55,029	4,320,519	8,586,008	3,005,707
Deferred refunding cost	5,216,211	1,406,457	417,735	-	-	7,040,403	-
OPEB	572,428	1,251,851	1,481,893	21,399	3,619,135	6,946,706	2,169,836
Total deferred outflows of resources	6,438,394	4,070,819	4,047,822	76,428	7,939,654	22,573,117	5,175,543
LIABILITIES							
Current liabilities:							
Accounts payable	1,161,520	6,438,572	1,747,234	1,008,934	1,579,006	11,935,266	5,206,979
Retainage payable	922,058	195,804	506,625	33,329	82,115	1,739,931	24,469
Accrued expenses	1,141,210	1,154,200	643,433	680,049	593,885	4,212,777	1,486,766
Due to other funds	-	-	-	-	498,802	498,802	-
Due to other governments	-	-	744	-	2,018	2,762	-
Bonds payable	5,505,000	4,855,000	1,110,000	-	-	11,470,000	-
Loans payable	-	-	1,425,461	-	-	1,425,461	2,972,716
Leases payable	-	-	-	-	56,800	56,800	565,208
Deposits	-	6,659,110	3,370	-	920,360	7,582,840	-
Accrued compensated absences	166,148	394,293	579,746	3,850	1,259,827	2,403,864	631,929
Unearned revenues	-	214,022	475,108	685,333	81,919	1,456,382	-
Insurance claims incurred but not reported	-	-	-	-	-	-	2,233,000
Pending insurance claims	-	-	-	-	-	-	8,989,000
Total current liabilities	8,895,936	19,911,001	6,491,721	2,411,495	5,074,732	42,784,885	22,110,067
Noncurrent liabilities:							
Pending insurance claims	-	-	-	-	-	-	7,067,742
Insurance claims incurred but not reported	-	-	-	-	-	-	23,375,539
Deposits	-	1,013,878	23,686	3,417,148	430,356	4,885,068	-
Accrued compensated absences	76,408	243,340	626,883	12,404	750,486	1,709,521	1,397,488
Net pension liability - MBERP	1,857,222	4,037,439	6,140,271	157,292	12,349,516	24,541,740	8,591,334
Net OPEB liability	2,487,055	5,438,980	6,438,451	92,974	15,724,231	30,181,691	9,427,397
Loans payable	-	-	28,721,081	-	-	28,721,081	7,337,640
Leases payable	-	-	-	-	14,444	14,444	520,477
Revenue bonds payable (net of unamortized premium)	258,816,060	153,778,627	61,884,050	-	-	474,478,737	-
Total noncurrent liabilities	263,236,745	164,512,264	103,834,422	3,679,818	29,269,033	564,532,282	57,717,617
Total liabilities	272,132,681	184,423,265	110,326,143	6,091,313	34,343,765	607,317,167	79,827,684
DEFERRED INFLOWS OF RESOURCES							
Leases	-	-	6,663,465	-	1,249,270	7,912,735	-
Pensions - MBERP	1,558,867	3,388,840	5,153,861	132,023	10,365,614	20,599,205	7,211,168
OPEB	589,430	1,289,034	1,525,907	22,035	3,726,629	7,153,035	2,234,284
Total deferred inflows of resources	2,148,297	4,677,874	13,343,233	154,058	15,341,513	35,664,975	9,445,452
NET POSITION							
Net investment in capital assets	79,279,881	170,457,586	66,213,649	535,682,322	51,686,722	903,320,160	11,672,733
Restricted:							
Interlocal agreement	-	-	-	109,866	-	109,866	-
Impact Fees	-	237,546	-	-	-	237,546	-
Debt covenant	17,063,930	48,626,613	14,714,953	-	-	80,405,496	-
Unrestricted	69,701,858	79,372,857	57,857,770	39,314,451	23,841,873	270,088,809	52,082,957
Total net position	\$ 166,045,669	\$ 298,694,602	\$ 138,786,372	\$ 575,106,639	\$ 75,528,595	\$ 1,254,161,877	\$ 63,755,690

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2022

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating revenues:							
Charges for services	\$ 33,073,208	\$ 95,990,729	\$ 43,743,034	\$ 25,103,663	\$ 14,559,059	\$ 212,469,693	\$ 103,597,275
Permits, rentals, and other	-	765,753	2,557,659	271,267	27,823,552	31,418,231	6,557,281
Total operating revenues	33,073,208	96,756,482	46,300,693	25,374,930	42,382,611	243,887,924	110,154,556
Operating expenses:							
Personal services	3,274,771	7,197,520	7,024,816	10,841,846	19,463,406	47,802,359	13,521,741
Operating supplies	197,387	129,119	104,379	470,423	195,823	1,097,131	5,128,821
Contractual services	2,833,736	45,568,217	7,663,328	10,119,233	10,652,152	76,836,666	19,187,885
Utilities	359,008	1,108,959	1,963,859	2,721,346	315,590	6,468,762	1,969,283
Insurance	-	-	177,411	60,587	-	237,998	19,430,132
Internal charges	703,000	4,333,618	4,088,018	3,955,267	4,488,419	17,568,322	2,694,683
Depreciation and amortization	4,065,216	6,170,140	4,526,885	12,092,653	2,130,299	28,985,193	6,373,622
Administrative fees	2,978,075	2,856,000	1,639,264	576,745	3,456,000	11,506,084	1,259,000
Claims and judgments	-	-	-	-	-	-	32,764,090
Other operating	345,353	2,199,736	3,216,918	1,023,050	838,076	7,623,133	410,329
Total operating expenses	14,756,546	69,563,309	30,404,878	41,861,150	41,539,765	198,125,648	102,739,586
Operating income (loss)	18,316,662	27,193,173	15,895,815	(16,486,220)	842,846	45,762,276	7,414,970
Nonoperating revenues (expenses):							
Intergovernmental	-	-	3,636,789	20,048,780	-	23,685,569	-
Interest and fiscal charges	(10,669,634)	(5,310,475)	(3,231,879)	-	(297)	(19,212,285)	(120,578)
Gain on disposal of capital assets	10,625	215,939	114,783	-	16,672	358,019	406,481
Interest income	987,831	1,483,003	1,318,960	138,128	325,886	4,253,808	918,616
Total nonoperating revenues (expenses)	(9,671,178)	(3,611,533)	1,838,653	20,186,908	342,261	9,085,111	1,204,519
Income (loss) before contributions and transfers	8,645,484	23,581,640	17,734,468	3,700,688	1,185,107	54,847,387	8,619,489
Capital contributions	-	-	-	1,740,833	609,599	2,350,432	512,705
Transfers in	-	-	-	10,299,410	17,375,000	27,674,410	300,000
Transfers out	(1,406,159)	-	(38,000)	(1,098,000)	(481,000)	(3,023,159)	(358,000)
Change in net position	7,239,325	23,581,640	17,696,468	14,642,931	18,688,706	81,849,070	9,074,194
Net position - beginning	158,806,344	275,112,962	126,611,119	560,463,708	56,839,889	1,177,834,022	54,681,496
Restatement for GASB 87	-	-	(5,521,215)	-	-	(5,521,215)	-
Net position - beginning as restated	158,806,344	275,112,962	121,089,904	560,463,708	56,839,889	1,172,312,807	54,681,496
Net position - ending	\$ 166,045,669	\$ 298,694,602	\$ 138,786,372	\$ 575,106,639	\$ 75,528,595	\$ 1,254,161,877	\$ 63,755,690

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2022

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash flows from operating activities:							
Receipts received from customers	\$ 33,124,418	\$ 95,203,703	\$ 46,142,873	\$ 10,090,953	\$ 14,536,911	\$ 199,098,858	\$ 110,164,105
Payments to suppliers	(3,645,956)	(48,928,670)	(12,963,053)	(15,336,045)	(24,123,689)	(104,997,413)	(48,236,552)
Payments on behalf of and to employees	(3,522,821)	(7,994,590)	(10,450,802)	(10,902,325)	(21,672,327)	(54,542,865)	(15,332,390)
Payments for claims and judgments	-	-	-	-	-	-	(33,012,250)
Payments for interfund services used	(3,681,075)	(7,189,618)	(5,726,838)	(4,532,012)	(8,237,139)	(29,366,682)	(3,953,683)
Receipts for other operating revenues	-	-	-	-	27,821,552	27,821,552	-
Net cash provided by (used in) operating activities	<u>22,274,566</u>	<u>31,090,825</u>	<u>17,002,180</u>	<u>(20,679,429)</u>	<u>(11,674,692)</u>	<u>38,013,450</u>	<u>9,629,230</u>
Cash flows for non-capital financing activities:							
Contributions from other governments	-	-	3,636,789	20,048,780	-	23,685,569	-
Transfers in	-	-	-	10,299,410	17,375,000	27,674,410	300,000
Transfers out	(1,406,159)	-	(38,000)	(1,098,000)	(481,000)	(3,023,159)	(358,000)
Net cash provided by (used in) non-capital financing activities	<u>(1,406,159)</u>	<u>-</u>	<u>3,598,789</u>	<u>29,250,190</u>	<u>16,894,000</u>	<u>48,336,820</u>	<u>(58,000)</u>
Cash flows from capital and related financing activities:							
Proceeds from loan	-	-	-	-	-	-	3,400,964
Payment on loan	-	-	-	-	-	-	(2,520,369)
Payment on leases	-	-	-	-	(54,958)	(54,958)	(568,748)
Proceeds from refunding of bonds	-	32,480,000	-	-	-	32,480,000	-
Proceeds from bond premium	-	5,272,449	-	-	-	5,272,449	-
Interest and fiscal charges	(11,485,596)	(7,458,211)	(3,519,607)	-	(297)	(22,463,711)	(117,545)
Principal paid on bonds	(5,250,000)	(41,405,000)	(2,484,793)	-	-	(49,139,793)	-
Purchase of capital assets	(9,328,242)	(9,254,217)	(3,307,305)	(103,264)	(2,490,841)	(24,483,869)	(3,917,356)
Proceeds from sale of capital assets	10,625	216,725	114,783	-	57,857	399,990	439,760
Net cash provided by (used in) capital and related financing activities	<u>(26,053,213)</u>	<u>(20,148,254)</u>	<u>(9,196,922)</u>	<u>(103,264)</u>	<u>(2,488,239)</u>	<u>(57,989,892)</u>	<u>(3,283,294)</u>
Cash flows from investing activities:							
Interest on investments	974,807	1,482,192	1,314,079	138,128	325,886	4,235,092	918,616
Net cash provided by investing activities	<u>974,807</u>	<u>1,482,192</u>	<u>1,314,079</u>	<u>138,128</u>	<u>325,886</u>	<u>4,235,092</u>	<u>918,616</u>
Net change in cash and investments	(4,209,999)	12,424,763	12,718,126	8,605,625	3,056,955	32,595,470	7,206,552
Cash and investments - beginning of year	<u>156,640,842</u>	<u>201,057,662</u>	<u>80,423,744</u>	<u>21,147,562</u>	<u>59,807,346</u>	<u>519,077,156</u>	<u>112,662,746</u>
Cash and investments - end of year	<u>\$ 152,430,843</u>	<u>\$ 213,482,425</u>	<u>\$ 93,141,870</u>	<u>\$ 29,753,187</u>	<u>\$ 62,864,301</u>	<u>\$ 551,672,626</u>	<u>\$ 119,869,298</u>
Classified as:							
Current assets	\$ 60,763,610	\$ 104,347,532	\$ 88,376,834	\$ 25,540,840	\$ 61,431,666	\$ 340,460,482	\$ 119,869,298
Noncurrent assets	91,667,233	109,134,893	4,765,036	4,212,347	1,432,635	211,212,144	-
Total cash and investments	<u>\$ 152,430,843</u>	<u>\$ 213,482,425</u>	<u>\$ 93,141,870</u>	<u>\$ 29,753,187</u>	<u>\$ 62,864,301</u>	<u>\$ 551,672,626</u>	<u>\$ 119,869,298</u>
Noncash transactions affecting financial position:							
Change in accounts receivable net position restatement	\$ -	\$ -	\$ (5,521,215)	\$ -	\$ -	\$ (5,521,215)	\$ -
Change in right-to-use leased assets	-	-	-	-	70,112	70,112	1,029,052
Change in leased obligations	-	-	-	-	(71,244)	(71,244)	(1,085,685)
Change in construction and related liabilities	(2,420,036)	(1,547,977)	(574,476)	(8,960)	(35,236)	(4,586,685)	24,469
Capital contributions	-	-	-	1,740,833	609,599	2,350,432	512,705
Total noncash transactions affecting financial position	<u>\$ (2,420,036)</u>	<u>\$ (1,547,977)</u>	<u>\$ (6,095,691)</u>	<u>\$ 1,731,873</u>	<u>\$ 573,231</u>	<u>\$ (7,758,600)</u>	<u>\$ 480,541</u>

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

(continued)

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2022
(continued)

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

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Convention Center Complex Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Operating income (loss)	\$ 18,316,662	\$ 27,193,173	\$ 15,895,815	\$ (16,486,220)	\$ 842,846	\$ 45,762,276	\$ 7,414,970
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:							
Depreciation and amortization	4,065,216	6,170,140	4,526,885	12,092,653	2,130,299	28,985,193	6,373,622
Provision for uncollectible accounts	268,085	(200,433)	-	-	(16,284)	51,368	-
Changes in assets/liabilities and deferred inflows:							
(Increase) decrease in leases deferred inflow	-	-	6,663,465	-	1,249,270	7,912,735	-
(Increase) decrease in pension deferred inflow	1,355,782	2,966,562	4,482,577	115,826	9,092,284	18,013,031	6,318,466
(Increase) decrease in OPEB deferred inflow	551,203	1,194,921	1,382,556	19,957	3,453,015	6,601,652	2,062,056
(Increase) decrease in pension deferred outflow	337,160	639,597	1,113,987	23,683	1,867,375	3,981,802	1,332,479
(Increase) decrease in OPEB deferred outflow	(10,711)	131,071	624,544	9,129	401,414	1,155,447	360,909
(Increase) decrease in pension liability	(2,285,480)	(4,576,548)	(7,553,155)	(173,107)	(13,624,969)	(28,213,259)	(9,618,762)
(Increase) decrease in OPEB liability	(127,475)	(997,879)	(3,366,037)	(49,120)	(2,989,552)	(7,530,063)	(2,352,049)
(Increase) decrease in inventories	-	(186,589)	-	-	-	(186,589)	(810,375)
(Increase) decrease in accounts receivable	(216,875)	(1,496,232)	(133,545)	(15,417,323)	(33,574)	(17,297,549)	9,549
(Increase) decrease in leases receivable	-	-	(6,719,759)	-	(1,240,689)	(7,960,448)	-
(Increase) decrease in due from other funds	-	-	-	-	133,137	133,137	-
(Increase) decrease in due from other governments	-	-	-	-	-	-	12,472
(Increase) decrease in prepaid expense	-	-	(42,295)	(67,716)	(13,356)	(123,367)	(184,519)
Increase (decrease) in accounts payable	157,638	950,113	160,912	(944,017)	769,984	1,094,630	(1,080,177)
Increase (decrease) in accrued expenses	(120,588)	(825,200)	(133,322)	69,105	(13,113,722)	(14,123,727)	(162,712)
Increase (decrease) in deposits	-	301,381	1,460	123,013	(134,778)	291,076	-
Increase (decrease) in due to other governments	-	-	444	-	2,018	2,462	-
Increase (decrease) in due to other funds	-	-	-	-	(292,720)	(292,720)	-
Increase (decrease) in unearned revenues	-	(157,495)	30,559	10,333	18,770	(97,833)	(12,472)
Increase (decrease) in environmental remediation liability	-	-	-	-	(15,000)	(15,000)	-
Increase in pending insurance claims	-	-	-	-	-	-	(115,601)
(Decrease) in insurance claims incurred but not reported	-	-	-	-	-	-	(132,560)
Increase (decrease) in accrued compensated absences	(16,051)	(15,757)	67,089	(5,625)	(160,460)	(130,804)	213,934
Total adjustments	3,957,904	3,897,652	1,106,365	(4,193,209)	(12,517,538)	(7,748,826)	2,214,260
Net cash provided by (used in) operating activities	\$ 22,274,566	\$ 31,090,825	\$ 17,002,180	\$ (20,679,429)	\$ (11,674,692)	\$ 38,013,450	\$ 9,629,230

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2022

	<u>Trust Funds</u>	<u>Custodial Fund</u>
Assets		
Cash and cash equivalents	\$ 2,386,662	\$ 1,101,867
Receivables:		
Accounts, net	-	1,150,253
Accrued interest	1,878,858	-
Contributions	2,273,339	-
Other	160,763	-
Prepaid expenses	4,228,143	-
Investments:		
Short-term investments	17,730,538	-
U.S. Government securities	60,633,573	-
Corporate bonds and notes	141,598,499	-
Bond Funds	130,643,812	-
Foreign Bonds and private placements	38,491,179	-
Common stocks and index funds	789,703,328	-
Foreign stocks	155,360,483	-
Real estate funds	325,168,942	-
Infrastructure investments	37,618,998	-
Hedge Fund	10,740,507	-
Mutual funds	94,901,536	-
Total investments	<u>1,802,591,395</u>	<u>-</u>
 Total assets	 <u>\$ 1,813,519,160</u>	 <u>\$ 2,252,120</u>
Liabilities		
Accounts payable	1,389,704	796,168
Due to Business Improvement Districts	-	1,150,246
Due to Other Governments	-	235,477
Due to Other Organizations	-	70,229
Total liabilities	<u>\$ 1,389,704</u>	<u>\$ 2,252,120</u>
Net Position		
Restricted for OPEB benefits	40,216,969	-
Restricted for pension benefits	1,771,912,487	-
Total Net Position	<u><u>\$ 1,812,129,456</u></u>	<u><u>\$ -</u></u>

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

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2022

	Trust Funds	Custodial Fund
Additions:		
Contributions -		
Employer	\$ 91,690,650	\$ -
Employee	16,334,938	-
State of Florida	2,197,574	-
Private contributions	-	2,521,438
Total contributions	<u>110,223,162</u>	<u>2,521,438</u>
Investment Income (loss) -		
Net decrease in fair value of investments	(292,902,339)	-
Interest and dividends income	34,758,238	-
Other income	62,063	-
	<u>(258,082,038)</u>	<u>-</u>
Investment management expenses	(8,328,376)	-
Net investment income (loss)	<u>(266,410,414)</u>	<u>-</u>
Total loss	<u>(156,187,252)</u>	<u>2,521,438</u>
Deductions:		
Benefit paid	147,823,654	
Contributions refunded	1,643,960	
Administrative expenses	2,047,744	
Recipient payments	-	2,521,438
Total deductions	<u>151,515,358</u>	<u>2,521,438</u>
Net decrease	<u>(307,702,610)</u>	<u>-</u>
Net change in net position - amount restricted for pension and OPEB benefits - beginning of year	<u>2,119,832,066</u>	<u>-</u>
Restricted for OPEB benefits	40,216,969	-
Restricted for pension benefits	1,771,912,487	-
Net position - amount restricted for pension and OPEB benefits - end of year	<u>\$ 1,812,129,456</u>	<u>\$ -</u>

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

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

NOTE 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

1. Blended Component Units:

Miami Beach Redevelopment Agency

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

Normandy Shores Local Government Neighborhood Improvement District

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

North Beach Community Redevelopment Agency (North Beach CRA)

The North Beach CRA was created under the Community Redevelopment Act of 1969, enacted by the Florida Legislature, approved by City of Miami Beach Resolution No. 2021-31596 on February 10, 2021 and Miami-Dade County Resolution No. R-696-21 on July 20, 2021. Registration with the Florida Department of Economic Opportunity's Special District Accountability Program was completed in August 2021 and in accordance with section

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

189.012(2)(a) and (d), Florida Statutes, the North Beach CRA was classified as a special district.

The City of Miami Beach approved the Interlocal Cooperation Agreement by and among the City of Miami Beach, Miami-Dade County, and the North Beach CRA via Resolution No. 2021-31817 as amended on July 28, 2021. The North Beach CRA approved the Interlocal Cooperation Agreement by and among Miami-Dade County, the City of Miami Beach and the North Beach CRA via Resolution No. 005-2021 on July 28, 2021.

The North Beach CRA is generally bounded on the north by 87th Terrace, on the south by 65th street, on the east by the Atlantic Ocean and on the west by Rue Notre Dame. The Board of Directors is the City Commission and the executive director is the City Manager. The primary revenue source is, tax increment financing (TIF), the incremental growth of ad valorem revenues beyond an established base year. TIF is to be collected annually from Miami-Dade County and the City of Miami Beach beginning in fiscal year 2023.

The North Beach CRA had no financial activities to report for the fiscal year ended September 30, 2022.

2. Discretely Presented Component Units-Governmental Fund Type:

Miami Beach Health Facilities Authority

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

Miami Beach Visitor and Convention Authority

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

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the government-wide Statement of Net

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Position, both the governmental and business-type activities columns reflect a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues, including charges for services are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, leases, pensions, pollution remediation obligation and other postemployment benefits are recorded only when payment is due, or when the City has made a decision to fund those obligations with current available resources.

Property taxes, when levied for, charges for services, franchise taxes, licenses, grants and intergovernmental revenues, when all eligibility requirements are met, and interest associated with

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the current fiscal period, if measurable and available, have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period and past due is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable when the City receives the cash.

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

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

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

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

Other fund types:

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

- *Fleet Management Fund* – accounts for the warehouse operations and the purchase and maintenance of the City’s fleet of vehicles.
- *Property Management Fund* – accounts for the cleaning, operating and renovations of City buildings.
- *Central Services Fund* – accounts for the operation of the office supplies warehouse, central printing function and central mail facility.
- *Risk Insurance Fund* – accounts for the City’s Risk insurance operations, both retained and insured.
- *Health Insurance Fund* – accounts for the City’s Health insurance operations, both retained and insured.
- *Communications Fund* – accounts for centralized telecommunications and information technology operations.
- *Office of Inspector General Fund* – accounts for all activities related to audits and reviews of City programs, contracts and expenditures.

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

1. *Cash and investments*

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

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

The cash and investments for the OPEB system are maintained in separate cash and investment accounts. The OPEB system investments are held in various Mutual and Money Market Funds. Dividends received are reinvested at the date received. The OPEB system's investments are recorded at fair value. Please refer to Note 3 for more detailed information regarding the City's investments.

2. *Receivables and payables*

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

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

Following are the significant components of the receivables due to the City at September 30, 2022:

- a. Water, Sewer and Waste Fees – This amount represents the unpaid, unbilled and billed charges for various fines and municipal services;
- b. Taxes, Franchise Fees and Rents – This amount represents Ad Valorem taxes, including delinquent taxes, communication and utility taxes, along with franchise fees and rent payments due by September 30, 2022, but not collected as of that date;
- c. Resort Taxes Receivable – This amount represents resort taxes due by September 30, 2022, but not collected as of that date;
- d. Storm Water Receivable – This amount represents the unpaid, billed charges for treating water runoff from impervious areas;
- e. Accrued Interest Receivable – This amount represents the interest earned but not collected on the City's investments at September 30, 2022;

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- f. Intergovernmental Receivable – This amount represents grant revenue earned but not received by the City as of September 30, 2022; and
- g. Leases Receivable – The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. Deferred inflows of resources are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

3. *Inventories and prepaids*

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

Expenditures made for services that will benefit periods beyond September 30, 2022 are recorded as prepaid items in the government-wide financial statements. Accordingly, a portion of fund balance has been reserved to indicate that these funds are not available for appropriation.

4. *Restricted assets*

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

5. *Capital assets*

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

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

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

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

The City assesses the carrying value of capital assets whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with GAAP. Impaired capital assets no longer used by the City are reported using GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The City did not record any impairment charges related to its property as of September 30, 2022 as there were no indicators of impairment.

6. Right-to-Use Assets

The City has recorded right-to-use lease assets as a result of implementing GASB 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

7. Leases

The City is a lessee for noncancellable leases of vehicles, equipment, and building space. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and propriety funds financial statements. The City elected not to set a threshold for leases.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When

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the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and where applicable purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets, net of depreciation are presented separately on the statement of net position in the government-wide and propriety funds statements. Leases commencing within the current year, in governmental funds, are recorded as lease proceeds under other financing sources and capital outlay in the statement of revenues, expenditures, and changes in fund balance. The net asset value is included in the Net Investment in Capital Assets calculation on the statements of net position detailed disclosures on individual leases and right to use assets are provided in Note 6 and 9.

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

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

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

8. *Compensated absences*

It is the City's policy to permit regular classified and unclassified full-time employees to accrue 96 hours of sick and vacation leave per year during the first ten (10) years of employment, which may be used after six (6) months of continuous full-time or part-time employment (or upon completion of the probationary period). Annual leave increases as follows: after ten years of full-time service, employees accumulate 136 hours of leave per year; after twenty (20) years of full-time service, employees accumulate 176 hours of leave per year. At the end of each payroll year, employees will be allowed no more than 500 hours of vacation leave to be accrued. Any hours in excess of this maximum will be forfeited. (Annual maximums may be higher or lower as defined in respective bargaining agreements.) Sick leave accruals do not

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increase. Additionally, employees may accumulate compensatory time and goodwill ambassador time.

Employees hired prior to October 1, 1978, will, upon resignation, termination or retirement from the City, be paid for their full annual and full sick leave, up to a maximum combined payment of 2,088 hours. Employees hired on or after October 1, 1978, will, upon resignation, termination or retirement from the City, be paid for their full annual leave and 50% of their sick leave, up to 1,220 combined maximum hours for Unclassified employees. Employees covered by Collective Bargaining Agreements have varying leave payout language which may differ from the payout of Unclassified employees. Employees are also paid for accumulated compensatory time and goodwill leave at the time of resignation, termination, or retirement from the City.

All vacation, sick, compensatory time, and goodwill pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

9. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations including leases are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums/discounts and leases under GASB 87 during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Leases are recorded as lease liabilities issued under other financing sources and capital outlay. Debt principal and lease payments are reported as debt service expenditures.

10. *Unearned revenue*

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

11. *Deferred outflows/inflows of resources*

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

- a. Deferred loss on refunding is reported in the government-wide and proprietary fund statements of net position. Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The difference that results from the refunding is not a separate 'loss' transaction, but rather a reduction of the interest savings to be obtained in the future by substituting the new interest rate for the old. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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- b. Deferred outflows of resources related to the Miami Beach Employees' Retirement System (MBERP) and Miami Beach Retirement Systems for Firefighters and Police Officers (MBF&P) pension plans are recognized when the City makes contributions subsequent to the measurement date and when there are differences between expected and actual experience. Differences between expected and actual experience and changes in assumptions are deferred and amortized over the average of the expected remaining service lives of employees who are provided with benefits through the pension plans. Employer contributions made subsequent to the measurement date are deferred and recognized as a reduction of the net pension liability in the subsequent reporting year. Net Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred outflows of resources related to pensions are only reported on the proprietary funds and the government-wide financial statements.
- c. Deferred outflows of resources relating to OPEB are recognized when the City makes contributions subsequent to the measurement date, when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the deferrals, and differences between expected and actual investment earnings. The net difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.

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

- d. Deferred inflows of resources related to the MBERP and MBF&P pension plans are reported when changes in the net pension liability are not included in the pension expense of the actuarially calculated net pension liability, such as differences between projected and actual investment earnings. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred inflows of resources related to pensions are only reported on the proprietary funds and the government-wide financial statements.
- e. Deferred inflows of resources relating to OPEB are recognized when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the deferrals, and differences between expected and actual investment earnings. The difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.
- f. Deferred inflow of resources related to unavailable other revenues are grants received in advance when eligibility requirements except timing requirements have been meet.
- g. Deferred inflow of resources related to leases are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

12. *Net position/ fund balance*

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in

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classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

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

On July 22, 2014, the City's Resort Tax Reserve Fund Policy adopted by Resolution No. 204-28543 was amended to state the goal is reserve 3 months of total fund revenue of the 2% resort tax fund. The minimum acceptable reserve is to be 2 months of operating expenses or 2 months of total revenues. The policy was established to ensure the continuity of operations of both the Resort Tax Fund and the General Fund.

On January 16, 2019, the City Commission adopted Resolution No. 2019-30664, which replaced and superseded the Resort Tax Policy set forth in Resolution 2014-28543, stating that the City shall maintain a minimum reserve of 2 months of total revenue of the 2% resort tax and shall have a goal of maintaining a minimum reserve equal to 6 months of total revenue of the 2% resort tax.

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

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

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

- Non-spendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples on non-spendable fund balance include leases, inventories and/or prepaid expenses.
- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant

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to constraints imposed by formal action of the City Commission through an ordinance or resolution which are equally binding as the highest decision-making authority. The Commission adopts a City resolution, which includes the amount to be committed and the reason for the commitment. Only an adopted resolution by the Commission can establish, modify or rescind the commitment.

- Assigned Fund Balance – amounts that are constrained by the City Commission’s or an official delegated by the governing body’s (City Manager) intent to be used for specific purposes but are neither restricted nor committed. Fund balance is primarily assigned based on the City’s budgeting policy. Some amounts are approved and assigned by the City commission subsequent to September 30, 2022.
- Unassigned Fund Balance – may include residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

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

13. *Restricted component of net position*

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2021, the Government-wide statement of net position reported \$145,281,020 in governmental activities’ restricted net position. Of this amount, \$144,294,421 is restricted as a result of enabling legislation.

14. *Use of estimates*

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

15. *Risk management*

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

The City established an internal service Risk Insurance Fund (the “Fund”) to account for its risk

CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2022

financing activities. The Fund is reviewed quarterly by City actuaries and charges the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year-end, including claims incurred but not yet reported. The Fund pays for all claims and judgments made against the City for accidental losses for which the City is self-insured or purchases insurance policies to protect the City's assets.

16. *Employee pension plans and other retirement benefits*

The City provides separate defined benefit pension plans for general employees and for police and fire department personnel. The City no longer offers benefits under a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) to new employees. However, current employees are still participating in the plan. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 Plan and the 401(a) Plan are disclosed in Note 15 and 16 respectively.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the MBERP and MBF&P and additions to and deletions from the systems' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms discussed in Note 16. Investments are reported at fair value.

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

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the net position of OPEB and additions to and deletions from the systems' net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms discussed in Note 17. Investments are reported at fair value.

18. *Health Insurance Benefits*

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

CITY OF MIAMI BEACH, FLORIDA
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The City established an internal service Health Insurance Fund (the “Fund”) to account for Medical and Dental activities. Revenues from employee and City premiums are recorded in the Fund. The Fund is reviewed quarterly by City actuaries and premiums are set to pay for all claims and the premium cost of “stop loss” insurance coverage. Both medical and dental claims are administered by a third-party service provider.

19. *Recent accounting pronouncements adopted/implemented*

For the year beginning October 1, 2021, the City implemented GASB Statement No. 87, *Leases*; GASB No. 91, *Conduit Debt*; GASB No. 92, *Omnibus 2020*, and GASB No. 97, *457 deferred compensation plans and component units*.

In June 2017, the GASB issued Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments’ leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. See Note 1, item 7, Note 6, and Note 9 for disclosures. The implementation of GASB 87 *Leases* resulted in restatement of beginning balances for certain proprietary balances, see Note 18.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, and the recognition as of October 1 of some lease related amounts that were not previously reported. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers’ conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The City issues conduit debt but does not recognize liabilities related to the conduit debt obligations. See Note 10 for disclosures.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The adoption of this statements had no reporting impact for the City.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. See Note 15 for disclosures.

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

NOTE 2 - Stewardship, Compliance, and Accountability

Sanitation – Net Position Deficit

At September 30, 2022, the Sanitation Fund had a net position deficit of \$586 thousand dollars this represents a decrease of \$ 2.3 million, from a deficit of \$2.9 million dollars from the prior year. The decrease in net position deficit is primarily as a result of lower personnel costs in pension and OPEB expenses compared to prior year. Management intends to continue to monitor the operations of the Sanitation Fund with the goal to budget sufficient funds to cover annual cost and reduce the accumulated deficit.

Office of Inspector General – Net Position Deficit

At September 30, 2022, the Office of Inspector General Fund (OIG) had a fund deficit of \$1.36 million an increase of approximately \$5 thousand dollars compared to prior year. The OIG operations carry significant liabilities primarily related to OPEB and Pension costs. Management continues to monitor the activities of the fund to ensure that the deficit continues to decline.

Property Management – Net Position Deficit

At September 30, 2022, the Property Management Fund had a net position deficit of \$599 thousand dollars compared to \$692 thousand in prior year. Property management is an internal service fund that has significant expenses in contractual services. These costs are attributed to the services of external contractors whose services are necessary to meet the demands of providing services to the City and can be challenging to predict. Management will continue to monitor this fund to determine if further action is required.

Community Development Block Grant – Net Position Deficit

At September 30, 2022, the City's Community Development Block Grant Fund had a net position deficit of \$3.4 thousand compared to \$18.6 thousand in prior year. The net position deficit is primarily due to grant expenditures pending reimbursement. The City will continue to review transactions to ensure more timely receipt of grant funds.

NOTE 3 - Deposits and Investments

City's Pooled Portfolio Investments:

Interest Rate Risk

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

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

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

As of September 30, 2022, the City had the following investments in its portfolio:

City's Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
U.S. Government Agencies	\$ 69,195,533	\$ 39,553,248	\$ 29,642,285
U.S. Government Treasuries	527,841,783	68,266,632	459,575,151
Corporate bonds	20,308,336	9,958,431	10,349,905
Israeli Bonds	10,000,000	4,000,000	6,000,000
FLCLASS Pool	468,522,863	468,522,863	-
Total	<u>\$ 1,095,868,515</u>	<u>\$ 590,301,174</u>	<u>\$ 505,567,341</u>

Concentration of Credit Risk

The City's investment plan limits the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. The investment policy allows for a maximum of 100% of the portfolio in U.S. Government Securities, Money Market Mutual Funds and Intergovernmental Investment Pool, 50% in U.S. Agencies, 80% in Federal Instrumentalities, 5% in State of Israel Bonds, 15% in Mortgage/Asset-Backed Securities, 25% in Florida Prime Fund, Interest Bearing Time Certificates, Repurchase Agreements, Commercial Paper and Florida League of Cities, Inc. Mutual Funds, 40% in Corporate Notes, 20% in Bankers Acceptances and State and/or Local Government Taxable and/or Tax-exempt Debt, and Externally Managed Funds requiring specific approval by the City Commission. There were no individual investments that represent 5% or more of total investments at September 30, 2022.

Credit Risk

This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. State law limits investments in commercial paper and corporate bonds rated in one of the top two ratings issued by the Nationally Recognized Statistical Rating Organization (NRSROs). It is the City's policy to limit its exposure in these investment types to the top rating issued by NRSROs. U.S. government agencies are only implicitly guaranteed by the U.S. Government. U.S. Government Treasuries explicitly guaranteed by the U. S. Government are not considered to have credit risk exposure.

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

As of September 30, 2022, the City's investments were rated by Moody's Investors Service and Standard & Poor's as follows:

Investment Type	Issuer	Standard & Poor's	Moody's	Reported Value
US Securitized Products				
	FHLB	AA+	Aaa	\$ 19,769,415
	FNMA	AA+	Aaa	12,332,110
	FHLMC	AA+	Aaa	12,383,893
	FFCB	AA+	Aaa	24,710,115
				<u>\$ 69,195,533</u>
US Government Treasuries:				
	U. S. Government	AA+	Aaa	527,841,783
				<u>\$ 527,841,783</u>
Corporate Bonds:				
	Colgate-Palmolive Co.	AA-	Aa3	\$ 1,709,838
	Exxon Mobil	AA+	Aaa	4,909,802
	Wal-Mart	AA	Aa2	13,688,696
				<u>\$ 20,308,336</u>
Israeli Bonds:				
	State of Israel	A+	A1	\$ 10,000,000
				<u>\$ 10,000,000</u>
FLCLASS	Local Government Invt. Pool	AAAm	N/A	\$ 468,522,863
Total				<u>\$ 1,095,868,515</u>

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

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

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

The City has the following recurring fair value measurements as of September 30, 2022:

Investments by Fair Value Level	Balance	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Securitized Products	\$ 69,195,533	\$	\$ 69,195,533
U.S. Government Treasuries	527,841,783		527,841,783
Corporate Bonds	20,308,336		20,308,336
State of Israel Bonds	10,000,000		10,000,000
Total Debt Securities	<u>627,345,652</u>		
Investments measured at Net Asset Value (FL CLASS)	468,522,863	<u>468,522,863</u>	
Total Investments	<u>\$ 1,095,868,515</u>	<u>\$ 468,522,863</u>	<u>\$ 627,345,652</u>

Investments Measures at the NAV:

FLCLASS	Fair Value	Redemption Frequency	Notice Period
	<u>\$ 468,522,863</u>	Daily	Same day

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

The investment portfolio weighted average maturity at September 30, 2022 was 1.55 years or 566 days.

The City's cash and investments held at September 30, 2022 (including restricted cash and cash with paying agent) are shown below:

Schedule of cash and investments by fund:

General	\$ 99,322,720
Resort Tax	50,182,262
Redevelopment Agency	36,002,448
Capital Projects	253,557,243
Storm Water	152,430,843
Water & Sewer	213,482,425
Parking	93,141,870
Convention Center Complex	29,753,187
Internal Service	119,869,298
Custodial Fund	1,101,867
Nonmajor Governmental	188,603,511
Nonmajor Enterprise	62,864,301
Total cash and investments (excl. Trust Funds)	<u>\$ 1,300,311,975</u>

CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2022

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the City's deposits may not be returned to it.

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

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

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

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, the City is required to adjust interest earnings on the financial statements to reflect unrealized gains and losses due to year over year changes in the market value of the City's investment portfolio. As of September 30, 2022, the City's investment portfolios have an unrealized loss of approximately \$41.9 million as a result of significant increases in interest rates of more than 3.5%, including the most dramatic increase in the federal funds overnight rate over a six month period in more than 30 years. This increase in rates resulted in a significant increase in unrealized losses due to the inverse relationship between changes in interest rates and bond prices. Unrealized losses are not recognized unless the security is sold. The unrealized loss of a security represents the difference between the book value and market value of the securities held on September 30, 2022.

Employee Retirement Systems Investments:

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

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

Information about the sensitivity of fair value of the System's investments to market interest rate fluctuations is provided in the table below that shows the distribution of the Systems fixed income investment by maturity at September 30, 2022.

**CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2022**

**City Pension Fund For Firefighters
And Police Officers:**

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
U.S. government securities	\$ 15,502,957	\$ -	\$ 4,994,362	\$ 8,821,701	\$ 1,686,894
Corporate bonds and notes	136,515,756	12,641,059	55,264,451	58,510,753	10,099,493
U.S Treasuries	41,721,126	5,014,354	21,600,628	10,664,499	4,441,645
International Private Placement	38,491,179	184,758	7,740,576	23,060,065	7,505,780
Total	\$ <u>232,231,018</u>	\$ <u>17,840,171</u>	\$ <u>89,600,017</u>	\$ <u>101,057,018</u>	\$ <u>23,733,812</u>

Miami Beach Employees' Retirement Plan:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
Fixed income bond funds	\$ 130,643,812	\$ 4,995,275	\$ 26,671,016	\$ 86,518,622	\$ 12,458,899
Fixed securities	384,999	-	118,803	255,682	10,514
Total	\$ <u>131,028,811</u>	\$ <u>4,995,275</u>	\$ <u>26,789,819</u>	\$ <u>86,774,304</u>	\$ <u>12,469,413</u>

Firemen's Relief and Pension Fund:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	More 6-10	More than 10
U.S. government securities	\$ 861,095	\$ 116,259	449,337	154,015	141,484
Corporate bonds and notes	3,816,165	397,796	1,541,977	1,876,392	-
Total	\$ <u>4,677,260</u>	\$ <u>514,055</u>	\$ <u>1,991,314</u>	\$ <u>2,030,407</u>	\$ <u>141,484</u>

Policemen's Relief and Pension Fund:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More than 10
U.S. government securities	\$ 2,548,395	\$ 983,207	\$ 1,207,195	\$ 149,352	\$ 208,641
Corporate bonds and notes	1,266,578	-	195,876	518,787	551,915
Total	\$ <u>3,814,973</u>	\$ <u>983,207</u>	\$ <u>1,403,071</u>	\$ <u>668,139</u>	\$ <u>760,556</u>

Credit Risk and Concentration of Credit Risk The System's investment policy utilizes portfolio diversification in order to control credit risk. The Systems have no limit imposed on fixed income securities issued directly by the U.S. Government or any agency or instrumentality thereof. The City pension fund for firefighters and police officers' limits corporate debt securities (bonds, notes, debentures at the time of purchase) to only the highest three categories of quality by any of the following listed services: Moody's, Standards and Poor's or Fitch's Manual. Any issue which is downgraded to investment grade fourth category may be held. Any issue if downgraded below investment grade by two of the three of the above-mentioned ratings services

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

must either be sold or specifically approved for retention by the Board. Commercial paper must be rated Moody's P1 or Standard and Poor's A1. Bonds issued by the State of Israel may also be purchased. The City employee's retirement system limits commercial paper to those rated only in the highest category. Other fixed income securities that are classified "Investment Grade" in the top four rating by Standard & Poor's and Moody's can also be purchased. The firefighters and police officers pension funds follow state law, which limits investments in debt securities to those with the top three ratings issued by a nationally recognized statistical rating organization. There were no individual investments that represent five percent or more of the total investments at September 30, 2022.

Foreign Currency Risk Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan has exposure through international holding in a private placement trust fund. The Plan has exposure to currency fluctuations at September 30, 2022 as follows:

Country	City's Pension for Firefighters and Policemen of the Total Private Placement Fund (Valued in U.S. Dollars)	
Australia	\$	946,883
Canada		1,982,296
China		5,535,032
Euro		13,514,253
Japan		8,367,982
Romania		1,035,413
Russia		612,010
South Korea		796,767
United States		3,995,384
United Kingdom		1,705,159
	\$	38,491,179

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

Credit risk is generally measured by the assignment of a rating by a nationally recognized rating organization. The following table discloses credit ratings by investment type at September 30, 2022:

City Pension Fund for Firefighters and Police Officers:

	Fair Value	Percentage of Portfolio
U.S. Government Securities	57,224,083	24.6 %
Quality rating of credit risk debt securities		
Aaa	\$ 16,715,166	7.20
Aa	9,607,744	4.14
Aa1	1,635,247	0.70
Aa2	1,510,645	0.65
Aa3	5,820,947	2.51
A	6,539,651	2.81
A1	30,004,949	12.92
A2	31,138,543	13.41
A3	30,543,193	13.15
Baa1	17,241,315	7.42
Baa2	10,030,893	4.32
Baa	10,919,948	4.70
Ba	1,732,103	0.75
B	854,504	0.37
Caa	712,087	0.31
Total fixed income securities	<u>\$ 232,231,018</u>	<u>100.00 %</u>

Miami Beach Employees' Retirement Plan:

	Fair Value	Percentage of Portfolio
Quality rating of credit risk debt securities		
AAA-A-	\$ 86,369,819	65.92 %
BBB-B-	21,218,485	16.19
Below B	633,697	0.48
Not Provided	22,806,810	17.41
Total credit risk debt securities	<u>\$ 131,028,811</u>	<u>100.00 %</u>

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

Firemen's Relief and Pension Fund:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	
U.S. Government Securities	\$ 861,095	18.41	%
Quality rating of credit risk debt securities			
Aaa	95,400	2.04	
Aa1	241,723	5.17	
Aa2	77,469	1.66	
Aa3	98,470	2.10	
A1	271,475	5.80	
A2	420,737	9.00	
A3	1,187,948	25.40	
Baa1	1,259,651	26.93	
Baa2	163,292	3.49	
Total credit risk debt securities	<u>3,816,165</u>	<u>81.59</u>	
 Total fixed income securities	 <u>\$ 4,677,260</u>	 <u>100.00</u>	 %

Policemen's Relief and Pension Fund:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	
U.S. Government Securities	\$ 2,548,395	66.80	%
Quality rating of credit risk debt securities			
Aaa	45,906	1.20	
Aa3	98,471	2.58	
A1	509,964	13.37	
A2	233,172	6.11	
Baa1	379,065	9.94	
Total credit risk debt securities	<u>1,266,578</u>	<u>33.20</u>	
 Total fixed income securities	 <u>\$ 3,814,973</u>	 <u>100.00</u>	 %

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

As of September 30, 2022, the total pension system had the following cash and investments in its portfolio:

		Fair Value
Short term investments	\$	17,730,538
U.S. government securities		60,633,573
Corporate bonds and notes		141,598,499
Bond funds		169,134,991
Common stocks and index funds		789,703,328
Foreign stocks		155,360,483
Real estate funds		325,168,942
Infrastructure investments		37,618,998
Mutual funds		94,901,536
Hedge Fund		10,740,507
Total cash and investments	\$	1,802,591,395

Fair Value Measurement: GASB Statement No. 72, addressed the accounting and financial reporting issues related to fair value measurements and defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

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

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

The City Pension Fund for Firefighters and Police Officers has the following recurring fair value measurements as of September 30, 2022:

<u>Investments by fair value level</u>	<u>2022</u>	<u>Fair Value Measurements Using</u>	
		<u>Level 1</u>	<u>Level 2</u>
Equity securities			
Common stocks	\$ 309,623,518	\$ 309,623,518	
Commingled domestic equity funds	167,788,145	167,788,145	
Commingled international equity fund:	47,469,058		47,469,058
Total equity securities	<u>524,880,721</u>	<u>477,411,663</u>	<u>47,469,058</u>
Debt securities			
Government and agency obligations	41,721,126	41,721,126	-
Municipal/provincial obligations	15,502,957		15,502,957
Corporate bonds	136,515,756		136,515,756
International private placement	38,491,179		38,491,179
Total debt securities	<u>232,231,018</u>	<u>41,721,126</u>	<u>190,509,892</u>
Mutual funds	38,787,144		38,787,144
Total investments by fair value level	<u>\$ 795,898,883</u>	<u>\$ 519,132,789</u>	<u>\$ 276,766,094</u>
<u>Investments measured at the net asset value (NAV)</u>			
Real estate fund	201,623,114		
Hedge Fund	10,740,507		
Total investments measured at net asset value	<u>212,363,621</u>		
Money market funds (exempt)	12,662,159		
Total investments	<u>\$ 1,020,924,663</u>		

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

Equity securities: These include common stock, domestic and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2022. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

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

**CITY OF MIAMI BEACH, FLORIDA
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Real estate: Real estate funds are valued using their respective net asset value (“NAV”) as of September 30, 2022. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

The Plans valuation methods for investments measured at the net asset value (“NAV”) per share (or its equivalent) as of September 30, 2022, are as follows:

	Investments Measured at the NAV		
	2022	Redemption Frequency	Redemption Notice Period
Real estate fund ⁽¹⁾	\$ 69,543,905	Quarterly	45 Days
Real estate fund ⁽²⁾	65,015,753	Quarterly	45 Days
Real estate fund ⁽²⁾	67,063,456	Quarterly	45 Days
Hedge Fund ⁽³⁾	10,740,507	Quarterly	70 Days
Total investments measured at the NAV	\$ 212,363,621		

There were no unfunded commitments at September 30, 2022.

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

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

(3) This fund is a diversified portfolio with an objective to generate a superior absolute and risk-adjusted rate of return, with low performance volatility and low correlation with global equity and fixed income markets, over a full market cycle; and preserve capital during challenging market environments. The investment is valued at NAV and redemption requests must be received by the fund 70 days prior to quarter end.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The Miami Beach Employees' Retirement Plan has the following recurring fair value measurements as of September 30, 2022:

Investments by fair value level	2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Equity securities				
Domestic equities				
S&P Index	\$ 79,358,365	\$ -	\$ 79,358,365	\$ -
Large cap fund PLUS	120,914,983	-	120,914,983	-
Mid-cap index fund	31,682,610	-	31,682,610	-
Small-cap index	63,160,219	35,286,035	27,874,184	-
International equities				
International equity growth	75,793,042	-	75,793,042	-
Emerging markets core	32,098,383	32,098,383	-	-
Mutual fund equities (DROP)	16,841,731	16,841,731	-	-
Total equity securities	<u>419,849,333</u>	<u>84,226,149</u>	<u>335,623,184</u>	<u>-</u>
Fixed income	-			
Core bond index fund	28,607,761	-	28,607,761	-
Bond fund	102,036,051	-	102,036,051	-
Fixed Income Fund (DROP)	384,999	-	384,999	-
Total fixed income	<u>131,028,811</u>	<u>-</u>	<u>131,028,811</u>	<u>-</u>
Real estate strategic property fund	119,294,632	-	-	119,294,632
Total investments by fair value level	<u>\$ 670,172,776</u>	<u>\$ 84,226,149</u>	<u>\$ 466,651,995</u>	<u>\$ 119,294,632</u>
Investment measured at the net asset value (NAV)				
Infrastructure fund	<u>37,618,998</u>			
Total investment measured at NAV	<u>37,618,998</u>			
Short-term investment fund (exempt)	1,808,811			
Total investments	<u>\$ 709,600,585</u>			

Investments Measured at the NAV

	Fair Value	Redemption Frequency (if Currency Eligible)	Redemption Notice
Infrastructure Fund	<u>\$ 37,618,998</u>	Semi-annual	90 Days

At September 30, 2022, there were no unfunded commitments. This fund is focused on identifying a universe of investments that best meet the portfolio's risk management objectives. This involves the identification of investments that have assets predominantly invested in developed economies. Limits have been applied to country and regional exposure. The return pattern expected from global infrastructure is an inflationary return component plus a substantial premium, as well as competitive performance relative to the S&P Global Infrastructure Index. The fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments held by the fund less its liability.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The Firemen's Relief and Pension Fund had the following recurring fair value measurements as of September 30, 2022:

Investments by fair value level	2022	Fair Value Measurements Using	
		Level 1	Level 2
Equity Securities			
common stocks	\$ 12,290,685	\$ 12,290,685	\$ -
Total equity securities	12,290,685	12,290,685	-
Debt securities			
U.S. treasury securities	688,657	688,657	-
U.S. agency securities	172,438	-	172,438
Corporate bonds	3,816,165	-	3,816,165
Total debt securities	4,677,260	688,657	3,988,603
Total Investments by fair value level	\$ 16,967,945	\$ 12,979,342	\$ 3,988,603
Investments measured at the net asset value (NAV)			
Real estate fund	\$ 2,201,720		
Total investments measured at NAV	2,201,720		
Money market funds (exempt)	2,370,957		
Total investments	\$ 21,540,622		

Investments Measured at the NAV

	Fair Value	Redemption Frequency (if Currency Eligible)	Notice Period
Real estate fund	\$ 2,201,720	Quarterly	10 days

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The Policemen's Relief and Pension Fund have the following recurring fair value measurements as of September 30, 2022:

Investments by fair value level	2022	Fair Value Measurements Using	
		Level 1	Level 2
U.S. Treasury securities	2,548,395	2,548,395	-
Equity Securities	4,884,803	4,884,803	-
Corporate bonds	1,266,578	1,266,578	-
Total debt securities	8,699,776	8,699,776	-
Total Investments by fair value level	<u>\$ 8,699,776</u>	<u>\$ 8,699,776</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)			
Real estate fund	\$ 2,049,476		
Total investments measured at NAV	<u>2,049,476</u>		
Money market funds (exempt)	888,611		
Total investments	<u>\$ 11,637,863</u>		

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the System's deposits may not be returned to it. Consistent with the System's investment policy, the investments are held by the System's custodial bank and registered in the System's name. All System's deposits are insured and or collateralized by a financial institution separate from the System's depository financial institution. At September 30, 2022, the Miami Beach Employees' Retirement Plan had an uninsured cash balance of approximately \$1,230,000 with one financial institution.

City's OPEB Trust:

At September 30, 2022, the City's OPEB Trust Fund investments were comprised of \$429,307 in cash and money market accounts and \$38,887,662 in mutual funds.

Fair Value Measurement: GASB Statement No. 72, addressed the accounting and financial reporting issues related to fair value measurements and defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

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

The OPEB Trust had the following fair value measurements at September 30, 2022:

	2022
Investments measured at the net asset value (NAV)	
Mutual Funds	\$ 38,887,662
Total investments measured at the net asset value (NAV)	38,887,662
Total Investments	\$ 38,887,662

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

	2022			
	Investments Measured at the NAV			
	2022	Unfunded Commitments	Redemption Frequency	Redemption Noticed Period
Mutual Fund	\$ 38,887,662	N/A	Daily	Same Day

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a financial institutional failure, the System's deposits may not be returned to it. Consistent with the City's investment policy, the investments are registered in the City's name. All City deposits are insured and or collateralized by a financial institution separate from the System's depository financial institution. At September 30, 2022, the Plan had an uninsured cash balance of approximately \$429,000 with one financial institution.

Discretely Presented Component Units:

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

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

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

NOTE 4 – Accounts Receivables

Receivables at September 30, 2022 for the City's individual major and nonmajor funds and internal service in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds/ Governmental Type Activities							
Fund Level:	General	Resort Tax	Miami Beach Redevelopm ent Agency	Capital Projects	Non Major Funds	Internal Service	Total
Receivables:							
Accounts	\$ 7,303,603	\$ 6,087,298	\$ -	\$ -	\$ 459,495	\$ 71,002	\$ 13,921,398
Special Assessments	-	551,638	-	74,303	-	-	625,941
Gross receivables	<u>7,303,603</u>	<u>6,638,936</u>	<u>-</u>	<u>74,303</u>	<u>459,495</u>	<u>71,002</u>	<u>14,547,339</u>
Less: allowance for uncollectible accounts	(3,483,151)	-	-	-	(176,015)	(63,829)	(3,722,995)
Net receivables	<u>\$ 3,820,452</u>	<u>\$ 6,638,936</u>	<u>\$ -</u>	<u>\$ 74,303</u>	<u>\$ 283,480</u>	<u>\$ 7,173</u>	<u>\$ 10,824,344</u>
Accrued Interest	1,897,248	-	178,980	211,563	-	-	2,287,791
Government Wide:							
Taxes	1,610,123	-	-	-	80,721	-	1,690,844
Total	<u>\$ 7,327,823</u>	<u>\$ 6,638,936</u>	<u>\$ 178,980</u>	<u>285,866</u>	<u>\$ 364,201</u>	<u>\$ 7,173</u>	<u>\$ 14,802,979</u>

Proprietary Funds/ Business Type Activities						
Fund Level:	Storm Water	Water and Sewer	Parking	Convention Center Complex	Nonmajor Funds	Total
Receivables:						
Accounts	\$ 6,916,822	\$ 17,188,393	\$ 701,050	\$ 15,615,850	\$ 1,255,473	\$ 41,677,588
Gross receivables	<u>6,916,822</u>	<u>17,188,393</u>	<u>701,050</u>	<u>15,615,850</u>	<u>1,255,473</u>	<u>41,677,588</u>
Less: allowance for uncollectible accounts	(3,607,166)	(4,615,971)	(30,558)	-	(555,212)	(8,808,907)
Net receivables	<u>\$ 3,309,656</u>	<u>\$ 12,572,422</u>	<u>\$ 670,492</u>	<u>\$ 15,615,850</u>	<u>\$ 700,261</u>	<u>\$ 32,868,681</u>
Accrued Interest	14,781	2,713	5,703	-	-	23,197
Total	<u>\$ 3,324,437</u>	<u>\$ 12,575,135</u>	<u>\$ 676,195</u>	<u>\$ 15,615,850</u>	<u>\$ 700,261</u>	<u>\$ 32,891,878</u>

NOTE 5 - Property Taxes

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

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

NOTE 6 - Capital Assets

Capital asset activities for the year ended September 30, 2022, were as follows:

Primary Government

Governmental activities:

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 59,104,058	\$ 1,028,101	\$ -	\$ 60,132,159
Intangible assets	4,181,941	-	-	4,181,941
Construction work-in-progress	249,200,843	28,618,609	23,702,233	254,117,219
Total capital assets, not being depreciated	<u>312,486,842</u>	<u>29,646,710</u>	<u>23,702,233</u>	<u>318,431,319</u>
Capital assets, being depreciated:				
Building and structures	137,117,959	894,340	-	138,012,299
Permanent improvements	397,888,905	253,986	-	398,142,891
Furniture & fixtures	9,605,663	1,340,648	8,374	10,937,937
Machinery and equipment	88,542,771	6,314,224	2,740,560	92,116,435
Infrastructure	252,197,462	21,037,163	-	273,234,625
Total capital assets, being depreciated	<u>885,352,760</u>	<u>29,840,361</u>	<u>2,748,934</u>	<u>912,444,187</u>
Less: accumulated depreciation for:				
Building and structures	61,336,677	2,616,767	-	63,953,444
Permanent improvements	169,234,491	11,790,096	-	181,024,587
Furniture & fixtures	8,215,734	625,132	8,374	8,832,492
Machinery and equipment	61,116,359	7,166,607	2,707,159	65,575,807
Infrastructure	159,160,048	7,624,179	-	166,784,227
Total accumulated depreciation	<u>459,063,309</u>	<u>29,822,781</u>	<u>2,715,533</u>	<u>486,170,557</u>
Total capital assets, being depreciated, net	<u>426,289,451</u>	<u>17,580</u>	<u>33,401</u>	<u>426,273,630</u>
Governmental activities capital assets, net	<u>\$ 738,776,293</u>	<u>\$ 29,664,290</u>	<u>\$ 23,735,634</u>	<u>\$ 744,704,949</u>

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

Government Activities:

General government	\$ 7,926,420
Public safety	2,418,538
Physical environment	332,931
Transportation	9,635,552
Economic environment	308,323
Culture and recreation	9,201,017
Total depreciation expense – governmental	<u>\$29,822,781</u>

Accumulated Depreciation – For governmental activities, the increase in accumulated depreciation includes \$5,748,241 of depreciation expenses for internal services.

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

**Primary Government
Business-type activities:**

	<u>Beginning Balance</u>	<u>Adjustments/ Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 25,848,303	\$ -	\$ -	\$ 25,848,303
Intangible assets	4,318,059	-	-	4,318,059
Construction work-in-progress	<u>265,884,004</u>	<u>16,504,610</u>	<u>13,431,226</u>	<u>268,957,388</u>
Total capital assets, not being depreciated	<u>296,050,366</u>	<u>16,504,610</u>	<u>13,431,226</u>	<u>299,123,750</u>
Capital assets, being depreciated:				
Buildings & Structure/Parking Lots	850,173,129	12,071,948	-	862,245,077
Mains & Lines	295,727,507	2,535,450	-	298,262,957
Meters & Hydrants	30,652,788	2,639,138	-	33,291,926
Furniture & fixtures, equipment	<u>78,696,255</u>	<u>5,052,750</u>	<u>1,174,978</u>	<u>82,574,027</u>
Total capital assets, being depreciated	<u>1,255,249,679</u>	<u>22,299,286</u>	<u>1,174,978</u>	<u>1,276,373,987</u>
Less: accumulated depreciation for:				
Buildings & Structure/Parking Lots	114,811,032	17,229,319	-	132,040,351
Mains & Lines	80,037,887	7,278,792	-	87,316,679
Meters & Hydrants	26,497,039	391,240	-	26,888,279
Furniture & fixtures, equipment	<u>48,406,025</u>	<u>4,029,752</u>	<u>1,132,908</u>	<u>51,302,869</u>
Total accumulated depreciation	<u>269,751,983</u>	<u>28,929,103</u>	<u>1,132,908</u>	<u>297,548,178</u>
Total capital assets, being depreciated, net	<u>985,497,696</u>	<u>(6,629,817)</u>	<u>42,070</u>	<u>978,825,809</u>
Business-type activities, combined capital assets, net	<u>\$ 1,281,548,062</u>	<u>\$ 9,874,793</u>	<u>\$ 13,473,296</u>	<u>\$ 1,277,949,559</u>

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

<u>Business-type activities:</u>	
Water & Sewer	\$ 6,170,141
Stormwater	4,065,216
Parking Systems	4,526,885
Convention Center Complex	12,092,653
Nonmajor Enterprise	<u>2,074,208</u>
Total depreciation expense – business-type activities	<u>\$28,929,103</u>

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

Right-to-Use Assets

The City is the lessee for non-cancellable leases of land, buildings, equipment, and vehicles. The City recognizes lease liabilities and an intangible right-to-use the leased assets (right-to-use assets) in the government-wide and proprietary financial statements. The right-to-use assets are being amortized on a straight-line basis over the lease terms.

Right-to-use asset activity for governmental activities for the year ended September 30, 2022 was as follows:

**Primary Government
Governmental activities:**

	Beginning Balance (As restated)*	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Right-to-use assets:				
Land	\$ 2,695,554	\$ 7,874	\$ -	\$ 2,703,428
Building	16,511,259	-	-	16,511,259
Equipment	106,329	-	-	106,329
Vehicles	-	366,612	-	366,612
Total	19,313,142	374,486	-	19,687,628
Accumulated amortization:				
Land	-	188,977	-	188,977
Building	-	1,283,720	-	1,283,720
Equipment	-	50,234	-	50,234
Vehicles	-	63,731	-	63,731
Total	-	1,586,662	-	1,586,662
Right-to-use assets, net	<u>19,313,142</u>	<u>(1,212,176)</u>	<u>-</u>	<u>18,100,966</u>

*The City implemented GASB Statement No. 87 in fiscal year 2022.

Accumulated Amortization – For governmental activities, the increase in accumulated amortization includes \$625,381 of amortization expenses for internal services.

Right-to-use asset activity for business-type activities for the year ended September 30, 2022 was as follows:

**Primary Government
Business-type activities:**

	Beginning Balance (As restated)*	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Right-to-use assets:				
Building	\$ 126,202	\$ -	\$ -	\$ 126,202
Total	126,202	-	-	126,202
Accumulated amortization:				
Building	-	56,090	-	56,090
Total	-	56,090	-	56,090
Right-to-use assets, net	<u>126,202</u>	<u>(56,090)</u>	<u>-</u>	<u>70,112</u>

*The City implemented GASB Statement No. 87 in fiscal year 2022.

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

Net Investment in Capital Assets

The total net investment in capital assets at September 30, 2022 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets, net	\$ 744,704,949	\$ 1,277,949,559
Right-to-use assets, net	18,100,966	70,112
Long-term obligations, net of premium	(212,230,285)	(480,390,595)
Payables	(2,623,266)	(33,457,938)
Unspent debt proceeds	97,037,365	139,149,022
	<u>\$ 644,989,729</u>	<u>\$ 903,320,160</u>

NOTE 7 – Construction and other Commitments

At September 30, 2022, the City funds had active construction projects which includes, but is not limited to water; wastewater and storm water improvements; as well as a variety of streetscape enhancement projects. The following table presets these commitments by fund:

Construction Encumbrance	
Capital Project	\$ 41,547,963
Redevelopment Agency	3,053,863
Non Major Governmental	15,931,426
Storm Water Utility	62,506,686
Water & Sewer	26,855,156
Parking Systems	1,143,497
Convention Center Complex	575,534
Non-major Enterprise	9,883
	<u>\$ 151,624,008</u>

The City funds had the following encumbrance commitments at September 30, 2022:

Operating Encumbrance	
General	\$ 4,423,628
Resort Tax	18,934
Redevelopment Agency	77,992
Other Governmental	3,970,572
Internal Service	12,299,758
Storm Water Utility	665,551
Water & Sewer	8,453,167
Parking Systems	2,047,570
Convention Center Complex	230,561
Non-major Enterprise	1,711,292
	<u>\$ 33,899,025</u>

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

NOTE 8 - Interfund Receivables, Payables and Transfers

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

Transfer To	Transfer From										Total	
	General	Resort Tax	Redevelopment Agency	Capital Projects	Other Governmental	Storm Water	Parking	Convention Center	Nonmajor Enterprise	Internal Service		
General	\$ -	\$ 38,924,914	\$ -	\$ -	\$ 7,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,932,352
Capital Projects	39,338,000	-	14,200,000	-	-	-	-	-	-	-	-	53,538,000
Other Governmental	1,180,000	31,751,378	23,213,369	11,971	247,089	449,159	38,000	1,098,000	3,000	358,000	-	58,349,966
Convention Center	-	6,299,410	4,000,000	-	-	-	-	-	-	-	-	10,299,410
Nonmajor Enterprise	-	3,040,000	12,900,000	-	-	957,000	-	-	478,000	-	-	17,375,000
Internal Service	300,000	-	-	-	-	-	-	-	-	-	-	300,000
	<u>\$ 40,818,000</u>	<u>\$ 80,015,702</u>	<u>\$ 54,313,369</u>	<u>\$ 11,971</u>	<u>\$ 254,527</u>	<u>\$ 1,406,159</u>	<u>\$ 38,000</u>	<u>\$ 1,098,000</u>	<u>\$ 481,000</u>	<u>\$ 358,000</u>	<u>\$ -</u>	<u>\$ 178,794,728</u>

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

The General Fund transferred \$34.1 million to the Capital pay-as-you-go fund and \$5.2 million to the Capital Reserve fund to fund anticipated capital project gaps.

The resort tax fund transferred to the general fund \$38.9 million for citywide tourism-eligible expenses. The resort tax fund also transferred \$12.5 million for debt services, \$11.6 million for transportation, \$1.9 million for cultural arts council programs, \$6.3 million to the Convention Center capital renewal and replacement fund for improving and maintaining the Convention Center, \$3 million to the Sanitation Fund for Sanitation services provided in tourism areas and \$5.8 million to other funds to fund various south beach, middle and north beach approved projects.

Redevelopment Agency (RDA) Fund transferred \$14.2 million to the RDA Capital fund to fund the contractually required payments related to the Miami Beach Convention Center project final settlement agreement, \$7 million to RDA Parking garage and \$5.9 million to RDA Anchor Shops to reimburse the city for payments related to the aforementioned settlement agreement, \$21.7 million to other governmental funds for debt service payments, \$4 million for convention center contribution for expenses related to the Convention Center renovation and expansion project, and \$1.5 million transferred to the Beach Renourishment fund for an annual beach renourishment reimbursement to the County and the City.

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

Interfund Balance at September 30, 2022, consisted of the following:

Payable fund (Due To)	Receivable fund(Due From)						Total
	General Fund	Resort Taxes	Redev-lopment	Capital	NMG	NME	
General Fund	\$ -	\$ -	\$ 492,993	\$ 1,035,760	\$ 1,581,778	\$ 498,802	\$ 3,609,333
NMG	834	898,951	-	-	-	-	899,785
NME	500,935	-	-	-	-	-	500,935
	<u>\$ 501,769</u>	<u>\$ 898,951</u>	<u>\$ 492,993</u>	<u>\$ 1,035,760</u>	<u>\$ 1,581,778</u>	<u>\$ 498,802</u>	<u>\$ 5,010,053</u>

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

As of September 30, 2022, the General Fund was due a total of \$3.6 million, from other funds. Of that amount \$493 thousand is due from the Redevelopment Agency (RDA) for disbursements paid from the general depository pooled account pending reimbursement from the RDA fund. An interfund loan for the Sunset Island underground utilities project in the amount of \$1.5 million and \$45 thousand due from CDBG grant fund for disbursements paid from the general depository pooled account pending reimbursement from the CDBG fund. Capital project expenses from the general depository pooled account and need reimbursement from RDA 2015 Bonds Convention Center fund for \$706 thousand and \$330 thousand for RDA City Center Capital projects fund. A total of \$499 thousand is also due from enterprise funds, RDA leasing, and RDA garages to the general fund.

Note 9 – Leases

The financial statements for the year ended September 30, 2022 include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Balances at October 1, 2021 were restated in accordance with the GASB requirements.

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

A. Leases Receivable

Details of the City's leases receivable by lease for governmental activities for the year ended September 30, 2022 was as follows:

Leases Receivable

Governmental activities:			Term	Interest	Number	Extension	Beginning			Receipts/	Ending	Interest	Fixed		
Reference	Fund	Asset Type	Start Date	End Date	as of	Rate	Extension	of	Period	Balance	Additions	Reductions	Balance	Income	Annual Payment
					10/10/2021	in %	Option	Options	(in months)	(As restated)					
2021-001	General	Buildings	10/1/2021	9/30/2026	60	0.86	Yes	2	24	\$ 337,353	\$ -	\$ 62,513	\$ 274,840	\$ 2,417	\$ 64,930
2021-002	General	Buildings	10/1/2021	11/30/2024	38	0.49	Yes	1	36	80,151	-	24,404	55,747	307	24,711
2021-005	General	Buildings	10/1/2021	3/31/2025	42	0.56	Yes	2	36	104,010	-	29,545	74,465	455	30,000
2021-006	General	Buildings	10/1/2021	7/31/2024	24	0.41	Yes	2	24	84,526	-	29,740	54,786	260	30,000
2021-020	General	Land	10/1/2021	12/31/2024	39	0.49	Yes	2	120	951,384	-	316,089	635,295	3,911	320,000
2021-026	General	Land	10/1/2021	5/6/2026	55	0.71	No	-	-	1,799,818	-	381,500	1,418,318	10,500	392,000
2021-028	General	Land	1/1/2022	12/31/2045	288	2.16	Yes	2	120	-	25,690,927	415,654	25,275,273	366,259	781,913
2021-029	General	Land	10/1/2021	4/30/2027	67	0.89	Yes	1	57	333,553	-	54,088	279,465	2,512	56,600
2021-030	General	Buildings	10/1/2021	7/31/2027	70	1.08	Yes	2	360	196,137	-	32,898	163,239	1,781	34,679
2021-033	General	Land	10/1/2021	8/31/2049	35	2.41	Yes	2	240	1,830,867	-	50,120	1,780,747	39,880	90,000
2021-034	General	Land	10/1/2021	11/30/2039	218	1.75	Yes	1	120	766,682	-	37,239	729,443	11,976	49,215
2021-035	General	Land	10/1/2021	4/30/2053	379	2.43	Yes	2	240	695,956	-	16,203	679,753	15,338	31,541
2021-044	General	Buildings	11/14/2021	7/20/2024	30	0.38	Yes	1	60	-	1,094,648	407,196	687,452	-	407,196
General Fund Total										\$ 7,180,437	\$ 26,785,575	\$ 1,857,189	\$ 32,108,823	\$ 455,596	\$ 2,312,785

Details of the City's leases receivable by lease for business-type activities for the year ended September 30, 2022 was as follows:

Leases Receivable

Business-type activities:			Term	Interest	Number	Extension	Beginning			Receipts/	Ending	Interest	Fixed		
Reference	Fund	Asset Type	Start Date	End Date	as of	Rate	Extension	of	Period	Balance	Additions	Reductions	Balance	Income	Annual Payment
					10/10/2021	in %	Option	Options	(in months)	(As restated)					
2021-011	RDA Leasing	Buildings	10/1/2021	12/31/2025	51	0.67	No	-	-	\$ 707,244	\$ -	\$ 164,902	\$ 542,342	\$ 3,848	\$ 168,750
2021-014	RDA Leasing	Buildings	10/1/2021	1/14/2025	39	0.49	Yes	2	60	-	921,096	222,749	698,347	8,683	231,432
RDA Leasing Total										707,244	921,096	387,651	1,240,689	12,531	400,182
2021-026	Parking	Land	10/1/2021	5/6/2026	55	0.71	No	-	-	36,731	-	7,786	28,945	214	8,000
2021-033	Parking	Land	10/1/2021	8/31/2049	35	2.41	Yes	2	240	4,272,024	-	116,947	4,155,077	93,053	210,000
2021-034	Parking	Land	10/1/2021	11/30/2039	218	1.75	Yes	1	120	975,777	-	47,395	928,382	15,242	62,637
2021-035	Parking	Land	10/1/2021	4/30/2053	379	2.43	Yes	2	240	1,623,898	-	37,808	1,586,090	35,788	73,596
2021-045	Parking	Land	10/1/2021	7/22/2026	57	0.71	No	-	-	26,733	-	5,468	21,265	157	5,625
Parking Total										6,935,163	-	215,404	6,719,759	144,454	359,858
Business-type activities Total										\$ 7,642,407	\$ 921,096	\$ 603,055	\$ 7,960,448	\$ 156,985	\$ 760,040

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

Details of the City's leases deferred inflow by lease for governmental activities for the year ended September 30, 2022 was as follows:

**Leases Deferred Inflow
Governmental activities:**

Reference	Fund	Asset Type	Beginning Balance (As restated)	Additions	Reductions	Ending Balance
2021-001	General	Buildings	\$ 337,353	\$ -	\$ 67,471	\$ 269,882
2021-002	General	Buildings	80,151	-	25,311	54,840
2021-005	General	Buildings	104,010	-	29,717	74,293
2021-006	General	Buildings	84,526	-	29,833	54,693
2021-020	General	Land	951,384	-	292,733	658,651
2021-026	General	Land	1,799,818	-	391,265	1,408,553
2021-028	General	Land	-	25,690,927	802,842	24,888,085
2021-029	General	Land	333,553	-	59,741	273,812
2021-030	General	Buildings	196,137	-	33,623	162,514
2021-033	General	Land	1,830,867	-	65,583	1,765,284
2021-034	General	Land	766,682	-	42,203	724,479
2021-035	General	Land	695,956	-	22,035	673,921
2021-044	General	Buildings	-	1,094,648	321,255	773,393
General Fund Total			\$ 7,180,437	\$ 26,785,575	\$ 2,183,612	\$ 31,782,400

Details of the City's leases deferred inflow by lease for business-type activities for the year ended September 30, 2022 was as follows:

**Leases Deferred Inflow
Business-type activities:**

Reference	Fund	Asset Type	Beginning Balance (As restated)	Additions	Reductions	Ending Balance
2021-011	RDA Leasing	Buildings	\$ 707,244	\$ -	\$ 166,411	\$ 540,833
2021-014	RDA Leasing	Buildings	-	921,096	212,659	708,437
RDA Leasing Total			707,244	921,096	379,070	1,249,270
2021-026	Parking	Land	36,731	-	7,985	28,746
2021-033	Parking	Land	4,272,024	-	153,028	4,118,996
2021-034	Parking	Land	975,777	-	53,713	922,064
2021-035	Parking	Land	1,623,898	-	51,416	1,572,482
2021-045	Parking	Land	26,733	-	5,556	21,177
Parking Total			6,935,163	-	271,698	6,663,465
Business-type activities Total			\$ 7,642,407	\$ 921,096	\$ 650,768	\$ 7,912,735

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

B. Leases Liabilities

Details of the City's leases liabilities by lease for governmental activities for the year ended September 30, 2022 was as follows:

Leases Payable

Governmental activities:

Reference	Fund	Asset Type	Start Date	End Date	Term as of 10/10/2021	Interest Rate in %	Extension Option	Number of Options	Extension Period (in months)	Beginning Balance (As restated)	Additions	Payments/ Reductions	Ending Balance	Interest Expense	Fixed Annual Payment
2021-502	General	Buildings	10/1/2021	12/31/2032	135	1.48	No	-	-	\$ 307,518	\$ -	\$ 19,564	\$ 287,954	\$ 4,029	\$ 23,593
2021-518	General	Buildings	10/1/2021	9/30/2025	48	0.56	Yes	1	60	356,114	-	88,412	267,702	1,588	90,000
2021-519	General	Buildings	10/1/2021	8/31/2024	35	0.41	Yes	2	36	671,908	-	223,183	448,725	2,095	225,278
2021-520	General	Buildings	10/1/2021	4/8/2104	990	2.01	Yes	1	1,212	5,984,909	-	57,615	5,927,294	90,334	147,949
2021-521	General	Buildings	10/1/2021	4/8/2104	990	2.01	No	-	-	4,566,312	-	43,708	4,522,604	69,178	112,886
2021-522	General	Land	10/1/2021	1/21/2036	171	1.61	No	-	-	2,695,554	-	190,179	2,505,375	24,975	215,154
2021-523	General	Land	5/17/2022	5/16/2027	60	2.29	No	-	-	-	7,874	1,647	6,227	-	1,647
2021-524	General	Buildings	10/1/2021	10/18/2100	948	2.01	No	-	-	2,022,237	-	20,231	2,002,006	30,625	50,856
2021-535	General	Buildings	10/1/2021	9/30/2026	60	0.71	Yes	4	60	1,054,158	-	20,000	1,034,158	-	20,000
2022-500	General	Vehicles	4/1/2022	3/31/2025	36	2.14	No	-	-	-	366,612	50,981	315,631	3,094	54,075
General Fund Total										<u>17,658,710</u>	<u>374,486</u>	<u>715,520</u>	<u>17,317,676</u>	<u>225,918</u>	<u>941,438</u>
2021-503	Central Services	Equipment	10/1/2021	11/12/2023	25	0.33	No	-	-	106,329	-	50,957	55,372	253	51,210
Central Services Total										<u>106,329</u>	<u>-</u>	<u>50,957</u>	<u>55,372</u>	<u>253</u>	<u>51,210</u>
2021-536	Communications	Buildings	10/1/2021	6/9/2024	32	0.41	No	-	-	1,548,104	-	517,791	1,030,313	526	518,317
Communications Total										<u>1,548,104</u>	<u>-</u>	<u>517,791</u>	<u>1,030,313</u>	<u>526</u>	<u>518,317</u>
Governmental activities Total										<u>\$ 19,313,143</u>	<u>\$ 374,486</u>	<u>\$ 1,284,268</u>	<u>\$ 18,403,361</u>	<u>\$ 226,697</u>	<u>\$ 1,510,965</u>

Details of the City's leases liabilities by lease for business-type activities for the year ended September 30, 2022 was as follows:

Leases Payable

Business-type activities:

Reference	Fund	Asset Type	Start Date	End Date	Term as of 10/10/2021	Interest Rate in %	Extension Option	Number of Options	Extension Period (in months)	Beginning Balance (As restated)	Additions	Payments/ Reductions	Ending Balance	Interest Expense	Fixed Annual Payment
2021-501	Building	Buildings	10/1/2021	12/31/2023	27	0.33	Yes	1	36	\$ 126,202	\$ -	\$ 54,958	\$ 71,244	\$ 297	\$ 55,255
Building Total										<u>\$ 126,202</u>	<u>\$ -</u>	<u>\$ 54,958</u>	<u>\$ 71,244</u>	<u>\$ 297</u>	<u>\$ 55,255</u>

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

Net Book Value of Right-to-use Assets

Net book value of right-to-use assets by lease for governmental activities for the year ended September 30, 2022 was as follows:

Primary Government

Governmental activities:

Reference	Fund	Asset Type	Beginning Balance (As restated)	Increases	Decreases	Ending Balance
2021-502	General	Buildings	\$ 307,518	\$ -	\$ 27,335	\$ 280,183
2021-518	General	Buildings	356,114	-	89,029	267,085
2021-519	General	Buildings	671,908	-	230,368	441,540
2021-520	General	Buildings	5,984,909	-	72,525	5,912,384
2021-521	General	Buildings	4,566,312	-	55,334	4,510,978
2021-522	General	Land	2,695,554	-	188,390	2,507,164
2021-523	General	Land	-	7,874	587	7,287
2021-524	General	Buildings	2,022,237	-	25,582	1,996,655
2021-535	General	Buildings	1,054,158	-	208,400	845,758
2022-500	General	Vehicles	-	366,612	63,731	302,881
		General Fund Total	<u>17,658,710</u>	<u>374,486</u>	<u>961,281</u>	<u>17,071,915</u>
2021-503	Central Services	Equipment	106,329	-	50,234	56,095
		Central Services Total	<u>106,329</u>	<u>-</u>	<u>50,234</u>	<u>56,095</u>
2021-536	Communications	Buildings	1,548,104	-	575,147	972,957
		Communications Total	<u>1,548,104</u>	<u>-</u>	<u>575,147</u>	<u>972,957</u>
		Governmental activities Total	<u>\$ 19,313,143</u>	<u>\$ 374,486</u>	<u>\$ 1,586,662</u>	<u>\$ 18,100,967</u>

Net book value of right-to-use assets by lease for business-type activities for the year ended September 30, 2022 was as follows:

Primary Government

Business-type activities:

Reference	Fund	Asset Type	Beginning Balance	Increases	Decreases	Ending Balance
2021-501	Building	Buildings	\$ 126,202	\$ -	\$ 56,090	\$ 70,112
		Building Total	<u>\$ 126,202</u>	<u>\$ -</u>	<u>\$ 56,090</u>	<u>\$ 70,112</u>

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

NOTE 10 - Long-Term Debt

A. General Obligation Bonds – Governmental Activities

The City issues general obligation bonds to provide funds for the acquisition, construction and improvements of major capital facilities. General obligation bonds have been issued for governmental activities. The amount of outstanding general obligation bonds issued is \$158,600,000. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 20 to 30 years bonds.

The General Obligation Bonds outstanding at September 30, 2022 consist of the following:

<u>Issue Name</u>	<u>Interest Rate</u>	<u>Year Issued</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Outstanding 9/30/2022</u>
General Obligation - Series 2011	3.00-5.00	2011	2023	\$ 34,840,000	\$ 2,175,000
General Obligation - Series 2019	3.00-5.00	2019	2049	<u>162,225,000</u>	<u>156,425,000</u>
Total General Obligation Bonds				<u>\$ 197,065,000</u>	<u>\$ 158,600,000</u>

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

On November 6, 2018, the electorate of the City of Miami Beach approved the issuance of \$439,000,000 of general obligation bonds, consisting of (i) \$169,000,000 for parks, recreational facilities, and cultural facilities, (ii) \$198,000,000 for neighborhoods and infrastructure, and (iii) \$72,000,000 for police, fire, public safety, and security improvements. As the overall \$439 million General Obligation Bond (GOB) program will be implemented over a period of approximately 10 to 12 years, rather than all at once, the City anticipates issuing tranches every 3 years. On May 2, 2019, the City issued the first tranche \$162,225,000 in General Obligation and Refunding Bonds, Series 2019. These Series of bonds were issued by the City for the purpose of (i) finance a portion of the costs of the City's (a) Public Safety Projects, (b) Neighborhood and Infrastructure Projects, and (c) Parks and Recreation and Cultural Facilities Projects; (ii) refunding the Series 2003 General Obligation Bonds maturing after September 1, 2033, and (iii) paying the costs of issuance of the Bonds. The General Obligation and Refunding Bonds, Series 2019 will be payable from ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City. The Series 2019 Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on November 1 and May 1 and will mature serially through May 1, 2049. At September 30, 2022, the City did not have any defeased General Obligation debt.

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

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

Fiscal Year Ending September 30	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2023	\$ 3,555,000	\$ 6,876,550	\$ 10,431,550
2024	5,165,000	6,698,800	11,863,800
2025	3,425,000	6,440,550	9,865,550
2026	2,960,000	6,269,300	9,229,300
2027	4,435,000	6,121,300	10,556,300
2028-2032	21,805,000	27,458,250	49,263,250
2033-2037	25,980,000	22,411,750	48,391,750
2038-2042	32,840,000	15,553,200	48,393,200
2043-2047	40,130,000	8,266,475	48,396,475
2048-2049	18,305,000	1,056,563	19,361,563
	\$ 158,600,000	\$ 107,152,738	\$ 265,752,738
Plus: Unamortized Bond Premium	15,530,554	-	15,530,554
	\$ 174,130,554	\$ 107,152,738	\$ 281,283,292

B. Special Obligation Bonds – Governmental Activities

At September 30, 2022 the outstanding principal of special obligation bond issues and repayment sources are as follows:

Issue Name	Repayment Source	Total Original Issue	Total Outstanding Principal
2015 Resort Tax Revenue Bonds	Resort tax revenue	\$ 194,920,000	\$ 169,690,000
2015A Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	286,245,000	274,185,000
2015B Tax Increment Revenue Refunding Bonds	RDA tax increment revenue	35,850,000	5,675,000
Total Special Obligation Bonds		\$ 517,015,000	\$ 449,550,000

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

In August 2007, the Resort Tax Refunding Bonds, Series 1996, were defeased. As a result, the outstanding balance of \$3,060,000 was removed from the governmental activities column of the statement of net position. At September 30, 2022, \$285,000 is still considered defeased.

On December 15, 2015 the City issued \$286,245,000 in Series 2015A Tax Increment Revenue and Revenue Refunding Bonds to provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Series 2005B; finance certain costs of acquiring and constructing renovations to the convention center and certain other improvements; and pay costs of issuance of the Series 2015A bonds. The Series 2015A bonds were issued with interest rates of 4.00% to 5.00% payable semiannually on February 1 and August 1.

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

On December 15, 2015 the City issued \$35,850,000 in taxable Series 2015B Tax Increment Revenue Refunding Bonds to provide for the advance refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 1998A; provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 2005A; and pay costs of issuance of the Series 2015B bonds. The Series 2015B bonds were issued with interest rates of 1.93% to 3.69% payable semiannually on February 1 and August 1. At September 30, 2022, did not have any defeased Tax Increment debt.

At September 30, 2022, debt service requirements to maturity for special obligation bonds are as follows:

Fiscal Year Ending September 30	Debt Service Requirements Special Obligation Bonds		
	Principal	Interest	Total
2023	\$ 12,155,000	\$ 22,027,697	\$ 34,182,697
2024	11,885,000	21,480,725	33,365,725
2025	12,480,000	20,876,975	33,356,975
2026	13,115,000	20,242,850	33,357,850
2027	13,785,000	19,576,475	33,361,475
2028-2032	79,620,000	87,195,625	166,815,625
2033-2037	102,005,000	64,802,625	166,807,625
2038-2042	130,670,000	36,129,875	166,799,875
2043-2045	73,835,000	5,344,175	79,179,175
	<u>\$ 449,550,000</u>	<u>\$ 297,677,022</u>	<u>\$ 747,227,022</u>
Plus: Net unamortized Bond Premium	34,792,586	-	34,792,586
	<u>\$ 484,342,586</u>	<u>\$ 297,677,022</u>	<u>\$ 782,019,608</u>

For the fiscal year ended September 30, 2022, maximum annual debt service on the RDA tax increment bonds was \$21,729,597 and the tax increment revenues totaled \$53,915,935. Remaining outstanding principal and interest is \$460,817,972.

For the fiscal year ended September 30, 2022, maximum annual debt service on the Resort Tax bonds was \$12,454,750 and the Resort Tax revenues totaled \$117,307,417. Remaining outstanding principal and interest is \$286,409,050

C. Revenue Bonds – Business-Type Activities

Parking Fund

On December 15, 2015, the City issued \$58,825,000 in Parking Revenue Bonds, Series 2015. The Series 2015 Bonds are being issued for the purpose of providing funds to finance a portion of the costs of constructing a new parking facility and improvements to a surface parking lot to service the City's convention center, which is being renovated, and pay the costs of issuing the Series 2015 Bonds. The Series 2015 Bonds were issued with interest rates of 3.00% to 5.00% payable semiannually on March 1 and September 1, and will mature through September 1, 2045. At September 30, 2022, no Parking obligations were considered defeased.

**CITY OF MIAMI BEACH, FLORIDA
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Parking Revenue Fund indebtedness at September 30, 2022, is comprised of the following issued indebtedness:

Initial Issuance	Description	Outstanding Principal
\$ 58,825,000	Series 2015 Parking Revenue Bonds due in annual installments through 2045: interest at 3.00% - 5.00%	\$ 58,225,000
	Total bonds outstanding	<u>\$ 58,225,000</u>

The aggregate maturities of Long-Term Debt at September 30, 2022, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2023	\$ 1,110,000	\$ 2,911,250	\$ 4,021,250
2024	1,165,000	2,855,750	4,020,750
2025	1,220,000	2,797,500	4,017,500
2026	1,280,000	2,736,500	4,016,500
2027	1,345,000	2,672,500	4,017,500
2028-2032	7,810,000	12,282,750	20,092,750
2033-2037	9,975,000	10,125,000	20,100,000
2038-2042	17,295,000	7,258,750	24,553,750
2043-2045	17,025,000	1,730,250	18,755,250
	<u>\$ 58,225,000</u>	<u>\$ 45,370,250</u>	<u>\$ 103,595,250</u>
Plus: Net Unamortized Bond Premium	4,769,050	-	4,769,050
	<u>\$ 62,994,050</u>	<u>\$ 45,370,250</u>	<u>\$ 108,364,300</u>

All parking revenue bonds are payable from and secured by a lien on and pledge of net revenues derived from the operation of the City's parking system. The total principal and interest remaining to be paid on all Parking bonds is \$103,595,250. Principal and interest paid for the current year and total customer net revenues were \$3,119,250 and \$25,436,880, respectively.

On August 4, 2020, the City entered into a direct borrowing loan agreement with one financial institution, which allowed the City to refinance the outstanding Parking Revenue Refunding Bonds Series 2010A and Series 2010B up to a maximum of \$32,431,335. The interest rate per annum equal to 1.850% computed based upon a 360-day year of twelve 30-day months on this loan agreement. The interest hereon in arrears on March 1 and September 1 of each year, commencing on September 1, 2020. The Loan is amortized over approximately 20 years with a final maturity date of September 1, 2040 but subject to mandatory tender for purchase on September 1, 2030. The revenue pledged to the loan is non-ad valorem covenant to budget and appropriated funding, however, the loan is paid with parking revenues and reported on the parking fund statement of net position. The parking fund debt covenant calculation as reported in the statistical section of this document, does not include this loan.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The aggregate maturities of Parking loans at September 30, 2022, are as follows:

Fiscal Year Ending September 30	Direct Borrowing/Loans		
	Principal	Interest	Total
2023	\$ 1,425,461	\$ 557,711	\$ 1,983,172
2024	1,452,232	531,340	1,983,572
2025	1,481,599	504,474	1,986,073
2026	1,509,364	477,064	1,986,428
2027	1,536,644	449,141	1,985,785
2028-2032	8,110,859	1,809,096	9,919,955
2033-2037	8,889,079	1,030,471	9,919,550
2038-2040	5,741,304	213,676	5,954,980
	<u>\$ 30,146,542</u>	<u>\$ 5,572,973</u>	<u>\$ 35,719,515</u>

Water and Sewer Fund

On December 14, 2017, the City issued \$115,180,000 in Water and Sewer Revenue and Refunding Bonds, Series 2017. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility and to fully refund the Series 2000, Series 2006B-2, and Series 2006 as of September 30, 2018. Principal is payable annually, interest is payable semiannually, will mature serially through September 2047 and the issue bears interest of 3.00% to 5.00%.

On October 14, 2021, the City issued \$32,480,000 in Water and Sewer Revenue Refunding Bonds, Series 2021A. The bonds will be repaid solely from the pledged revenues of the Water and Sewer System. The proceeds of the Series 2021A Bonds were used, together with other legally available moneys, to (i) refund and prepay the City's (a) \$10,000,000 outstanding principal amount of the City of Miami Beach, Florida Water and Sewer Revenue Refunding Bonds, Taxable Series 2009J-1B and (b) \$30,000,000 outstanding principal amount of City of Miami Beach, Florida Water and Sewer Revenue Bonds, Taxable Series 2009J-1C and together with the Series 2009J-1B Bonds, and (ii) pay the costs of issuance of the Series 2021A Bonds and the refunding and prepayment of the Refunded Bonds. The Bonds were issued with interest rates of 3.00% to 5.00%, payable semi-annually on March 1 and September 1, and will mature serially through September 2040.

At September 30, 2022, none of the bonds outstanding are considered defeased.

**CITY OF MIAMI BEACH, FLORIDA
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Indebtedness of the Water and Sewer Fund at September 30, 2022, is as follows:

Initial Issuance	Description	Outstanding Principal
\$ 115,180,000	2017 Water & Sewer Revenue and Refunding Bonds Due in semi-annual installments through 2047: Interest at 3.00 - 5.00%	\$ 108,650,000
\$ 32,480,000	2021A Water & Sewer Revenue Bonds Due in semi-annual installments through 2040: Interest at 3.00 - 5.00%	32,480,000
Total bonds outstanding		\$ 141,130,000

The aggregate maturities of long-term debt as of September 30, 2022, are as follows:

Fiscal Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2023	\$ 4,855,000	\$ 6,330,500	\$ 11,185,500
2024	5,050,000	6,136,050	11,186,050
2025	5,210,000	5,988,550	11,198,550
2026	5,475,000	5,728,050	11,203,050
2027	4,180,000	5,454,300	9,634,300
2028-2032	22,140,000	23,947,250	46,087,250
2033-2037	23,695,000	18,521,875	42,216,875
2038-2042	30,350,000	13,531,550	43,881,550
2043-2047	40,175,000	6,222,250	46,397,250
	\$ 141,130,000	\$ 91,860,375	\$ 232,990,375
Plus:			
Net Unamortized bond Premium	17,503,627	-	17,503,627
	\$ 158,633,627	\$ 91,860,375	\$ 250,494,002

All water & sewer revenue bonds are payable from and secured by a lien on and pledge of net revenues of the water and sewer utility and to the extent provided in the bond resolution, from impact fees, and from all moneys held in the funds and accounts established under the bond resolution. The total principal and interest remaining to be paid on the bonds is \$232,990,375. Principal and interest paid for the current year and total customer net revenues were \$7,406,818 and \$37,133,906 respectively.

Storm Water

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

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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September 1, 2045. The Series 2015 Bonds will be repaid solely from pledged revenues of the Stormwater System.

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

At September 30, 2022, none of the bonds outstanding are considered defeased.

Indebtedness of the Storm Water Fund at September 30, 2022, is as follows:

<u>Initial Issuance</u>	<u>Description</u>	<u>Outstanding Principal</u>
\$ 99,590,000	2015 Storm Water Revenue Bonds Due in annual installments through 2045: Interest at 2.00% - 5.00%	\$ 96,950,000
\$ 156,550,000	2017 Storm Water Revenue and Refunding Bonds Due in annual installments through 2047: Interest at 3.00% - 5.00%	149,630,000
	Total bonds outstanding	<u>\$ 246,580,000</u>

The aggregate maturities of long-term debt at September 30, 2022, are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,505,000	\$ 11,231,794	\$ 16,736,794
2024	5,770,000	10,965,169	16,735,169
2025	6,050,000	10,683,669	16,733,669
2026	6,345,000	10,388,369	16,733,369
2027	6,655,000	10,078,619	16,733,619
2028-2032	38,270,000	45,407,013	83,677,013
2033-2037	46,520,000	37,153,263	83,673,263
2038-2042	58,420,000	25,246,500	83,666,500
2043-2047	73,045,000	10,632,650	83,677,650
	<u>\$ 246,580,000</u>	<u>\$ 171,787,046</u>	<u>\$ 418,367,046</u>
Plus Unamortized Premium	17,741,060	-	17,741,060
	<u>\$ 264,321,060</u>	<u>\$ 171,787,046</u>	<u>\$ 436,108,106</u>

All storm water revenue bonds are payable from and secured by a lien on and pledge of net revenues of the stormwater utility and from all moneys held in the funds and accounts established under the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$418,367,046. Principal and interest paid for the current year and total customer net revenues were \$16,735,219 and \$25,781,442 respectively.

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

D. Equipment Loan

Fleet Loan:

On December 5, 2018, the City entered into an equipment loan agreement which allows the City to be reimbursed the purchase of vehicles and other equipment. The aggregate loan amount is for \$15,000,000 with funding available in \$500,000 disbursements. For advances payable over 60 months, the interest rate is the 3-year constant maturity Treasury Index multiplied by 75.50% plus 0.72%, for advances payable over 84 months, the interest rate is the 5-year constant maturity U.S. Treasury Index multiplied by 75.50% plus 0.71%, and for advances payable over 108 months, the interest rate is the 7 year constant maturity U.S. Treasury Index multiplied by 75.50% plus 0.94%.

At September 30, 2022, the City was indebted for \$10,310,356. These loans are recorded in the fleet internal service fund.

The aggregate maturities of loans at September 30, 2022, are as follows:

Fiscal Year Ending September 30	Direct Borrowing/Loans		
	Principal	Interest	Total
2023	\$ 2,915,997	\$ 183,585	\$ 3,099,582
2024	2,563,052	133,539	2,696,591
2025	2,169,017	89,912	2,258,929
2026	1,781,037	50,516	1,831,553
2027	881,253	16,959	898,212
	<u>\$ 10,310,356</u>	<u>\$ 474,511</u>	<u>\$ 10,784,867</u>

Energy Saving Obligation:

On August 4, 2020, the City entered into a direct borrowing loan agreement with one financial institution which allowed the City to refinance the outstanding equipment lease for the Energy Saving Obligation, up to a maximum of \$7,155,665. The interest rate per annum equal to 1.850% computed based upon a 360-day year of twelve 30-day months on this loan agreement. The City shall pay the bank interest hereon in arrears on March 1 and September 1 of each year, commencing on September 1, 2020. The revenue pledged and source of repayment to the loan is non-ad valorem covenant to budget and appropriated funding. This portion of the loan is expected to be repaid over a period of approximately 5 years.

Fiscal Year Ending September 30	Direct Borrowing/Loans		
	Principal	Interest	Total
2023	\$ 1,591,784	\$ 82,024	\$ 1,673,808
2024	1,681,436	52,576	1,734,012
2025	1,160,496	21,469	1,181,965
	<u>\$ 4,433,716</u>	<u>\$ 156,069</u>	<u>\$ 4,589,785</u>

**CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2022**

E. Clean Water State Revolving Loan (SRF)

On November 12, 2014, the City of Miami Beach entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. On November 24, 2020 Amendment No.1 to the Loan Agreement was executed. The semiannual loan payment amount is based on the total amount of \$7,697,180 which consist of the Loan principal, accrued Capitalized Interest plus the Loan Service Fee. Loan payments commenced on February 15, 2018 and semiannually thereafter on August 15 and February 15 of each year until all amounts due have been fully paid. The interest rate on this loan is 1.62% per annum. Loan disbursements from the State to the City will be made for reimbursements of allowable costs. As of September 30, 2022, \$7.5 million of allowable costs have been incurred by the City and \$7.5 million has been reimbursed from the State. The loan is recorded as a loan payable in the governmental activities of the City's government wide statements. The loan is secured by the Stormwater fund's pledged revenues and will be repaid with such funds.

The outstanding principal balance reported at September 30, 2022 is \$5,906,888.

The aggregate maturities of the loan at September 30, 2022, are as follows:

Fiscal Year Ending September 30	Direct Borrowing/Loan		
	Principal	Interest	Total
2023	\$ 350,883	\$ 94,276	\$ 445,159
2024	356,590	88,569	445,159
2025	362,390	82,769	445,159
2026	368,285	76,874	445,159
2027	374,275	70,884	445,159
2028-2032	1,964,698	261,097	2,225,795
2033-2037	2,129,767	96,030	2,225,797
	<u>\$ 5,906,888</u>	<u>\$ 770,499</u>	<u>\$ 6,677,387</u>

**CITY OF MIAMI BEACH, FLORIDA
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F. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, is as follows:

	<u>Beginning Balance*</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Governmental activities:									
Bonds payable:									
General Obligations	\$ 162,990,000	\$	-	\$	4,390,000	\$	158,600,000	\$	3,555,000
Special Obligations (Includes Direct Placement)	461,235,000		-		11,685,000		449,550,000		12,155,000
Plus: Unamortized Bond Premium	<u>53,978,737</u>		<u>-</u>		<u>3,655,597</u>		<u>50,323,140</u>		<u>3,572,433</u>
Total bonds payable	<u>678,203,737</u>		<u>-</u>		<u>19,730,597</u>		<u>658,473,140</u>		<u>19,282,433</u>
Claims & judgements	41,913,442		32,764,089		33,012,250		41,665,281		8,989,000
Compensated absences	28,307,057		13,683,071		14,093,792		27,896,336		12,311,052
Lease Liabilities	19,313,143		374,486		1,284,267		18,403,362		1,501,261
Energy Sav. Oblig. - Direct Borrowing	5,937,858		-		1,504,142		4,433,716		1,591,784
Net OPEB Liability	416,550,036		-		83,231,779		333,318,257		-
Loan Payable - Direct Borrowing	15,382,750		3,400,964		2,566,470		16,217,244		3,266,880
Environmental Remediation Liability	7,110,279		995,000		4,045,279		4,060,000		1,740,000
Capital lease obligations - Direct Borrowing	299,166		-		299,166		-		-
	<u>534,813,731</u>		<u>51,217,610</u>		<u>140,037,145</u>		<u>445,994,196</u>		<u>29,399,977</u>
Net Pension Liability - MBERP	157,044,191		-		81,735,204		75,308,987		-
Net Pension Liability - MBF&P	<u>309,717,253</u>		<u>-</u>		<u>111,055,121</u>		<u>198,662,132</u>		<u>-</u>
	466,761,444		-		192,790,325		273,971,119		-
Governmental activity Long term liabilities	<u>1,679,778,912</u>		<u>51,217,610</u>		<u>352,558,067</u>		<u>1,378,438,455</u>		<u>48,682,410</u>
Business-type activities:									
Revenue bonds payable (Includes Direct Placement)	460,310,000		32,480,000		46,855,000		445,935,000		11,470,000
Plus: Unamortized Bond Premium	<u>37,118,388</u>		<u>5,272,449</u>		<u>2,377,100</u>		<u>40,013,737</u>		<u>2,067,845</u>
Total bonds payable	<u>497,428,388</u>		<u>37,752,449</u>		<u>49,232,100</u>		<u>485,948,737</u>		<u>13,537,845</u>
Loan Payable- Direct Borrowing	32,431,335		-		2,284,793		30,146,542		1,425,461
Environmental Remediation Liability	15,000		-		15,000		-		-
Net OPEB Liability	37,711,754		-		7,530,063		30,181,691		-
Compensated absences	4,244,189		2,868,165		2,998,969		4,113,385		2,403,864
Lease Liabilities	126,202		-		54,958		71,244		56,800
Deposits	12,176,832		7,873,916		7,582,840		12,467,908		7,582,840
Net Pension Liability- MBERP	<u>52,754,999</u>		<u>-</u>		<u>28,213,259</u>		<u>24,541,740</u>		<u>-</u>
Business-type activity Long term liabilities	<u>\$ 636,888,699</u>	<u>\$ 48,494,530</u>	<u>\$ 97,911,982</u>	<u>\$ 587,471,247</u>	<u>\$ 25,006,810</u>				

*Restated for GASB Statement No. 87 Leases, See Note 9 and Note 18.

The City's internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At September 30, 2022, \$2,029,417 in compensated absences, \$1,085,685 in lease liabilities, and \$10,310,356 in loans payable are included in the above amounts for the internal service funds. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the internal service and general fund respectively.

**CITY OF MIAMI BEACH, FLORIDA
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G. Debt Authorized, but not issued

As of September 30, 2022, the City has authorized but not issued the following:

On November 6, 2018, the electorate of the City of Miami Beach approved the issuance of \$439,000,000 of general obligation bonds, consisting of (i) \$169,000,000 for parks, recreational facilities, and cultural facilities, (ii) \$198,000,000 for neighborhoods and infrastructure, and (iii) \$72,000,000 for police, fire, public safety, and security improvements. As the overall \$439 million General Obligation Bond (GOB) program will be implemented over a period of approximately 10 to 12 years, rather than all at once.

On November 8, 2022, the electorate of the City of Miami Beach approved the issuance of \$159,000,000 of general obligation to improve facilities for resiliency of arts and cultural institutions throughout the City, including museums, performance venues, artistic playgrounds, senior/cultural centers, botanical garden, aquatic sculpture park, and related artist/workforce housing. As of September 30, 2022, \$159,000,000 was unissued.

H. Conduit Debt

The Health Facility Authority, as described under Note 1 of this report, is authorized to issue bonds to fulfill its purpose. Bonds issued by the Authority shall not be deemed to constitute debt of the City. As a result, the bonds are not recorded in the Authority's financial statements.

Total conduit debt outstanding at September 30, 2022 are as follows:

Issue Name	Issue Type	Original Issue Date	Original Issue Amount	Principal Outstanding September 30, 2022	Maturity	Purpose
City of Miami Beach Health Facilities Authority, Hospital Revenue Bonds Series 2012	Municipal Bonds	September 11, 2012	\$132,285,000	\$7,785,000	November 15, 2022	Mt. Sinai Medical Center capital improvements
City of Miami Beach Health Facilities Authority, Hospital Revenue Bonds Series 2014	Municipal Bonds	September 4, 2014	170,895,000	131,050,000	November 15, 2044	Mt. Sinai Medical Center capital improvements
City of Miami Beach Health Facilities Authority, Hospital Revenue Bonds Series 2021	Direct Borrowing	February 15, 2021	31,775,000	31,775,000	November 15, 2034	Mt. Sinai Medical Center capital improvements
City of Miami Beach Health Facilities Authority, Hospital Revenue Bonds Series 2021B	Direct Borrowing	September 21, 2021	142,910,000	142,910,000	November 15, 2051	Mt. Sinai Medical Center capital improvements
Total			<u>\$477,865,000</u>	<u>\$313,520,000</u>		

On November 15, 2022 the Authority issued Series 2022 for Mount Sinai Medical Center of Florida and paid off the Series 2021.

**CITY OF MIAMI BEACH, FLORIDA
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SEPTEMBER 30, 2022**

NOTE 11 - Governmental Fund – Fund Balance

Below is a table of fund balance categories and classifications at September 30, 2022 for the City's governmental funds.

	General	Resort Tax	Miami Beach Redevelopment Agency	Capital Projects	Other Governmental	Total
Fund balances:						
Non-spendable:						
Prepays	\$ 1,102	\$ -	\$ -	\$ -	\$ 1,465	\$ 2,567
Leases	326,423	-	-	-	-	326,423
Total Prepaid	327,525	-	-	-	1,465	328,990
Restricted:						
General government	-	-	-	1,212,765	974,675	2,187,441
Public safety	-	-	-	21,935,054	732,618	22,727,672
Human services	-	-	-	-	14,684	14,684
Physical environment	-	-	-	1,446,979	60,378,860	62,425,839
Economic environment	-	-	35,125,644	7,341,506	2,795,562	45,262,712
Quality of Life Improvement	-	-	-	-	4,965	4,965
Transportation	-	-	-	1,133,000	51,561,208	52,694,208
Culture and recreation	-	54,379,057	-	87,991,341	2,197,867	144,568,265
Sewer Improvement	-	-	-	91,683	-	91,683
Street Improvement	-	-	-	20,427,039	-	20,427,039
Infrastructure	-	-	-	5,360,205	-	5,360,205
Communications	-	-	-	78,488	-	78,488
Capital Improvements	-	-	-	5,410,850	-	5,410,850
Neighborhood Improvement	-	-	-	13,870,764	-	13,870,764
South Pointe Improvement	-	-	-	14,640,164	-	14,640,164
Debt service	-	-	-	-	2,239,141	2,239,141
Total Restricted	-	54,379,057	35,125,644	180,929,839	121,559,581	391,994,121
Committed:						
Economic environment	86,300	-	-	-	473,273	559,573
General government	1,133,925	-	-	2,429,743	3,669,410	7,233,078
Public safety	1,438,800	-	-	77,045	-	1,515,845
Culture and recreation	423,300	-	-	5,770,900	26,135,513	32,329,713
Transportation	-	-	-	788,726	25,095,167	25,883,893
Human services	13,700	-	-	-	316,318	332,018
Physical environment	506,100	-	-	28,858	2,350,466	2,864,924
Public safety and health reserve	65,045,080	-	-	-	-	65,045,080
Planning	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Reserve pay as you go	-	-	-	45,754,953	-	45,754,953
Capital Reserve	-	-	-	8,242,775	-	8,242,775
Citywide additional contingencies	463,100	-	-	-	-	463,100
Capital Renewal and Replacement	-	-	-	-	2,295,863	2,295,863
Total Committed	69,110,385	-	-	63,092,500	60,338,010	192,540,895
Assigned:						
Reserve-set aside for future budgets	9,352,400	-	-	-	-	9,352,400
General government	600,000	-	-	-	-	600,000
Total Assigned	9,952,400	-	-	-	-	9,952,400
Unassigned:						
Non-funded Capital	-	-	-	(85,746)	-	(85,746)
Reimbursable grants funds	-	-	-	(3,516,097)	(2,020,093)	(10,536,190)
Residual fund balance	5,858,905	-	-	3,779,106	619,575	10,257,586
Non reimbursable expenditures	-	-	-	-	(214,623)	(214,623)
Total Unassigned	5,858,905	-	-	(4,824,737)	(1,615,141)	(580,973)
Total Fund Balance	\$ 85,249,215	\$ 54,379,057	\$ 35,125,644	\$ 239,197,602	\$ 180,283,915	\$ 594,235,433

The negative unassigned fund balance in the Capital projects funds is due to reimbursable grants pending reimbursement from the Nature Conservancy, Florida Department of Transportation, and Florida Division of Emergency Management in the following projects: \$4.8 million in the A1A Indian Creek project, \$2.2 million for the Middle Beach Recreational Corridor project, \$617 thousand for the Hazard Mitigation projects, \$354 thousand for the South Beach Trolley project, \$150 thousand for the South Florida Coastal Resilience project and \$100 thousand for the Northshore Open Space Beachwalk project. The negative unassigned fund balance in the other Special Revenue funds is primarily due to reimbursable grants pending reimbursement from Agencies for the Sunset Islands 3 & 4 undergrounding, Children's Trust Grants and Police Department Grants.

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NOTE 12 - Risk Management

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

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

Insurance coverage is procured for losses to City buildings above various deductible amounts. The City maintains excess coverage with an independent insurance carrier solely for Workers Compensation. The City does not maintain excess coverage with independent insurance carriers for general, automobile, police professional and public official liability programs. Premiums are charged to the respective City funds and determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. There were no settlements in excess of applicable insurance for the past three years. During fiscal year 2022, the City paid \$6.6 million in property insurance premiums (including flood insurance).

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

The following are the changes in the funds' claims liability amount during fiscal years 2022 and 2021 respectively:

	2022	2021
Unpaid claims, beginning of year	\$ 39,804,441	\$ 44,673,926
Incurred claims (includes incurred but not yet reported)	5,054,988	3,628,745
Less: claim payments	(5,427,148)	(8,498,230)
Unpaid claims, end of year	\$ 39,432,281	\$ 39,804,441

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

The following are the changes in the funds' claims liability amount during fiscal years 2022 and 2021 respectively:

	2022	2021
Unpaid claims, beginning of year	\$ 2,109,000	\$ 1,356,000
Incurred claims (includes incurred but not yet reported)	27,709,102	24,798,486
Less: claim payments	27,585,102	24,045,486
Unpaid claims, end of year	\$ 2,233,000	\$ 2,109,000

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NOTE 13 - Pollution Remediation

GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, establishes accounting and financial reporting standards for pollution remediation obligations. The City has identified seven (7) sites that are undergoing pollution remediation activities. These sites and activities are as follows:

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

As of September 30, 2022, the City has recorded pollution remediation liabilities of:

<u>Fund</u>	<u>Description</u>	<u>Total Obligation</u>	<u>Current Obligation</u>
General Fund	Normandy Shores Golf Course Arsenic Investigation MOP	\$ 65,000	\$ 25,000
General Fund	Fleet Management Synthetic Oil & Hydrocarbon Investigations	120,000	60,000
TBD	Miami Beach Golf Course Arsenic Investigation MOP	1,030,000	-
Capital Projects	Collins Park Garage	105,000	25,000
Capital Projects	Former Par 3 Arsenic Investigation	1,600,000	600,000
Capital Projects	Maurice Gibb Park Hydrocarbon Contamination	1,030,000	1,000,000
Capital Projects	Miami Beach Convention Center Arsenic Investigation	110,000	30,000
		<u>\$ 4,060,000</u>	<u>\$ 1,740,000</u>

The statement of revenues, expenditures and changes in fund balance, capital project funds presented on page 32 reports a credit in expenditures in the amount of \$2,393,444 for the culture and recreation function. This credit is as a result of the change in estimated pollution remediation liability and is considered under current and due under GASB interpretation No. 6 reported at September 30, 2021 and September 30, 2022.

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

NOTE 14 - Significant Commitments and Contingencies

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

The City participates in several Federal and State assisted grant programs, which are subject to financial and compliance audits. Audits for these programs are to be conducted at a future date, and the City expects

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the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial

Setai et al. v. The City of Miami Beach

The plaintiffs in the Setai lawsuit are twenty-six property owners seeking a declaration that the stormwater utility fee charged by the City of Miami Beach is illegal. The plaintiffs are requesting reimbursement of stormwater fees paid by them from 2015 through resolution of the litigation. The City has vigorously defended this litigation and expects to continue such defense. Among other defenses, the City asserts that there are strong procedural and substantive arguments that support the validity of the fee methodology challenged in the Setai lawsuit. Substantially similar methodologies are used by numerous cities and counties throughout the state, in accordance with justifications and recommendations for their use provided by independent rate consultants. Moreover, the City of Miami Beach stormwater fee methodology has been used by the City for more than twenty years prior to the challenge presented by the Setai lawsuit.

An estimate of loss, if any, from the Setai lawsuit cannot be made as of the date of this report and the case is not reasonably anticipated to be resolved within the fiscal year ending 9-30-2023. An update of the status of the litigation, as needed and determined by the City to be appropriate, is currently expected to be included in the disclosures for the fiscal year ending 9-30-2023.

NOTE 15 – 457 Deferred Compensation Plan

Pursuant to City of Miami Beach City Commission passing and adopting Ordinance No. 95-3002A, on July 12, 1995, the City offers its employees a deferred compensation plan, City of Miami Beach 457 OBRA, created in accordance with Internal Revenue Code Section 457. The defined contribution plan, administered by a third party is available to all part-time, seasonal, and temporary employees, as an alternative to the Federal Social Security 6.2% employer/employee matching contributions. The 457 Pension Plan was established for all employees of the City who work less than thirty (30) hours a week. Upon commencement of employment, the City sets up an individual retirement account on behalf of the employee with the plan administrator. The employee contributes 7.5% of their annual earning into their account. The City contributes 2.5% into the individual account of the employee, bringing the total contribution by both parties to 10%. In accordance with the prevailing IRS code, the total contribution rate may not fall below 7.5%. The City's contributions to the 457 Plan for the year ended September 30, 2022 was \$131,214, with an outstanding liability at the end of the period of \$2,206. There were no forfeitures for the period ended September 30, 2022.

NOTE 16 - Pension Plan

A. Miami Beach Employees' Retirement Plan (MBERP)

Summary of Significant Accounting Principles

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

Investments are reported at fair value, except for short-term investments which are reported at amortized cost, in the Statement of Plan Net Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the

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Statement of Changes in Fiduciary Net Position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 The City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The Miami Beach Employees' Retirement Plan (the Plan) is a single employer defined benefit pension plan for general employees established by the City of Miami Beach, Florida (the City) effective March 18, 2006. The Miami Beach Employees' Retirement System was created under and by the authority of Chapter 18691, Laws of Florida, Act of 1937, as amended, by merging the "Retirement System for General Employees of the City of Miami Beach" created by Ordinance 1901 with the "Retirement System for Unclassified Employees and Elected Officials of the City of Miami Beach" created by Ordinance 88-2603, as amended. Members are full-time employees, classified and unclassified positions, who work more than 30 hours per week except for policemen and firemen and persons who elect to join the defined contribution retirement Plan sponsored by the City. Membership consisted of the following as of October 1, 2021 the date of the latest actuarial valuation:

Inactive plan members and beneficiaries currently receiving benefits	1,124
Inactive plan members entitled but not yet receiving benefits	211
Active plan members	<u>1,185</u>
Total members	<u><u>2,520</u></u>

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

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

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

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Final average monthly earnings (FAME) means one-twelfth of the average annual earnings during the highest two paid years of credible service. For Unclassified First Tier members who became a member prior to October 18, 1992 and was continuously a member from that date until March 18, 2006, FAME is defined as the larger of one-twelfth average covered salary during the two highest paid years of creditable service or one-twelfth of the pay of the year immediately preceding March 18, 2006. Effective as of September 30, 2010, FAME for members who have obtained normal retirement age or are within 24 months from normal retirement age is defined as average covered salary during the two highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 24 and 36 months from normal retirement age is defined as average covered salary during the three highest paid years of creditable service. FAME for those members who as of September 30, 2010 are between 36 and 48 months from normal retirement age is defined as average covered salary during the four highest paid years of creditable service. FAME for those members who as of September 30, 2010 are more than 48 months from normal retirement age is defined as average covered salary during the five highest paid years of creditable service.

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

Deferred Retirement Option Plan (DROP)

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

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

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

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adjustment (COLA) of 2.5%. The COLA is not payable while members are in the DROP. For Third Tier members the COLA is 1.5%.

As of September 30, 2022, there were 141 members in the DROP and the value of DROP investment was \$17,226,730 which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$161,000 and \$155,000 in loans were outstanding as of September 30, 2022 and 2021 respectively.

Funding Policy, Contributions Required and Contributions Made

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

For the fiscal year ended September 30, 2022, the City was required to make contributions of \$29,590,369 or 33.54% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2019. For the year ended September 30, 2022, the employees contributed \$9,285,205 and buybacks were \$1,613,924.

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

For the year ended September 30, 2022, the City recognized pension benefit of \$21,431,380. At September 30, 2022, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 463,706	\$ 3,347,317
Change in Assumptions	5,003,330	5,170,819
Net Difference between projected and actual earnings on pension plan investments	-	75,590,157
City contributions subsequent to the measurement date	<u>29,590,369</u>	<u>-</u>
	<u>\$ 35,057,405</u>	<u>\$ 84,108,293</u>

City contributions of \$29,590,369 subsequent to the measurement date that are reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Amorization of Net Deferred Inflows/Outflows

<u>Year</u>	<u>Amortization</u>
2023	\$ (16,809,812)
2024	(17,021,352)
2025	(24,438,927)
2026	(20,371,166)
	<u>\$ (78,641,257)</u>

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The following methods and assumptions were used to determine the total pension liability:

Valuation Date:	October 1, 2020
Measurement Date:	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary Increases	3.75% to 6.10% depending on service, including inflation
Investment Rate of Return	7.40%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of the PUB-2010 Headcount-Weighted Mortality Tables and mortality improvement projection scale used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation. Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2021 were as follows:

Total Pension Liability	\$948,951,480
Plan fiduciary net position	(848,745,475)
Net pension liability	<u>\$100,206,005</u>

The Net Pension Liability is 113% of the covered payroll.

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	39%	8.47%
Fixed income	19%	2.14%
International equities	18%	9.39%
Real estate	12%	5.64%
Infrastructure	7%	7.14%
Private Equity	5%	12.14%
Total	<u>100 %</u>	

Discount

A single discount rate of 7.40% 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 7.40%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (7.40%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The following table shows the components of the City's annual pension liability and related plan fiduciary net position measured as of September 30, 2021:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a-b)</u>
Balance at September 30, 2020	\$ 922,978,025	\$ 712,457,774	\$ 210,520,251
Changes for the year			
Service cost	15,417,997	-	15,417,997
Interest	67,381,190	-	67,381,190
Difference between expected and actual			
Benefit Changes	488,415	-	488,415
experience of the total pension liability	(1,635,336)	-	(1,635,336)
Changes of assumptions	-	-	-
Contributions - employer	-	30,699,942	(30,699,942)
Contributions - employee	-	8,521,037	(8,521,037)
Net investment income	-	153,443,495	(153,443,495)
Benefit payments	(54,280,486)	(54,280,486)	-
Refunds	(1,398,325)	(1,398,325)	-
Administrative expenses	-	(697,962)	697,962
Other	-	-	-
Net changes	<u>25,973,455</u>	<u>136,287,701</u>	<u>(110,314,246)</u>
Balances at September 30, 2021	<u>\$ 948,951,480</u>	<u>\$ 848,745,475</u>	<u>\$ 100,206,005</u>

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

The following presents the Plan’s net pension liability calculated using a single discount rate of 7.40 discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.40%	7.40%	8.40%
\$ 213,622,937	\$ 100,206,005	\$ 6,063,937

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

Summary of Significant Accounting Principles

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

Investments are recorded at fair value in the Statement of Fiduciary Net Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The diversity of the investment types in which the Trust has entered into requires a range of techniques to determine fair value.

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

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

Plan Description

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955 the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. The plan is a single employer defined benefit plan established by the City of Miami Beach, Florida (The “City”) and was created under Chapter 23414, Laws of Florida, Special Acts of 1945, as amended through ordinance No. 2020-4362 adopted October 14, 2020.. The Plan’s governing board is the Board of Trustees, which comprises nine members: three of which are elected by the active and retired members of the fire department, three of which are elected by the active and retired members of the police department, and three of which are appointed by the mayor. Members are substantially all certified police officers and firefighters employed by the City of Miami Beach, Florida. Members are further divided in the following five tiers:

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

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

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

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

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Tier Five members are those hired on or after May 8, 2019 and July 31, 2019 for the Fire Department and Police Department, respectively.

Tier One members

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

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

Tier Two members

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

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

Tier Three members

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

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plan statement. All retirees and beneficiaries will receive a 1.5% increase in benefits annually on the anniversary date of the member's retirement.

Tier Four and Tier Five members

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

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

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

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

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

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

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

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At September 30, 2022 the plan membership consisted of the following:

Active Members		494
Deferred Vested Members		27
Retired Members and beneficiaries:		
a. Service	770	*
b. Disabled	51	
		821
Total		1,342
* Including members in the DROP		

Deferred Retirement Option Plan (DROP)

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

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

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

At September 30, 2022, the total amount of the Deferred Retirement Option Plan payable, \$38,787,144 represents the balance of the self-directed participants as all the participants are now in the self-directed DROP.

Funding Policy, Contributions Required and Contributions Made

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

The actual contribution from the City of Miami Beach, and the State of Florida for active employees for the fiscal year ended September 30, 2022, was \$45,416,048 and \$120,549 respectively. Covered payroll excluding DROP members was \$66,037,375. The contribution required for the fiscal year ended September 30, 2022, was actuarially determined by the October 1, 2020 valuation to be \$45,416,048.

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Buyback Contributions

During 2021, the Union and the City negotiated a buyback window, from July 1, 2021 to September 30, 2021 to purchase up to two years creditable service in increments of up to 3% per year of service for a maximum additional multiplier of 6%, purchased at 10% or 10.5% of pensionable wages (on a pre-tax basis). During 2022, \$173,349 of contributions was received.

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

For the year ended September 30, 2022, the City recognized pension benefit of \$29,769,501. At September 30, 2022, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of resources</u>	<u>Deferred Inflows of resources</u>
Differences between actual and expected experience on liabilities	\$ 4,898,760	\$ 4,416,793
Changes of assumptions of other inputs	17,382,476	9,402,437
Net difference between projected and actual earnings on pension plan investments	-	-
City contributions subsequent to measurement date	45,416,048	93,263,567
Total	<u>\$ 67,697,284</u>	<u>\$ 107,082,797</u>

City contributions of \$45,416,048 subsequent to the reporting date that are reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending September 30	Amount
2023	\$ (17,529,359)
2024	(19,351,256)
2025	(24,298,288)
2026	(23,622,658)
	<u>\$ (84,801,561)</u>

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The following methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2020. The actuarial valuation was rolled forward to the September 30, 2021 measurement date.

Valuation Date	October 1, 2020
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Amortization Period	30 years
Asset Valuation Method:	5-year smoothed market
Inflation	3.00%
Payroll Growth	3.00%
Salary Increases	1.70% - 9.89%
Cost of Living Increase	1.50%, 2.00%, or 2.50%
Investment Rate of Return	7.55%

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

Mortality For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Mortality Table, both sets forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.
 For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with scale MP-2018.
 For disabled male participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Discount

A discount rate of 7.55% was used to measure the September 30, 2021 total pension liability: a decrease from the prior year rate of 7.65%. This discount rate was based on the expected rate of return on Fund investments of 7.55%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future expected benefit payments to current Fund members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Net Pension Liability of the City

The components of the net pension liability of the Plan at September 30, 2022 were as follows:

Total Pension Liability	\$ 1,382,686,907
Plan Fiduciary Net Position	<u>(1,184,024,775)</u>
Net Pension Liability	<u><u>\$ 198,662,132</u></u>

The Net Pension Liability is 301% of the covered payroll.

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

Target Asset Class	Assumed Asset Allocation
Domestic equities	41% to 51%
International equities	0% to 10%
Domestic fixed income	12% to 22%
International fixed income	0% to 10%
Real estate funds	12% to 22%
Hedge Fund	0% to 5%
Private Equity	0% to 6%
Cash/short-term investments	0% to 10%

Asset Class	Long-Term Expected Rate of Return Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate Funds	4.50%
Alternatives	5.67%

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	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
	\$	\$	\$
	1,315,349,537	1,005,632,284	309,717,253
Service cost	22,635,278	-	22,635,278
Interest	101,830,772	-	101,830,772
Difference between expected and actual experience of the total pension liability	1,590,742	-	1,590,742
Changes of assumptions	19,051,525	-	19,051,525
Contributions - employer	-	43,445,459	(43,445,459)
Contributions - employee	-	16,200,745	(16,200,745)
Net investment income	-	197,475,559	(197,475,559)
Benefit payments	(77,770,947)	(77,770,947)	-
Administrative expenses	-	(958,325)	958,325
	67,337,370	178,392,491	(111,055,121)
	1,382,686,907	1,184,024,775	198,662,132

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

The following presents the Plan's net pension liability calculated using the discount rate of 7.40 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease 6.55%	Discount Rate 7.55%	1% Increase 8.55%
Net Pension Liability	\$ 374,186,122	\$ 198,662,132	\$ 54,961,164

C. Florida's Federal-State Social Security Agreement

Pursuant to Modification 29 of the Florida State Social Security Agreement effective January 1, 1955, the City of Miami Beach does not participate in the Federal Old-Age and Survivors Insurance System (OASI) embodied in the Social Security Act. Instead, it provides eligible employees a comprehensive defined benefit pension plan. Contributions to Social Security for fiscal year 2022 and 2021 would have been \$12,665,414 and \$12,074,473 respectively. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare, and withholds taxes accordingly.

D. Firemen's and Police Relief and Pension Funds

The City's firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185,

**CITY OF MIAMI BEACH, FLORIDA
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respectively. These plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within City limits. This tax, which is collected from insurers by the State of Florida, is remitted to the Plans' Boards of Trustees. The City is under no obligation to make any further contributions to the plans. The excise taxes received from the State of Florida and remitted to the plans for the year ended September 30, 2022 was \$1,373,339 for firefighters and \$824,235 for police officers. These payments were recorded on the City's books as revenues and expenditures during the fiscal year.

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

E. Defined Contribution Retirement Plan-401(A)

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

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

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

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

Plan information as of and for the fiscal year ended September 30, 2022 is as follows:

Members in the Plan	14
City's contribution	\$81,255
Percentage of covered payroll	7.94%
Employees' contribution	\$ 84,047
Percentage of covered payroll	8.21%

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F. Aggregate Pension Amounts

The below chart shows the aggregate fiscal year 2022 pension liabilities, deferred inflows, deferred outflows, and pension expenses (benefit) by pension plan:

<u>Account</u>	Miami Beach Employees' Retirement System <u>Total</u>	Retirement System for Firefighters and Police Officers (MBF&P)	Total Primary Government	<u>Component</u>
Net Pension Liability	\$ 99,850,727	\$ 198,662,132	\$ 298,512,859	\$ 355,278
Pension assets	715,447,515	1,021,674,294	1,737,121,809	-
Deferred outflows	34,933,112	22,281,236	57,214,348	124,295
Deferred inflows	83,810,089	107,082,797	190,892,886	298,204
Pension expense (benefit)	(21,431,380)	3,510,071	(17,921,309)	(55,445)

Financial Statements

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

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

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

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

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

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

Plan Description

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

1. Health and Dental Insurance - Employees hired prior to March 18, 2006 are eligible to receive a 50% health insurance contribution of the total premium cost. Employees hired after March 18, 2006, after vesting in City's retirement plans, are eligible to receive an offset to the retiree premium equal to \$10 per year of credible service, up to a maximum of \$250 per month until age 65 and \$5 per year of credible service up to a maximum of \$125, thereafter.
2. Life Insurance (\$1,000)- At September 30, 2008 and pursuant to resolution 2009-27024 the City established an OPEB Trust (the "Trust") and began funding its OPEB obligation. Stand-alone financial statements for the Trust are not prepared.

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

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term of four years.

The determination of the net OPEB obligation at September 30, 2022 is based on a valuation date of September 30, 2022. At this time, the plan participation consisted of:

Active OPEB plan participants	1,679
Inactive members receiving benefit payments	1,171
Total	2,850

Funding Policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2022, the City paid \$15,684,233 in OPEB benefits on a pay-as-go basis. The City's net OPEB liability at September 30, 2022 was \$ 364,192,406. It is the City's intent to consider OPEB Trust funding during the annual budget process; however, no Trust contributions are legally or contractually required.

OPEB Plan Assets and Policies

The Plan's investment composition is controlled by the City's OPEB Trust investment policy as adopted by the OPEB Trustee and as limited by Florida Statute. 218.415. The Trustee utilizes an investment manager to invest the trust assets. The policy determines the maximum and minimum allocations between investment classes as noted below. The investment policy may be amended with a majority vote of the OPEB Trustee members. It is the City's policy to maximize the returns of the plan's asset through diversification of equities and fixed income securities without a significant investment in cash or cash equivalents. The composition of the Plan's investments at September 30, 2022 is consistent with the Plan's investment policy is noted below:

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

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

Rate of Return

As of September 30, 2022, the annual money-weighted rate of return, net of OPEB plan expenses, was -19.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The rate of return incorporates the timing and size of cash flows to determine an internal rate of return on a monthly accrual basis. Cash flows used in the calculation excludes reinvested dividends, unrealized and realized gains or losses, and other fees and charges not converted into cash. Contributions are treated as a positive cash flow and benefit payments as a negative cash flow.

Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the postretirement benefit obligation. For unfunded plans, interest rate using a long-term expected rate of return on tax-exempt, high-quality municipal bond. For funded plans, the expected long-term rate of return on trust assets, to the extent the net fiduciary position is projected to be sufficient to provide the benefits. For partially funded plans or if a funded shortfall is projected, the interest rate is blended between the funded and the unfunded rate. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at

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the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. The long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For the fiscal year ended 2022, the discount rate was increased from 2.56% to 4.22%. Although the expected long-term return on the trust is 6.5%, it is blended with Bond Buyer 20-Bond GO index rate due to the plan not being fully funded. It is also anticipated that the OPEB Trust would be depleted in seven years. The City's current OPEB plan investment allocation is noted above.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30, 2022, were as follows:

Total OPEB Liability	\$	404,409,375
OPEB Plan Fiduciary Net Position	\$	40,216,969
Net OPEB Liability	\$	364,192,406
 Plan fiduciary net position as a percentage of the total OPEB liability		9.9%

Schedule of Deferred Inflows/Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 34,118,408	\$ (5,077,008)
Change in assumptions/inputs	49,705,176	(81,236,278)
	\$ 83,823,584	\$ (86,313,286)

Amorization of Net Deferred Inflows/Outflows

Year		Amortization
2023	\$	1,495,034
2024		1,457,952
2025		(3,234,910)
2026		(2,207,778)
	\$	(2,489,702)

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	Miami Beach OPEB TOTAL	Total Primary Government	Component Unit
Net OPEB Liability	\$ 364,192,406	\$ 363,499,948	\$ 692,458
Trust Assets	40,216,969	40,216,969	-
Deferred Outflows	83,823,584	83,664,206	159,378
Deferred Inflows	86,313,286	86,149,174	164,112
Pension Expense	2,676,879	2,614,217	62,662

Actuarial assumptions

Valuation Date	September 30, 2022
Discount Rate	4.22% per annum. This was based on combination of the estimated long-term rate of return from the City's OPEB trust and 20 year GO Bond rate of return @ 9/30/2022.
Asset Valuation Method	Fair Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	3.0% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Census Data	The census was provided by the City as of September 2022
Marriage Rate	It is assumed that 40% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Experience/Assumptions gains, and losses are amortized over a closed period of 5.05 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 3/18/2006, and for FOP/IAFF employees hired after 07/14/2010, it is assumed that 70% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 Mortality Tables split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

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

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-medicare Medical and Rx	5.50%	4.50%
Medicare Benefits	4.50	4.50
Stop Loss Fees	5.50	4.50
Administrative Fees	4.50	4.50

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

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

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

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

	<u>1% Decrease (3.22%)</u>	<u>Discount Rate (4.22%)</u>	<u>1% Increase (5.22%)</u>
Net OPEB liability	\$ 422,441,919	\$ 364,192,406	\$ 317,180,113

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Current Trend</u>	<u>1% Increase</u>
Net OPEB liability	\$ 314,372,643	\$ 364,192,406	\$ 425,626,620

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

NOTE 18 – Restatement for Adoption of New Accounting Standard

Restatement for GASB Statement No. 87

The City adopted Statement No. 87, *Leases* on October 1, 2021. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement apply to financial statements of all state and local governments. For purposes of applying this Statement, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying asset, the City assess whether it has both of the following: (a) The right to obtain the present service capacity from use of the underlying asset as specified in the contract (b) The right to determine the nature and manner of use of the underlying asset as specified in the contract. Leases include contracts that, although not explicitly identified as leases, meet the definition of a lease. This definition excludes contracts for services except those contracts that contain both a lease component and a service component. Restated beginning balances for leases receivables, deferred inflow, leases payable and right-to-use assets are located in Note 9. The net amount of these restatements has no effect on fund balance and net position.

As a result of the implementation of this standard the City removed previously reported lease assets. See summary of restatement of beginning balances as follows:

	Business Type Activities - Net Position	Proprietary Funds	Parking Fund
September 30, 2021	\$ 1,177,834,022	September 30, 2021	\$ 126,611,119
Restatement for GASB 87	(5,521,215)	Restatement for GASB 87	(5,521,215)
October 1, 2021	<u>\$ 1,172,312,807</u>	October 1, 2021	<u>\$ 121,089,904</u>

The new standard requires the reporting of certain lease assets and liabilities, which were not previously reported. The result of these changes impacted the beginning balances for leases receivable, right-to-use asset, leases liability, and deferred inflow of resources, as shown below:

	Governmental Activities			
	Leases Receivable	Deferred inflow of Resources	Right-to-use Asset	Leases Liability
Statement of Net Position				
September 30, 2021	-	33,148,450	-	-
Change to Implement GASB No. 87	7,180,437	7,180,437	19,313,143	19,313,143
October 1, 2021	<u>7,180,437</u>	<u>40,328,887</u>	<u>19,313,143</u>	<u>19,313,143</u>

	Business-type Activities			
	Leases Receivable	Deferred inflow of Resources	Right-to-use Asset	Leases Liability
Statement of Net Position				
September 30, 2021	-	3,137,557	-	-
Change to Implement GASB No. 87	7,642,407	7,642,407	126,202	126,202
October 1, 2021	<u>7,642,407</u>	<u>10,779,964</u>	<u>126,202</u>	<u>126,202</u>

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

	General Fund			
	Leases Receivable	Deferred inflow of Resources	Right-to-use Asset	Leases Liability
Statement of Net Position September 30, 2021	-	32,071,048	-	-
Change to Implement GASB No. 87 October 1, 2021	7,180,437	7,180,437	17,658,710	17,658,710
	7,180,437	39,251,485	17,658,710	17,658,710

	Internal Service Funds	
	Right-to-use Asset	Leases Liability
Statement of Net Position September 30, 2021	-	-
Change to Implement GASB No. 87 October 1, 2021	1,654,433	1,654,433
	1,654,433	1,654,433

	Parking		RDA Leasing	
	Leases Receivable	Deferred inflow of Resources	Leases Receivable	Deferred inflow of Resources
Statement of Net Position September 30, 2021	-	814,635	-	-
Change to Implement GASB No. 87 October 1, 2021	6,935,163	6,935,163	707,244	707,244
	6,935,163	7,749,798	707,244	707,244

	Building	
	Right-to-use Asset	Leases Liability
Statement of Net Position September 30, 2021	-	-
Change to Implement GASB No. 87 October 1, 2021	126,202	126,202
	126,202	126,202

MIAMI BEACH

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**REQUIRED SUPPLEMENTARY
INFORMATION (RSI)**

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 29,590,369	\$ 30,699,942	\$ 31,475,030	\$ 31,864,304	\$ 31,892,485	\$ 29,358,098	\$ 27,783,852	\$ 26,317,983	\$ 25,602,030	\$ 21,222,051	\$ 17,583,191
Actual contribution	29,590,369	30,699,942	31,475,030	31,864,304	31,892,485	29,358,098	27,783,852	26,456,580	25,602,030	21,222,051	17,583,191
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (138,597)	\$ -	\$ -	\$ -
Covered payroll	88,213,744	88,446,616	88,141,166	84,980,438	85,003,174	77,013,213	71,863,150	82,359,302	76,362,960	65,054,000	66,347,000
Actual contribution as a % of covered payroll	33.54%	34.71%	35.71%	37.50%	37.52%	38.12%	38.66%	32.12%	33.53%	32.62%	26.50%

Notes to Schedule of Contributions

Valuation Date: October 1, 2020
Notes: Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

- Actuarial Cost Method: Entry Age Normal
- Amortization Method: Level Dollar, Closed
- Remaining Amortization Period: 29 years
- Asset Valuation Method: 5-year smoothed market
- Inflation: 2.5%
- Salary Increases: 3.75% to 6.10% depending on service, including inflation
- Investment Rate of Return: 7.40%
- Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition
- Mortality: The same versions of the PUB-2010 Headcount-Weighted Mortality Tables and mortality improvement projection scale used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation. Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 45,416,048	\$ 43,324,910	\$ 42,779,004	\$ 39,747,149	\$ 37,639,937	\$ 35,367,866	\$ 34,970,641	\$ 33,149,388	\$ 35,960,326	\$ 39,492,050
Actual contribution	45,416,048	43,324,910	42,779,004	39,747,149	37,639,937	35,367,866	34,970,641	33,149,388	35,960,326	39,492,050
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (excluding DROP)	\$ 67,540,418	\$ 66,037,375	\$ 66,272,092	\$ 66,441,610	\$ 64,181,403	\$ 59,907,167	\$ 56,759,632	\$ 56,545,113	\$ 50,740,542	\$ 47,164,030
Actual contribution as a % of covered payroll	67.24%	65.61%	64.55%	59.82%	58.65%	59.04%	61.61%	58.62%	70.87%	83.73%

Notes to Schedule of Contributions

Valuation Date
Notes

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal
Amortization Method: Level Percentage, Closed
Remaining Amortization Period: 30 years
Asset Valuation Method: 5-year smoothed market
Inflation: 3.00%
Payroll Growth: 3.00%
Salary Increases: 1.70% - 9.89%
Investment Rate of Return: 7.55%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition
Mortality: For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Mortality Table, both sets forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthier Retiree Female Mortality Table and Safety Below Median Healthier Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with scale MP-2018.
For disabled male participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Cost-of-Living Increases: 1.50%, 2.00% or 2.50%

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

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 15,417,997	\$ 15,577,246	\$ 16,171,537	\$ 15,232,372	\$ 13,720,496	\$ 12,906,811	\$ 11,795,411	\$ 12,306,795
Interest	67,381,190	67,095,944	65,045,122	63,015,047	57,800,541	56,164,518	53,832,182	51,809,378
Benefit changes	488,415	-	-	-	-	-	(1,277,929)	-
Differences between expected and actual experience	(1,635,336)	(3,398,414)	1,117,690	18,961	(4,242,257)	(2,210,692)	5,603,144	(278,357)
Changes of assumptions	(8,618,033)	(8,618,033)	10,022,465	4,771,684	52,573,659	11,676,037	11,026,357	(37,501,400)
Benefit payments	(54,280,486)	(52,250,292)	(51,014,104)	(49,726,168)	(44,576,144)	(41,900,843)	(35,874,016)	(1,143,866)
Refunds	(1,398,325)	(1,177,837)	(1,571,361)	(1,381,297)	(905,574)	(948,535)	(941,310)	(1,143,866)
Other	-	-	-	-	-	-	311,076	311,077
Net change in total pension liability	25,973,455	17,228,614	39,771,349	31,930,599	74,370,721	35,687,296	44,474,915	25,503,627
Total pension liability - beginning	922,978,025	905,749,411	865,978,062	834,047,463	759,676,742	723,989,446	679,514,531	654,010,904
Total pension liability - ending	\$ 948,951,480	\$ 922,978,025	\$ 905,749,411	\$ 865,978,062	\$ 834,047,463	\$ 759,676,742	\$ 723,989,446	\$ 679,514,531
Plan fiduciary net position								
Contributions - employer	30,699,942	31,475,030	31,864,304	31,892,485	29,358,098	27,783,852	26,456,580	25,602,030
Contributions - member	8,521,037	8,665,597	8,512,207	8,242,590	7,871,072	7,341,533	7,310,183	7,373,407
Net investment income	153,443,495	60,053,751	23,328,881	51,285,893	70,646,599	55,818,903	(5,048,406)	51,773,646
Benefit payments	(54,280,486)	(52,250,292)	(51,014,104)	(49,726,168)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(1,398,325)	(1,177,837)	(1,571,361)	(1,381,297)	(905,574)	(948,535)	(941,310)	(1,143,866)
Administrative expenses	(697,962)	(808,094)	(827,919)	(730,118)	(703,539)	(677,509)	(706,283)	(668,851)
Other	-	-	-	-	(68,222)	-	-	-
Net change in plan fiduciary net position	136,287,701	45,958,155	10,292,008	39,583,385	61,622,290	47,417,403	(8,803,252)	45,434,966
Plan fiduciary net position - beginning	712,457,774	666,499,619	656,207,611	616,624,226	555,001,936	507,584,533	516,387,785	470,952,819
Plan fiduciary net position - ending	\$ 848,745,475	\$ 712,457,774	\$ 666,499,619	\$ 656,207,611	\$ 616,624,226	\$ 555,001,936	\$ 507,584,533	\$ 516,387,785
City's net pension liability	\$ 100,206,005	\$ 210,520,251	\$ 239,249,792	\$ 209,770,451	\$ 217,423,237	\$ 204,674,806	\$ 216,404,913	\$ 163,126,746
Plan fiduciary net position as a percentage of the total pension liability	89.44%	77.19%	73.59%	75.78%	73.93%	73.06%	70.11%	75.99%
Covered payroll	\$ 88,446,616	\$ 88,141,166	\$ 84,980,438	\$ 85,003,174	\$ 77,013,213	\$ 71,863,150	\$ 82,359,302	\$ 76,362,960
Net pension liability as a percentage of covered payroll	113.30%	238.84%	281.54%	246.78%	282.32%	284.81%	262.76%	213.62%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

From fiscal year 2021 to 2022, the discount rate used to determine the net pension liability remained at 7.40%.
From fiscal year 2020 to 2021, the discount rate used to determine the net pension liability decreased from 7.50% to 7.40%.
From fiscal year 2019 to 2020, the discount rate used to determine the net pension liability decreased from 7.60% to 7.50%.
From fiscal year 2018 to 2019, the discount rate used to determine the net pension liability decreased from 7.65% to 7.60%.
From fiscal year 2017 to 2018, the discount rate used to determine the net pension liability decreased from 7.70% to 7.65%.

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

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 22,635,278	\$ 22,110,056	\$ 20,212,389	\$ 18,462,961	\$ 17,530,982	\$ 17,803,602	\$ 16,098,560	\$ 14,763,595
Interest	101,830,772	95,945,797	94,542,878	91,544,984	87,422,136	82,627,847	78,415,039	75,108,912
Benefit changes		922,043	-	-	(9,688,441)	-	-	-
Differences between expected and actual experience	1,590,742	(7,950,229)	7,883,134	11,814,591	141,740	14,588,712	12,428,547	7,685,043
Changes of assumptions	19,051,525	(16,924,385)	7,294,349	6,951,571	34,969,254	2,447,885	5,686,196	-
Benefit payments, including refunds of member contributions	(77,770,947)	(69,388,221)	(68,466,325)	(75,460,821)	(58,574,937)	(54,861,660)	(62,686,716)	(53,605,094)
Net change in total pension liability	67,337,370	24,715,061	61,466,425	53,313,286	71,800,734	62,606,386	49,941,626	43,952,456
Total pension liability - beginning	1,315,349,537	1,290,634,476	1,229,168,051	1,175,854,765	1,104,054,031	1,041,447,645	991,506,019	947,553,563
Total pension liability - ending	\$ 1,382,686,907	\$ 1,315,349,537	\$ 1,290,634,476	\$ 1,229,168,051	\$ 1,175,854,765	\$ 1,104,054,031	\$ 1,041,447,645	\$ 991,506,019
Plan fiduciary net position								
Contributions - City and State	\$ 43,445,459	\$ 42,779,004	\$ 39,747,149	\$ 37,639,937	\$ 35,367,866	\$ 34,970,641	\$ 33,149,388	\$ 35,960,326
Contributions - member	16,200,745	7,133,168	6,972,214	6,593,715	6,198,244	5,984,397	5,944,414	5,258,974
Net investment income	197,475,559	85,054,923	39,053,408	82,094,851	85,791,174	70,539,300	5,689,333	72,259,674
Benefit payments, including refunds of member contributions	(77,770,947)	(69,388,221)	(68,466,325)	(75,460,821)	(58,574,937)	(54,861,660)	(62,686,716)	(53,605,094)
Administrative expenses	(958,325)	(900,251)	(855,761)	(802,106)	(769,079)	(826,044)	(777,493)	(905,130)
Net change in plan fiduciary net position	178,392,491	64,678,623	16,450,685	50,065,576	68,013,268	55,806,634	(18,681,074)	58,968,750
Plan fiduciary net position - beginning	1,005,632,284	940,953,661	924,502,976	874,437,400	806,424,132	750,617,498	769,298,572	710,329,822
Plan fiduciary net position - ending	\$ 1,184,024,775	\$ 1,005,632,284	\$ 940,953,661	\$ 924,502,976	\$ 874,437,400	\$ 806,424,132	\$ 750,617,498	\$ 769,298,572
City's net pension liability	\$ 198,662,132	\$ 309,717,253	\$ 349,680,815	\$ 304,665,075	\$ 301,417,365	\$ 297,629,899	\$ 290,830,147	\$ 222,207,447
Plan fiduciary net position as a percentage of the total pension liability	85.63%	76.45%	72.91%	75.21%	74.37%	73.04%	72.07%	77.59%
Covered payroll	\$ 66,037,375	\$ 66,272,092	\$ 66,441,610	\$ 64,181,403	\$ 59,907,167	\$ 56,759,632	\$ 56,545,113	\$ 57,545,593
Net pension liability as a percentage of covered payroll	300.83%	467.34%	526.30%	474.69%	503.14%	524.37%	514.33%	386.14%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

For September 30, 2022, the investment rate of return decreased from 7.55% to 7.40%. In 2021, investment rate of return decreased from 7.65% to 7.40%. In 2020, investment rate of return decreased from 7.65% to 7.55%. For 2019, investment return was decreased from 7.80% to 7.75%. The mortality assumptions, disability rates for firefighters, salary increased factors and loading for contingencies are also updated. In 2018, investment return decreased from 7.85% to 7.80%. In 2017, investment return was decreased from 7.90% to 7.85% and the mortality assumptions was updated to the assumption used in the Florida Retirement System July 1, 2016 Actuarial Valuation. For 2016, investment return was decreased from 7.95% to 7.90%, withdrawal and retirement rates were updated, disability incidence was updated to 65% service incurred / 35% non service incurred and the load for compensation and projected pensionable payroll was replaced with actual pensionable pay these changes first affect the contribution for fiscal year ended September 30, 2017.

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 8,313,059	\$ 9,033,753	\$ 9,129,624	\$ 4,235,229	\$ 3,921,508	\$ 3,074,151
Interest	12,930,877	13,167,573	15,167,033	14,606,184	14,345,708	13,700,847
Differences between expected and actual experience	(589,496)	(2,770,486)	-	-	-	-
Changes of assumptions	(104,580,036)	11,341,135	70,563,191	212,252,691	(2,399,422)	-
Benefit payments	(15,684,233)	(14,439,769)	(8,886,242)	(13,507,000)	(11,647,331)	(10,111,628)
Net change in total OPEB Liability	(99,609,829)	16,332,206	85,973,606	217,587,104	4,220,463	6,663,370
Total OPEB liability - beginning	504,019,204	487,686,998	401,713,392	184,126,288	179,905,825	173,242,455
Total OPEB liability - ending (a)	<u>\$ 404,409,375</u>	<u>\$ 504,019,204</u>	<u>\$ 487,686,998</u>	<u>\$ 401,713,392</u>	<u>\$ 184,126,288</u>	<u>\$ 179,905,825</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 16,584,233	\$ 16,270,068	\$ 9,373,242	\$ 13,996,031	\$ 1,039,279	\$ 438,000
Net investment income	(9,521,801)	6,865,781	4,268,202	886,546	2,540,698	3,302,688
Benefit payments	(15,684,233)	(14,439,769)	(8,886,242)	(13,507,000)	-	-
Administrative expense	(125,260)	(130,422)	(57,699)	(88,918)	(65,711)	145,690
Net Change in plan fiduciary net position	(8,747,061)	8,565,658	4,697,503	1,286,659	3,514,266	3,886,378
Plan fiduciary net position - beginning	48,964,030	40,398,372	35,700,869	34,414,210	30,899,944	27,013,566
Plan fiduciary net position - ending (b)	<u>\$ 40,216,969</u>	<u>\$ 48,964,030</u>	<u>\$ 40,398,372</u>	<u>\$ 35,700,869</u>	<u>\$ 34,414,210</u>	<u>\$ 30,899,944</u>
City's Net OPEB Liability - ending (a) - (b)	<u>\$ 364,192,406</u>	<u>\$ 455,055,174</u>	<u>\$ 447,288,626</u>	<u>\$ 366,012,523</u>	<u>\$ 149,712,078</u>	<u>\$ 149,005,881</u>
Plan fiduciary net position as a percentage of the total OPEB liability	9.94%	9.71%	8.28%	8.89%	18.69%	17.18%
Covered-employee payroll ^	130,779,384	134,165,565	156,013,000	150,737,233	147,122,000	142,146,603
City's net OPEB liability as a percentage of covered payroll	278.48%	339.17%	286.70%	242.81%	101.76%	104.83%

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

^ - Employees do not contribute towards OPEB.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 26,940,947	\$ 30,441,643	\$ 29,169,845	\$ 33,576,019	\$ 15,055,943	\$ 15,055,943	\$ 27,783,852	\$ 26,317,983	\$ 25,602,030	\$ 21,222,051
Contributions in relation to the actuarially determined contributions	16,584,233	16,270,068	9,373,242	14,496,031	12,686,610	10,549,628	27,783,852	26,456,580	25,602,030	21,222,051
Contribution deficiency (excess)	\$ 10,356,714	\$ 14,171,575	\$ 19,796,603	\$ 19,079,988	\$ 2,369,333	\$ 4,506,315	\$ -	\$ (138,597)	\$ -	\$ -
Covered-employee payroll	130,779,384	134,165,565	156,013,000	150,737,233	147,122,000	142,146,603	71,863,150	82,359,302	76,362,960	65,054,000
Contributions as a percentage of covered payroll	12.68%	12.13%	6.01%	9.62%	8.62%	7.42%	38.66%	32.12%	33.53%	32.62%

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	September 30, 2022
Discount Rate	4.22 per annum. This was based on combination of the estimated long term rate of return from the City's OPEB trust and 20 year GO Bond rate of return @ 9/30/2021.
Asset Valuation Method	Fair Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	3.0% per annum
Medical Consumer Price Index	Chained-CPI of 2.0% per annum
Census Data	The census was provided by the City as of September, 2022
Marriage Rate	It is assumed that 40% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 5.05 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 3/18/2006, and for FOP/IAFF employees hired after 07/14/2010, it is assumed that 70% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 generational table, split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

SCHEDULE OF INVESTMENT RETURNS
 Last 10 Fiscal Years (*)

	2022	2021	2020	2019	2018	2017*
Annual money-weighted rate of return, net of investment expense	-19.29%	16.30%	11.80%	2.30%	8.00%	11.69%

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

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2022
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 199,884,000	\$ 199,884,000	\$ 200,055,310	\$ 171,310
Sales, use and fuel taxes	1,037,000	1,037,000	1,060,864	23,864
Utility	12,401,000	12,651,000	13,000,911	349,911
Local business	4,588,000	4,838,000	4,977,878	139,878
Communication Service	3,414,000	3,664,000	3,693,299	29,299
Franchise fees	8,171,000	9,171,000	9,629,701	458,701
Permits	10,288,000	15,872,000	17,809,453	1,937,453
Intergovernmental	11,025,000	12,993,000	39,145,461	26,152,461
Charges for services	18,063,000	21,996,000	23,359,648	1,363,648
Rents and leases	5,441,000	6,388,000	6,356,820	(31,180)
Interest income	2,662,000	4,024,000	(31,811,663)	(35,835,663)
Fines and forfeits	916,000	1,166,000	1,640,129	474,129
Administrative fees	22,668,000	22,756,000	21,816,492	(939,508)
Other	743,000	5,743,000	6,299,494	556,494
Total revenues	<u>301,301,000</u>	<u>322,183,000</u>	<u>317,033,797</u>	<u>(5,149,203)</u>
Expenditures				
General government:				
Mayor and Commission	2,624,000	2,660,223	2,646,893	13,330
City Manager	4,041,500	4,283,500	3,908,550	374,950
City Clerk	1,802,000	1,885,000	1,786,626	98,374
Budget and Performance Management	3,208,000	3,672,000	2,380,111	1,291,889
Finance	6,526,000	6,568,871	6,500,705	68,166
Human Resources	2,926,000	3,063,000	3,027,637	35,363
Procurement	2,800,000	2,871,904	2,661,830	210,074
City Attorney	6,160,000	6,710,000	5,900,117	809,883
Grants and Intergovernmental Affairs	816,500	831,500	789,566	41,934
Planning	5,014,000	6,117,116	5,577,799	539,317
Media Relations	2,316,000	2,383,001	2,334,233	48,768
Public Works	4,557,000	4,859,400	4,341,769	517,631
Environment & Sustainability	4,000	4,000	2,201	1,799
Capital Improvement	5,570,000	5,579,660	5,116,993	462,667
Citywide/Unclassified	11,247,000	11,544,463	4,997,823	6,546,640
Total general government	<u>59,612,000</u>	<u>63,033,638</u>	<u>51,972,853</u>	<u>11,060,785</u>
Public safety:				
Code Compliance	6,550,000	6,371,771	6,084,759	287,012
Fire	94,921,000	96,208,080	94,470,053	1,738,027
Police	123,734,600	126,025,715	122,716,021	3,309,694
Emergency Management	1,024,000	1,053,100	1,006,805	46,295
Citywide/Unclassified	90,000	90,000	77,912	12,088
Total public safety	<u>226,319,600</u>	<u>229,748,666</u>	<u>224,355,550</u>	<u>5,393,116</u>
Physical Environment	4,337,000	4,927,000	4,819,205	107,795
Transportation	5,448,000	5,298,230	4,897,943	400,287
Economic Environment	2,981,100	3,125,453	2,550,880	574,573
Human Services	3,053,400	3,655,400	2,649,565	1,005,835
Culture and recreation	46,168,900	46,616,753	41,821,771	4,794,982
Capital Outlay	648,000	2,869,423	1,218,646	1,650,777
Debt service:				
Principal retirement	133,000	133,000	-	133,000
Lease Payment	-	715,520	715,520	-
Interest and fiscal charges	184,000	931,917	852,624	79,293
Total expenditures	<u>348,885,000</u>	<u>361,055,000</u>	<u>335,854,557</u>	<u>25,200,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,584,000)</u>	<u>(38,872,000)</u>	<u>(18,820,760)</u>	<u>20,051,240</u>
Other financing sources (uses)				
Transfers in	25,408,000	38,990,000	38,932,352	(57,648)
Transfers out	(5,221,000)	(40,818,000)	(40,818,000)	-
Lease liabilities issued	-	-	374,486	374,486
Sale of capital assets	-	-	1,030	1,030
Total other financing sources	<u>20,187,000</u>	<u>(1,828,000)</u>	<u>(1,510,132)</u>	<u>317,868</u>
Net change in fund balances	<u>(27,397,000)</u>	<u>(40,700,000)</u>	<u>(20,330,892)</u>	<u>20,369,108</u>
Fund balances - beginning of year	105,580,107	105,580,107	105,580,107	-
Fund balances - end of year	<u>\$ 78,183,107</u>	<u>\$ 64,880,107</u>	<u>\$ 85,249,215</u>	<u>\$ 20,369,108</u>

The notes to this Budget and Actual statements are an integral part of this statement (page 117).

CITY OF MIAMI BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2022
(Unaudited)

	Resort Tax Revenue Fund			Miami Beach Redevelopment Agency				Variance Favorable (Unfavorable)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues								
Resort taxes	\$ 75,560,000	\$ 77,806,000	\$ 117,307,417	\$ 39,501,417	\$ 53,915,000	\$ 53,915,000	\$ 53,915,935	\$ 935
Tax increment	-	-	-	-	-	-	-	-
Rents and leases	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Interest income	341,000	341,000	515,318	174,318	429,000	429,000	(4,834,612)	(5,263,612)
Special assessment	6,000	6,000	4,329	(1,671)	-	-	-	-
Other	21,000	21,000	168,715	147,715	-	-	-	-
Total revenues	75,928,000	78,174,000	117,995,779	39,821,779	54,344,000	54,344,000	49,081,323	(5,262,677)
Expenditures								
General government	1,117,600	1,117,600	1,109,685	7,915	21,052,605	15,439,605	780,962	14,658,643
Public safety	8,541,000	9,247,800	7,888,018	1,359,782	5,228,500	5,003,000	4,863,647	139,353
Transportation	-	-	-	-	11,395	11,395	11,395	-
Physical environment	-	-	-	-	5,437,500	5,877,172	5,866,136	11,036
Economic environment	-	-	-	-	6,601,000	12,214,000	12,132,378	81,622
Culture and recreation	19,359,400	24,091,600	20,861,848	3,229,752	1,490,000	1,323,000	1,208,909	114,091
Capital Outlay	-	-	-	-	212,000	452,828	208,967	243,861
Debt Service:								
Interest and fiscal charges	2,000	2,000	1,239	761	-	-	-	-
Total expenditures	29,020,000	34,459,000	29,860,790	4,598,210	40,033,000	40,321,000	25,072,394	15,248,606
Excess (deficiency) of revenues over (under) expenditures	46,908,000	43,715,000	88,134,989	44,419,989	14,311,000	14,023,000	24,008,929	9,985,929
Other financing sources (uses)								
Transfers out	(52,818,000)	(80,356,000)	(80,015,702)	340,298	(27,215,000)	(54,315,000)	(54,313,369)	1,631
Total other financing sources (uses)	(52,818,000)	(80,356,000)	(80,015,702)	340,298	(27,215,000)	(54,315,000)	(54,313,369)	1,631
Net change in fund balances	(5,910,000)	(36,641,000)	8,119,287	44,760,287	(12,904,000)	(40,292,000)	(30,304,440)	9,987,560
Fund balances - beginning of year	46,259,770	46,259,770	46,259,770	-	65,430,084	65,430,084	65,430,084	-
Fund balances - end of year	\$ 40,349,770	\$ 9,618,770	\$ 54,379,057	\$ 44,760,287	\$ 52,526,084	\$ 25,138,084	\$ 35,125,644	\$ 9,987,560

The notes to this Budget and Actual statements are an integral part of this statement (page 118).

CITY OF MIAMI BEACH, FLORIDA
NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
SEPTEMBER 30, 2022

1. Budgetary Policy

A. Budgetary Data

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

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

Pursuant to the City's Charter, the City Manager shall make public a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department. A citywide budget is also adopted for costs that are not readily identifiable to any specific department. For financial reporting purposes, the citywide appropriations and actual costs are reported under an identifiable function as citywide/ unclassified where details within the function are provided. Where no details are provided, it is included in the total of the function. At the appropriations level, the citywide budget can be allocated across functions.

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

There were thirteen (13) supplemental budgetary appropriations for the funds mentioned above; four (4) operating, two (2) RDA and seven (7) capital during fiscal year ended September 30, 2022.

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

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

B. Budget Variance

I. General Fund – Interest Income for unrealized losses

As of September 30, 2022, the City's general fund has a net unrealized loss of \$35,872,215. As the City's investment practice is to hold investments until maturity, the City does not budget for unrealized losses. Unrealized losses are not recognized unless the security is sold. During fiscal year 2022, fixed income interest rates experienced a significant increase of more than 3.5%, including the most dramatic increase in the federal funds overnight rate over a six-month period in more than 30 years. Negative

CITY OF MIAMI BEACH, FLORIDA
NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
SEPTEMBER 30, 2022

variance on interest and fiscal charges due to investment transactions. This increase in rates resulted in a significant increase in unrealized losses due to the inverse relationship between changes in interest rates and bond prices. The unrealized loss of a security represents the difference between the book value and market value of the securities held on September 30, 2022.

II. RDA – Interest Income for unrealized losses

As of September 30, 2022, the City's Redevelopment Agency fund has a net unrealize loss of \$5,297,610. As the City's investment practice is to hold investments until maturity, the City does not budget for unrealized losses. Unrealized losses are not recognized unless the security is sold. During fiscal year 2022, fixed income interest rates experienced a significant increase of more than 3.5%, including the most dramatic increase in the federal funds overnight rate over a six-month period in more than 30 years. Negative variance on interest and fiscal charges due to investment transactions. This increase in rates resulted in a significant increase in unrealized losses due to the inverse relationship between changes in interest rates and bond prices. The unrealized loss of a security represents the difference between the book value and market value of the securities held on September 30, 2022.

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

Please refer to page 117 for the actuary assumptions.

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

Please refer to page 118 for the actuary assumptions.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

Resiliency Fund: This fund accounts for receipts and expenditures for infrastructure resiliency projects including street elevation and stormwater improvements.

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

Debt Service Funds

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

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

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

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

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

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

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

**CITY OF MIAMI BEACH, FLORIDA
COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 186,372,928	\$ 2,230,583	\$ 188,603,511
Receivables, net	256,756	26,724	283,480
Due from other funds	899,785	-	899,785
Due from other governments	699,054	-	699,054
Prepays	1,465	-	1,465
Total assets	\$ 188,229,988	\$ 2,257,307	\$ 190,487,295
LIABILITIES			
Accounts payable	\$ 4,288,791	\$ -	\$ 4,288,791
Retainage payable	853,077	-	853,077
Accrued expenditures	1,220,176	18,166	1,238,342
Unearned revenues	786,784	-	786,784
Due to other funds	1,581,778	-	1,581,778
Due to other governments	4,479	-	4,479
Deposits	914,171	-	914,171
Total liabilities	9,649,256	18,166	9,667,422
DEFERRED INFLOWS OF RESOURCES			
Unavailable other revenues	535,958	-	535,958
Total deferred inflows of resources	535,958	-	535,958
FUND BALANCES			
Nonspendable	1,465	-	1,465
Restricted	119,320,440	2,239,141	121,559,581
Committed	60,338,010	-	60,338,010
Assigned	-	-	-
Unassigned	(1,615,141)	-	(1,615,141)
Total fund balances	178,044,774	2,239,141	180,283,915
Total liabilities, deferred inflows of resources and fund balances	\$ 188,229,988	\$ 2,257,307	\$ 190,487,295

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ -	\$ 11,523,733	\$ 11,523,733
Sales , Use and Fuel Taxes	5,194,124	-	5,194,124
Utility taxes	1,397,815	-	1,397,815
Special taxing districts	644,388	-	644,388
Tax increment	10,686,189	-	10,686,189
Other taxes	2,197,574	-	2,197,574
Federal grants	3,582,969	-	3,582,969
State grants	452,982	-	452,982
Grants from other local units	4,391,829	-	4,391,829
Charges for services	8,458,450	-	8,458,450
Fines and forfeitures	351,396	-	351,396
Impact Fees	2,376,089	-	2,376,089
Interest income	361,175	13,269	374,444
Permits	954,026	-	954,026
Rent and leases	1,587,708	-	1,587,708
Miscellaneous	759,427	-	759,427
	<u>43,396,141</u>	<u>11,537,002</u>	<u>54,933,143</u>
EXPENDITURES			
Current:			
General government	854,708	-	854,708
Public safety	14,092,394	-	14,092,394
Physical environment	4,117,892	-	4,117,892
Transportation	9,094,030	-	9,094,030
Economic environment	2,890,195	-	2,890,195
Human services	1,546,188	-	1,546,188
Culture and recreation	2,919,026	-	2,919,026
Capital Outlay	9,160,506	-	9,160,506
Debt Service:			
Principal	345,267	17,579,142	17,924,409
Interest	99,892	29,686,953	29,786,845
Other	-	2,003	2,003
	<u>45,120,098</u>	<u>47,268,098</u>	<u>92,388,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,723,957)</u>	<u>(35,731,096)</u>	<u>(37,455,053)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	22,568,376	35,781,590	58,349,966
Transfers out	(254,527)	-	(254,527)
	<u>22,313,849</u>	<u>35,781,590</u>	<u>58,095,439</u>
Net change in fund balances	20,589,892	50,494	20,640,386
Fund balances - beginning of year	<u>157,454,882</u>	<u>2,188,647</u>	<u>159,643,529</u>
Fund balances - end of year	<u>\$ 178,044,774</u>	<u>\$ 2,239,141</u>	<u>\$ 180,283,915</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2022

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Resiliency Fund	Other Special Revenue Fund	Total
ASSETS									
Cash and investments	\$ 48,325	\$ 849,558	\$ 26,484,169	\$ 18,188,547	\$ 420,002	\$ 156,723	\$ 60,976,426	\$ 79,249,178	\$ 186,372,928
Receivables, net	-	-	1,518	-	1,973	-	-	253,265	256,756
Due from other funds	211	-	-	-	-	623	-	888,951	889,785
Due from other governments	71,749	-	-	-	-	16,859	-	610,446	699,054
Prepays	-	-	-	-	-	-	-	1,465	1,465
Total assets	\$ 120,285	\$ 849,558	\$ 26,485,687	\$ 18,188,547	\$ 421,975	\$ 174,205	\$ 60,976,426	\$ 81,013,305	\$ 188,229,988
LIABILITIES									
Accounts payable	66,178	290	-	72,950	7,328	33,764	53,101	4,055,180	4,288,791
Retainage payable	3,040	-	123,436	249,000	-	-	1,091	476,510	853,077
Accrued expenditures	8,861	-	-	-	-	5,652	13,485	1,192,168	1,220,176
Unearned revenue	-	741,772	-	-	-	-	-	45,012	786,784
Due to other funds	45,584	-	-	-	-	4,192	-	1,532,002	1,581,778
Due to other governments	-	-	-	-	-	-	-	4,479	4,479
Deposits	-	-	-	-	-	-	-	914,171	914,171
Total liabilities	123,663	742,062	123,436	321,950	7,328	43,608	67,687	8,219,522	9,649,256
DEFERRED INFLOWS OF RESOURCES									
Unavailable other revenues	-	-	-	-	-	-	-	535,958	535,958
Total deferred inflows of resources	-	-	-	-	-	-	-	535,958	535,958
FUND BALANCES (deficits)									
Nonspendable	-	-	-	-	-	-	-	1,465	1,465
Restricted	3,067	107,496	26,362,251	17,866,597	414,647	150,360	60,908,739	13,507,283	119,320,440
Committed	-	-	-	-	-	-	-	60,338,010	60,338,010
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(6,445)	-	-	-	-	(19,763)	-	(1,588,933)	(1,615,141)
Total fund balances (deficits)	(3,378)	107,496	26,362,251	17,866,597	414,647	130,597	60,908,739	72,257,825	178,044,774
Total liabilities, deferred inflows and fund balances (deficits)	\$ 120,285	\$ 849,558	\$ 26,485,687	\$ 18,188,547	\$ 421,975	\$ 174,205	\$ 60,976,426	\$ 81,013,305	\$ 188,229,988

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2022

	Community Development Block Grant Fund	State Housing Initiatives Partnership Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	HOME Investment Partnership Program Grant Fund	Resiliency Fund	Other Special Revenue Fund	Total
Revenues:									
Sales, Use and Fuel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,194,124	\$ 5,194,124
Utility taxes	-	-	-	-	-	-	-	1,397,815	1,397,815
Special taxing districts	-	-	-	-	-	-	-	644,388	644,388
Tax increment	-	-	-	-	-	-	10,686,189	-	10,686,189
Other taxes	-	-	-	-	-	-	-	2,197,574	2,197,574
Federal grants	1,669,948	-	-	-	-	743,180	-	1,169,841	3,582,969
State grants	-	167,476	-	-	5,733	-	-	279,773	452,982
Grants from other local units	-	-	-	-	24,233	-	-	4,367,596	4,391,829
Charges for services	-	-	-	45,482	-	-	-	8,412,968	8,458,450
Fines and forfeitures	-	-	-	-	-	-	-	351,396	351,396
Impact Fees	-	-	186,672	96,269	-	-	-	2,093,148	2,376,089
Interest income	-	3,955	165,251	113,849	2,321	-	-	75,799	361,175
Permits	-	-	-	-	-	-	-	954,026	954,026
Rent and leases	-	-	-	-	-	-	-	1,587,708	1,587,708
Other Revenue	-	-	-	-	-	-	-	759,427	759,427
Total revenues	1,669,948	171,431	351,923	255,600	32,287	743,180	10,686,189	29,485,583	43,396,141
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	854,708	854,708
Public safety	-	-	-	-	104,732	-	-	13,987,662	14,092,394
Physical environment	-	-	-	-	-	-	67,107	4,050,785	4,117,892
Transportation	-	-	-	-	-	-	-	9,094,030	9,094,030
Economic environment	1,453,126	167,476	-	-	-	296,934	-	972,659	2,890,195
Human services	-	-	-	-	-	-	-	1,546,188	1,546,188
Culture and recreation	-	-	-	325,886	-	-	-	2,593,140	2,919,026
Capital Outlay	201,595	-	1,236,157	1,110,871	-	495,896	1,404,285	4,711,702	9,160,506
Debt Service:									
Principal	-	-	-	-	-	-	-	345,267	345,267
Interest	-	-	-	-	-	-	-	99,892	99,892
Total expenditures	1,654,721	167,476	1,236,157	1,436,757	104,732	792,830	1,471,392	38,256,033	45,120,098
Excess (deficiency) of revenues over (under) expenditures	15,227	3,955	(884,234)	(1,181,157)	(72,445)	(49,650)	9,214,797	(8,770,450)	(1,723,957)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	22,568,376	22,568,376
Transfers out	-	-	(5,990)	(230,161)	-	-	-	(18,376)	(254,527)
Total other financing sources (uses)	-	-	(5,990)	(230,161)	-	-	-	22,550,000	22,313,849
Net change in fund balances	15,227	3,955	(890,224)	(1,411,318)	(72,445)	(49,650)	9,214,797	13,779,550	20,589,892
Fund balances (deficits) - beginning of year	(18,605)	103,541	27,252,475	19,277,915	487,092	180,247	51,693,942	58,478,275	157,454,882
Fund balances (deficits) - end of year	\$(3,378)	\$ 107,496	\$ 26,362,251	\$ 17,866,597	\$ 414,647	\$ 130,597	\$ 60,908,739	\$ 72,257,825	\$ 178,044,774

CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2022

	General Obligation Debt Service Fund	Pension Loan Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Resort Tax Debt Service Fund	Energy Savings Debt Service Funds	Total
ASSETS							
Cash and investments	\$ 313,417	\$ 260,095	\$ -	\$ -	\$ 1,047,776	\$ 609,295	\$ 2,230,583
Receivables, net	26,724	-	-	-	-	-	26,724
Total assets	\$ 340,141	\$ 260,095	\$ -	\$ -	\$ 1,047,776	\$ 609,295	\$ 2,257,307
LIABILITIES							
Accrued Expenses	\$ 17,697	\$ -	\$ -	\$ -	\$ -	\$ 469	\$ 18,166
Total liabilities	17,697	-	-	-	-	469	18,166
FUND BALANCES							
Restricted	322,444	260,095	-	-	1,047,776	608,826	2,239,141
Total fund balances	322,444	260,095	-	-	1,047,776	608,826	2,239,141
Total liabilities and fund balances	\$ 340,141	\$ 260,095	\$ -	\$ -	\$ 1,047,776	\$ 609,295	\$ 2,257,307

CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2022

	General Obligation Debt Service Fund	Pension Loan Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Resort Tax Debt Service Fund	Energy Savings Debt Service Funds	Total
Revenues							
Property taxes	\$ 11,523,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,523,733
Interest income	13,269	-	-	-	-	-	13,269
Total revenues	11,537,002	-	-	-	-	-	11,537,002
Expenditures							
Debt Service:							
Principal	4,390,000	-	-	7,675,000	4,010,000	1,504,142	17,579,142
Interest	7,096,050	-	-	14,037,615	8,443,500	109,788	29,686,953
Other	871	-	-	754	378	-	2,003
Total expenditures	11,486,921	-	-	21,713,369	12,453,878	1,613,930	47,268,098
Excess of expenditures over revenues	50,081	-	-	(21,713,369)	(12,453,878)	(1,613,930)	(35,731,096)
Other financing sources (uses):							
Other financing sources	-	-	-	21,713,369	12,454,221	1,614,000	35,781,590
Transfers in	-	-	-	21,713,369	12,454,221	1,614,000	35,781,590
Total other financing sources (uses)	-	-	-	21,713,369	12,454,221	1,614,000	35,781,590
Net change in fund balances	50,081	-	-	-	343	70	50,494
Fund balances - beginning of year	272,363	260,095	-	-	1,047,433	608,756	2,188,647
Fund balances - end of year	\$ 322,444	\$ 260,095	\$ -	\$ -	\$ 1,047,776	\$ 608,826	\$ 2,239,141

CITY OF MIAMI BEACH, FLORIDA
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED NONMAJOR DEBT SERVICE FUNDS
For the Fiscal Years Ended September 30, 2022
(Unaudited)

	General Obligation Debt Service Fund			Miami Beach Redevelopment Agency Special Obligation Debt Service Fund			Resort Tax Debt Service Fund			Variance with Final Budget- Positive (Negative)
	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	
Revenues										
Property taxes	\$ 11,492,000	\$ 11,523,733	\$ 31,733							
Interest income	-	13,269	13,269							
Total revenues	<u>11,492,000</u>	<u>11,537,002</u>	<u>45,002</u>							
Expenditures										
Debt Service:										
Principal	4,390,000	4,390,000	-	7,675,000	7,675,000	-	4,010,000	4,010,000	-	-
Interest	7,098,000	7,096,050	1,950	14,038,000	14,037,615	385	8,444,000	8,443,500	500	500
Other	4,000	871	3,129	2,000	754	1,246	2,000	378	1,622	1,622
Total expenditures	<u>11,492,000</u>	<u>11,486,921</u>	<u>5,079</u>	<u>21,715,000</u>	<u>21,713,369</u>	<u>1,631</u>	<u>12,456,000</u>	<u>12,453,878</u>	<u>2,122</u>	<u>2,122</u>
Excess (deficiency) of revenues over (under) expenditures		50,081	50,081	(21,715,000)	(21,713,369)	1,631	(12,456,000)	(12,453,878)	2,122	2,122
Other financing sources (uses):										
Transfers in	-	-	-	21,715,000	21,713,369	(1,631)	12,456,000	12,454,221	(1,779)	(1,779)
Total other financing sources (uses)				<u>21,715,000</u>	<u>21,713,369</u>	<u>(1,631)</u>	<u>12,456,000</u>	<u>12,454,221</u>	<u>(1,779)</u>	<u>(1,779)</u>
Net change in fund balances		50,081	50,081	-	-	-	-	343	343	343
Fund balances - beginning of year	272,363	272,363	-	-	-	-	1,047,433	1,047,433	-	-
Fund balances - end of year	<u>\$ 272,363</u>	<u>\$ 322,444</u>	<u>\$ 50,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,047,433</u>	<u>\$ 1,047,776</u>	<u>\$ 343</u>	<u>\$ 343</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2022

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 14,806,186	\$ 18,235,682	\$ 15,737,462	\$ 12,652,336	\$ 61,431,666
Accounts receivable (net of allowance for uncollectibles)	611,928	86,583	1,750	-	700,261
Leases receivables	-	-	-	1,240,689	1,240,689
Due from other funds	-	-	177,935	323,000	500,935
Prepaid expenses	-	-	127,952	-	127,952
Total current assets	<u>15,418,114</u>	<u>18,322,265</u>	<u>16,045,099</u>	<u>14,216,025</u>	<u>64,001,503</u>
Noncurrent assets:					
Cash and investments					
Customer deposits and advance sales	-	1,216,777	89,569	126,289	1,432,635
Right-to-use assets, net	-	70,112	-	-	70,112
Capital assets:					
Land	405,680	-	2,793,052	210,230	3,408,962
Buildings and structures	1,617,647	-	54,952,665	2,397,145	58,967,457
Machinery and equipment	5,263,417	646,160	1,091,639	-	7,001,216
Construction in progress	316,053	1,166,968	8,035	-	1,491,056
Less accumulated depreciation	(3,201,979)	(27,756)	(14,645,354)	(1,223,633)	(19,098,722)
Total capital assets (net of accumulated depreciation)	<u>4,400,818</u>	<u>1,785,372</u>	<u>44,200,037</u>	<u>1,383,742</u>	<u>51,769,969</u>
Total noncurrent assets	<u>4,400,818</u>	<u>3,072,261</u>	<u>44,289,606</u>	<u>1,510,031</u>	<u>53,272,716</u>
Total assets	<u>19,818,932</u>	<u>21,394,526</u>	<u>60,334,705</u>	<u>15,726,056</u>	<u>117,274,219</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions - MBERP	2,139,072	2,181,447	-	-	4,320,519
OPEB	2,070,370	1,548,765	-	-	3,619,135
Total deferred outflows of resources	<u>4,209,442</u>	<u>3,730,212</u>	<u>-</u>	<u>-</u>	<u>7,939,654</u>
LIABILITIES					
Current liabilities:					
Accounts payable	876,306	272,434	388,499	41,767	1,579,006
Retainage payable	560	42,686	38,869	-	82,115
Accrued expenses	342,995	250,890	-	-	593,885
Due to other funds	-	-	172,737	326,065	498,802
Due to other governments	-	-	23	1,995	2,018
Deposits	-	918,630	1,730	-	920,360
Accrued compensated absences	655,303	604,524	-	-	1,259,827
Leases payable	-	56,800	-	-	56,800
Unearned revenues	-	-	81,919	-	81,919
Total current liabilities	<u>1,875,164</u>	<u>2,145,964</u>	<u>683,777</u>	<u>369,827</u>	<u>5,074,732</u>
Noncurrent liabilities:					
Deposits	-	298,147	5,920	126,289	430,356
Accrued compensated absences	365,659	384,827	-	-	750,486
Net pension liability - MBERP	6,114,196	6,235,320	-	-	12,349,516
Net OPEB liability	8,995,236	6,728,995	-	-	15,724,231
Leases payable	-	14,444	-	-	14,444
Total noncurrent liabilities	<u>15,475,091</u>	<u>13,661,733</u>	<u>5,920</u>	<u>126,289</u>	<u>29,269,033</u>
Total liabilities	<u>17,350,255</u>	<u>15,807,697</u>	<u>689,697</u>	<u>496,116</u>	<u>34,343,765</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	-	-	-	1,249,270	1,249,270
Pensions - MBERP	5,131,974	5,233,640	-	-	10,365,614
OPEB	2,131,863	1,594,766	-	-	3,726,629
Total deferred inflows of resources	<u>7,263,837</u>	<u>6,828,406</u>	<u>-</u>	<u>1,249,270</u>	<u>15,341,513</u>
NET POSITION					
Net investment in capital assets	4,400,258	1,741,554	44,161,168	1,383,742	51,686,722
Unrestricted	(4,985,976)	747,081	15,483,840	12,596,928	23,841,873
Total net position (deficit)	<u>\$ (585,718)</u>	<u>\$ 2,488,635</u>	<u>\$ 59,645,008</u>	<u>\$ 13,980,670</u>	<u>\$ 75,528,595</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2022

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating revenues:					
Charges for services	\$ 10,577,493	\$ 3,069	\$ 3,978,497	\$ -	\$ 14,559,059
Permits, rentals, and other	7,654,967	19,170,731	474,543	523,311	27,823,552
Total operating revenues	18,232,460	19,173,800	4,453,040	523,311	42,382,611
Operating expenses:					
Personal services	10,270,886	9,192,520	-	-	19,463,406
Operating supplies	140,516	54,593	714	-	195,823
Contractual services	4,707,743	2,394,901	3,096,423	453,085	10,652,152
Utilities	38,420	51,958	211,851	13,361	315,590
Internal charges	2,174,342	1,792,000	483,077	39,000	4,488,419
Depreciation and amortization	536,537	167,386	1,349,024	77,352	2,130,299
Administrative fees	1,711,000	1,559,000	176,000	10,000	3,456,000
Other operating	428,741	55,322	329,875	24,138	838,076
Total operating expenses	20,008,185	15,267,680	5,646,964	616,936	41,539,765
Operating income (loss)	(1,775,725)	3,906,120	(1,193,924)	(93,625)	842,846
Nonoperating revenues					
(expenses):					
Interest and fiscal charges	-	(297)	-	-	(297)
Gain on disposal of capital assets	18,854	(2,182)	-	-	16,672
Interest income	87,630	105,108	67,769	65,379	325,886
Total nonoperating expenses	106,484	102,629	67,769	65,379	342,261
Income (loss) before transfers	(1,669,241)	4,008,749	(1,126,155)	(28,246)	1,185,107
Capital contribution	-	-	609,599	-	609,599
Transfers in	3,997,000	-	7,155,000	6,223,000	17,375,000
Transfers out	(3,000)	-	(155,000)	(323,000)	(481,000)
Change in net position	2,324,759	4,008,749	6,483,444	5,871,754	18,688,706
Net position (deficit) - beginning of year	(2,910,477)	(1,520,114)	53,161,564	8,108,916	56,839,889
Net position (deficit) - ending of year	\$ (585,718)	\$ 2,488,635	\$ 59,645,008	\$ 13,980,670	\$ 75,528,595

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2022

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Cash flows from operating activities:					
Receipts received from customers	\$ 10,614,218	\$ (219,032)	\$ 4,133,144	\$ 8,581	\$ 14,536,911
Payments to suppliers	(4,892,202)	(2,484,219)	(10,381,255)	(6,366,013)	(24,123,689)
Payments on behalf and to employees	(11,541,068)	(10,131,259)	-	-	(21,672,327)
Payments for interfund services used	(3,885,342)	(3,351,000)	(950,269)	(50,528)	(8,237,139)
Receipts for other operating revenue	7,654,967	19,170,731	474,543	521,311	27,821,552
Net cash provided by (used in) operating activities	<u>(2,049,427)</u>	<u>2,985,221</u>	<u>(6,723,837)</u>	<u>(5,886,649)</u>	<u>(11,674,692)</u>
Cash flows for non-capital financing activities:					
Transfers in	3,997,000	-	7,155,000	6,223,000	17,375,000
Transfers out	(3,000)	-	(155,000)	(323,000)	(481,000)
Net cash provided by non-capital financing activities	<u>3,994,000</u>	<u>-</u>	<u>7,000,000</u>	<u>5,900,000</u>	<u>16,894,000</u>
Cash flows from capital and related financial activities:					
Payment on leases	-	(54,958)	-	-	(54,958)
Interest and fiscal charges	-	(297)	-	-	(297)
Purchase of capital assets	(1,952,064)	(387,968)	(150,809)	-	(2,490,841)
Proceeds from sale of capital assets	57,857	-	-	-	57,857
Net cash used in capital and related financial activities	<u>(1,894,207)</u>	<u>(443,223)</u>	<u>(150,809)</u>	<u>-</u>	<u>(2,488,239)</u>
Cash flows from investing activities:					
Interest on investments	87,630	105,108	67,769	65,379	325,886
Net cash provided by investing activities	<u>87,630</u>	<u>105,108</u>	<u>67,769</u>	<u>65,379</u>	<u>325,886</u>
Net change in cash and investments	137,996	2,647,106	193,123	78,730	3,056,955
Cash and investments - beginning of year	14,668,190	16,805,353	15,633,908	12,699,895	59,807,346
Cash and investments - end of year	<u>\$ 14,806,186</u>	<u>\$ 19,452,459</u>	<u>\$ 15,827,031</u>	<u>\$ 12,778,625</u>	<u>\$ 62,864,301</u>
Classified as:					
Current assets	\$ 14,806,186	\$ 18,235,682	\$ 15,737,462	\$ 12,652,336	\$ 61,431,666
Restricted assets	-	1,216,777	89,569	126,289	1,432,635
Total cash and investments	<u>\$ 14,806,186</u>	<u>\$ 19,452,459</u>	<u>\$ 15,827,031</u>	<u>\$ 12,778,625</u>	<u>\$ 62,864,301</u>
Non-cash transactions affecting financial position:					
Change in right-to-use leased assets	\$ -	\$ 70,112	\$ -	\$ -	\$ 70,112
Change in lease obligations	-	(71,244)	-	-	(71,244)
Change in construction and related related liabilities	(29,000)	3,770	(10,006)	-	(35,236)
Capital contributions of capital assets	-	-	609,599	-	609,599
Total non-cash transactions affecting financial position:	<u>\$ (29,000)</u>	<u>\$ 2,638</u>	<u>\$ 599,593</u>	<u>\$ -</u>	<u>\$ 573,231</u>

(continued)

**CITY OF MIAMI BEACH, FLORIDA
OPERATING ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2022**

(continued)

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

	Sanitation Fund	Building Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating income (loss)	\$ (1,775,725)	\$ 3,906,120	\$ (1,193,924)	\$ (93,625)	\$ 842,846
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:					
Depreciation and amortization	536,537	167,386	1,349,024	77,352	2,130,299
Provision for uncollectible accounts	(16,284)	-	-	-	(16,284)
Changes in assets/liabilities and deferred inflows:					
(Increase) decrease in leases deferred inflow	-	-	-	1,249,270	1,249,270
(Increase) decrease in pension deferred inflow	4,488,990	4,603,294	-	-	9,092,284
(Increase) decrease in OPEB deferred inflow	1,971,268	1,481,747	-	-	3,453,015
(Increase) decrease in pension deferred outflow	985,581	881,794	-	-	1,867,375
(Increase) decrease in OPEB deferred outflow	289,451	111,963	-	-	401,414
(Increase) decrease in pension liability	(7,001,939)	(6,623,030)	-	-	(13,624,969)
(Increase) decrease in OPEB liability	(1,988,632)	(1,000,920)	-	-	(2,989,552)
(Increase) decrease in accounts receivable	53,009	(86,583)	-	-	(33,574)
(Increase) decrease in leases receivable	-	-	-	(1,240,689)	(1,240,689)
(Increase) decrease in due from other funds	-	-	135,137	(2,000)	133,137
(Increase) decrease in prepaid expense	-	-	(13,356)	-	(13,356)
Increase (decrease) in accounts payable	438,218	26,042	270,941	34,783	769,984
Increase (decrease) in accrued expenses	(73,329)	(128,186)	(7,000,000)	(5,912,207)	(13,113,722)
Increase (decrease) in deposits	-	(135,518)	740	-	(134,778)
Increase (decrease) in due to other governments	-	-	23	1,995	2,018
Increase (decrease) in due to other funds	-	-	(291,192)	(1,528)	(292,720)
Increase (decrease) in environmental remediation liability	(15,000)	-	-	-	(15,000)
Increase (decrease) in unearned revenues	-	-	18,770	-	18,770
Increase (decrease) in accrued compensated absences	58,428	(218,888)	-	-	(160,460)
Total adjustments	(273,702)	(920,899)	(5,529,913)	(5,793,024)	(12,517,538)
Net cash provided by (used in) operating activities	\$ (2,049,427)	\$ 2,985,221	\$ (6,723,837)	\$ (5,886,649)	\$ (11,674,692)

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2022

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Total
ASSETS								
Current assets:								
Cash and investments	\$ 17,276,182	\$ 5,931,530	\$ 1,851,539	\$ 56,803,796	\$ 19,048,800	\$ 18,147,199	\$ 560,252	\$ 119,619,298
Cash with fiscal agent	-	-	-	250,000	-	-	-	250,000
Accounts receivable, net	-	-	-	-	7,173	-	-	7,173
Prepaid expenses	2,000	-	-	3,462,797	-	28,599	-	3,493,396
Inventories	311,235	231,833	27,768	-	-	819,337	-	1,390,173
Total current assets	17,589,417	6,163,363	1,879,307	60,516,593	19,055,973	18,995,135	560,252	124,760,040
Noncurrent assets:								
Right-to-use assets, net	-	-	56,095	-	-	972,957	-	1,029,052
Capital assets:								
Land	608,520	-	-	-	-	-	-	608,520
Buildings and structures	2,729,684	19,276	-	-	-	-	-	2,748,960
Machinery and equipment	46,934,532	2,699,180	74,732	100,736	-	18,500,300	-	68,309,480
Construction in progress	-	-	-	-	-	667,718	-	667,718
Less accumulated depreciation	(34,396,064)	(2,024,289)	(63,915)	(100,736)	-	(13,685,483)	-	(50,270,487)
Total capital assets (net of accumulated depreciation)	15,876,672	694,167	10,817	-	-	5,482,535	-	22,064,191
Total noncurrent assets	15,876,672	694,167	66,912	-	-	6,455,492	-	23,039,243
Total assets	33,466,089	6,857,530	1,946,219	60,516,593	19,055,973	25,450,627	560,252	147,853,283
DEFERRED OUTFLOWS OF RESOURCES								
Pensions - MBERP	393,149	707,727	77,688	198,046	49,438	1,318,933	260,726	3,005,707
OPEB	423,820	602,898	98,493	71,631	35,815	790,931	146,248	2,169,836
Total deferred outflows of resources	816,969	1,310,625	176,181	269,677	85,253	2,109,864	406,974	5,175,543
LIABILITIES								
Current liabilities:								
Accounts payable	845,959	1,363,352	5,183	214,140	963,024	1,808,385	6,936	5,206,979
Retainage payable	24,469	-	-	-	-	-	-	24,469
Accrued expenses	68,044	98,458	15,472	26,943	1,005,208	224,117	48,524	1,486,766
Accrued compensated absences	112,447	148,376	31,460	50,148	6,441	210,960	72,097	631,929
Loans payable	2,972,716	-	-	-	-	-	-	2,972,716
Leases payable	-	-	51,106	-	-	514,102	-	565,208
Insurance claims incurred but not reported	-	-	-	-	2,233,000	-	-	2,233,000
Pending insurance claims	-	-	-	8,989,000	-	-	-	8,989,000
Total current liabilities	4,023,635	1,610,186	103,221	9,280,231	4,207,673	2,757,564	127,557	22,110,067
Noncurrent liabilities:								
Accrued compensated absences	60,698	195,462	28,447	85,554	30,095	951,667	45,565	1,397,488
Net pension liability - MBERP	1,123,754	2,022,925	222,060	566,082	141,310	3,769,959	745,244	8,591,334
Net OPEB liability	1,841,390	2,619,442	427,929	311,221	155,610	3,436,396	635,409	9,427,397
Loans payable	7,337,640	-	-	-	-	-	-	7,337,640
Leases payable	-	-	4,266	-	-	516,211	-	520,477
Pending insurance claims	-	-	-	7,067,742	-	-	-	7,067,742
Insurance claims incurred but not reported	-	-	-	23,375,539	-	-	-	23,375,539
Total noncurrent liabilities	10,363,482	4,837,829	682,702	31,406,138	327,015	8,674,233	1,426,218	57,717,617
Total liabilities	14,387,117	6,448,015	785,923	40,686,369	4,534,688	11,431,797	1,553,775	79,827,684
DEFERRED INFLOWS OF RESOURCES								
Other unearned revenue	-	-	-	-	-	-	-	-
Pensions - MBERP	943,227	1,697,949	186,387	475,143	118,610	3,164,329	625,523	7,211,168
OPEB	436,408	620,805	101,419	73,759	36,879	814,423	150,591	2,234,284
Total deferred inflows of resources	1,379,635	2,318,754	287,806	548,902	155,489	3,978,752	776,114	9,445,452
NET POSITION								
Net investment in capital assets	5,541,847	694,167	11,540	-	-	5,425,179	-	11,672,733
Unrestricted	12,974,459	(1,292,781)	1,037,131	19,550,999	14,451,049	6,724,763	(1,362,663)	52,082,957
Total net position (deficit)	\$ 18,516,306	\$ (598,614)	\$ 1,048,671	\$ 19,550,999	\$ 14,451,049	\$ 12,149,942	\$ (1,362,663)	\$ 63,755,690

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2022

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Total
Operating revenues:								
Charges for services	\$ 16,134,189	\$ 10,295,129	\$ 1,004,603	\$ 21,816,000	\$ 36,646,794	\$ 16,168,560	\$ 1,532,000	\$ 103,597,275
Permits, rentals, and other	107,221	15,791	-	1,337,890	4,865,321	231,058	-	6,557,281
Total operating revenues	16,241,410	10,310,920	1,004,603	23,153,890	41,512,115	16,399,618	1,532,000	110,154,556
Operating expenses:								
Personal services	1,587,193	3,195,017	387,373	690,364	194,492	6,153,300	1,314,002	13,521,741
Operating supplies	3,453,590	55,106	4,202	104,243	-	1,494,779	16,901	5,128,821
Contractual services	1,635,116	4,839,771	278,255	4,424,455	746,215	7,189,194	74,879	19,187,885
Utilities	82,659	708,843	584	1,805	-	1,174,909	483	1,969,283
Internal charges	686,000	916,000	80,000	236,364	-	642,319	134,000	2,694,683
Administrative fees	-	-	-	1,259,000	-	-	-	1,259,000
Depreciation and amortization	3,576,029	188,078	55,141	-	-	2,554,374	-	6,373,622
Insurance	-	-	-	6,062,604	13,367,528	-	-	19,430,132
Claims and judgments	-	-	-	5,054,988	27,709,102	-	-	32,764,090
Other operating	37,314	8,465	30,404	243,005	54,678	36,204	259	410,329
Total operating expenses	11,057,901	9,911,280	835,959	18,076,828	42,072,015	19,245,079	1,540,524	102,739,586
Operating income (loss)	5,183,509	399,640	168,644	5,077,062	(559,900)	(2,845,461)	(8,524)	7,414,970
Nonoperating revenues (expenses):								
Interest and fiscal charges	(110,656)	-	(255)	-	-	(9,667)	-	(120,578)
Gain on sale of capital assets	398,356	8,125	-	-	-	-	-	406,481
Interest income	69,926	34,859	10,704	584,422	108,675	106,772	3,258	918,616
Total nonoperating revenues (expenses)	357,626	42,984	10,449	584,422	108,675	97,105	3,258	1,204,519
Income (loss) before contributions and transfers	5,541,135	442,624	179,093	5,661,484	(451,225)	(2,748,356)	(5,266)	8,619,489
Capital contributions	512,705	-	-	-	-	-	-	512,705
Transfers in	-	-	-	-	-	300,000	-	300,000
Transfers out	(9,000)	(349,000)	-	-	-	-	-	(358,000)
Change in net position	6,044,840	93,624	179,093	5,661,484	(451,225)	(2,448,356)	(5,266)	9,074,194
Net position - beginning	12,471,466	(692,238)	869,578	13,889,515	14,902,274	14,598,298	(1,357,397)	54,681,496
Net position (deficit) - ending	\$ 18,516,306	\$ (598,614)	\$ 1,048,671	\$ 19,550,999	\$ 14,451,049	\$ 12,149,942	\$ (1,362,663)	\$ 63,755,690

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2022

	Fleet Management Fund	Property Management Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Totals
Cash flows from operating activities:								
Receipts from users	\$ 16,251,002	\$ 10,310,920	\$ 1,004,603	\$ 23,153,890	\$ 41,512,072	\$ 16,399,618	\$ 1,532,000	\$ 110,164,105
Payments to suppliers	(5,207,736)	(5,352,827)	(313,326)	(12,629,283)	(14,302,706)	(10,343,410)	(87,264)	(48,236,552)
Payments on behalf of and to employees	(1,978,768)	(3,591,474)	(450,371)	(912,554)	(257,125)	(6,770,424)	(1,371,674)	(15,332,390)
Payments for claims and judgments	-	-	-	(5,427,148)	(27,585,102)	-	-	(33,012,250)
Payments for interfund services used	(686,000)	(916,000)	(80,000)	(1,495,364)	-	(642,319)	(134,000)	(3,953,683)
Net cash provided by (used in) operating activities	<u>8,378,498</u>	<u>450,619</u>	<u>160,906</u>	<u>2,689,541</u>	<u>(632,861)</u>	<u>(1,356,535)</u>	<u>(60,938)</u>	<u>9,629,230</u>
Cash flows for non-capital financing activities:								
Transfers in	-	-	-	-	-	300,000	-	300,000
Transfers out	(9,000)	(349,000)	-	-	-	-	-	(358,000)
Net cash provided by (used in) non-capital financing activities	<u>(9,000)</u>	<u>(349,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>(58,000)</u>
Cash flows from capital and related financial activities:								
Proceeds from loan	3,400,964	-	-	-	-	-	-	3,400,964
Payment on loan	(2,221,203)	-	-	-	-	(299,166)	-	(2,520,369)
Payment on leases	-	-	(50,957)	-	-	(517,791)	-	(568,748)
Interest and fiscal charges	(107,878)	-	-	-	-	(9,667)	-	(117,545)
Purchase of capital assets	(3,817,295)	(2,333)	(255)	-	-	(97,473)	-	(3,917,356)
Proceeds from sale of capital assets	431,635	8,125	-	-	-	-	-	439,760
Net cash used in capital and related financial activities	<u>(2,313,777)</u>	<u>5,792</u>	<u>(51,212)</u>	<u>-</u>	<u>-</u>	<u>(924,097)</u>	<u>-</u>	<u>(3,283,294)</u>
Cash flows from investing activities:								
Interest on investments	69,926	34,859	10,704	584,422	108,675	106,772	3,258	918,616
Net cash provided by investing activities	<u>69,926</u>	<u>34,859</u>	<u>10,704</u>	<u>584,422</u>	<u>108,675</u>	<u>106,772</u>	<u>3,258</u>	<u>918,616</u>
Net change in cash and investments	6,125,647	142,270	120,398	3,273,963	(524,186)	(1,873,860)	(57,680)	7,206,552
Cash and investments - beginning of year	11,150,535	5,789,260	1,731,141	53,779,833	19,572,986	20,021,059	617,932	112,662,746
Cash and investments - beginning as restated	11,150,535	5,789,260	1,731,141	53,779,833	19,572,986	20,021,059	617,932	112,662,746
Cash and investments - end of year	<u>\$ 17,276,182</u>	<u>\$ 5,931,530</u>	<u>\$ 1,851,539</u>	<u>\$ 57,053,796</u>	<u>\$ 19,048,800</u>	<u>\$ 18,147,199</u>	<u>\$ 560,252</u>	<u>\$ 119,869,298</u>
Classified as:								
Cash and investments-current and Cash with Fiscal agent	<u>\$ 17,276,182</u>	<u>\$ 5,931,530</u>	<u>\$ 1,851,539</u>	<u>\$ 57,053,796</u>	<u>\$ 19,048,800</u>	<u>\$ 18,147,199</u>	<u>\$ 560,252</u>	<u>\$ 119,869,298</u>
Non-cash transactions affecting financial position:								
Capital contributions of capital assets	\$ 512,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,705
Change in right-to-use leased assets	-	-	56,095	-	-	972,957	-	1,029,052
Change in lease obligations	-	-	(55,372)	-	-	(1,030,313)	-	(1,085,685)
Change in construction and related liabilities	24,469	-	-	-	-	-	-	24,469
Total Non-cash transactions affecting financial position	<u>\$ 537,174</u>	<u>\$ -</u>	<u>\$ 723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,356)</u>	<u>\$ -</u>	<u>\$ 480,541</u>

(continued)

CITY OF MIAMI BEACH, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2022

(continued)

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

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Risk Insurance Fund	Health Insurance Fund	Communications Fund	Office of Inspector General Fund	Totals
Operating income (loss)	\$ 5,183,509	\$ 399,640	\$ 168,644	\$ 5,077,062	\$ (559,900)	\$ (2,845,461)	\$ (8,524)	\$ 7,414,970
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	3,576,029	188,078	55,141	-	-	2,554,374	-	6,373,622
Changes in assets and liabilities:								
(Increase) decrease in pension deferred inflow	828,958	1,486,943	163,249	413,648	102,057	2,775,335	548,276	6,318,466
(Increase) decrease in OPEB deferred inflow	400,028	573,834	93,360	68,233	33,886	751,795	140,920	2,062,056
(Increase) decrease in pension deferred outflow	162,153	317,678	34,756	100,796	31,003	571,428	114,665	1,332,479
(Increase) decrease in OPEB deferred outflow	110,749	87,305	19,924	9,569	8,169	129,340	(4,147)	360,909
(Increase) decrease in pension liability	(1,207,196)	(2,281,346)	(249,939)	(688,347)	(196,351)	(4,165,075)	(830,508)	(9,618,762)
(Increase) decrease in OPEB liability	(646,782)	(593,134)	(123,248)	(66,729)	(49,113)	(847,039)	(26,004)	(2,352,049)
(Increase) decrease in inventories	1,614	(61,445)	(5,064)	-	-	(745,480)	-	(810,375)
(Increase) decrease in accounts receivable	9,592	-	-	-	(43)	-	-	9,549
(Increase) decrease in due from other governments	-	-	-	-	-	12,472	-	12,472
Increase in prepaid expense	(2,000)	-	-	(384,777)	-	202,258	-	(184,519)
Increase (decrease) in accounts payable	(10,266)	320,803	5,183	(1,408,393)	(87,660)	94,898	5,258	(1,080,177)
Increase (decrease) in accrued compensated absences	22,745	49,654	57	(50,711)	9,161	182,901	127	213,934
Increase (decrease) in unearned revenues	-	-	-	-	-	(12,472)	-	(12,472)
Increase (decrease) in pending insurance claims	-	-	-	(115,601)	-	-	-	(115,601)
(Decrease) in insurance claims incurred but not reported	-	-	-	(256,560)	124,000	-	-	(132,560)
Increase (decrease) in accrued expenses	(50,635)	(37,391)	(1,157)	(8,649)	(48,070)	(15,809)	(1,001)	(162,712)
Total adjustments	3,194,989	50,979	(7,738)	(2,387,521)	(72,961)	1,488,926	(52,414)	2,214,260
Net cash provided by operating activities	\$ 8,378,498	\$ 450,619	\$ 160,906	\$ 2,689,541	\$ (632,861)	\$ (1,356,535)	\$ (60,938)	\$ 9,629,230

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OPEB TRUST FUNDS
September 30, 2022

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Assets						
Cash and cash equivalents	\$ 1,461,390	\$ 26,978	\$ 21,935	\$ 447,052	\$ 429,307	\$ 2,386,662
Accrued interest receivable	-	1,793,896	51,147	33,815	-	1,878,858
Contribution receivable	-	-	1,373,339	-	900,000	2,273,339
Other receivables	160,763	-	-	-	-	160,763
Prepays	4,224,777	-	-	3,366	-	4,228,143.00
Investments:						
Short-term investments	1,808,811	12,662,159	2,370,957	888,611	-	17,730,538
U.S. Government securities	-	57,224,083	861,095	2,548,395	-	60,633,573
Corporate bonds and other municipal obligations	-	136,515,756	3,816,165	1,266,578	-	141,598,499
Bond Funds	130,643,812	-	-	-	-	130,643,812
Foreign Bonds and private placements	-	38,491,179	-	-	-	38,491,179
Common stocks and index funds	295,116,177	477,411,663	12,290,685	4,884,803	-	789,703,328
Foreign Stocks	107,891,425	47,469,058	-	-	-	155,360,483
Real estate funds	119,294,632	201,623,114	2,201,720	2,049,476	-	325,168,942
Infrastructure investments	37,618,998	-	-	-	-	37,618,998
Hedge Fund	-	10,740,507	-	-	-	10,740,507
Mutual funds	17,226,730	38,787,144	-	-	-	56,013,874
Total investments	709,600,585	1,020,924,663	21,540,622	11,637,863	38,887,662	1,802,591,395
Total assets	715,447,515	1,022,745,537	22,987,043	12,122,096	40,216,969	1,813,519,160
Liabilities						
Accounts payable	242,873	1,071,243	1,230	74,358	-	1,389,704
Total liabilities	242,873	1,071,243	1,230	74,358	-	1,389,704
Net Position						
Restricted for pension and OPEB benefits	\$ 715,204,642	\$ 1,021,674,294	\$ 22,985,813	\$ 12,047,738	\$ 40,216,969	\$ 1,812,129,456

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OPEB TRUST FUNDS
For the Fiscal Year Ended September 30, 2022

	Employees' Retirement System	Retirement System for Firefighters and Police Officers	Firemen's Relief and Pension Fund	Policemen's Relief and Pension Fund	Postemployment Benefits Other Than Pension (OPEB)	Totals
Additions:						
Contributions -						
Employer	\$ 29,590,369	\$ 45,416,048	\$ -	\$ -	\$ 16,684,233	\$ 91,690,650
Employee	9,285,205	7,049,733	-	-	-	16,334,938
State of Florida	-	120,549	1,323,459	753,566	-	2,197,574
Total contributions	38,875,574	52,586,330	1,323,459	753,566	16,684,233	110,223,162
Investment income -						
Net appreciation (depreciation) in fair value of investments	(128,636,281)	(147,747,489)	(2,953,834)	(1,226,873)	(12,337,862)	(292,902,339)
Interest and dividends income	17,042,312	14,303,404	434,768	261,693	2,716,061	34,758,238
Other income	-	62,063.00	-	-	-	62,063
Investment management expenses	(111,593,969)	(133,382,022)	(2,519,066)	(965,180)	(9,621,801)	(258,082,038)
	(2,939,276)	(5,118,837)	(155,345)	(114,918)	(8,328,376)	(8,328,376)
Net investment income (loss)	(114,533,245)	(138,500,859)	(2,674,411)	(1,080,098)	(9,621,801)	(266,410,414)
Total additions	(75,657,671)	(85,914,529)	(1,350,952)	(326,532)	7,062,432	(156,187,252)
Deductions:						
Benefit paid	55,507,283	75,365,599	53,753	1,212,786	15,684,233	147,823,654
Contributions refunded	1,613,924	30,036	-	-	-	1,643,960
Administrative expenses	761,955	1,040,317	42,344	77,868	125,260	2,047,744
Total deductions	57,883,162	76,435,952	96,097	1,290,654	15,809,493	151,515,358
Change in Net Position restricted for Pensions/OPEB	(133,540,833)	(162,350,481)	(1,447,049)	(1,617,186)	(8,747,061)	(307,702,610)
Net position - amount restricted for pension and OPEB benefits - beginning of year	848,745,475	1,184,024,775	24,432,862	13,664,924	48,964,030	2,119,832,066
Net position - amount restricted for pension and OPEB benefits - end of year	\$ 715,204,642	\$ 1,021,674,294	\$ 22,985,813	\$ 12,047,738	\$ 40,216,969	\$ 1,812,129,456

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2022

	Miami Beach Visitor and Convention Authority	Miami Beach Health Facilities Authority	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,978,433	\$ 9,128	\$ 5,987,561
Due from primary government	966,919	62	966,981
Total current assets	<u>6,945,352</u>	<u>9,190</u>	<u>6,954,542</u>
Non-current assets			
Capital assets, net of accumulated depreciation	71,930	-	71,930
Total non-current assets	<u>71,930</u>	<u>-</u>	<u>71,930</u>
Total assets	<u>7,017,282</u>	<u>9,190</u>	<u>7,026,472</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - OPEB	159,378	-	159,378
Deferred outflows - pension	124,295	-	124,295
Total deferred outflows of resources	<u>283,673</u>	<u>-</u>	<u>283,673</u>
LIABILITIES			
Current liabilities			
Accounts payable	1,059	-	1,059
Accrued expenses	8,926	-	8,926
Accrued grants	330,993	-	330,993
Total current liabilities	<u>340,978</u>	<u>-</u>	<u>340,978</u>
Non-current liabilities			
Net OPEB liability	692,458	-	692,458
Net pension liability	355,278	-	355,278
Compensated absences	24,091	-	24,091
Total non-current liabilities	<u>1,071,827</u>	<u>-</u>	<u>1,071,827</u>
Total liabilities	<u>1,412,805</u>	<u>-</u>	<u>1,412,805</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - OPEB	164,112	-	164,112
Deferred inflows - pension	298,204	-	298,204
Total deferred inflows of resources	<u>462,316</u>	<u>-</u>	<u>462,316</u>
NET POSITION			
Net investment in capital assets	71,930	-	71,930
Unrestricted	5,353,904	9,190	5,363,094
Total net position	<u>\$ 5,425,834</u>	<u>\$ 9,190</u>	<u>\$ 5,435,024</u>

CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended September 30, 2022

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Totals
		Operating Grants and Contributions	Visitor and Convention Authority	Health Facilities Authority	
Miami Beach Visitor and Convention Authority					
Cultural - grant program	\$ 998,223	\$ -	\$ (998,223)	\$ -	\$ (998,223)
General administrative	1,048,066	-	(1,048,066)	-	(1,048,066)
Total Miami Beach Visitor and Convention Authority	2,046,289	-	(2,046,289)	-	(2,046,289)
Miami Beach Health Facilities Authority					
General administrative	175	-	-	(175)	(175)
Donations & contributions	-	-	-	-	-
Total Miami Beach Health Facility Authority	175	-	-	(175)	(175)
Total component units	\$ 2,046,464	\$ -			(2,046,464)
General revenues:					
Resort tax allocation			3,770,863	-	3,770,863
Miscellaneous			-	-	-
Interest Income			3,445	56	3,501
Total general revenues			3,774,308	56	3,774,364
Change in net position			1,728,019	(119)	1,727,900
Net position - beginning			3,697,815	9,309	3,707,124
Net position - ending			\$ 5,425,834	\$ 9,190	\$ 5,435,024

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets										
Restricted	\$ 429,859,674	\$ 429,989,670	\$ 491,485,745	\$ 558,538,326	\$ 712,557,077	\$ 632,998,945	\$ 536,178,257	\$ 638,914,567	\$ 616,294,671	\$ 644,989,729
Unrestricted	129,615,957	146,377,701	172,033,018	191,637,742	196,069,003	196,553,344	201,930,677	175,187,510	176,668,528	145,281,020
Total net position for governmental activities	131,579,116	160,427,999	(175,574,362)	(231,946,281)	(383,459,279)	(301,135,963)	(301,959,558)	(918,386,180)	(867,347,561)	(764,126,266)
	<u>691,054,747</u>	<u>736,795,370</u>	<u>487,944,401</u>	<u>518,229,787</u>	<u>525,166,801</u>	<u>528,416,326</u>	<u>436,149,376</u>	<u>(104,284,103)</u>	<u>(74,184,362)</u>	<u>26,144,483</u>
Business-type activities										
Net investment in capital assets										
Restricted	382,255,186	343,218,833	410,865,702	474,091,817	438,446,944	411,086,647	388,123,514	864,486,887	903,480,355	903,320,160
Unrestricted	40,085,381	88,568,103	48,205,531	159,759,212	135,521,099	72,476,675	70,589,612	73,752,744	73,662,621	80,752,908
Total net position for business-type activities	161,059,156	188,294,644	135,968,387	26,903,541	49,706,270	133,972,500	185,944,956	216,111,725	200,691,046	270,088,809
	<u>583,399,723</u>	<u>600,081,580</u>	<u>595,039,620</u>	<u>660,754,570</u>	<u>623,674,313</u>	<u>617,535,822</u>	<u>644,658,082</u>	<u>1,154,351,356</u>	<u>1,177,834,022</u>	<u>1,254,161,877</u>
Primary government										
Net investment in capital assets										
Restricted	812,114,860	773,208,503	902,351,447	1,032,630,143	1,151,004,021	1,044,085,592	924,301,771	1,503,401,454	1,519,775,026	1,548,309,889
Unrestricted	169,701,338	234,945,804	220,238,549	351,396,954	331,590,102	269,030,019	272,520,289	248,940,254	250,531,149	226,033,928
Total net position for primary government	292,638,272	328,722,643	(39,605,975)	(205,042,740)	(333,753,009)	(167,163,463)	(116,014,602)	(702,274,455)	(666,566,515)	(494,037,457)
	<u>1,274,454,470</u>	<u>1,336,876,950</u>	<u>1,082,984,021</u>	<u>1,178,984,357</u>	<u>1,148,841,114</u>	<u>1,145,952,148</u>	<u>1,080,807,458</u>	<u>1,050,067,253</u>	<u>1,103,649,660</u>	<u>1,280,306,360</u>

* STATEMENT OF NET POSITION

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 45,986,648	\$ 43,365,675	\$ 47,397,904	\$ 52,618,959	\$ 66,172,986	\$ 59,544,525	\$ 60,119,029	\$ 62,224,763	\$ 62,199,963	\$ 47,548,091
Public safety	188,420,690	197,239,550	192,976,434	220,109,566	246,568,234	244,304,594	274,361,814	292,092,564	268,822,518	222,041,727
Physical environment	2,739,664	3,168,494	4,198,730	5,548,076	7,053,251	6,939,057	17,567,864	14,581,897	13,088,813	16,309,446
Transportation	11,842,989	14,386,802	17,448,894	18,120,846	24,832,644	34,843,267	31,086,013	24,206,724	22,109,953	25,469,483
Economic environment	4,537,985	4,876,697	5,611,831	6,535,179	6,669,550	10,287,677	9,041,856	12,112,613	11,821,777	17,665,354
Human services	2,138,763	2,212,540	2,783,057	3,332,947	3,247,822	3,529,909	4,052,075	4,468,149	4,441,728	4,014,426
Culture and recreation	49,424,532	53,476,429	59,368,604	63,885,681	64,872,655	69,371,471	70,988,409	66,385,409	78,882,523	72,382,092
Interest on long-term debt	8,419,846	8,242,353	8,242,353	30,627,226	25,017,810	23,790,283	29,300,376	31,726,759	38,361,329	30,643,909
Total governmental activities expenses	\$ 314,559,267	\$ 327,546,033	\$ 338,027,807	\$ 400,278,480	\$ 444,434,952	\$ 452,570,783	\$ 496,527,706	\$ 507,798,878	\$ 499,728,604	\$ 436,274,528
Business-type activities:										
Stormwater	7,651,595	7,876,993	10,418,758	9,508,836	13,375,369	22,269,049	23,112,842	25,389,320	25,429,684	25,495,568
Water	28,797,909	28,965,261	28,255,282	30,317,357	29,813,596	30,977,477	30,479,946	27,892,435	29,117,982	29,402,499
Sewer	31,186,853	31,373,772	35,733,735	36,583,070	44,612,955	44,472,734	43,845,155	41,735,473	45,510,290	45,887,232
Parking	33,137,387	37,071,518	38,123,221	43,015,148	46,634,653	50,696,556	51,425,608	39,266,530	33,962,993	34,036,964
Convention Center	17,153,279	17,417,988	16,190,590	14,495,430	18,255,990	12,039,318	22,505,093	25,791,880	36,413,801	42,268,059
Other	20,029,662	20,132,046	21,516,603	21,993,702	25,717,476	27,384,254	26,848,507	43,327,707	55,241,293	41,990,489
Total business-type activities expenses	\$ 137,956,685	\$ 142,837,578	\$ 151,238,189	\$ 157,913,543	\$ 178,410,039	\$ 187,839,388	\$ 198,217,151	\$ 203,406,345	\$ 225,676,043	\$ 219,080,801
Total primary government expenses	\$ 452,515,952	\$ 470,383,611	\$ 489,265,996	\$ 558,192,023	\$ 622,844,991	\$ 640,410,171	\$ 694,744,857	\$ 711,205,223	\$ 725,404,647	\$ 655,355,329
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 67,605,958	\$ 72,088,018	\$ 75,232,828	\$ 80,758,157	\$ 81,694,256	\$ 85,678,600	\$ 88,589,598	\$ 59,790,297	\$ 66,551,294	\$ 83,230,735
Public safety	8,146,390	8,101,151	9,073,918	10,190,087	10,165,262	9,014,798	10,078,686	8,142,676	7,173,188	12,216,994
Culture and recreation	7,708,231	8,120,209	8,497,903	8,744,939	8,396,344	9,434,770	10,056,119	7,695,901	10,994,907	12,920,579
Other	29,211	42,983	1,723,853	35,917	27,390	400	800	-	-	-
Operating grants and contributions	19,528,573	19,206,319	27,376,359	17,240,055	17,671,894	21,130,005	27,573,712	21,837,952	65,697,520	60,261,046
Capital grants and contributions	3,449,389	3,937,362	13,830,485	1,913,922	1,022,828	6,744,866	17,096,292	7,667,032	7,740,231	6,736,982
Total governmental activities program revenue	\$ 106,467,752	\$ 111,496,052	\$ 135,735,346	\$ 118,883,077	\$ 118,977,974	\$ 132,003,439	\$ 153,395,207	\$ 105,133,859	\$ 158,157,140	\$ 175,368,336
Business-type activities:										
Charges for services:										
Stormwater	11,671,714	11,715,299	21,256,353	21,490,894	28,570,734	29,293,550	30,689,228	30,887,007	32,133,712	33,073,208
Water	32,788,878	33,403,046	33,870,737	35,403,282	34,308,346	35,106,688	36,407,786	32,616,071	34,285,379	38,066,395
Sewer	35,409,042	36,737,566	42,169,257	45,389,228	50,534,924	51,077,411	53,255,772	48,907,482	53,544,198	58,688,087
Parking	40,302,744	40,049,313	42,672,887	51,499,302	47,285,421	48,350,420	49,013,328	31,760,569	37,467,080	46,300,693
Convention Center	9,494,760	8,302,873	17,147,941	5,937,041	2,719,642	2,499,387	7,971,861	16,752,351	9,298,472	25,374,930
Other	17,467,720	20,820,772	20,486,111	21,509,417	22,418,979	22,053,067	22,305,162	30,463,100	32,796,162	42,382,611
Operating grants and contributions	10,025,165	10,622,366	12,000,851	7,741,012	2,915,802	18,842,689	12,374,003	9,886,005	9,121,213	23,685,569
Capital grants and contributions	-	-	-	36,982,120	10,037,561	18,842,689	-	-	-	-
Total business-type activities program revenue	\$ 157,160,023	\$ 161,651,235	\$ 189,606,137	\$ 227,952,296	\$ 198,791,419	\$ 207,223,212	\$ 211,987,140	\$ 208,646,216	\$ 208,646,216	\$ 267,573,493
Total primary government program revenue	\$ 263,627,775	\$ 273,147,287	\$ 325,341,483	\$ 346,835,373	\$ 317,769,393	\$ 339,226,651	\$ 365,392,347	\$ 306,416,444	\$ 366,803,356	\$ 442,941,829

*STATEMENT OF ACTIVITIES

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (208,091,515)	\$ (216,049,981)	\$ (202,292,461)	\$ (281,395,403)	\$ (325,456,978)	\$ (320,567,344)	\$ (343,132,499)	\$ (402,665,019)	\$ (341,571,464)	\$ (260,906,192)
Business-type activities	19,203,338	18,811,657	38,367,948	70,038,753	20,381,980	19,383,924	13,779,989	(2,123,760)	(17,029,827)	48,492,692
Total primary government net expense	<u>\$ (188,888,177)</u>	<u>\$ (197,238,324)</u>	<u>\$ (163,924,513)</u>	<u>\$ (211,356,650)</u>	<u>\$ (305,075,998)</u>	<u>\$ (301,183,920)</u>	<u>\$ (329,352,510)</u>	<u>\$ (404,788,779)</u>	<u>\$ (358,601,291)</u>	<u>\$ (212,413,500)</u>
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes	\$ 117,163,758	\$ 121,595,988	\$ 133,099,279	\$ 147,504,790	\$ 167,206,453	\$ 183,296,970	\$ 188,988,491	\$ 199,908,875	\$ 207,774,487	\$ 212,579,801
Property taxes	58,617,992	61,760,518	67,999,916	82,633,144	81,910,032	87,595,052	88,246,170	84,972,321	82,207,342	117,307,417
Resort taxes	43,297,433	49,962,380	38,094,108	44,974,888	51,843,091	72,235,505	72,524,651	56,577,471	78,780,847	64,602,124
Utility taxes	11,391,955	12,364,114	12,192,935	12,308,962	12,582,522	12,837,343	13,269,326	12,720,319	13,077,259	14,398,727
Communication service	4,583,368	4,678,905	4,519,938	4,963,225	3,745,968	5,592,363	3,561,838	3,517,226	3,500,665	3,693,299
Local business tax	4,411,851	4,493,950	4,629,996	4,098,786	5,029,998	4,075,570	5,455,327	5,381,019	3,706,743	4,977,878
Miscellaneous	982,771	1,154,512	1,437,032	2,162,942	2,037,864	3,989,438	1,979,049	1,412,181	1,858,242	6,326,223
Unrealized loss on investments	(5,241,121)	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	3,494,199	3,085,992	5,284,909	4,415,405	5,786,366	6,731,596	23,294,793	18,886,768	7,456,194	(34,313,392)
Insurance proceeds relating to impairments	491,394	200,295	387,671	409,907	13,699	1,311,745	-	3,171	543,750	407,511
Gain or (loss) on disposal of capital assets	-	-	-	(1,858,400)	769,066	1,089,334	-	-	-	-
Extraordinary Expense	4,409,667	4,663,756	9,763,869	10,067,140	1,469,533	6,106,910	(1,080,419)	(491,147,811)	(95,104,697)	(28,744,551)
Transfers	243,603,267	263,963,410	277,389,673	311,680,789	332,393,992	384,861,826	396,239,226	(137,768,460)	363,800,832	361,235,037
Total governmental activities	<u>3,671,000</u>	<u>3,671,000</u>	<u>-</u>	<u>3,671,000</u>	<u>11,425,128</u>	<u>-</u>	<u>-</u>	<u>14,060,262</u>	<u>-</u>	<u>-</u>
Business-type activities:										
Tax increment	(178,004)	(12,388)	297,864	1,661,658	1,482,014	6,538,780	81,444	41,298	2,031,291	4,253,808
Resort Taxes	1,333,480	1,114,406	777,943	410,679	(68,899,246)	118,745	9,436,364	6,567,663	555,135	358,019
Unrealized gain on investments	73,427	107,809	170,013	(10,067,140)	(1,469,533)	(6,106,910)	1,080,419	491,147,811	35,104,697	28,744,551
Gain (Loss) on disposal of capital assets	(4,409,667)	(4,663,756)	(9,763,869)	(4,323,803)	(57,461,637)	550,615	10,598,227	511,817,034	37,691,123	33,356,378
Transfers	490,236	217,071	(6,518,069)	(4,323,803)	(4,323,803)	(4,323,803)	(4,323,803)	(4,323,803)	(4,323,803)	(4,323,803)
Total business-type activities	<u>\$ 244,063,503</u>	<u>\$ 254,180,481</u>	<u>\$ 268,871,604</u>	<u>\$ 307,356,986</u>	<u>\$ 274,932,955</u>	<u>\$ 385,412,441</u>	<u>\$ 406,837,453</u>	<u>\$ 374,048,574</u>	<u>\$ 401,491,955</u>	<u>\$ 394,591,415</u>
Total primary government	<u>\$ 35,511,752</u>	<u>\$ 47,913,429</u>	<u>\$ 75,097,212</u>	<u>\$ 30,285,386</u>	<u>\$ 6,937,014</u>	<u>\$ 64,294,482</u>	<u>\$ 53,106,727</u>	<u>\$ (640,433,479)</u>	<u>\$ 22,229,368</u>	<u>\$ 100,328,845</u>
Governmental activities	19,693,574	19,030,728	29,849,879	65,714,950	(37,080,257)	19,934,439	24,378,216	509,693,274	20,661,296	81,649,070
Business-type activities	55,205,326	66,944,157	104,947,091	96,000,336	(30,143,243)	84,228,921	77,484,943	(30,740,205)	42,890,664	182,177,815
Total primary government	<u>\$ 74,898,900</u>	<u>\$ 86,974,885</u>	<u>\$ 134,796,970</u>	<u>\$ 161,715,286</u>	<u>\$ (67,223,493)</u>	<u>\$ 104,163,360</u>	<u>\$ 101,863,160</u>	<u>\$ 278,953,069</u>	<u>\$ 63,551,960</u>	<u>\$ 283,826,885</u>

*STATEMENT OF ACTIVITIES

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 332	\$ -	\$ 19,765	\$ 1,268	\$ -	\$ 23,255	\$ 1,541,257	\$ 9,255	\$ 9,255	\$ 327,525
Restricted	7,289,291	4,752,809	8,328,543	10,436,543	11,447,181	11,447,181	18,489,336	64,701,035	63,758,745	69,110,385
Committed	3,048,458	29,505,725	48,151,901	48,307,433	59,243,040	45,607,227	63,837,375	18,721,680	34,705,480	9,952,400
Assigned	43,800,099	16,244,357	2,791,000	3,139,732	500,000	500,000	4,777,000	11,297,423	7,106,627	5,859,905
Unassigned	-	-	-	-	-	30,871,817	26,523,824	-	-	-
Total general fund	\$ 54,138,180	\$ 50,502,891	\$ 59,291,209	\$ 61,884,976	\$ 71,190,221	\$ 88,449,480	\$ 115,168,792	\$ 94,729,393	\$ 105,580,107	\$ 85,249,215
All Other Governmental Funds										
Nonspendable	\$ 4,490	\$ -	\$ -	\$ -	\$ 52,500	\$ 24,418	\$ 30,067	\$ 34,385	\$ 27,466	\$ 1,465
Restricted	250,022,626	266,604,162	278,623,633	671,137,967	448,306,775	340,281,737	433,953,552	386,046,771	417,836,312	391,994,121
Committed	39,141,545	43,288,503	38,450,565	47,915,741	41,600,168	40,176,679	68,363,818	65,551,285	74,784,885	123,430,510
Assigned	165,534	752,927	-	-	-	1,286,969	-	94,319	-	-
Unassigned	(4,537,581)	(2,360,199)	(1,675,799)	(2,430,061)	(14,771,011)	(20,607,779)	(17,027,781)	(9,836,830)	(26,620,962)	(6,439,879)
Total all other governmental funds	\$ 284,796,614	\$ 308,285,393	\$ 315,396,399	\$ 716,623,647	\$ 475,188,452	\$ 361,162,024	\$ 485,319,656	\$ 441,869,830	\$ 466,027,701	\$ 508,986,218

**CITY OF MIAMI BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**
Fiscal Year Ended September 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 246,332,649	\$ 261,527,060	\$ 269,294,092	\$ 303,445,683	\$ 329,005,151	\$ 372,057,484	\$ 380,556,002	\$ 339,984,347	\$ 397,325,892	\$ 425,655,437
Franchise fees	17,775,685	8,206,099	8,361,063	8,067,568	8,323,438	8,173,295	8,364,567	7,909,621	8,200,955	9,628,701
Permits	17,897,983	19,638,114	23,123,876	24,166,916	25,505,478	23,928,957	29,440,672	11,086,973	9,481,142	18,763,479
Intergovernmental	17,468,596	17,290,372	18,169,906	17,232,200	15,092,659	21,005,380	20,584,517	35,266,791	63,839,705	60,315,558
Charges for services	16,547,096	21,520,543	23,191,434	23,896,852	23,207,231	24,352,314	25,742,250	20,151,891	23,605,533	31,818,098
Rents & leases	6,821,959	6,801,937	7,134,082	6,935,619	6,927,962	7,153,290	7,045,294	6,621,688	7,944,528	7,944,528
Interest	3,266,782	2,857,175	5,044,062	4,186,774	5,688,621	5,773,754	21,314,181	17,250,298	6,556,860	(35,232,008)
Fines and forfeitures	3,276,222	3,143,282	2,690,178	2,856,092	2,435,516	2,855,687	2,522,310	1,722,914	1,991,525	1,991,525
Administrative fees	15,595,882	14,446,790	15,027,026	19,017,177	18,722,193	20,810,584	21,241,512	14,498,675	19,855,668	21,816,492
Special assessment	737,063	647,145	282,647	238,294	225,639	211,482	187,092	33,780	18,427	12,151
Impact fees	2,340,350	4,439,358	10,377,988	2,208,281	3,208,281	3,486,229	3,521,962	1,194,875	1,642,885	2,376,089
Other revenues	3,938,918	2,881,720	4,145,958	1,941,465	2,658,893	5,926,942	7,586,493	1,913,058	5,458,612	10,564,051
Total revenues	341,999,185	363,399,595	386,842,312	413,893,164	441,001,002	495,735,908	528,106,852	456,338,568	544,329,881	555,655,101
Expenditures										
General government	43,932,077	44,948,607	48,528,841	54,034,457	54,784,677	55,184,621	53,840,780	53,762,855	55,126,579	54,976,253
Public safety	178,483,658	184,316,059	190,560,357	202,413,979	218,797,756	230,175,631	238,143,940	230,212,540	247,386,987	251,440,623
Physical environment	2,414,724	2,765,742	3,822,556	4,835,660	6,641,109	6,384,051	15,994,493	14,101,149	12,841,469	16,089,702
Transportation	5,083,060	5,944,005	9,120,845	10,106,470	15,975,480	22,828,290	20,998,999	13,950,207	12,481,947	16,202,006
Economic environment	5,480,964	4,528,992	5,287,707	6,237,203	6,306,965	9,780,237	8,513,706	11,434,312	11,388,207	17,573,453
Human services	2,103,404	2,222,204	2,892,116	3,206,331	3,181,686	3,476,075	3,948,214	4,090,299	4,248,866	4,195,755
Culture and recreation	42,468,693	45,973,463	52,123,363	55,685,165	55,723,327	59,628,074	61,500,406	54,004,214	68,104,214	64,418,110
Capital Outlay	25,145,843	33,489,057	44,556,879	152,900,118	270,877,710	168,225,667	77,387,666	64,682,175	37,749,575	34,631,201
Debt service										
Principal	15,632,156	15,719,650	16,781,013	21,018,490	19,990,093	20,912,606	21,423,687	22,068,149	20,387,000	17,924,409
Lease Payment										
Interest	14,567,063	8,706,129	8,066,696	28,399,933	27,940,540	27,182,895	27,220,674	31,685,168	38,393,992	30,642,711
Other					174,056	114,590	-	-	-	-
Total expenditures	335,311,642	348,613,908	381,740,373	538,838,806	680,393,409	603,892,737	528,972,565	495,998,293	508,108,836	508,809,741
Excess of revenue over (under) expenditures	6,687,543	14,785,687	5,101,939	(124,943,642)	(239,392,407)	(108,156,829)	(865,713)	(43,659,725)	36,221,045	46,845,360
Other Financing Sources (Uses)										
Leases Liabilities Issued	-	-	-	-	-	-	-	-	-	374,486
Refunding Bonds Issued	-	-	-	518,824,800	3,034,478	1,362,339	162,225,000	-	-	-
Premium on refunding bonds issued	-	-	-	52,632,633	19,679,000	-	18,529,252	7,155,665	-	-
Payment to escrow agent	-	-	-	(50,954,074)	(19,215,000)	-	(28,358,050)	(7,131,002)	-	-
Proceeds from loan	-	-	313,000	-	-	-	-	-	-	-
Sale of assets	30,478	20,850	13,392	18,220	8,338	594,270	-	2,171	20,551	1,030
Impairment	-	-	-	-	-	(1,311,745)	-	-	-	-
Insurance recovery	-	-	-	-	-	1,311,745	-	-	-	-
Transfers in	87,275,289	101,957,775	80,751,364	635,933,939	93,919,605	127,239,318	280,059,706	85,462,844	103,228,659	150,820,318
Transfers out	(82,130,842)	(96,910,822)	(70,278,371)	(625,834,461)	(90,933,030)	(118,895,601)	(280,713,251)	(105,699,178)	(111,702,607)	(175,413,569)
Total other financing sources (uses)	5,174,925	5,067,803	10,799,365	530,821,057	6,493,391	10,300,326	151,742,657	(20,209,500)	(8,453,397)	(24,217,735)
EXTRAORDINARY ITEM										
Extraordinary expense	-	-	-	(1,858,400)	769,066	1,089,334	-	-	-	-
Net change in fund balances	\$ 11,862,468	\$ 19,853,490	\$ 15,901,324	\$ 403,819,015	\$ (232,129,950)	\$ (96,767,169)	\$ 150,876,944	\$ (63,869,225)	\$ 27,767,648	\$ 22,627,625
Debit service as a percentage of noncapital expenditures	9.74%	7.75%	7.37%	12.80%	11.70%	11.04%	10.77%	12.34%	12.50%	10.39%

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

Fiscal Year Ended September 30,	Real Property					Exemptions			Total Taxable Assessed Value	Total Direct Tax Rate ^B
	Residential Property	Commercial Property	Industrial Property	Other Property	Value of Taxable Property	Real property-10 Excluded Value ^A	Less: Tax-Exempt Property	Other Adjustments to Just Value		
2013	\$ 20,334,542	\$ 6,246,840	\$ 38,810	\$ 2,713,143	\$ 29,333,335	\$ 2,311,720	\$ 2,615,045	\$ 1,334,248	\$ 23,072,322	6.3477
2014	22,262,896	6,870,554	34,051	2,776,696	31,944,197	2,787,123	2,507,009	1,993,488	24,656,577	6.1163
2015	26,372,550	7,457,822	31,671	3,004,039	36,866,082	3,888,518	2,478,873	3,394,820	27,103,871	6.0237
2016	31,699,064	9,389,064	43,114	3,516,886	44,648,128	5,649,696	2,504,591	5,795,950	30,697,891	5.9123
2017	36,227,540	10,081,176	55,583	4,012,695	50,376,994	6,835,074	2,601,055	6,243,108	34,697,757	5.8888
2018	36,319,906	11,028,601	54,118	3,956,081	51,358,706	6,236,526	2,642,773	5,082,345	37,397,062	5.8888
2019	35,233,234	11,631,382	52,018	4,360,443	51,277,077	5,033,773	2,756,878	3,387,534	40,098,892	5.8888
2020	34,930,988	12,108,591	53,204	4,453,591	51,546,374	4,425,609	3,061,436	2,316,331	41,742,998	6.0221
2021	35,505,640	11,165,123	59,878	4,378,893	51,109,534	4,467,511	3,069,788	1,705,561	41,866,674	6.0515
2022	45,685,550	9,720,774	66,570	4,738,337	60,211,231	6,781,434	3,191,341	3,693,762	46,544,694	6.0515

Source: 2022 Tax Roll for Miami-Dade County

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

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

^A Amendment 10 was an amendment to the Florida Constitution in 1992 which capped the assessed value of properties with homestead exemption to increases of 3% per year or the Consumer Price Index, whichever is less (193,155, F.S.)

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

Fiscal Year Ended September 30,	City of Miami Beach Direct Rates			Overlapping Rates ^A			Total
	Operating Millage	Debt Service Millage	Total Direct Millage	School District Millage	County Millage	State Millage	
2013	6.0909	0.2568	6.3477	7.9980	5.6610	0.4634	20.4701
2014	5.8634	0.2529	6.1163	7.9770	5.7980	0.4455	20.3368
2015	5.7942	0.2295	6.0237	7.9740	5.9009	0.4187	20.3173
2016	5.7092	0.2031	5.9123	7.6120	5.9009	0.3871	19.8123
2017	5.7092	0.1796	5.8888	7.3220	5.8509	0.3627	19.4244
2018	5.7224	0.1664	5.8888	6.9940	5.8182	0.3420	19.0430
2019	5.7288	0.1600	5.8888	6.7330	5.8568	0.3256	18.8042
2020	5.7288	0.2933	6.0221	7.1480	5.8969	0.3115	19.3785
2021	5.7288	0.3227	6.0515	7.1290	5.8796	0.2995	19.3596
2022	5.7626	0.2889	6.0515	7.0090	5.9584	0.2892	19.3081

Source: Miami-Dade County, Florida; Department of Property Appraisal
2022 Millage Table and The City of Miami Beach 2021/2022
Adopted Budget Book.

State Legislated Operating millage Requirements

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

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

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

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

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

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

2022		2013	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
	Percentage of The City's Certified Taxable Assessed Value		Percentage of The City's Certified Taxable Assessed Value
Fountainbleau Florida Hotel LLC	\$ 308,168,121	Fountainbleau Florida Hotel LLC	\$ 254,563,110
	0.66 %		1.10 %
Florida Power & Light Company	274,231,223	2201 Collins Fee LLC	209,000,000
	0.59		0.91
MB Redevelopment INC	221,000,000	MB Redev. Inc./Loews Hotel	193,993,016
	0.47		0.84
SB Hotel Owner	192,473,995	Sandy Lane Residential LLC	179,758,780
	0.41		0.78
2201 Collins Fee LLC	170,945,363	Florida Power & Light Co	110,660,000
	0.37		0.48
PDS Development LLC	143,394,878	Di Lido Beach Hotel Corp.	88,572,000
	0.31		0.38
Playa Retail Investments	134,111,102	MCZI Centrum Flamingo II LLC	86,900,000
	0.29		0.38
1111 Lincoln LLC	125,100,407	Eden Roc LLP	72,600,000
	0.27		0.31
3201 Hotel LLC	119,861,157	MCZI Centrum Flamingo III LLC	68,000,000
	0.26		0.29
Southgate Towers Hotel & Apts	109,110,251	RP Hotel Holdings LLC	63,500,000
	0.23		0.28
	<u>\$ 1,798,396,497</u>		<u>\$ 1,327,546,906</u>
	3.86 %		5.75 %

Source: 2022 and 2013 Miami-Dade County, Florida Ad Valorem Assessment Roll for the City of Miami Beach.

**CITY OF MIAMI BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)
FISCAL YEARS 2013 THRU 2022**

Fiscal Year Ended September 30,	Taxes levied for the fiscal year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 139,133,369	\$ 130,317,166	93.66 %	\$ 2,619,987	\$ 132,937,153	95.55 %
2014	143,266,670	139,729,175	97.53	3,566,751	143,295,926	100.02
2015	155,102,311	151,761,695	97.85	4,951,431	156,713,126	101.04
2016	172,420,383	168,150,832	97.52	7,115,159	175,265,991	101.65
2017	194,111,744	187,054,786	96.36	7,693,819	194,748,605	100.33
2018	209,212,631	195,128,303	93.27	7,533,136	202,661,439	96.87
2019	217,551,576	201,846,093	92.78	12,966,522	214,812,615	98.74
2020	238,811,488	217,016,119	90.87	8,445,549	225,461,668	94.41
2021	236,515,128	230,229,805	97.34	7,624,865	237,854,670	100.57
2022	267,581,955	233,086,755	87.11	-	233,086,755	87.11

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

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

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

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

Fiscal Year	Governmental Activities A													Total Governmental Activities	Percentage of Personal Income	Per Capita B
	General Obligation Bonds	Resort Tax Revenue Bonds	Gulf Breeze Government Loan Program	Pension Obligation Bonds	Redevelopment Agency Tax Increment Revenue Bonds	Lease Liabilities F	Other Obligations	Storm Water Revenue Bonds	Sewer Revenue Bonds	Parking Revenue Bonds	Business-type activities A	Loans Payable D	Total			
2013	\$ 61,745	\$ -	\$ 14,386	\$ 30,550	\$ 66,058	\$ -	\$ 12,374	\$ -	\$ -	\$ 42,059	\$ 117,272	\$ -	\$ 452,896	\$ 198,664	\$ 4,9862	
2014	59,338	-	11,510	26,935	60,365	-	13,558	-	-	40,686	114,492	-	433,524	184,588	4,7848	
2015	55,419	-	8,484	23,160	54,990	-	11,779	-	-	38,476	109,569	-	505,366	165,633	5,5133	
2016	51,425	213,288	5,310	19,215	350,692	-	8,651	-	-	101,620	105,810	-	1,055,302	659,483	11,5253	
2017	47,363	208,906	4,350	-	342,669	-	25,843	-	-	99,658	99,406	-	1,022,761	639,252	11,1270	
2018	43,234	204,411	3,340	-	334,479	-	21,344	-	-	178,317	178,317	-	1,178,212	615,961	12,7641	
2019	191,593 C	199,772	2,280	-	326,089	-	18,958	-	-	95,564	173,484	-	1,297,092	746,781	14,1422	
2020	186,154 C	194,986	1,170	-	317,464	-	14,327	-	-	63,893	168,442	E	1,262,056	721,256	13,4032	
2021	179,589	190,039	-	-	308,574	-	15,382	-	-	63,500	163,285	E	1,229,678	699,820	14,8539	
2022	174,131	184,927	-	-	299,415	-	16,217	-	71	62,994	158,634	-	1,213,694	697,527	14,5147	

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

A Net of Premium and discount

B See Demographic and Economic Statistics page for population information

C New debt issued in fiscal year 2019 and 2020

D Includes the Pension loan, loans payable and capital leases

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

F GASB 87 implementation effective 10/1/2021

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

Fiscal Year	Net Bonded Debt					Total	Fund Balance Reduction	Net Total	Percentage of Actual Taxable Value of Property	Debt Per Capita ^A
	General Obligation Bonds	Gulf Breeze Fixed Rate Bonds ^C	Pension Refunding Bonds/Loan							
2013	\$59,692	\$12,583	\$30,550	\$	\$ 102,825	\$ (9,852)	\$ 92,973	0.45	1.1318	
2014	56,519	9,455	26,935		92,909	(9,973)	82,936	0.38	1.0207	
2015 ^B	55,419	8,484	23,160		87,063	(9,851)	77,212	0.32	0.9491	
2016 ^B	51,425	5,310	19,215		75,950	(21,390)	54,560	0.25	0.8295	
2017 ^B	47,363	4,350	-		51,713	(7,577)	44,136	0.15	0.5626	
2018 ^B	43,234	3,340	-		46,574	(812)	45,762	0.12	0.5046	
2019 ^B	191,593	2,280	-		193,873	(774)	193,099	0.48	2.1138	
2020 ^B	186,154	1,170	-		187,324	(299)	187,025	0.45	1.9894	
2021 ^B	179,589	-	-		179,589	(272)	179,317	0.43	2.1693	
2022 ^B	174,131	-	-		174,131	(322)	173,809	0.37	2.0825	

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

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

^B Debt net of premium and discount

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

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

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 3,460,848,297	\$ 3,698,486,533	\$ 4,065,580,713	\$ 4,604,683,630	\$ 5,204,663,566
Total net debt applicable to limit	60,722,308	56,518,915	52,080,035	48,840,920	44,772,315
Legal Debt margin	<u>\$ 3,400,125,989</u>	<u>\$ 3,641,967,618</u>	<u>\$ 4,013,500,678</u>	<u>\$ 4,555,842,710</u>	<u>\$ 5,159,891,251</u>

Total net debt applicable to the limit as a percentage of debt limit 1.75% 1.53% 1.28% 1.06% 0.86%

	Fiscal Year			
	2018	2019	2020	2021
Debt limit	\$ 5,609,559,374	\$ 5,833,419,165	\$ 6,143,498,044	\$ 6,171,113,594
Total net debt applicable to limit	42,422,703	190,818,618	185,855,751	179,316,871
Legal Debt margin	<u>\$ 5,567,136,671</u>	<u>\$ 5,642,600,547</u>	<u>\$ 5,957,642,293</u>	<u>\$ 5,991,796,723</u>

Total net debt applicable to the limit as a percentage of debt limit 0.76% 3.27% 3.03% 2.91% 2.53%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 45,791,951,962
Debt limit (15% of assessed value)	6,868,792,794
Debt applicable to limit:	
General obligation bonds	174,130,553
Less: Amount set aside for repayment of general obligation debt	322,444
Total net debt applicable to limit	<u>173,808,109</u>
Legal debt margin	<u>\$ 6,694,984,685</u>

Note: Assessed value is the certified taxable value as of January 1, 2020.

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

Fiscal Year	Revenue	Less: Operating Expenses	Net available Revenue	Debt Service		Coverage
				Principal	Interest	
Parking Revenue Bonds						
2013	\$ 41,608,717	\$ 22,099,777	\$ 19,508,940	\$ 1,972,110	\$ 2,050,454	4.85
2014	40,423,375	25,631,104	14,792,271	2,049,762	1,977,231	3.67
2015	42,740,752	28,094,275	14,646,477	1,405,000	1,834,663	4.52
2016	52,263,779	31,863,161	20,400,618	2,230,508	3,882,226	3.34
2017	47,420,407	32,519,424	14,900,983	1,600,000	4,652,713	2.38
2018	48,575,322	34,314,433	14,260,889	1,670,000	4,579,713	2.28
2019	49,251,672	35,564,086	13,687,586	1,740,000	4,512,913	2.19
2020	33,293,212	26,155,956	7,137,256	80,000	4,444,112	1.58
2021	37,035,158	22,140,681	14,894,477	85,000	2,921,800	4.95
2022	51,256,442	24,238,729	27,017,713	200,000	2,919,250	8.66

Note: Revenue includes operating revenues but excludes interest earned on bond proceeds as per the official bond statement. Operating expenses excludes depreciation expense and administrative fees. The revenue pledged to the 2020 refunding loan is non-ad valorem covenant to budget and appropriated funding, however, the loan is paid with parking revenues and reported on the parking fund statement of net position. The parking fund debt covenant calculation does not include the debt for the 2020 refunding loan, it only includes the debt service for the 2015 Series bonds. The 5th & Alton and 7th Street Garages are not included as part of the Parking Systems Funds.

Water & Sewer Revenue Bonds						
2013	\$ 68,382,564	\$ 49,737,831	\$ 18,644,733	\$ 4,285,000	\$ 5,633,434	1.88
2014	69,399,550	49,242,030	20,157,520	3,185,000	5,476,073	2.33
2015	76,118,870	53,527,238	22,591,632	4,935,000	5,299,541	2.21
2016	80,863,818	57,123,647	23,740,171	3,770,000	5,111,733	2.67
2017	84,740,505	62,870,251	21,870,254	6,415,000	4,889,445	1.93
2018	87,212,562	59,819,813	27,392,749	7,330,000	6,532,843	1.98
2019	91,353,611	59,639,739	31,713,872	4,170,000	7,548,581	2.71
2020	82,966,677	54,173,737	28,792,940	4,360,000	7,367,338	2.46
2021	88,366,766	59,408,154	28,958,612	4,455,000	7,272,794	2.47
2022	97,585,074	60,537,169	37,047,905	1,405,000	6,001,818	5.00

Note: Revenue includes operating revenues and operating interest income but excludes interest earned on bond proceeds and water and sewer impact fees as per the official bond statement. Operating expenses excludes depreciation expense and administrative fees.

Stormwater Revenue Bonds						
2013	\$ 11,778,578	\$ 3,011,708	\$ 8,766,870	\$ 1,545,000	\$ 4,302,595	1.50
2014	11,938,937	3,287,102	8,651,835	1,590,000	4,258,872	1.48
2015	21,321,751	4,804,628	16,517,123	2,620,000	4,208,297	2.42
2016	21,833,308	4,467,788	17,365,520	2,720,000	8,516,865	1.55
2017	28,587,321	6,903,636	21,683,685	3,250,000	8,111,226	1.91
2018	29,743,251	6,140,735	23,602,516	4,213,026	9,964,373	1.66
2019	31,301,193	7,077,471	24,223,722	4,025,000	11,988,659	1.51
2020	31,601,867	8,332,325	23,269,542	4,185,000	11,817,582	1.45
2021	32,392,519	8,714,351	23,678,168	4,350,000	11,630,206	1.48
2022	33,420,282	7,713,255	25,707,027	5,250,000	11,485,219	1.54

Note: Revenue includes operating revenues and operating interest income but excludes interest earned on bond proceeds as per the official bond statement. Operating expenses excludes depreciation expense and administrative fees. Debt service excludes the State Revolving Loan - refer to Note 10.

Redevelopment Agency						
2013	\$ 90,690,478	\$ 500,000	\$ 90,190,478	\$ 4,885,000	\$ 3,512,766	10.74
2014	37,456,562	500,000	36,956,562	4,885,000	3,513,000	4.40
2015	36,251,898	-	36,251,898	5,375,000	3,039,103	4.31
2016	42,216,634	-	42,216,634	7,985,000	13,744,597	1.94
2017	49,332,005	-	49,332,005	7,985,000	13,744,597	2.27
2018	49,920,277	-	49,920,277	7,985,000	13,744,597	2.30
2019	53,142,078	-	53,142,078	7,985,000	13,744,597	2.45
2020	56,577,471	-	56,577,471	7,985,000	13,744,597	2.60
2021	56,434,269	-	56,434,269	7,985,000	13,744,597	2.60
2022	53,915,935	-	53,915,935	7,985,000	13,744,597	2.48

Note: "Trust Fund Revenues" shall mean the revenues derived from Redevelopment area and received by the Agency for deposit in the Trust Fund. Per the bond documents, debt service coverage is "Trust Fund Revenues" as defined above divided by the maximum annual debt service requirement. Therefore, no operating expense is included in the net revenue calculation.

Resort Tax						
2016	\$ 82,754,779	\$ -	\$ 82,754,779	\$ 8,505,000	\$ 3,949,750	6.64
2017	81,910,032	-	81,910,032	8,505,000	3,949,750	6.58
2018	87,595,052	-	87,595,052	8,505,000	3,949,750	7.03
2019	88,246,170	-	88,246,170	8,505,000	3,949,750	7.09
2020	54,972,321	-	54,972,321	8,505,000	3,949,750	4.41
2021	82,207,342	-	82,207,342	8,505,000	3,949,750	6.60
2022	117,307,417	-	117,307,417	8,505,000	3,949,750	9.42

Note: Per the bond documents, "Resort Tax Revenues" are all municipal taxes imposed, levied, and collected pursuant to the Resort Tax regulations. The revenues do not include special assessment revenues. Per the bond documents, debt service coverage is "Resort Tax Revenues" as defined above divided by the maximum annual debt service requirement. Therefore, no operating expense is included in the net revenue calculation.

CITY OF MIAMI BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT (Unaudited)
SEPTEMBER 30, 2022

DIRECT DEBT		
General obligation indebtedness		158,600,000
Public improvement bonds		15,530,554
Premium/(Discount)		<u>174,130,554</u>
Total General obligation indebtedness		<u>\$</u>
Non-self-supporting indebtedness (net of premium/discount): ^A		
Bonds (net of premium):		
Tax Increment Revenue Bonds	\$	299,415,307
Resort Tax Bonds		184,927,279
Loans and leases:		
2020 Parking refunding loan (series 2010 bonds)		30,146,542
2020 Energy Savings Obligation		4,433,716
Equipment Loan		10,310,356
Clean Water State Revolving Loan		5,906,888
GASB 87 - Lease Obligation ^D		18,474,605
Total non-self-supporting indebtedness		<u>553,614,693</u>
Total direct indebtedness		<u>\$</u> <u>727,745,247</u>
OVERLAPPING DEBT ^B		
Miami-Dade County		
Total general obligation indebtedness	\$	2,338,333,078
Percent applicable to City ^C		12.317%
Total school district obligation indebtedness		836,862,000
Percent applicable to City ^C		12.317%
Total net non-self-supporting indebtedness		3,175,195,078
Percent applicable to City ^C		12.317%
Total overlapping debt		<u>782,177,556</u>
TOTAL DIRECT AND OVERLAPPING DEBT		<u>\$</u> <u>1,509,922,803</u>

^A Excludes self-supporting debt obligations.

^B All debt listed as Overlapping Debt is secured either solely from a tax source or from a combination of self-supporting revenues and a tax source.

^C Based upon 2022 assessed valuation figures for the City and Dade County.

^D GASB 87 Lease Liabilities

**CITY OF MIAMI BEACH
DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
LAST TEN CALENDAR YEARS**

Miami-Dade County

Year	Miami Beach Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Auto Tags	Bank Deposits (Thousands)	School Age Population	Unemployment Rate
2012	90,848	100,688	38,860	1,691,167	B 91,040	353,152	9.3
2013	91,026	104,373	39,880	-	A 95,058	355,268	8.4
2014	91,732	111,529	41,883	-	A 102,382	355,913	6.8
2015	91,564	116,553	47,026	-	A 114,771	356,480	5.1
2016	91,917	121,447	49,018	-	A 124,922	356,086	4.6
2017	92,307	126,715	49,185	-	A 128,390	354,172	3.6
2018	91,718	138,139	53,213	-	A 131,441	350,040	3.1
2019	93,988	149,166	54,902	-	A 152,062	347,069	7.9
2020	94,161	154,891	57,213	-	A 179,203	334,400	1.4
2021	80,671 *	172,678	64,849	-	A 196,334	329,337	2.0

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

^A Data not available

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

**MIAMI-DADE COUNTY
PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO**

Ten Largest Public Employers					
<u>Employer</u>	<u>2016*</u>			<u>2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
Miami-Dade County Public Schools	33,477	1	1.22 %	54,861	1
Miami-Dade County	25,502	2	0.93	33,653	2
Federal Government	19,200	3	0.70	20,400	3
Florida State Government	17,100	4	0.62	17,000	4
Jackson Health System	9,797	5	0.36	11,875	5
City of Miami	3,997	6	0.15	4,600	8
Florida International University	3,534	7	0.13	8,500	6
Homestead AFB	3,250	8	0.12		
Miami VA Medical Center	2,500	9	0.09	2,310	10
Miami Dade College	2,390	10	0.09	5,865	7
City of North Miami Beach				3,878	9

Ten Largest Private Employers					
<u>Employer</u>	<u>2016*</u>			<u>2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
University of Miami	12,818	1	0.47 %	12,765	1
Baptist Health South Florida	11,353	2	0.41	11,615	3
American Airlines	11,031	3	0.40	9,000	4
Carnival Cruise Lines	3,500	4 (t)	0.13		
Miami Children's Hospital	3,500	4 (t)	0.13		
Mount Sinai Medical Center	3,321	6	0.12		
Florida Power and Light	3,011	7	0.11		
Royal Caribbean	2,989	8	0.11		
Wells Fargo	2,050	9	0.07		
Bank of America Merrill Lynch	2,000	10	0.07		
Publix Super Markets				11,760	2
Precision Response Corporation				5,000	7
Bellsouth/AT&T				4,100	9
Winn-Dixie Stores				8,000	5
Florida Power & Light Co.				3,952	10
United Parcel Service				5,144	6
The Home Depot				4,500	8

Source: Employer and employees information provided by the Beacon Council. Miami Dade's Official Economic Development Partnership. Percentage of total County employment was calculated based on total County employment of 2,751,796 as provided by US Census American Community Survey.

*The principal employer data for fiscal years 2017-2022 are not available as of the date of this report.

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

Full-time Equivalent Employees as of September 30

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
Mayor and Commission	18	18	20	19	20	20	21	21	21	21
City Manager	10	13	15	16	16	16	16	16	18	18
Office of Communications	5	4	9	9	14	14	13	12	12	12
Office of Management & Budget	18	18	20	20	20	20	11	11	8	8
Organization Development and Performance Initiatives			2	2	2	3	3	3	2	2
Office of Inspector General ^D							14	14	14	14
Finance	37	37	50	50	64	65	63	63	59	59
Information Technology	37	36	38	39	44	44	44	44	46	46
Human Resources	14	15	23	27	28	29	28	28	28	28
Risk Management ^A	7	6								
City Clerk	13	14	14	15	15	15	15	15	15	15
Procurement	8	8	12	16	17	18	19	19	19	19
City Attorney	19	19	21	22	22	24	24	24	24	24
Economic Development and Cultural Arts:										
Real Estate, Housing and Comm. Development	13	11	11	15	27	23	26	26	23	32
Economic Development ^E							6	6	5	5
Building	73	73	86	85	88	88	84	84	84	94
Environment & Sustainability ^B					10	12	11	11	10	15
Planning	25	25	26	26	27	27	27	27	27	28
Tourism & Cultural Development ^E	11	13	17	18	18	18	10	10	11	11
Bass Museum	8	8	8	2	2	2	2	2	2	2
Operations:										
Community Services	4	4	4	4	4	4	4	4	4	4
Code Compliance	41	42	57	58	61	61	59	56	56	65
Parks & Recreation	173	167	152	150	151	162	163	158	153	152
Public Works	40	42	57	70	68	78	78	75	75	75
Sanitation	178	178	169	172	171	172	169	162	152	155
Property Management	50	50	33	34	34	34	36	36	45	45
Capital Improvement Projects	37	36	34	36	36	34	34	34	34	34
Parking	110	111	107	114	115	113	108	105	77	87
Sewer	34	34	34	37	37	30	30	30	30	29
Stormwater	21	21	29	32	32	30	30	33	33	33
Water	52	52	52	53	53	48	48	47	47	48
Fleet Management	20	22	22	22	22	21	21	21	19	19
Transportation Management ^C			6	9	16	15	15	11	9	9
Public safety:										
Police - Officers	381	381	385	409	408	408	414	415	414	433
Police - Civilians	144	158	92	78	97	100	97	97	99	100
Fire - Officers	200	200	201	200	213	213	213	213	213	243
Fire - Civilians	27	27	27	30	31	32	30	29	29	66
Ocean Rescue	76	76	78	92	91	91	91	95	95	99
Emergency Management			72	73	78	75	73	73	72	6
Total	1,904	1,919	1,983	2,054	2,152	2,159	2,150	2,130	2,084	2,155

Source: City of Miami Beach Budget Department

Note: In FY2011 the City reduced its FTE by 133, this is due to adopted efficiencies and service reductions.

^A Risk Management merged with Human Resources in 2015

^B Ordinance 2016-3997 was passed in 2016 to create the Environment & Sustainability Department, previously part of the Building Department.

^C Ordinance 2014-3865 was passed in May 2014 creating the Transportation Management Department.

^D Ordinance 2019-4239 was passed February 2019 creating the Office of Inspector General, which includes Office of Internal Audit, previously reported under Office of Management & Budget.

^E During FY2019, the Tourism, Culture, and Economic Development Department was separated into two departments: Tourism and Cultural Development and Economic Development.

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
Mayor and commission	26	73	69	72	97	79	94	60	122	85
Ordinances approved	266	382	383	435	428	479	561	430	371	507
Resolutions approved										
City manager										
Better Place Requests Open and Closed	2	7	58	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Egov Requests Received	N/A	N/A	N/A	27,855	39,092	10,946	7,206	7,836	8,671	8,671
Total Egov Requests Completed	N/A	N/A	N/A	27,605	37,735	10,926	7,172	7,701	8,674	8,674
Budget and performance improvement										
Audits performed	188	187	155	174	187	224	210	-	-	-
Grants awarded	\$ 3,574,486	\$ 3,447,853	\$ 3,146,417	\$ 8,002,420	\$ 5,974,620	\$ 8,123,083	\$ 9,308,595	\$ 7,962,274	\$ 7,282,286	\$ 62,091,293
Finance										
Utility customer accounts	10,070	10,075	10,085	10,125	10,123	10,075	10,095	10,054	10,059	10,044
Licenses issued	6,496	6,943	7,555	7,928	8,489	7,912	6,772	6,774	6,417	6,470
Lien statements	7,355	6,734	6,298	4,750	4,267	4,950	4,862	4,144	7,650	8,099
Annual resort tax accounts	1,087	1,054	1,058	1,049	1,030	1,005	1,016	1,006	942	915
Citizen Support Center	6	5	15	15	15	15	15	15	15	15
Human resources										
Employees	1,905	1,930	1,960	2,054	2,152	2,159	2,150	2,129	2,085	2,140
Hires	176	163	218	258	380	308	376	132	212	367
Building										
Building and trade permits processed/issued	13,881	14,071	14,076	12,645	11,045	10,575	9,889	6,637	8,685	10,356
Certificates	529	536	568	587	597	481	528	384	450	628
Tourism & cultural development										
Film & print and special events permits	1,190	1,141	1,249	1,041	1,184	1,050	1,152	750	805	994
Bass Museum Visitors	47,162	64,323	53,093	21,570	9,716	111,470	87,108	36,300	14,703	63,408
Theater Events (Byron/Colony)	237	172	90	1,049	958	1,157	1,355	146	181	122
Operations:										
Parking										
Residential Parking Permits	12,523	14,566	13,539	13,647	13,663	12,439	12,232	10,732	10,201	9,728
Municipal Parking Permits	47,800	51,230	43,014	41,422	43,188	37,889	38,770	28,561	23,371	26,953
Total Vehicle Entries - Garages	2,887,722	3,310,093	3,121,623	3,172,477	2,895,615	2,714,033	2,919,252	1,877,632	1,717,696	2,617,286
Parks & recreation										
Summer Camp	2,568	2,653	2,689	3,230	2,457	2,281	2,648	544	983	1,236
After and Play School Participants	3,056	3,139	3,091	1,405	1,316	1,073	1,056	786	366	601
Athletics	2,104	2,215	2,143	2,718	5,226	6,021	7,319	1,916	1,437	1,374
Pool Attendance	128,852	133,373	118,553	173,228	150,021	158,640	172,110	52,500	85,000	75,000
Golf course patrons ^A	76,230	79,532	75,542	74,237	71,807	78,654	79,673	76,280	73,987	103,518
Public Works-Engineering/Water/Sewer/Streets										
Right-of-Way permits issued	801	967	1,144	1,247	1,227	1,132	1,329	1,000	970	1,002
Cleaning and inspection of sewer lines	937,000	N/A	N/A	N/A	N/A	N/A	N/A	188 miles	112 miles	112 miles
Stormwater structures cleaned	N/A	N/A	N/A	N/A	7,092	7,891	7,891	7,891	7,891	7,891
Sanitation										
Residential Waste (tons per year)	8,920	8,972	8,278	8,036	8,036	8,028	8,029	8,956	9,197	11,482
Litter Cans	2,765	2,787	2,376	2,424	2,479	2,361	2,495	2,399	3,372	1,900
Mechanized Sweeping (miles per day)										
Mobile Sweeping (miles per day)	156	156	156	156	156	156	156	156	160	160
Fleet Management										
Fuel consumed - diesel and unleaded (gallons)	698,280	849,400	847,359	862,970	899,289	935,173	921,178	778,563	8,212,234	820,150
Preventive maintenance jobs	3,519	3,153	3,334	3,549	4,334	3,725	3,732	3,435	2,987	2,715
Police										
Total number of arrests	10,577	8,280	6,644	6,458	5,790	4,993	5,428	3,422	5,385	4,599
Traffic Violations	50,590	71,562	64,478	57,488	46,685	39,368	37,116	14,020	32,916	42,288
Fire										
Emergency responses	22,948	23,415	25,185	25,384	26,081	25,771	23,746	21,362	27,188	29,803
Existing building inspections	961	1,985	1,461	3,248	3,056	7,069	6,035	15,729	21,430	22,700
Night club inspections	2,477	1,775	333	23	81	120	54	248	288	2,393
Site inspections	9,047	9,736	10,868	8,531	9,337	6,899	7,345	5,375	2,254	5,395
On duty inspections	12,333	1,774	1,946	2,086	N/A	N/A	N/A	N/A	N/A	N/A
Ocean rescue - victims rescued	733	575	788	886	495	785	1,168	253	708	576
Ocean rescue prevention	273,543	208,027	217,367	228,294	232,017	339,128	248,039	66,573	524,401	775,275

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

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

^A Decrease is due to Bass Museum renovation.

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	4	4	4	4	4	4	4	4	4	4
Vehicles assigned to the police department	530	530	530	530	548	586	589	629	629	629
Fire stations	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	180	180	180	180	180	180	180	180	180	180
Water valves	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Fire hydrants	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Fire lines	717	717	717	717	717	717	717	717	717	717
Meters	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460	12,460
Water pumping stations	5	5	5	5	5	6	6	6	6	6
Storage capacity (millions of gallons)	12,000	12,000	12,000	12,000	14,000	14,000	14,000	14,000	14,000	14,000
Stormwater										
Stormwater pipes (miles)	59	59	99	99	99	99	99	99	99	99
Drainage basins	172	172	471	471	471	471	471	471	471	471
Stormwater catch basins	6,000	6,000	4,779	4,779	4,779	4,779	4,779	4,779	4,779	4,779
Manholes	2,161	2,161	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616
Outfalls	-	-	-	-	-	367	367	367	367	367
Stormwater Pump stations	-	-	-	-	-	49	49	49	49	49
Sewer										
Sanitary gravity sewer pipes (miles)	152	152	122	122	122	122	122	122	122	122
Force main pipes (miles)	21	21	22	22	22	22	22	22	22	22
Manholes	3,293	3,293	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160
Wastewater pump stations	23	23	23	23	23	23	23	23	23	23
Other public works										
Streets (miles)	140	140	140	140	140	140	140	140	140	140
Sidewalks (miles)	242	242	242	242	242	242	242	242	242	242
Curb and gutter (miles)	200	200	200	200	200	200	200	200	200	200
Alleys (miles)	33	33	33	33	33	33	33	33	33	33
Seawalls (linear feet)	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300
Streetlights	6,893	6,893	6,893	6,893	7,200	7,200	7,200	7,487	7,487	7,487
Street lights cable (miles)	263	263	263	263	263	263	263	286	286	286
Up-lights	-	-	-	-	-	1,200	1,200	1,275	1,275	1,275
Parking										
Parking Lots & Garages	76	76	76	77	77	77	73	74	74	74
Parking Spaces	8,424	8,424	8,424	8,424	9,677	9,677	9,642	9,605	9,605	9,344
Parks and recreation										
Recreational open space (acres)	727	727	526	526	524	520	524	524	524	519
Playground lot-lots	19	19	20	21	21	23	23	23	22	23
Stadiums	2	2	1	1	1	2	2	2	2	2
Sports fields	7	7	5	5	5	6	7	7	7	7
Tennis sites	7	7	6	6	6	5	7	7	7	7
Basketball court sites	10	10	10	10	10	10	10	10	10	10
Ice Rink	1	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3	3	3	3
Youth/Community centers	3	3	2	2	2	6	6	6	6	6
Bark parks	4	5	9	9	9	7	7	7	8	9
Parks - passive and staffed	36	36	42	41	41	40	41	43	43	44
Municipal regulation golf courses	2	2	2	2	2	2	2	2	2	2
Trucks, off-road, and other vehicles	N/A	N/A	84	87	87	87	88	88	73	81
Amphitheater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Outdoor Fitness Gym/Trails	N/A	N/A	N/A	N/A	N/A	N/A	11	11	13	17
Skatepark	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Kayak Launches	N/A	N/A	N/A	N/A	N/A	N/A	2	3	3	3
Sanitation										
Sweepers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Front end loader	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trucks, Vans, and other vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pressure washers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transit-minibuses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Various City of Miami Beach departments.

N/A - Data not available

SINGLE AUDIT REPORTS

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
- Report on Compliance for each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance And Chapter 10.550, Rules Of The Auditor General

City of Miami Beach, Florida

Single Audit Reports in Accordance with
Uniform Guidance and Chapter 10.550,
Rules of the Florida Auditor General

Fiscal Year Ended September 30, 2022

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RSM US LLP

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 14, 2023. Our report included a reference to other auditors who audited the financial statements of the City of Miami Beach Employees' Retirement Plan, City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach Police Officer's Relief and Pension Fund, and the City of Miami Beach Firefighters' Relief and Pension Fund. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the City of Miami Beach Police Officer's Relief and Pension Fund 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 City of Miami Beach Police Officer's Relief and Pension Fund.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Miami, Florida
April 14, 2023



RSM US LLP

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

Independent Auditor's Report

Honorable Mayor and City Commissioners
City of Miami Beach, Florida

Report on Compliance for Each Major Federal Program and Major State Project

Opinion on Each Major Federal Program and Major State Project

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

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

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 14, 2023, which contained an unmodified opinion on those financial statements, included an emphasis of matter for the adoption of GASB Statement No. 87 *Leases*, and included a reference to other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Miami, Florida

April 20, 2023, except for our report on the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance, for which the date is April 14, 2023

City of Miami Beach, Florida

**Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant/Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Community Development Block Grant/ Entitlement Grants	14.218	B-19-MC-12-0014	165,906 \$	165,906
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014/B-17-MC-12-0014/ B-18-MC-12-0014/B-19-MC-12-0014	53,868	53,868
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014	32,899	32,899
Community Development Block Grant/ Entitlement Grants	14.218	B-18-MC-12-0014	4,794	4,794
Community Development Block Grant/ Entitlement Grants	14.218	B-21-MC-12-0014	863,383	863,383
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014/B-18-MC-12-0014/ B-20-MC-12-0014	515,600	515,600
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014/B-17-MC-12-0014/ B-19-MC-12-0014	18,328	18,328
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014	34	34
Total Community Development Block Grant - Entitlement Grants Cluster			1,654,810	1,654,810
Home Investment Partnerships Program	14.239	M-21-MC-12-0212	30,796	30,796
Home Investment Partnerships Program	14.239	M-15-MC-12-0212/M-16-MC-12-0212	-	(6,015)
Home Investment Partnerships Program	14.239	M-15-MC-12-0212/M-16-MC-12-0212	37,153	76,530
Home Investment Partnerships Program	14.239	M-20-MC-12-0212	177,949	177,949
Home Investment Partnerships Program	14.239	M-16-MC-12-0212/M-17-MC-12-0212	11,660	11,660
Home Investment Partnerships Program*	14.239	M-15-MC-12-0212/M-16-MC-12-0212/ M-17-MC-12-0212	279,475	279,475
Home Investment Partnerships Program	14.239	M-17-MC-12-0212	202,673	222,435
Total HOME Investment Partnerships Program			739,706	792,830
Pass-Through Miami-Dade County, Florida: Supportive Housing Program - FY 2018/Continuum of Care - City of Miami Beach Outreach Program	14.267	FL0171L4D002013	-	63,079
Total Supportive Housing Program - Continuum of Care			-	63,079
Total U.S. Department of Housing and Urban Development			2,394,516	2,510,719

City of Miami Beach, Florida

**Schedule of Expenditures of Federal Awards (Continued)
Fiscal Year Ended September 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant/Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Pass-Through Office of The Florida Attorney General: VOCA - VICTIMS OF CRIME ACT 2021/22	16.575	VOCA-2021-MBPD-00529	-	446,003
Pass-Through Florida Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant - Officer Safety and Wellness Edward Byrne Memorial Justice Assistance Grant - Optimal Surveillance	16.738 16.738	2021-JAGC-DADE-27-3B-088 2020-DJ-BX-0839	- -	7,844 59,790
Total Florida Department of Law Enforcement			-	67,434
COVID-19 Miami Beach Coronavirus Emergency Program Cops Office Law Enforcement Mental Health and Wellness Act Program-Miami Beach Peer Support Project Federal Equitable Sharing Agreement	16.034 16.710 16.922	2020-VD-BX-0503 2020-MH-WX-K013 FL0130700	- - -	34,156 13,510 65,655
Total U.S. Department of Justice			-	626,758
U.S. Department of Transportation				
Pass-Through the Florida Department of Transportation:				
State and Community Highway Traffic Safety Program-Motorcycle Safety Campaign State and Community Highway Traffic Safety Program-Speed/Aggressive Driving Initiative State and Community Highway Traffic Safety Program-Speed/Aggressive Driving Initiative National Priority Safety Program-Impaired Driving Initiative National Priority Safety Program-Miami Beach Occupant Protection and Child Passenger Initiative National Priority Safety Program-Miami Beach Occupant Protection and Child Passenger Initiative	20.600 20.600 20.600 20.616 20.616 20.616	G1R47 G1S20 G2048 G2318 G2202 G1U78	- - - - - -	75,000 6,699 73,266 59,540 74,758 33,292
Total Highway Safety Cluster			-	322,555
Highway Planning and Construction-Northshore Open Space Beachwalk	20.205	G1P47	-	670,499
Total Highway Planning and Construction Cluster			-	670,499
Total U.S. Department of Transportation			-	993,054
U.S. Department of Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		-	23,555,418
Total U.S. Department of Treasury			-	23,555,418

City of Miami Beach, Florida

**Schedule of Expenditures of Federal Awards (Continued)
Fiscal Year Ended September 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant/Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Environmental Protection Agency				
Pass-Through the State of Florida Department of Environmental Protection: Bioswale Basis of Design - Everglades Court Green Alley	66.460	NF053	-	100,000
Total Environmental Protection Agency			-	100,000
U.S. Department of Homeland Security				
Pass-Through the State of Florida Division of Emergency Management:				
Hurricane Dorian - via Mutual Aide Agreement	97.036	01-018-19	-	8,562
Hurricane Florence - via Mutual Aide Agreement	97.036	n/a	-	124,534
Hurricane Michael - via Mutual Aide Agreement	97.036	02-028-18	-	107,173
Surfside Collapse - via Mutual Aide Agreement	97.036	n/a	-	117,138
Pass-Through the Miami-Dade County				
Surfside Collapse - via Mutual Aide Agreement	97.036	n/a	-	103,033
Total U.S. Department of Homeland Security			-	460,440
Emergency Food and Shelter Program - Phase 37				
Emergency Food and Shelter Program - Phase CARES	97.024	159400-076	-	491
Emergency Food and Shelter Program - Phase 38/CARES	97.024	159400-076	-	5,570
Emergency Food and Shelter Program - Phase 39	97.024	159400-076	-	22,457
Total Emergency Food and Shelter Program			-	30,027
Pass-Through the State of Florida Division of Emergency Management:				
Hazard Mitigation Grant Program - Wind Retrofit	97.039	FEMA-DR-4337-FL	-	1,932
Hazard Mitigation Grant Program - Wind Retrofit	97.039	FEMA-DR-4337-FL	-	308,877
Hazard Mitigation Grant Program - Wind Retrofit	97.039	FEMA-DR-4337-FL	-	269,406
Volunteer Florida - Community Emergency Response Team	97.042	CERT 22-006	-	5,449
Total Hazard Mitigation Grant Program			-	575,664
Homeland Security Grant Program -Urban Areas Security Initiative 2019 - Region 7 ALPR Project				
Homeland Security Grant Program -Urban Areas Security Initiative 2019	97.067	EMW-2019-SS-00049	-	150,000
Homeland Security Grant Program -Urban Areas Security Initiative 2020	97.067	EMW-2019-SS-00049	-	67,889
Total U.S. Department of Homeland Security			-	1,375,389
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,394,516	\$ 29,161,338

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

City of Miami Beach, Florida

**Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended September 30, 2022**

State Grantor/Program	State CSFA Number	Grant/Pass-Through Entity Identifying Number	Total State Expenditures
State of Florida, Department of Environmental Protection			
Fire Station #1	37,098	22SRP35	<u>280</u>
Total State of Florida, Department of Environmental Protection			
			<u>280</u>
State of Florida, Housing Finance Corporation			
State Housing Initiatives Partnership (SHIP) Program	40,901	N/A	<u>167,476</u>
Total State of Florida, Housing Finance Corporation			
			<u>167,476</u>
Florida Department of Transportation			
A1A Indian Creek Corridor	55,000	AS-343/439228-2-58-01	2,456,966
Locally Funded Agreement - Transportation Management Initiative Agreement	55,039	422239-2-12-01	16,144
Miami Beach Atlantic Trail Greenway Corridor from South Pointe Park to 87th Terrace	55,038	G0Q53	500,970
Public Transit Service Development Program - South Beach Loop Trolley Route	55,012	G1C66	1,446,838
Total Florida Department of Transportation			
			<u>4,420,918</u>
Florida Department of Health			
Pass-Through Miami-Dade County, Florida:			
Emergency Medical Services	64,005	C8013	1,801
Emergency Medical Services	64,005	C9013	3,852
Emergency Medical Services	64,005	C0013	2,026
Total Florida Department of Health			
			<u>7,679</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 4,596,353</u>

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

City of Miami Beach, Florida

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Fiscal Year Ended September 30, 2022

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance (the Schedules) include the federal and state award activity of the City of Miami Beach, Florida (the City) under programs of the Federal government and the State of Florida for the year ended September 30, 2022. The information in the Schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*. Because the Schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance/net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Recovery

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

Note 4. Loans Outstanding

On November 12, 2014, the City of Miami Beach entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. On November 24, 2020, Amendment No.1 to the Loan Agreement was executed. The semiannual loan payment amount is based on the total amount of \$7,697,180, which consist of the Loan principal, accrued Capitalized Interest plus the Loan Service Fee. Loan payments commenced on February 15, 2018, and semiannually thereafter on August 15 and February 15 of each year until all amounts due have been fully paid. The interest rate on this loan is 1.62% per annum. Loan disbursements from the State to the City will be made for reimbursements of allowable costs. The loan is recorded as a loan payable in the governmental activities of the City's government-wide statements. As of September 30, 2022, \$7.5 million of allowable costs have been incurred by the City and \$7.5 million has been reimbursed from the State. The loan is secured by the Stormwater fund's pledged revenues and will be repaid with such funds. The outstanding principal balance reported at September 30, 2022, is \$5,906,888, which consist of Loan Principal and Service Fee.

City of Miami Beach, Florida

**Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2022**

Section I . Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified?	_____ 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?	_____ Yes	_____ X	_____ None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	_____ Yes	_____ X	_____ No
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Identification of major federal programs:

<u>Federal Assistance Listing No.</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

\$874,840

Auditee qualified as low-risk auditee?

_____ Yes	_____ X	_____ No
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(Continued)

City of Miami Beach, Florida

**Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2022**

State Financial Assistance :

Internal control over major projects:

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

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

Unmodified

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

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

State Assistance Listing No.

Name of State Project

55.000

A1A Indian Creek Corridor

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

\$750,000

Section II. Financial Statement Findings

No matters to report

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

No matters to report.

City of Miami Beach, Florida

**Summary Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2022**



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

Summary of Prior Year Findings

Audit Finding Number: IC 2021-0001 – Financial Reporting – Material Weakness

Audit Finding: Material accounting adjustments were made by management to the financial statements to comply with generally accepted accounting principles. This included a material adjustment to the Capital Projects fund and the Aggregate Nonmajor Fund relating to a legal settlement obligation. In addition, a material adjustment was made to the Convention Center fund to eliminate intercompany transactions between the City and the Convention Center.

Status of Finding: Corrected. Matter Not repeated.

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MANAGEMENT LETTER

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

City of Miami Beach, Florida

Management Letter and Independent Accountant's
Report in Accordance With Chapter 10.550, *Rules of
the Auditor General* of the State of Florida

Year Ended September 30, 2022

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RSM US LLP

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

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

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach, Florida (the City) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 14, 2023. Our report includes an emphasis-of-matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our report also includes a reference to other auditors who audited the funds listed below. This report does not include the findings and recommendations of the other auditors 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

We did not audit the financial statements of the City of Miami Beach Florida **Employees' Retirement Plan**, the City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach **Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters' Relief and Pension Fund** which collectively represent 78% of total assets/deferred outflows, 43% of total net position/fund balance and 83% of total revenues/additions of the aggregate remaining fund information opinion unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Miami Beach Florida **Employees' Retirement Plan**, the City of Miami Beach Pension Fund for Firefighters and Police Officers, City of Miami Beach **Policemen's Relief and Pension Fund and the City of Miami Beach Firefighters' Relief and Pension Fund**, is based solely on the reports of the other auditors.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, which is dated April 14, 2023; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance, Schedule of Findings and Questioned Costs, which is dated April 20, 2023; and Independent Accountant's Reports on an examination conducted in accordance With *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*, which is dated April 20, 2023. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the following specific information for each dependent special district was provided to us by management of the City:

- a. The total number of district employees compensated in the last pay period of the district’s fiscal year being reported (see information required in Section 218.32 (1)(e)2. a., Florida Statutes).

• Miami Beach Redevelopment Agency	35
• North Beach Community Redevelopment Agency	0
• Normandy Shores Local Government Neighborhood Improvement District	0
• Miami Beach Visitor and Convention Authority	4
• Miami Beach Health Facilities Authority	0

- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year being reported (see information required in Section 218.32 (1)(e)2.b., Florida Statutes).

- Miami Beach Redevelopment Agency 31
- North Beach Community Redevelopment Agency 0
- Normandy Shores Local Government Neighborhood Improvement District 3
- Miami Beach Visitor and Convention Authority 0
- Miami Beach Health Facilities Authority 0

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32 (1)(e)2. c., Florida Statutes).

- Miami Beach Redevelopment Agency \$ 2,522,556
- North Beach Community Redevelopment Agency \$ 0
- Normandy Shores Local Government Neighborhood Improvement District \$ 0
- Miami Beach Visitor and Convention Authority \$ 426,664
- Miami Beach Health Facilities Authority \$ 0

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32 (1)(e)2. d., Florida Statutes).

- Miami Beach Redevelopment Agency \$ 2,797,647
- North Beach Community Redevelopment Agency \$ 0
- Normandy Shores Local Government Neighborhood Improvement District \$ 28,979
- Miami Beach Visitor and Convention Authority \$ 0
- Miami Beach Health Facilities Authority \$ 0

e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32 (1)(e)2.e., Florida Statutes). There were none except for the following projects for the Miami Beach Redevelopment Agency:

1. Convention Center Renovation \$ 1,797,403
2. Convention Center Lincoln Rd Connector \$ 79,383
3. Convention Center Carl Fisher \$ 367,625
4. Lincoln Rd Lennox (with sidewalk) \$ 240,098

f. A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted, as follows:

- Miami Beach Redevelopment Agency
Refer to the RSI in the Miami Beach Redevelopment Authority September 30, 2022, financial statements.
- North Beach Community Redevelopment Agency
This component is inactive. Accordingly, a budget was not prepared.
- Normandy Shores Local Government Neighborhood Improvement District
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, **as follows: the district's original budget totaled \$252,000 and was amended by the total amount of \$13,000, for final budgeted expenditures of \$263,763.**

- Miami Beach Visitor and Convention Authority
Refer to the RSI in the Miami Beach Visitor and Convention Authority September 30, 2022, financial statements.
- Miami Beach Health Facilities Authority
A budget was not prepared.

Additional Matters

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

Purpose of This Letter

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

RSM US LLP

Miami, Florida
May 18, 2023



RSM US LLP

**Independent Accountant's Report
on Compliance with Section 218.415, Florida Statutes**

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

We have examined the City of Miami Beach, Florida's (the City) compliance with *Section 218.415, Florida Statutes, and Local Government Investment Policies* during the period October 1, 2021 to September 30, 2022. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the period October 1, 2021 to September 30, 2022.

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

RSM US LLP

Miami, Florida
April 20, 2023

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OTHER REPORTS

- Affidavits of Impact Fees

WATER IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Jason Greene, who being duly sworn, deposes and says on oath that:


- 1. I am the Chief Financial Officer of City of Miami Beach which is a local government entity of the State of Florida.
- 2. The governing body of City of Miami Beach adopted Ordinance No.95-2990 implementing an impact fee; and
- 3. The City of Miami Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


 Chief Financial Officer of the City of Miami Beach

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

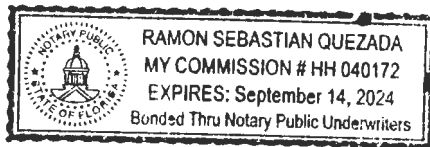
SWORN TO AND SUBSCRIBED before me this 10th day of May, 2023.


 NOTARY PUBLIC
 Print Name Ramon S. Quezada

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
9/14/2024



SEWER IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Jason Greene, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of City of Miami Beach which is a local government entity of the State of Florida.
2. The governing body of City of Miami Beach adopted Ordinance No.95-2991 implementing an impact fee; and
3. The City of Miami Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.


FURTHER AFFIANT SAYETH NAUGHT.



 Chief Financial Officer of the City of Miami Beach

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 10th day of May, 2023.

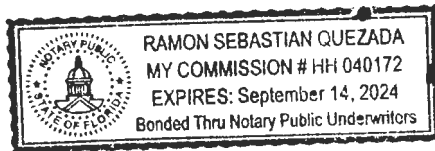


 NOTARY PUBLIC
 Print Name Ramon S. Quezada

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
9/14/2024



TRANSPORTATION IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Jason Greene, who being duly sworn, deposes and says on oath that:

- 1. I am the Chief Financial Officer of City of Miami Beach which is a local government entity of the State of Florida.
- 2. The governing body of City of Miami Beach adopted Ordinance No. 2019-4306 implementing an impact fee; and
- 3. The City of Miami Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.


FURTHER AFFIANT SAYETH NAUGHT.



 Chief Financial Officer of the City of Miami Beach

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 10th day of May, 2023.

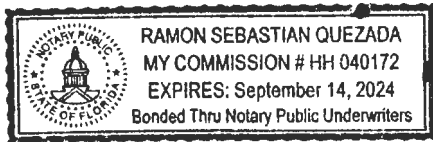


 NOTARY PUBLIC
 Print Name Ramon S. Quezada

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
9/14/2024



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