

Miami Beach Redevelopment Agency (A Component Unit of the City of Miami Beach, Florida)

Financial Report
Fiscal Year Ended September 30, 2020

PREPARED BY

THE FINANCE DEPARTMENT

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Agency, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City as of September 30, 2020, the changes in its financial position, or where applicable cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedule for the debt service fund included in supplementary information and the Other City Reports on Compliance with Local Government reporting Section 163.371, Florida Statutes are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedule for the debt service fund included in supplementary information and the Other City Reports on Compliance with Local Government reporting Section 163.371, Florida Statutes have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2021 on our consideration of the Agency'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 Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
July 23, 2021

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management's Discussion and Analysis
September 30, 2020**

The Management's Discussion and Analysis (the "MD&A") of the Miami Beach Redevelopment Agency (the "Agency") is intended to provide an overview of the Agency's position and results of operations for the fiscal year ended September 30, 2020. The MD&A is an element of the reporting model required by the Governmental Accounting Standards Board (the "GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance.

Financial Highlights

- The liabilities and deferred inflows exceeded assets and deferred outflows of the Agency at the close of fiscal year 2020 by \$ \$26.7 million (net (deficit) position).
- The Agency's net (deficit) position decreased by \$251.8 million. The governmental net position decreased by \$250.5 million and the business-type net position decreased by \$1.3 million.
- Business Type Activity revenue decreased by \$2.3 million or 40% and expenses decreased by \$428 thousand or 8%.
- Governmental activities revenue increased by \$1 million or 2% and expenses increased by \$2.3 million or 6.7%
- The Agency's total long-term liabilities and deferred inflows decreased by \$16.3 million or 4.3% during the current year. The decrease is due to the Agency's normal principal payments on its debt. (See Note 6 and 7 for more information regarding the bonds). Also, there was an increase of \$2.3 million in Net OPEB liabilities and increase of \$619,000 in MBF&P pension liabilities and an increase of \$159,000 in the City's MBERP pension liabilities.
- The Agency's assets and deferred outflows decreased by approximately \$268 million or 44%. The decrease is primarily attributed to a decrease of capital assets of \$245 million, an increase of deferred outflows of \$1.2 million, and a decrease in current and other assets of \$25.6 million.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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Management's Discussion and Analysis
September 30, 2020**

The statement of activities presents information showing how the Agency's net (deficit) position changed during each fiscal year. All changes in net (deficit) 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.

Both of the government-wide financial statements listed above distinguish functions of the Agency 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 Agency include general government, public safety, physical environment, transportation, economic environment and culture and recreation. The business-type activity of the Agency includes the parking and leasing operations of the Anchor and Pennsylvania Avenue Garages and Anchor and Pennsylvania Avenue Shops, respectively.

The government-wide financial statements can be found on pages 14 – 16 of this report.

Fund Financial Statements

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

Key elements of the reconciliation of these two statements are that the government-wide statements report the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated) and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as expenditure, the purchase of capital assets as expenditure and do not reflect changes in long-term liabilities.

The Agency maintains three 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, City Center debt service fund, and City Center capital projects fund which are considered to be major funds. For the current fiscal year, the Agency does not have any non-major governmental funds.

**Miami Beach Redevelopment Agency
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September 30, 2020**

Proprietary Funds

The Agency maintains two different types of proprietary funds or enterprise funds. The Agency uses enterprise funds to account for the parking and leasing operations of the Anchor and Pennsylvania Avenue Garages and Anchor and Pennsylvania Avenue Shops, respectively.

The proprietary fund financial statements provide separate information for parking and leasing of the Anchor and Pennsylvania Avenue Garage/Shops which are considered to be major funds of the Agency. For the current fiscal year, the Agency does not have any non-major proprietary funds.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. For note details, refer to the table of contents. The Agency is considered a component unit of the City of Miami Beach, Florida and as such, the financial information of the Agency is included in the City's Comprehensive Annual Financial Report for the current fiscal year.

Government-Wide Financial Analysis

The table below summarizes the statement of net (deficit) position:

	Summary of Net (Deficit) Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 135,023	\$ 155,017	\$ 28,193	\$ 31,820	\$ 163,216	\$ 186,837
Capital assets	144,973	389,772	23,760	24,536	168,733	414,308
Deferred Outflows	5,775	4,610	-	-	5,775	4,610
Total assets	285,771	549,399	51,953	56,356	337,724	605,755
Long-term liabilities	333,350	339,366	116	206	333,466	339,572
Other liabilities	29,936	36,545	928	3,902	30,864	40,447
Unearned revenue	-	-	-	69	-	69
Deferred Inflows	70	583	-	-	70	583
Total liabilities	363,356	376,494	1,044	4,177	364,400	380,671
Net position:						
Net investment in capital assets	128,545	111,214	23,575	24,536	152,120	135,750
Restricted for debt service	26,369	52,258	-	-	26,369	52,258
Restricted for capital improvement	50,692	77,033	-	-	50,692	-
Unrestricted (deficit)	(283,191)	(67,600)	27,334	27,643	(255,857)	(39,957)
Total net (deficit) position	\$ (77,585)	\$ 172,905	\$ 50,909	\$ 52,179	\$ (26,676)	\$ 225,084

**Miami Beach Redevelopment Agency
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Net (deficit) position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities and deferred inflows exceeded assets and deferred outflows by \$(26.6) million at September 30, 2020, a decrease of \$251.8 million or 112% from September 30, 2019.

The Agency's net (deficit) position represents resources that are subject to external restrictions on how they may be used.

There are also various normal impacts on revenue and expense that can affect the change in net (deficit) position from year to year. The economic condition, which can reflect a declining, stable or growing economic environment, can have a substantial impact on tax revenue as well as the public's spending habits on fees and charges for services. An increase/or decrease in Commission approved rates can have a substantial impact on parking revenue if there is a current year increase/decrease in an approved rate. Also, current market condition may cause investment income to fluctuate from year to year. Impacts on expense from year to year could result from new programs, an increase or decrease in personnel, salary increases and of course inflation.

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The table below summarizes the change in net (deficit) position:

	Summary of Changes in Net (Deficit) Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ -	\$ -	\$ 3,136	\$ 5,270	\$ 3,136	\$ 5,270
General Revenues:						
Taxes:						
Property taxes	56,577	53,142	-	-	56,577	53,142
Resort taxes	-	-	-	-	-	-
Investment earnings	1,774	4,180	354	518	2,128	4,698
Unrealized Loss on Investment	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	58,351	57,322	3,490	5,788	61,841	63,110
Expenses:						
General government	2,074	226	-	-	2,074	226
Public safety	5,870	5,437	-	-	5,870	5,437
Physical environment	5,664	7,431	-	-	5,664	7,431
Transportation	1,649	246	-	-	1,649	246
Economic environment	6,492	4,679	-	-	6,492	4,679
Culture and recreation	2,300	3,466	-	-	2,300	3,466
Parking - Anchor & Penn. Garage	-	-	4,230	4,745	4,230	4,745
Leases - Anchor & Penn. Shops	-	-	530	444	530	444
Interest on long-term debt	13,020	13,262	-	-	13,020	13,262
Total expenses	37,069	34,747	4,760	5,189	41,829	39,936
Increase in net position before transfers and gain (loss) on sale of capital assets	21,282	20,575	(1,270)	599	20,012	21,174
Transfers	(271,772)	(8,632)	-	-	(271,772)	(8,632)
Increase in net position	(250,490)	11,943	(1,270)	599	(251,760)	12,542
Net position, beginning	172,905	165,557	52,179	51,580	225,084	217,137
Restatement for GASB 75	-	(4,595)	-	-	-	(4,595)
Net position, ending	172,905	160,962	52,179	52,179	225,084	213,141
Net (deficit) position, ending	\$ (77,585)	\$ 172,905	\$ 50,909	\$ 52,179	\$ (26,676)	\$ 225,084

**Miami Beach Redevelopment Agency
 (A Component Unit of the City of Miami Beach, Florida)
 Management’s Discussion and Analysis
 September 30, 2020**

Governmental activities decreased the Agency’s net position by \$250.5 million. Key elements of the net decrease are as follows:

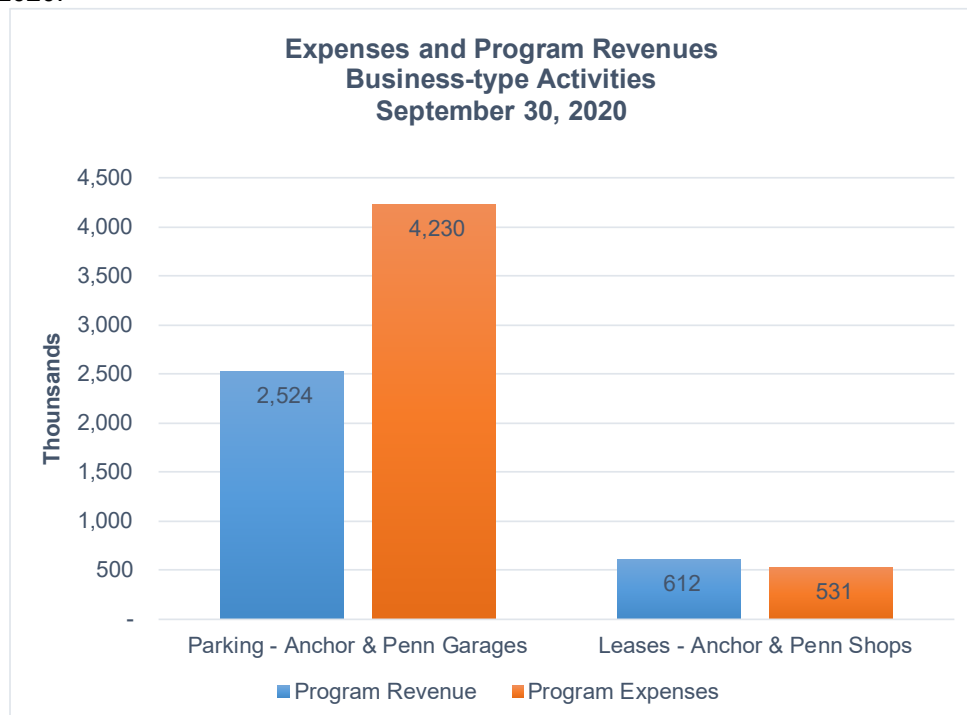
- Total expenses from governmental activities in fiscal 2020 totaled \$37 million. This is an increase of \$2.3 million or 6.7 % from the prior year.
- Revenues from governmental activities in fiscal year 2020 totaled \$58.4 million, an increase of \$1 million from 2019. The increase is primarily due to the increase in tax increment revenue of \$3.4 million which was offset by reduction in interest earnings of \$2.4 million from the prior year.
- Capital Assets decreased by approximately \$264 million compared to prior year. This decreased was primarily attributed to the transfer of capital assets to the Convention Center Fund.

Business-Type Activities

Business-type activities decreased the Agency’s net position by approximately \$1.3 million. Key elements of this increase are as follows:

- The Parking Garages’ net position decreased by \$1.5 million or 3.9%. The garage funds have a decrease in charges for service of \$1.4 million or approximately 41%. Permits, rental and other operating revenues decreased by 26%. Interest income decreased by \$0.1 million or 33.9%. Total operating expenses decreased by \$515 thousand or 10.9%.
- The Leasing Shops’ net position increased by \$228,346 or 1.6%. Interest income decreased by \$57,102 or 28% and operating revenues decreased by \$547,140 or 47.2% from the prior year. Operating expenses in the shops had a net increase of \$86,363 or 19.4% over the prior year.

The following chart shows a comparison of expenses to program revenues for business-type activities for fiscal year 2020:



**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis
September 30, 2020**

Governmental Funds

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

Total fund balance for the Governmental Funds totaled \$116.5 million at September 30, 2020. This is a total decrease of \$13.1 million or approximately 10.2%.

The general fund is the chief operating fund of the Agency. The fund balance of the Agency’s general fund had a net increase in fund balance of \$7.6 million during the current fiscal year. The general fund’s tax increment revenues increased by \$3.4 million or 6.5%. 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%. Fluctuations in tax increment revenue is based on real estate property values City wide. Other financing sources (uses) decreased by \$20 million over the prior year.

The Agency’s General Fund is required to adopt an annual budget prepared on a basis consistent with generally accepted accounting principles. The agency’s debt service fund did not have a change in net position. Principal and interest payments on the tax increment revenue bonds were \$21.7 million. Net transfers from the general fund to pay debt service expenditures were \$21.7 million.

The Agency’s capital project fund had a net decrease in fund balance of \$20.8 million. This fund received \$0.9 million from interest income. Capital expenditures decreased by \$16 million or 43% compared to FY 2019. There were no Other financing sources (uses) for FY 2020 a decrease of \$20 million or 100% compared to prior year.

The Agency’s Capital Projects Fund accounts for the financing of the Agency’s capital program. The primary resources are obtained from the receipt of tax increment funds from Miami-Dade County and from the issuance of Agency debt.

Financial Analysis of the Governmental Funds

As noted earlier, the Agency 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 Agency’s governmental funds (in \$1,000’s):

	General	Debt Service City Center	Capital Projects City Center	Total Governmental Funds
Fund balance, September 30, 2019	\$ 52,258	\$ -	\$ 77,422	\$ 129,680
Revenues	57,483	-	869	58,352
Expenditures	19,670	21,684	21,647	63,001
Other financing sources (uses)	(30,206)	21,684		(8,522)
Fund balance, September 30, 2020	\$ 59,865	\$ -	\$ 56,644	\$ 116,509

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis
September 30, 2020**

Proprietary Funds

The Agency’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position for both proprietary funds was decreased by approximately \$1.3 million or 43% (See discussion of the Agency’s business-type activities for more information on the proprietary funds.)

Budgetary Highlights

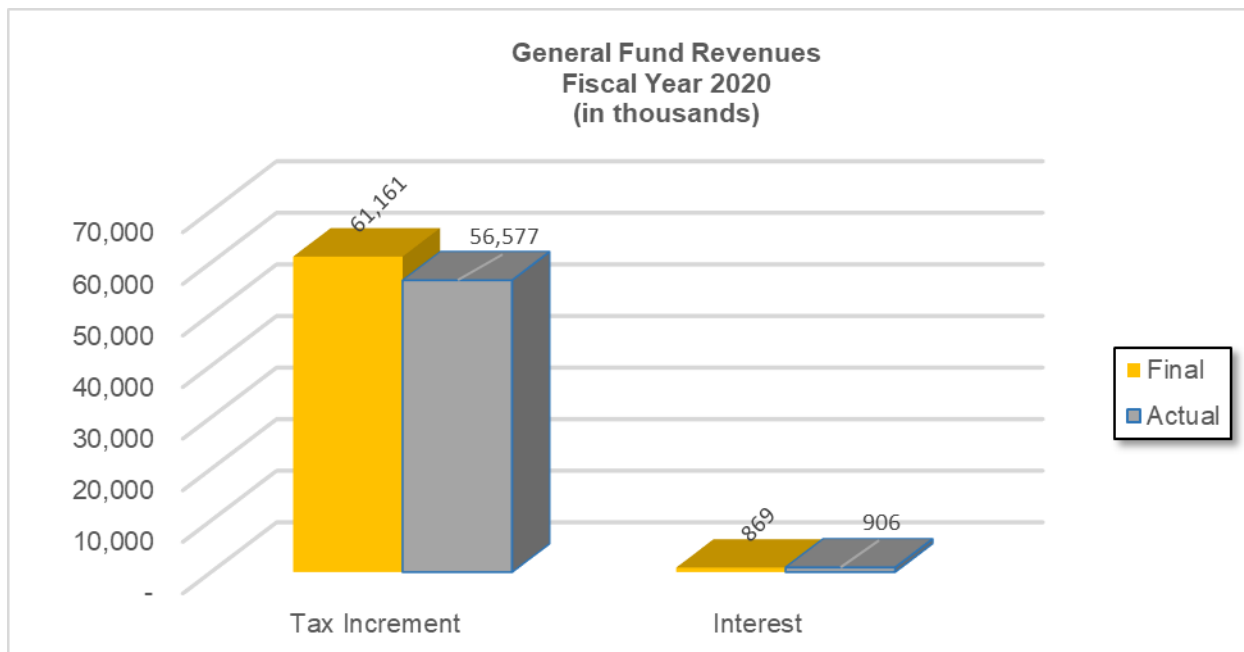
The following information is presented to assist the reader in comparing the original/final budget (Adopted Budget) and the actual results.

The major revenue variance between the adopted/final budget and actual is the resort tax revenues collected. Fluctuations in resort tax revenues are completely based on the fluctuation in the sales of the above item and vary from one year to another based on the economy and tourism.

Actual expenditures were \$20.7 million or 51% less than budgeted. The difference with budgeted amounts was mainly in the General Government function. The variance of the actual versus budgeted expenditures within this function was mainly due to the contingencies relating to debt service requirements and capital expenditures of the agency.

General Fund Revenues

The following charts and tables summarize actual revenues by category for fiscal year 2020 and compares actual revenues with the Adopted/Final Budget:

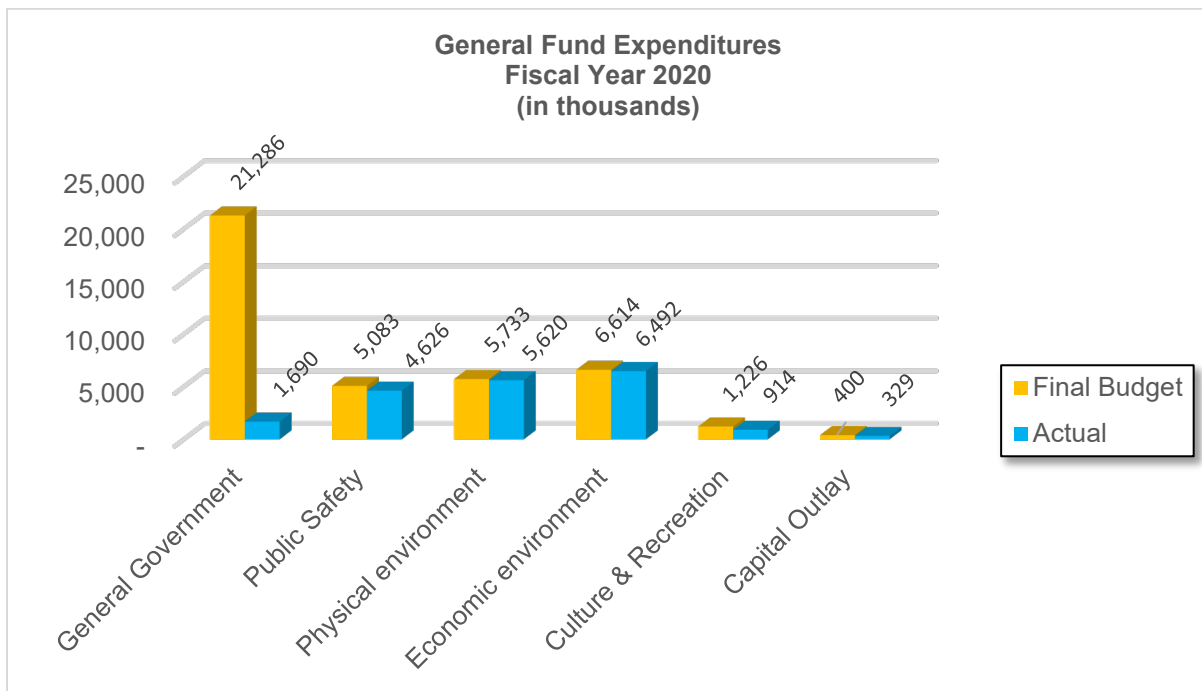


**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Management’s Discussion and Analysis
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	Final Adopted Budget	Actual Amounts
Revenues:		
Tax increment (property taxes)	\$ 61,161	\$ 56,577
Interest income	869	905
Total revenues	\$ 62,030	\$ 57,482

General Fund Expenditures

The following chart and table summarize actual expenditures by function/program for fiscal year 2020 and compare the actual expenditures with the Final Budget:



**Miami Beach Redevelopment Agency
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	Final Adopted Budget	Actual Amounts
Expenditures:		
General government	\$ 21,286	\$ 1,690
Public safety	5,083	4,626
Physical Environment	7,233	7,120
Economic environment	5,114	4,992
Culture and recreation	1,226	914
Capital outlay	400	329
Total expenditures	\$ 40,342	\$ 19,671

Capital Assets and Debt Administration

Capital Assets

The Agency's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$168.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, vehicles, machinery and equipment, streetscape improvements, restorations and renovations and construction work-in-progress, which are detailed as follows (net of accumulated depreciation):

	Capital Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and land improvements	\$ 10,818	\$ 10,818	\$ 3,003	\$ 3,003	\$ 13,821	\$ 13,821
Buildings and structures	18,779	19,237	18,232	19,013	37,011	38,250
Machinery, vehicles and equipmer	509	785	448	564	957	1,349
Furniture and fixtures	96	341	-	-	96	341
Streetscape improvements	27,166	29,208	-	-	27,166	29,208
Parks	8,390	-	-	-	8,390	-
Restorations and renovations	20,506	21,315	-	-	20,506	21,315
Construction in progress	58,709	308,068	2,077	1,955	60,786	310,023.00
Totals	\$ 144,973	\$ 389,772	\$ 23,760	\$ 24,535	\$ 168,733	\$ 414,307

During Fiscal year 2020 the Agency transferred assets of approximately \$263 million to the Convention Center fund. The expenses were recorded by the Agency's however once the Convention Center was completed, assets consisting primarily of Buildings and Furniture and Fixtures were recorded in the Convention Center Fund.

Details about the capital improvement program can be found in the *Other City Reports - Achievements and Goals*.

Outstanding Debt

**Miami Beach Redevelopment Agency
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At the end of the current fiscal year, the Agency had a total debt outstanding in the governmental activities of \$317.5 million. The debt balance decreased by \$8.6 million during the year due to annual principal payments on the 2015A and 2015B Tax Increment Bonds.

**Miami Beach Redevelopment Agency's
 Outstanding Debt
 Fiscal Year 2020
 (in thousands)**

	Governmental Activities	
	2020	2019
Tax increment revenue bonds	\$ 317,455	\$ 326,087

Economic Factors and Future Developments

The Redevelopment Agency has continued to focus its efforts on a number of initiatives aimed at upgrading the area’s infrastructure, streets and parks, alleviating traffic and parking congestion and encouraging the continued increase in tourism. Details about the Agency’s achievements and goals can be found in the *Other City Reports – Achievements and Goals*.

Requests for Information

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

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Net (Deficit) Position
September 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 105,971,020	\$ 26,622,506	\$ 132,593,526
Receivables (net):			
Accounts receivables	-	1,750	1,750
Interest	83,176	-	83,176
Due from primary government	-	1,083,520	1,083,520
Prepaid expenses	-	123,673	123,673
Total current assets	106,054,196	27,831,449	133,885,645
Noncurrent assets:			
Restricted cash and investments	28,969,020	361,636	29,330,656
Capital assets not being depreciated:			
Land	10,817,763	3,003,282	13,821,045
Construction in progress	58,709,045	2,077,035	60,786,080
Capital assets net of accumulated depreciation:			
Buildings and structures	18,778,772	18,231,552	37,010,324
Streetscape improvements	27,166,404	-	27,166,404
Restorations and renovations	20,505,716	-	20,505,716
Parks	8,389,963	-	8,389,963
Vehicles	220,683	-	220,683
Machinery and equipment	288,392	448,319	736,711
Furniture and fixtures	96,348	-	96,348
Total noncurrent assets	173,942,106	24,121,824	198,063,930
Total assets	279,996,302	51,953,273	331,949,575
Deferred outflows of resources			
Loss on refunding	33,000	-	33,000
MBERP	415,518	-	415,518
MBF&P	2,114,029	-	2,114,029
OPEB	3,212,687	-	3,212,687
Total deferred outflows of resources	5,775,234	-	5,775,234
Total assets and deferred outflows of resources	\$ 285,771,536	\$ 51,953,273	\$ 337,724,809

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Net (Deficit) Position (Continued)
September 30, 2020

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 2,664,120	\$ 74,725	\$ 2,738,845
Retainage payable	12,972,526	185,342	13,157,868
Accrued expenses	2,812,537	-	2,812,537
Due to primary government	2,318,716	418,070	2,736,786
Due to other government	-	-	-
Unearned revenue	-	186,672	186,672
Deposits	-	64,185	64,185
Portion due or payable within one year:	-	-	-
Environmental remediation	153,000	-	153,000
Accrued compensated absences	125,425	-	125,425
Bonds payable, net	8,889,053	-	8,889,053
Total current liabilities	29,935,377	928,994	30,864,371
Long-term liabilities:			
Deposits	-	115,560	115,560
Net pension liability – MBERP	1,416,414	-	1,416,414
Net pension liability – MBF&P	8,658,815	-	8,658,815
Net OPEB	12,989,742	-	12,989,742
Portion due or payable after one year:			
Accrued compensated absences	313,441	-	313,441
Bonds payable, net	308,574,953	-	308,574,953
Environmental remediation	1,397,000	-	1,397,000
Total long-term liabilities	333,350,365	115,560	333,465,925
Total liabilities	363,285,742	1,044,554	364,330,296
Deferred inflows of resources			
MBERP	10,872	-	10,872
OPEB	59,487	-	59,487
Total deferred inflows of resources	70,359	-	70,359
Net (deficit) position:			
Net investment in capital assets	128,545,086	23,574,846	152,119,932
Restricted for:			
Debt Service	26,369,278	-	26,369,278
Capital improvement	50,692,506	-	50,692,506
Unrestricted	(283,191,436)	27,333,873	(255,857,563)
Total net (deficit) position	\$ (77,584,566)	\$ 50,908,719	\$ (26,675,847)

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Activities
Fiscal Year Ended September 30, 2020

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Governmental Activities	Business-Type Activities	Total
Activities:					
Governmental:					
General government	\$ 2,073,743	\$ -	\$ (2,073,743)	\$ -	\$ (2,073,743)
Public safety	5,870,246	-	(5,870,246)	-	(5,870,246)
Physical environment	5,664,161	-	(5,664,161)	-	(5,664,161)
Transportation	1,649,382	-	(1,649,382)	-	(1,649,382)
Economic environment	6,492,101	-	(6,492,101)	-	(6,492,101)
Culture and recreation	2,299,744	-	(2,299,744)	-	(2,299,744)
Interest on long-term debt	13,020,413	-	(13,020,413)	-	(13,020,413)
Total governmental activities	37,069,790	-	(37,069,790)	-	(37,069,790)
Business-type:					
Parking – Anchor & Penn. Garages	4,229,678	2,524,406	-	(1,705,272)	(1,705,272)
Leasing – Anchor & Penn. Shops	530,558	611,797	-	81,239	81,239
Total business-type activities	4,760,236	3,136,203	-	(1,624,033)	(1,624,033)
Total primary government	\$ 41,830,026	\$ 3,136,203	(37,069,790)	(1,624,033)	(38,693,823)
General revenues:					
Taxes:					
Tax increments for redevelopment districts			56,577,471	-	56,577,471
Investment income			1,774,807	353,841	2,128,648
Transfers to primary government			(271,771,712)	-	(271,771,712)
Total general revenues			(213,419,434)	353,841	(213,065,593)
Changes in net position			(250,489,224)	(1,270,192)	(251,759,416)
Net position, beginning			172,904,658	52,178,911	225,083,569
Net (deficit) position, ending			\$ (77,584,566)	\$ 50,908,719	\$ (26,675,847)

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Balance Sheet
Governmental Funds
September 30, 2020

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and investments	\$ 61,319,814	\$ -	\$ 73,620,226	\$ 134,940,040
Receivables:				
Interest	-	-	83,176	83,176
Total assets	\$ 61,319,814	\$ -	\$ 73,703,402	\$ 135,023,216
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 139,832	\$ -	\$ 2,524,288	\$ 2,664,120
Retainage payable	-	-	12,972,526	12,972,526
Accrued expenses	245,452	-	160,054	405,506
Due to primary government	1,069,205	-	1,249,511	2,318,716
Environmental remediation	-	-	153,000	153,000
Total liabilities	1,454,489	-	17,059,379	18,513,868
Fund balances:				
Restricted	26,369,278	-	50,692,506	77,061,784
Assigned	16,880,310	-	5,951,517	22,831,827
Unassigned	16,615,737	-	-	16,615,737
Total fund balances	59,865,325	-	56,644,023	116,509,348
Total liabilities and fund balances	\$ 61,319,814	\$ -	\$ 73,703,402	\$ 135,023,216

See Notes to Financial Statements.

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)**

**Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2020**

Total fund balance – governmental funds \$ 116,509,348

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

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

Land	\$	10,817,763	
Construction in progress		58,709,045	
Buildings and structures, net		18,778,772	
Street improvements, net		27,166,404	
Parks		8,389,963	
Restoration and renovations, net		20,505,716	
Vehicles, net		220,683	
Machinery and equipment, net		288,392	
Furniture and fixtures, net		96,348	
Total capital assets, net			144,973,086

Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Balances at September 30, 2020 are:

Accrued interest on bonds		(2,407,032)	
Bonds payable		(294,930,000)	
Net Premium/Discount on bonds payable		(22,534,006)	
Accrued compensated absences		(438,866)	
Environmental Remediation		(1,397,000)	
Net Pension Liability – MBERP		(1,416,414)	
Net pension liability – MBF&P		(8,658,815)	
Net OPEB Liability		(12,989,742)	
Total long-term liabilities			(344,771,875)

In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB 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 and OPEB are reported.

Deferred Refunding Costs		33,000	
Deferred outflows of resources relating to MBERP		415,518	
Deferred outflows of resources relating to MBF&P		2,114,029	
Deferred outflows of resources relating to OPEB		3,212,687	
Deferred inflows of resources relating to MBERP		(10,872)	
Deferred inflows of resources relating to OPEB		(59,487)	
Total deferred resources			5,704,875
Total net (deficit) position of governmental activities			<u><u>\$ (77,584,566)</u></u>

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Fiscal Year Ended September 30, 2020

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Tax increment	\$ 56,577,471	\$ -	\$ -	\$ 56,577,471
Interest	905,908	-	868,899	1,774,807
Total revenues	<u>57,483,379</u>	<u>-</u>	<u>868,899</u>	<u>58,352,278</u>
Expenditures				
Current				
General government	1,690,000	-	-	1,690,000
Public safety	4,625,580	-	-	4,625,580
Physical environment	5,619,638	-	-	5,619,638
Economic environment	6,492,101	-	-	6,492,101
Culture and recreation	913,632	-	(46,100)	867,532
Capital outlay	329,404	-	21,692,865	22,022,269
Debt service:				
Principal	-	7,120,000	-	7,120,000
Interest and fiscal charges	-	14,562,428	-	14,562,428
Other	-	1,169	-	1,169
Total expenditures	<u>19,670,355</u>	<u>21,683,597</u>	<u>21,646,765</u>	<u>63,000,717</u>
Excess of revenues over (under) expenditures	37,813,024	(21,683,597)	(20,777,866)	(4,648,439)
Other financing sources (uses):				
Transfers in	-	21,683,597	-	21,683,597
Transfers out	(30,205,597)	-	-	(30,205,597)
Total other financing sources (uses)	<u>(30,205,597)</u>	<u>21,683,597</u>	<u>-</u>	<u>(8,522,000)</u>
Net change in fund balances	7,607,427		(20,777,866)	(13,170,439)
Fund balances, beginning	<u>52,257,898</u>		<u>77,421,889</u>	<u>129,679,787</u>
Fund balances, ending	<u>\$ 59,865,325</u>	<u>\$ -</u>	<u>\$ 56,644,023</u>	<u>\$ 116,509,348</u>

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**
Fiscal Year Ended September 30, 2020

Net change in fund balances – governmental funds **\$ (13,170,439)**

The change in net position reported for governmental activities in the statement of activities is different because:

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

Capital outlay	22,022,269	
Contribution from primary government	703,610	
Capital deletions and adjustments including transfers to primary government	(263,661,409)	
Depreciation expense	<u>(3,863,250)</u>	
Excess of deletions and depreciation over capital outlay		(244,798,780)

The issuance of long-term debt (e.g., bonds) provides current financial resources to government 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 issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The statement of net position has been adjusted for transactions as follows:

Decrease in interest payable	40,081	
Net premium amortization and other refunding items	(196,494)	
Principal - debt service	7,120,000	
Premium on bonds (included with accrued expense)	<u>1,503,103</u>	
Total long-term debt retirement and related transactions		8,466,690

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

MBERP	(65,877)	
MBF&P	(191,084)	
OPEB	<u>(884,385)</u>	
Total pension and OPEB costs		(1,141,346)

Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental activities section of the statement of net position:

Increase in environmental remediation	261,956	
Increase in accrued compensated absences	<u>(107,305)</u>	
Total Expenditures that do not require the use of current financial resources		<u>154,651</u>

Change in net (deficit) position of governmental activities **\$ (250,489,224)**

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Net Position
Enterprise Funds
September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Parking Fund	Leasing Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 14,624,514	\$ 11,997,992	\$ 26,622,506
Accounts receivable (net of allowance for uncollectibles)	1,750	-	1,750
Due from primary government	130,475	953,045	1,083,520
Prepaid expenses	111,628	12,045	123,673
Total current assets	14,868,367	12,963,082	27,831,449
Noncurrent assets:			
Cash and investments:			
Customer deposits and advance sales	189,211	172,425	361,636
Capital assets:			
Land	2,793,052	210,230	3,003,282
Buildings and structures	28,426,115	2,397,145	30,823,260
Machinery and equipment	926,351	-	926,351
Construction in progress	2,077,035	-	2,077,035
Less accumulated depreciation	(12,000,811)	(1,068,929)	(13,069,740)
Total capital assets (net of accumulated depreciation)	22,221,742	1,538,446	23,760,188
Total noncurrent assets	22,410,953	1,710,871	24,121,824
Total assets	37,279,320	14,673,953	51,953,273
Liabilities			
Current liabilities:			
Accounts payable	60,637	14,088	74,725
Retainage payable	185,342	-	185,342
Due to primary government	129,153	288,917	418,070
Deposits	60	64,125	64,185
Unearned revenues	181,891	4,781	186,672
Total current liabilities	557,083	371,911	928,994
Noncurrent liabilities:			
Deposits	7,260	108,300	115,560
Total noncurrent liabilities	7,260	108,300	115,560
Total liabilities	564,343	480,211	1,044,554
Net Position			
Net investment in capital assets	22,036,400	1,538,446	23,574,846
Unrestricted	14,678,577	12,655,296	27,333,873
Total net position	\$ 36,714,977	\$ 14,193,742	\$ 50,908,719

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Parking Fund	Leasing Fund	Total
Operating revenues:			
Charges for services	\$ 2,108,518	\$ -	\$ 2,108,518
Permits, rentals and other	415,888	611,797	1,027,685
Total operating revenues	2,524,406	611,797	3,136,203
Operating expenses:			
Contractual services	2,658,973	314,207	2,973,180
Utilities	139,969	18,118	158,087
Internal charges	229,000	80,000	309,000
Depreciation	820,269	77,352	897,621
Administrative fees	220,000	15,000	235,000
Other	161,467	25,881	187,348
Total operating expenses	4,229,678	530,558	4,760,236
Operating income (loss)	(1,705,272)	81,239	(1,624,033)
Interest income	206,734	147,107	353,841
Total nonoperating revenues	206,734	147,107	353,841
Transfers in	-	281,000	281,000
Transfers out	-	(281,000)	(281,000)
Changes in net position	(1,498,538)	228,346	(1,270,192)
Total net position, beginning	38,213,515	13,965,396	52,178,911
Total net position, ending	\$ 36,714,977	\$ 14,193,742	\$ 50,908,719

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Parking Fund	Leasing Fund	Total
Cash Flows From Operating Activities:			
Receipts received from customers	\$ 2,222,402	\$ -	\$ 2,222,402
Payments to suppliers	(4,629,337)	(79,412)	(4,708,749)
Payments made for interfund services used	(2,257,648)	(95,000)	(2,352,648)
Receipts for other operating revenue	285,413	843,683	1,129,096
Net cash provided by (used in) operating activities	(4,379,170)	669,271	(3,709,899)
Cash Flows From NonCapital Financing Activities:			
Collections activity with primary government	-	(953,045)	(953,045)
Net cash provided by financing activities	-	(953,045)	(953,045)
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(164,792)	-	(164,792)
Net cash used in capital and related financing activities	(164,792)	-	(164,792)
Cash Flows From Investing Activities:			
Interest on investments	206,734	147,107	353,841
Net cash provided by investing activities	206,734	147,107	353,841
Net decrease in cash and investments	(4,337,228)	(136,667)	(4,473,895)
Cash and investments – beginning of year	19,150,953	12,307,084	31,458,037
Cash and investments – end of year	\$ 14,813,725	\$ 12,170,417	\$ 26,984,142
Classified as:			
Current assets	\$ 14,624,514	\$ 11,997,992	\$ 26,622,506
Restricted assets	189,211	172,425	361,636
	\$ 14,813,725	\$ 12,170,417	\$ 26,984,142
Reconciliation of Operating Income (Loss) to Net Cash Provided By (used In) Operating Activities			
Operating income (loss)	\$ (1,705,272)	\$ 81,239	\$ (1,624,033)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	820,269	77,352	897,621
Changes in assets and liabilities:			
(Increase) decrease in receivables	-	40,865	40,865
(Increase) decrease in due from other funds	-	214,966	214,966
(Increase) decrease in due from primary government	(130,475)	-	(130,475)
(Increase) decrease in prepaid expenses	(6,452)	(12,045)	(18,497)
Increase (decrease) in accounts payable	(1,460,344)	2,059	(1,458,285)
Increase (decrease) in accrued expenses	(202,132)	-	(202,132)
Increase (decrease) in due to other governments	-	288,780	288,780
Increase (decrease) in due to other funds	(1,808,648)	-	(1,808,648)
Increase (decrease) in deposits	1,080	(28,726)	(27,646)
Increase (decrease) in unearned other revenue	112,804	4,781	117,585
Total adjustments	(2,673,898)	588,032	(2,085,866)
Net cash used in operating activities	\$ (4,379,170)	\$ 669,271	\$ (3,709,899)

See Notes to Financial Statements.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

In February 1976, the Miami Beach Redevelopment Agency (the "Agency") was formed by the City of Miami Beach, Florida (the "City") under the provisions of Chapter 163 of the Florida Statutes.

The Agency's stated purpose was to spur development and redevelopment in the South Pointe area of the City, an area which includes approximately 250 acres at the southern tip of the City, and a redevelopment area called the City Center/Historic Convention Village Redevelopment and Revitalization Area. During fiscal year 2006, the South Pointe district, under the Agency's jurisdiction expired, and at that point, the City assumed the responsibilities for the South Pointe area. At that time, the stated purpose became specifically the City Center/Historic Convention Village Redevelopment and Revitalization Area.

Subsequent to its inception in March 1977, the City adopted the Agency's redevelopment plan which provided for the construction of residential housing, hotels, a marina and commercial, recreational and entertainment facilities. Because of the desire of the City Commission to revise the concept for redevelopment of the South Pointe area, on December 17, 1982, the City Commission declared itself to be, and to constitute the Agency. This action resulted in the City Commissioners becoming the new Agency's Board Members and the City manager becoming the executive director of the Agency. The Agency's budget is adopted by its Board of Directors.

The City Center/Historic Convention Village Redevelopment and Revitalization Area was formed in the same manner as the South Pointe Area. In March 1993, the City adopted the Agency's redevelopment plan for the City Center/Historic Convention Village Redevelopment and Revitalization Area, which called for the revitalization of the blighted area surrounding the Miami Beach Convention Center and Lincoln Road.

The City has expended certain funds prior to and subsequent to the inception of the Agency for various projects, which have benefited the redevelopment area. These expenditures have been recorded in the accounting records of the City, and accordingly, are not reflected in the accompanying financial statements of the Agency.

The City provides the Agency facilities for its operations.

The Board of Directors of the Agency (the "Board") is comprised of the six members of the City Commission and the Mayor. The Agency meets the criteria for inclusion in the City's reporting entity as a blended component unit, and therefore, has been reported in the basic financial statements of the City.

For financial reporting purposes, in accordance with Governmental Accounting Standards Board ("GASB") Codification Section 2100, the Agency includes those organizations and activities that are generally controlled by or dependent on the Agency. Control by or dependence of the Agency is determined on the basis of such factors as budget adoption, outstanding debt secured by revenue of the Agency and obligation of the Agency to finance any deficit that may occur.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. The government-wide focus is more on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. 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.

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. The Agency's program revenue consists of charges to customers or applicants, who purchase use or directly benefit from goods, services or privileges provided by a given functional category. Taxes and other items not included among program revenues are reported instead as general revenues.

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

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes (tax increments) are recognized as revenue in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation. Their operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency 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 absence, claims and judgments, pensions, pollution remediation obligation and other postemployment benefits are recorded only when payment is due, or when the Agency has made a decision to fund those obligations with current available resources.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

Tax increment when levied for and interest associated with the current fiscal period, are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenues are measurable upon receipt of cash and are recognized at that time.

Amounts reported as program revenue in the government-wide financial statements include charges to customers or applicants for goods and services or privileges provided and, operating grants and contributions and capital grants and contributions restricted to a particular program. Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included in general revenues.

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

The Agency reports the following major governmental funds:

- The general fund is the general operating fund of the Agency. All financial resources, except those required to be accounted for in another fund, are accounted for in the general fund.
- The City Center debt service fund is used to account for the accumulation of resources for the payment of general long-term debt, principal, interest and related costs associated with the City Center District.
- The City Center capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities within the City Center District.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The Agency established the use of proprietary funds to account for its business-type activities; accordingly, the operations of the Agency's parking and leasing activities are accounted for in separate enterprise funds.

The Agency reports the following major proprietary funds:

- The Parking Fund accounts for the parking operations of the Anchor Garage and the Pennsylvania Avenue Garage, which are located within the City Center District.
- The Leasing Fund accounts for the leasing operations of the Anchor Shops and the Pennsylvania Avenue Shops. The Anchor Shops and Pennsylvania Avenue Shops are both located within the City Center District.

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Note 1. Summary of Significant Accounting Policies (Continued)

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

1. Cash and Investments

Cash is comprised of deposits with financial institutions. Investments are comprised of U.S. Treasury obligations, money market funds and external governmental investment pools. For the purpose of the statement of cash flows for the proprietary fund types, cash and investments are short-term, highly liquid investments with an original maturity of three months or less.

Investments are recorded at fair value using quoted market price or the best available estimate thereof, except for those investments with remaining maturities of one year or less, when purchased, which are recorded at amortized cost, in accordance with GASB Statement No. 72 "*Fair Value Measurement and Application*" and/or No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" where applicable.

2. Receivables and Payables

During the course of its operations, the Agency 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 Agency at September 30, 2020:

- a. Rents – rent payments due by September 30, 2020, but not collected as of that date;
- b. Accrued Interest Receivable – This amount represents the interest earned but not collected on the Agency's investments at September 30, 2020.

3. Capital Assets

Capital assets, which include property, vehicles, machinery, furniture and fixtures, are reported in the applicable governmental or business-type columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost as described below, and an estimated useful life in excess of one year. Such assets are recorded at historical costs or based on valuations, which approximate cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, furniture and fixtures of the Agency are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives and the capitalization threshold are as follows:

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Note 1. Summary of Significant Accounting Policies (Continued)

Assets	Threshold Capitalized All	Years
Land and other nondepreciable assets	\$ 100,000	N/A
Construction work in progress	100,000	N/A
Building and building improvements	100,000	35-50
Roads, sidewalks, foot bridges, and curbs and streets	100,000	30
Causeways, bridges, canals, and drainage systems	100,000	50
Guard rails, noise abatement, alley and seawalls, boardwork, walkways	100,000	30
Furniture and equipment	5,000	7
Maintenance and heavy moving equipment	5,000	15
Motor vehicles	5,000	5
Motor vehicles (greater than \$50,000)	50,000	10

In governmental funds, capital outlay (capital assets) is reported as an expenditure and no depreciation expense is reported.

4. Prepaid Items

Expenditures made for services that will benefit periods beyond September 30, 2020 are recorded as prepaid expenses in the government-wide statements and proprietary fund statements. The Agency is reporting \$123,673 in prepaid expenses in business-type activities at September 30, 2020.

5. Fund Equity/Net Position

Fund Equity:

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

- a. Non-spendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples on non-spendable fund balance include inventories and/or prepaid expenditures.
- b. 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.
- c. Committed Fund Balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of 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.

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Note 1. Summary of Significant Accounting Policies (Continued)

- d. Assigned Fund Balance – amounts that are constrained by the City Commission’s or an official delegated by the governing body’s (City Manager) intent to be used for specific purposes but are neither restricted nor committed. Fund balance is primarily assigned based on the City’s budgeting policy. Some amounts are approved and assigned by the City commission subsequent to September 30, 2020.
- e. Unassigned Fund Balance – Includes 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 or committed for those specific purposes.

Net Position:

The government-wide and proprietary funds financial statements utilize a net position presentation. Net Position is categorized as investment in capital assets, restricted or unrestricted. The first category represents capital assets, less accumulated depreciation and net of any outstanding debt associated with the acquisition of capital assets. Restricted net position represents amounts that are restricted by requirement of debt indenture. Unrestricted net position represents the net position of the Agency which is not restricted for any project or purpose.

6. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 outflow and inflows at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management’s estimates.

7. Risk Management

The City, which includes coverage for the Agency, is self-insured for health insurance, automobile liability, general liability, police professional liability, workers’ compensation, theft and property damage. The Agency is charged a premium fee by the City’s self-insurance fund. The Agency does not retain any risk beyond premiums paid to the City. For fiscal year ended September 30, 2020, the City charged the Agency \$347,000 automobile liability, general liability, police professional liability and workers’ compensation coverage.

8. Employee Benefit Plan

The following is a brief description of the Agency employees’ participation in the Miami Beach Employees’ Retirement Plan and the City’s Pension Fund for Firefighter’s and Police (the “Plans”). 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. The City of Miami Beach does participate in the hospital insurance tax, also known as Medicare and withholds taxes accordingly. Readers should refer to Note 16 in the City’s 2020 Annual Comprehensive Financial Report and Plan documents for detailed and comprehensive information on the Plans.

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Note 1. Summary of Significant Accounting Policies (Continued)

All full-time employees of the City who work more than 30 hours per week and hold classified or unclassified positions, except for Policemen and Firemen, are covered by the Miami Beach Employees' Retirement Plan (the "Plan"). The Plan provides retirement benefits as well as death and disability benefits at two different tiers depending on when the employees entered the plan. All First Tier employees who participate are required to contribute 12% of their salary to the Plan. All Second Tier employees are required to contribute 10% of their salary. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

The City's Pension Fund for Firefighters and Police (the "Plan") is a defined benefit pension plan covering substantially all police officers and firefighters of the City. Members of the plan contribute 10% of their salary. The City is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable.

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 plan net position of the Miami Beach General Employees' Retirement Plan ("MBERP") and the Miami Beach Fire and Police Retirement Plan ("MBF&P") and additions to/deductions from the MBERP and MBF&P plan net position has been determined on the same basis as they are reported by the MBERP and MBF&P, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

9. Post-Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.08, Florida Statutes, the Agency is required to permit eligible retirees and their eligible dependents to participate in the Agency'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 Agency is a part of the City of Miami Beach's 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, deferred inflows and outflows reported in the statement of activities are typically liquidated from the general fund. Please refer to Note 15 of the Agency and Note 17 of the City's 2020 Annual Comprehensive Financial Report for more information.

10. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are recorded as additions to or deductions from the related debt and amortized in interest expense over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt principal payments are reported as debt service expenditures.

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Note 1. Summary of Significant Accounting Policies (Continued)

11. Deferred Outflows/Inflows of resources

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

- a. A deferred loss on refunding is reported in the government-wide and proprietary fund statements of net position. Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The difference that results from the refunding is not a separate 'loss' transaction, but rather a reduction of the interest savings to be obtained in the future by substituting the new interest rate for the old. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- b. Deferred outflows of resources related to the MBERP and MBF&P pension plans are recognized when the Agency 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. 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 government-wide financial statements.
- c. Deferred outflows of resources relating to Other Postemployment Benefits are recognized when the Agency makes contributions subsequent to the measurement date, when there are differences between expected and actual experience, changes in assumptions, changes in funds proportionate shares of the deferrals, and differences between expected and actual investment earnings. The difference between expected and actual investment earnings is amortized over five years. Other deferrals are amortized over the average remaining service life of participants.

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

- a. Deferred inflows of resources related to the MBERP and MBF&P pension plans are reported when changes in the net pension liability are not included in the pension expense of the actuarially calculated net pension liability, such as differences between projected and actual investment earnings. Differences between projected and actual investment earnings are deferred and amortized over five years. The deferred inflows of resources related to pensions are only reported on the government-wide financial statements.
- b. Deferred inflows of resources relating to Other Postemployment Benefits 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.

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Note 1. Summary of Significant Accounting Policies (Continued)

12. Recent accounting pronouncements adopted/implemented

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

13. Subsequent events

The Agency evaluated subsequent events through July 23, 2021, which is the date the annual financial statements were issued.

Note 2. Deposits and Investments

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, U.S. 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.

Investments

The Agency adopted the City's ordinance designating the investments which are allowable for its cash management activities. The policy specifies the types and limits by instrument and establishes a diversified investment objective that takes into consideration the safety, return and liquidity of capital. The authorized investments include direct U.S. treasury obligations, U.S. government agencies, corporate bonds, commercial paper, state or municipal obligations and cash held at investment institutions. These investments are insured, or registered, or the securities are held by its agent in the Agency's name.

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 rates.

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 maturity, with the reinvestment of the proceeds, then this provision is allowed. As a means of limiting its exposure to fair value losses, the Agency's investment policy limits maturity of its investments to 7 years or less. At September 30, 2020, all of the Agency's investments had a maturity of 1 year or less.

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Notes to Financial Statements
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Note 2. Deposits and Investments (Continued)

As of September 30, 2020, the Agency had the following investments and maturities:

	<u>Fair Value</u>	Investment Maturities (in years)
		<u>Less Than One</u>
U.S. Treasury securities	\$ 10,010,501	\$ 10,010,501
FLCLASS Pool	134,258,119	134,258,119
	<u>\$ 144,268,620</u>	<u>\$ 144,268,620</u>

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 (“NRSRO”). It is the Agency’s policy to limit its investments in these investment types to the top rating issued by the NSRSO. As of September 30, 2020, the Agency had no investments in commercial paper or corporate bonds.

Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

As of September 30, 2020, the Agency’s investments were rated by Moody’s Investors Service and Standard & Poor’s as follow:

<u>Investment Type</u>	<u>Issuer</u>	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>Fair Value</u>
US Gov't Treasuries	U.S. Government	AA+	AAA	\$ 10,010,501
FLCLASS	Local Govt. Investm	AAAm	N/A	134,258,119
				<u>\$144,268,620</u>

Concentration of Credit Risk: The Agency’s investment plan limits the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. The maximum portfolio allocation is 100% for both cash held at investment institutions and Treasury Securities as well as money market funds unless they are private money market mutual funds backed by “Full Faith and Credit” U.S. Government Securities in which case they cannot exceed 25%.

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Notes to Financial Statements
September 30, 2020

Note 2. Deposits and Investments (Continued)

The Agency's cash and investments at September 30, 2020, are shown below:

	Carrying Amount	% of Portfolio
FLCLASS Pool	\$ 134,258,119	93.1%
Treasury securities	10,010,501	6.9%
	<u>\$ 144,268,620</u>	<u>100.0%</u>

Custodial Credit Risk: The Agency's investment policy requires that securities be registered in the name of the Agency. All safekeeping receipts for investment instruments are held in accounts in the Agency's name and all securities are registered in the Agency's name. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Agency's investments in Treasury securities are held by a counterparty in the Agency's name.

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

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

Investments	2020	Fair Value Measurements Using Level 2
Investments by Fair Value Level		
U.S. Government Treasuries	\$ 10,010,501	\$ 10,010,501
Total Debt Securities	<u>10,010,501</u>	
Investments measured at Net Asset Value		
FLCLASS	134,258,119	
Total Investments measured at Net Asset Value	<u>134,258,119</u>	
Total Investments	<u>\$ 144,268,620</u>	<u>\$ 10,010,501</u>

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 2. Deposits and Investments (Continued)

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 AAA rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is 137 days as of September 30, 2020.

The City's cash and investments held at September 30, 2020, are shown below:

U.S. Treasury	\$ 10,010,501
FLCLASS	134,258,119
Total Investments	<u>144,268,620</u>
Cash Equivalents	17,655,562
Total Investments	<u><u>\$ 161,924,182</u></u>

Schedule of cash and investments by fund:

General	\$ 61,319,814
Debt Service	-
Capital Projects	73,620,226
Parking	14,813,725
Leasing	12,170,417
Total Cash and Investments	<u><u>\$ 161,924,182</u></u>

Miami Beach Redevelopment Agency
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Note 3. Capital Assets

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

A. Governmental Activities

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 10,817,763	\$ -	\$ -	\$ 10,817,763
Construction in progress	308,068,388	21,806,064	271,165,407	58,709,045
Total capital assets not being depreciated	318,886,151	21,806,064	271,165,407	69,526,808
Capital assets, being depreciated:				
Buildings and structures	24,399,014	-	-	24,399,014
Streetscape improvements	42,829,815	-	-	42,829,815
Restoration/renovations	29,763,083	-	-	29,763,083
Parks	-	8,389,963	-	8,389,963
Vehicles	95,990	167,090	-	263,080
Machinery and equipment	1,185,523	941,022	1,371,660	754,885
Furniture and fixtures	1,001,762	-	127,766	873,996
Total capital assets being depreciated	99,275,187	9,498,075	1,499,426	107,273,836
Less accumulated depreciation for:				
Buildings and structures	5,161,982	458,260	-	5,620,242
Streetscape improvements	13,621,956	2,041,455	-	15,663,411
Restorations/renovations	8,448,403	994,039	185,075	9,257,367
Parks	-	-	-	-
Vehicles	18,929	23,468	-	42,397
Machinery and equipment	477,401	198,337	209,245	466,493
Furniture and fixtures	660,799	147,691	30,842	777,648
Total accumulated depreciation	28,389,470	3,863,250	425,162	31,827,558
Total capital assets, being depreciated, net	70,885,717	5,634,825	1,074,264	75,446,278
Governmental activities capital assets, net	\$ 389,771,868	\$ 27,440,889	\$ 272,239,671	\$ 144,973,086

For the year ended September 30, 2020, RDA transferred approximately \$264 million in capital assets to the Convention Center Fund. These assets primarily consisted of building and furniture and fixtures that were recorded in construction in process until the convention center renovation was completed.

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 3. Capital Assets (Continued)

B. Business-Type Activities

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,003,282	-	\$ -	\$ 3,003,282
Construction in progress	1,955,000	122,035	-	2,077,035
Total capital assets not being depreciated	<u>4,958,282</u>	<u>122,035</u>	<u>-</u>	<u>5,080,317</u>
Capital assets, being depreciated:				
Building and structures	30,823,260	-	-	30,823,260
Machinery and equipment	926,351	-	-	926,351
Furniture and fixtures	-	-	-	-
Total capital assets being depreciated	<u>31,749,611</u>	<u>-</u>	<u>-</u>	<u>31,749,611</u>
Less accumulated depreciation for:				
Building and structures	11,810,096	781,612	-	12,591,708
Machinery and equipment	362,023	116,009	-	478,032
Total accumulated depreciation	<u>12,172,119</u>	<u>897,621</u>	<u>-</u>	<u>13,069,740</u>
Total capital assets being depreciated net	<u>19,577,492</u>	<u>(897,621)</u>	<u>-</u>	<u>18,679,871</u>
BTA activities capital assets, net	<u>\$ 24,535,774</u>	<u>\$ (775,586)</u>	<u>\$ -</u>	<u>\$ 23,760,188</u>

Depreciation expense was charged to functions/programs of Agency as follows:

Governmental activities:		
General government		\$ 434,239
Public safety		32,778
Physical environment		44,523
Transportation		1,649,382
Culture and recreation		1,702,328
Total depreciation expense - governmental activities		<u>\$ 3,863,250</u>
Business-type activities:		
Parking		\$ 820,269
Leasing		77,352
Total depreciation expense - business-type activities		<u>\$ 897,621</u>

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 4. Construction Commitments

The Agency had the following construction commitments as of September 30, 2020:

General Fund	\$ 1,080,586
Capital Project	<u>4,981,461</u>
	<u>\$ 6,062,047</u>

The Agency had the following Encumbrance commitments at September 30, 2020:

Capital Project	\$ 94,987
Parking	<u>64,494</u>
	<u>\$ 159,481</u>

Note 5. Tenant Leases

The Agency serves as the lessor for the tenants leasing various retail facilities. The tenant leases are considered operating leases, which expire at various dates through fiscal year 2025. For leases that contain predetermined fixed escalations of the minimum rentals, the Agency recognizes the related rental revenue on the straight-line basis over the initial lease term. Future minimum lease payments to be received under the operating leases at September 30, 2020, are as follows:

Year Ending September 30,	
2021	\$ 997,861
2022	838,202
2023	479,145
2024	493,519
2025	<u>168,599</u>
Total	<u>\$ 2,977,326</u>

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

Parking facilities	\$ 4,889,763
Retail space	2,397,145
Recreational facilities	5,431,489
Less: Accumulated depreciation	<u>(2,952,517)</u>
	<u>\$ 9,765,880</u>

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 6. Tax Increment Revenue Bonds

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

On December 15, 2015 the City issued \$35,850,000 in taxable Series 2015B Tax Increment Revenue Refunding Bonds to provide for the advance refunding of all of the Agency's Tax Increment Revenue Refunding Bonds, Taxable Series 1998A; provide for the current refunding of all of the Agency's Tax Increment Revenue Refunding Bonds,

Taxable Series 2005A; and pay costs of issuance of the Series 2015B bonds. The Series 2015B bonds were issued with interest rates of 1.93% to 3.69% payable semiannually on February 1 and August 1.

The principal and interest of the Series 2015A and 2015B Tax Increment Revenue Refunding Bonds are fully secured by the tax increment revenues derived from the Redevelopment area and received solely from the City and the County. Annual pledged revenues received by the Agency are required to be at least equal to 1.5 times the maximum annual debt service. For fiscal year ending September 30, 2020, the City received \$56,577,471 in pledged revenues. The maximum annual debt service is \$21,729,597 and will occur in fiscal year 2023. For fiscal year 2020, the Agency's ratio of pledged revenues to maximum annual debt service coverage is 2.60.

The aggregate maturities of tax increment revenue bonds at September 30, 2020, are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 7,395,000	\$ 14,310,985	\$ 21,705,985
2022	7,675,000	14,037,615	21,712,615
2023	7,985,000	13,744,597	21,729,597
2024	7,505,000	13,406,125	20,911,125
2025	7,885,000	13,021,375	20,906,375
2026-2030	45,935,000	58,609,375	104,544,375
2031-2035	58,990,000	45,558,000	104,548,000
2036-2040	75,745,000	28,799,875	104,544,875
2041-2044	75,815,000	7,818,625	83,633,625
	<u>294,930,000</u>	<u>209,306,572</u>	<u>504,236,572</u>
Add net unamortized bond premium	22,534,006	-	22,534,006
	<u>\$ 317,464,006</u>	<u>\$ 209,306,572</u>	<u>\$ 526,770,578</u>

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Note 7. Changes in Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
Revenue Bonds	\$ 302,050,000	\$ -	\$ (7,120,000)	\$ 294,930,000	\$ 7,395,000
Add: 2015 Premium	24,037,109	-	(1,503,103)	22,534,006	1,494,053
Less: Series 1998A Discount					
Total bonds payable	<u>326,087,109</u>	<u>-</u>	<u>(8,623,103)</u>	<u>317,464,006</u>	<u>8,889,053</u>
Compensated absences	331,564	232,727	(125,425)	438,866	125,425
Environmental remediation	1,861,092		(311,092)	1,550,000	153,000
Net OPEB Liability	10,750,906	2,238,836	-	12,989,742	-
Net Pension Liability - MBERP	1,257,399	159,015	-	1,416,414	-
Net Pension Liability - MBF&P	8,040,669	618,146	-	8,658,815	-
Total	<u>22,241,630</u>	<u>3,248,724</u>	<u>(436,517)</u>	<u>25,053,837</u>	<u>278,425</u>
Governmental activity long-term liabilities	<u>\$ 348,328,739</u>	<u>\$ 3,248,724</u>	<u>\$ (9,059,620)</u>	<u>\$ 342,517,843</u>	<u>\$ 9,167,478</u>
Business-type activities:					
Tenant deposits	\$ 207,391	\$ 36,540	\$ (64,185)	\$ 179,746	\$ 64,185
Business-type activity long-term liabilities	<u>\$ 207,391</u>	<u>\$ 36,540</u>	<u>\$ (64,185)</u>	<u>\$ 179,746</u>	<u>\$ 64,185</u>

Note 8. Tax Increment Revenue

The Agency is primarily funded through tax-increment revenue. This revenue is computed by applying the operating tax 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.

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Note 9. Related-Party Transactions

The Agency obtains certain managerial and administrative services from the Primary Government and Miami Dade County in accordance with a management agreement with Miami Dade County. The Agency incurred \$1,217,634 of management-fee expense under this agreement for the year ended September 30, 2020. Amounts due from the Agency are primarily disbursements paid from the primary government general depository account and are pending reimbursement from the Agency. The amount due to the Agency from the primary government to the leasing fund and parking fund respectively are for deposits made to the general depository account pending transfer to the Agency. As of September 30, 2020, due to and from are as follows

Governmental funds:	
Due to the primary government from:	
General fund	\$ 1,069,205
Capital Projects fund	<u>1,249,511</u>
	<u>\$ 2,318,716</u>
Business-type activities:	
Due from the primary government from:	
Enterprise funds – parking fund	\$ 130,475
Enterprise funds – leasing fund	<u>953,045</u>
	<u>\$ 1,083,520</u>
Due to the primary government from:	
Enterprise funds – parking fund	\$ 129,153
Enterprise funds – leasing fund	<u>288,917</u>
	<u>\$ 418,070</u>

Note 10. Interfund Transfers

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

Government funds:	
Transfers from the general fund to:	
Debt service	\$ 21,683,597
Primary government	<u>30,205,597</u>
	<u>\$ (8,522,000)</u>
Net transfers from the governmental fund	

Transfers are used to: (1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them, and (2) move receipts restricted for debt services from the funds collecting the receipts to the debt service fund. (3) transfer to the Primary government for pension obligations and purchases of fleet vehicles.

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Note 11. Governmental Fund – Fund Balance

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

	<u>General Fund</u>	<u>Capital Projects</u>
Restricted:		
Physical environment	\$ -	\$ 1,968,213
General public facility	-	18,531,339
Debt Service	26,369,278	-
Streets/sidewalks	-	30,192,954
	<u>26,369,278</u>	<u>50,692,506</u>
Committed	-	-
Assigned	16,880,310	5,951,517
Unassigned	<u>16,615,737</u>	<u>-</u>
Total Fund Balance	<u><u>\$ 59,865,325</u></u>	<u><u>\$ 56,644,023</u></u>

Note 12. Contingencies

The Agency, 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 Agency.

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Note 13. Pension Plan

Miami Beach Employees' Retirement System ("MBERP")

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 plan acts as a cost-sharing plan to the Agency. 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.

Substantially all full-time employees of the Agency are provided with pensions through the Miami Beach Employees' Retirement Plan (the Plan) – a single employer defined benefit pension plan administered by the City of Miami Beach, Florida. The Plan issues a publicly available financial report that can be obtained at <http://web.miamibeachfl.gov/mberp>.

The benefit provisions and all other requirements are established and may be amended by City ordinance.

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 5 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 5 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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Note 13. Pension Plan (Continued)

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 2 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 3 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 4 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 5 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 60 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 60 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.

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Note 13. Pension Plan (Continued)

A DROP participant shall not be entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there shall be no accidental death benefit for pension purposes. DROP participation does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance or any rights or benefits under any applicable collective bargaining agreement. First and Second Tier members receive an annual cost-of-living adjustment (COLA) of 2.5%. The COLA is not payable while members are in the DROP. For Third Tier members the COLA is 1.5%. As of September 30, 2020, there were 127 members in the DROP and the value of DROP investment was \$15,209,171 which is included in the Plan's net position. The DROP also allows for member loans. Approximately \$246,000 in loans were outstanding as of September 30, 2020.

Funding Policy, Contributions Required and Contributions Made

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

For the fiscal year ended September 30, 2020, the Agency was required to make contributions of \$186,339 or 19.4% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2018. For the year ended September 30, 2020, the employees contributed \$50,394.

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

For the year ended September 30, 2020, the Agency recognized a pension expense of \$77,544. At September 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 5,386	\$ 10,872
Agency contributions subsequent to measurement date	188,819	-
Net difference between projected and actual earnings on pension plan investment	34,974	-
City contributions subsequent to the measurement date	186,339	-
Total	<u>\$ 415,518</u>	<u>\$ 10,872</u>

Miami Beach Redevelopment Agency
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Note 13. Pension Plan (Continued)

The Agency contributions of \$186,339 subsequent to the reporting date are reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Amortization of Net Deferred Inflows/Outflows of Resources	
2021	\$ 62,741
2022	62,605
2023	46,459
2024	45,207
2025	1,294
	\$ 218,306

The Plan uses the following actuarial methods and assumptions:

Valuation Date:	October 1, 2018
Measurement Date:	September 30, 2019
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	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment. The pre-retirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2017.

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Note 13. Pension Plan (Continued)

Net Pension Liability of the Agency

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

Total pension liability	\$ 5,362,247
Plan's fiduciary net position	(3,945,833)
Agency net pension liability	<u>\$ 1,416,414</u>

The above methods and assumptions were used to determine the total pension liability at the actuarial valuation date of October 1, 2018. The actuarial measurement date is September 30, 2019. The Agency's proportionate share is determined as the ratio of the Agency's retirement contributions over the total retirement contributions for the City. For fiscal year 2020, the Agency's share of the liability was 0.60% or \$1,416,414. Net Pension Liability as a percentage of Covered Payroll is 152%.

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.

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

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

Discount

A single discount rate of 7.50% was used to measure the total pension liability. This is a decrease of 0.10% from the discount rate of 7.6% used in the prior measurement. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

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Note 13. Pension Plan (Continued)

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

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

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
\$ 2,074,433	\$ 1,416,414	\$ 872,276

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 6.65%	Rate Assumption 7.65%	1% Increase 8.65%
\$ 1,971,581	\$ 1,343,024	\$ 822,807

Historical trend information is presented in the required supplementary information schedules following the notes to the financial statements to show the changes in the net pension liability and the contributions to the plan.

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

Plan Description

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

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

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

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

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

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

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Note 13. Pension Plan (Continued)

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 3 highest paid years prior to the date of retirement or the average of the last 3 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 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.

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Note 13. Pension Plan (Continued)

Tier Four and 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 workers' 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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Note 13. Pension Plan (Continued)

Deferred Retirement Option Plan (DROP)

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

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

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

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

Funding Policy, Contributions Required and Contributions Made

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

For the fiscal year ended September 30, 2020, the Agency was required to make contributions of \$804,115 or 53% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2018. For the year ended September 30, 2020, the employees contributed \$172,646.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 13. Pension Plan (Continued)

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

For the year ended September 30, 2020, the Agency recognized pension expense adjustment of \$583,444.

At September 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 360,572	\$ -
Changes in assumptions	517,672	-
City contributions subsequent to measurement date	1,047,614	-
Net difference between projected and actual earnings on pension plan investments	188,171	-
Change in proportionate share	-	-
Total	<u>\$ 2,114,029</u>	<u>\$ -</u>

The Agency contributions of \$1,047,614 subsequent to the reporting date are reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending September 30:	
2021	\$ 380,650
2022	258,776
2023	236,051
2024	<u>190,938</u>
Total	<u>\$ 1,066,415</u>

**Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020**

Note 13. Pension Plan (Continued)

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

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

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 13. Pension Plan (Continued)

Discount

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

Net Pension Liability of the Agency

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

Total pension liability	\$ 31,958,761
Plan's fiduciary net position	<u>(23,299,946)</u>
Agency net pension liability	<u><u>\$ 8,658,815</u></u>

The Agency's proportionate share is determined as the ratio of the Agency's retirement contributions over the total retirement contributions for the City. For fiscal year 2020, the Agency's share of the liability was 2.48% or \$8,658,815.

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative investments	5.55%

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020**

Note 13. Pension Plan (Continued)

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

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$12,814,752	\$8,658,815	\$5,272,569

Historical trend information is presented in the required supplementary information schedules following the notes to the financial statements to show the changes in the net pension liability and the contributions to the plan.

Financial Statements

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports. Each of the Retirement Systems are 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

Florida's Federal-State Social Security Agreement

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

Firemen's and Police Relief and Pension Funds

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

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 13. Pension Plan (Continued)

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.

Defined Contribution Retirement Plan-401(A)

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

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

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

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

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

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

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 14. 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 of designee. Each member has a term of four years.

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

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

Funding Policy

The City has the authority to establish and amend funding policy. For the year ended September 30, 2020, the City paid \$8,886,242 in OPEB benefits on a pay-as-go basis.

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.

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020**

Note 14. Postemployment Benefits Other than Pension Benefits (OPEB) (Continued)

The composition of the Plan's investments at September 30, 2020, is consistent with the Plan's investment policy is noted below:

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

The long-term expected rate of return is determined via arithmetic real rates of return for each major class of assets. Please refer to Note 3 of the City's ACFR for more detailed information regarding the OPEB Trusts' plan assets.

Rate of Return

As of September 30, 2020, the annual money-weighted rate of return, net of OPEB plan expenses, was 11.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The rate of return incorporates the timing and size of cash flows to determine an internal rate of return on a monthly accrual basis. Cash flows used in the calculation excludes reinvested dividends, unrealized and realized gains or losses and other fees and charges not converted into cash. Contributions are treated as a positive cash flow and benefit payments as a negative cash flow.

Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the postretirement benefit obligation. For unfunded plans, interest rate using a long-term expected rate of return on tax-exempt, high-quality municipal bond. For funded plans, the expected long-term rate of return on trust assets, to the extent the net fiduciary position is projected to be sufficient to provide the benefits. For partially funded plans or if a funded shortfall is projected, the interest rate is blended between the funded and the unfunded rate. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. The long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For the fiscal year ended 2020, the discount rate was lowered from 3.75 to 2.69%, to more accurately reflect the activity of the trust. Although the expected long-term return on the trust is 7.07%, it is blended together with Bond Buyer 20-Bond GO index rate due to the plan not being fully funded. The City's current OPEB plan investment allocation is noted above.

Net OPEB Liability of the Agency

The City's net OPEB liability at September 30, 2020 was \$477,288,626. The Total OPEB Liability was valued at a measurement date of September 30, 2020. The Agency's share of this liability is \$12,989,742 or 2.9% of the total City liability. The Fund's proportionate share is determined as the ratio of the Fund's pay-go and trust fund contributions over the total pay-go and trust contributions for the City. During the fiscal year, the Agency incurred an expense of \$989,187.

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 14. Postemployment Benefits Other than Pension Benefits (OPEB) (Continued)

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

Total OPEB Liability	\$ 14,162,954
OPEB Plan Fiduciary Net Position	(1,173,212)
Net OPEB Liability	<u>\$ 12,989,742</u>
Plan fiduciary net position as a percentage of the total OPEB liability	9.03%

Schedule of Deferred Inflows/Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 777,992	\$ -
Change in assumptions/inputs	2,431,464	-
Net difference between projected and actual investments	3,231	(59,487)
	<u>\$ 3,212,687</u>	<u>\$ (59,487)</u>

Amortization of Net Deferred Inflows/Outflows of Resources

2021	\$ 621,101
2022	623,594
2023	622,517
2024	486,236
2025	185,282
	<u>\$ 2,538,730</u>

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 14. Postemployment Benefits Other than Pension Benefits (OPEB) (Continued)

Actuarial assumptions

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

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

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

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

Miami Beach Redevelopment Agency
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Notes to Financial Statements
September 30, 2020

Note 14. Postemployment Benefits Other than Pension Benefits (OPEB) (Continued)

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

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

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

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

	1% Decrease (1.69%)	Discount Rate (2.69%)	1% Increase (3.69%)
Net OPEB Liability	\$ 15,148,000	\$ 12,990,000	\$ 11,284,000

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

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

	Healthcare Cost Trend		
	1% Decrease	(Refer to assumptions)	1% Increase
Net OPEB Liability	\$ 11,259,000	\$ 12,990,000	\$ 15,149,000

Note 15. Pollution Remediation

GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, establishes and accounting and financial reporting standards for pollution remediation obligations. As of September 30, 2020, the Agency has identified and recorded the following pollution remediation liabilities:

<u>Description</u>	<u>Total Obligation</u>	<u>Current Obligation</u>
Collins Park Garage Hydrocarbon Remediation	\$ 1,050,000	\$ 30,000
Miami Beach Convention Center Arsenic Investigation	500,000	123,000
	<u>\$ 1,550,000</u>	<u>\$ 153,000</u>

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
Notes to Financial Statements
September 30, 2020

Note 15. Pollution Remediation (Continued)

The Statement of Revenues, Expenditures and Changes in Fund Balance, capital project funds presented on page 6 reports a credit in expenditures in the amount of \$46,100 for culture and recreation functions. This credit is a result of the change in estimated pollution remediation liability considered under current obligation and due under GASB interpretation No.6 reported at September 30, 2019 and 2020. The current obligation at the fund level at September 30, 2020 was \$153,000 as compared to \$202,136 at September 30, 2019.

Note 16. COVID-19

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

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

Note 17. Subsequent Event

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

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)
UNAUDITED**

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Required Supplementary Information
SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTEING ENTITIES
RETIREMENT SYSTEMS
(Unaudited)

***Miami Beach Employees Retirement Plan**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 186,339	\$ 191,000	\$ 197,000	\$ 182,000	\$ 165,000	\$ 191,385	\$ 185,204	\$ 141,360	\$ 117,122	\$ 96,416
Actual contribution	<u>186,339</u>	<u>191,000</u>	<u>197,000</u>	<u>182,000</u>	<u>165,000</u>	<u>191,385</u>	<u>185,204</u>	<u>141,360</u>	<u>117,122</u>	<u>96,416</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 931,889	\$ 784,145	\$ 706,085	\$ 698,244	\$ 588,000	\$ 595,782	\$ 552,405	\$ 539,894	\$ 605,689	\$ 434,359
Actual contribution as a % of covered payroll	20.00%	24.36%	27.90%	26.07%	28.06%	32.12%	33.53%	26.18%	19.34%	22.20%

City Pension for Firefighters and Police Officers

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 804,115	\$ 1,049,000	\$ 969,000	\$ 900,919	\$ 976,000	\$ 846,000	\$ 921,087	\$ 1,011,549	\$ 929,722	\$ 840,435
Actual contribution	<u>804,115</u>	<u>1,049,000</u>	<u>969,000</u>	<u>900,919</u>	<u>976,000</u>	<u>846,000</u>	<u>921,087</u>	<u>1,011,549</u>	<u>929,722</u>	<u>840,435</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
** Covered payroll	\$ 1,498,987	\$ 1,473,852	\$ 1,473,852	\$ 1,311,798	\$ 1,344,000	\$ 1,652,889	\$ 1,096,378	\$ 992,167	\$ 942,634	\$ 722,992
Actual contribution as a % of covered payroll	53.64%	71.17%	65.75%	68.68%	72.62%	51.18%	84.01%	101.95%	98.63%	116.24%

** Includes DROP members

Notes:

1. City Pension for Firefighters and Police Officers actual contributions include certain Chapter 175/185 non-employer contributions amounts. These amounts are from the State of Florida.

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Required Supplementary Information
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
RETIREMENT SYSTEMS
(Unaudited)

MBERP*	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability	0.59%	0.00%	0.62%	0.62%	0.59%	0.72%
Agency's proportionate share of the net pension liability	\$ 1,416,414	\$ 1,257,399	\$ 1,343,024	\$ 1,268,843	\$ 1,285,164	\$ 1,209,020
Agency's covered payroll	\$ 931,889	\$ 784,145	\$ 698,244	\$ 588,000	\$ 595,782	\$ 552,405
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	151.99%	160.35%	192.34%	215.79%	215.79%	218.86%
Plan fiduciary net position as a percentage of the total pension liability	73.59%	73.93%	73.93%	73.06%	70.11%	75.55%
MBF&P*	2020	2,019	2,018	2017	2016	2015
Agency's proportion of the net pension liability	2.48%	2.64%	2.57%	2.56%	2.79%	2.56%
Agency's proportionate share of the net pension liability	\$ 8,658,815	\$ 8,040,669	\$ 7,759,668	\$ 7,607,398	\$ 8,116,815	\$ 5,691,617
Agency's covered payroll	\$ 1,498,987	\$ 1,473,852	\$ 1,311,798	\$ 1,344,000	\$ 1,652,889	\$ 1,096,378
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	577.64%	545.55%	591.53%	566.03%	491.07%	519.13%
Plan fiduciary net position as a percentage of the total pension liability	72.91	74.37%	73.04%	73.04%	72.07%	77.59%

**Miami Beach Redevelopment Agency
 (A Component Unit of the City of Miami Beach, Florida)
 NOTES TO THE RETIREMENT SYSTEMS SCHEDULES
 September 30, 2020**

The above schedules are ten-year schedules, however, the information in the schedules are not required to be presented retroactively. Years will be added to these schedules in future periods until ten years of information is available.

Notes to the net pension liability - MBERP

Valuation Date:	1-Oct-18
Measurement Date:	30-Sep-19
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.75% to 6.10% depending on service, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.

Mortality

The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment. The pre-retirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2017

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)
NOTES TO THE RETIREMENT SYSTEMS SCHEDULES
September 30, 2020**

Notes to the net pension liability – MBF&P

Valuation Date October 1, 2018
Measurement Date September 30,2019
Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage, Closed
Amortization Period 30 years

Asset Valuation Method: 5-year smoothed market

Inflation 3.00%
Payroll Growth 2.70%
Salary Increases 2.88%-10.49%
Cost of Living Increase 1.50%, 2.00%, or 2.50%
Investment Rate of Return 7.75%

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

Mortality 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.

Each of the Retirement Systems are 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 REDEVELOPMENT AGENCY
(A Component Unit of the City of Miami Beach, Florida)

Required Supplementary Information
SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS - AGENCY CONTRIBUTIONS
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 847,092	\$ 1,098,891	\$ 511,891	\$ 398,924	\$ 747,160	\$ 347,661	\$ 548,964	\$ 478,631	\$ 311,214	\$ 292,340
Contributions in relation to the actuarially determined contributions	272,199	242,000	413,000	282,207	280,643	125,006	190,450	187,510	196,536	215,478
Contribution deficiency (excess)	\$ 574,893	\$ 856,891	\$ 98,891	\$ 116,717	\$ 466,517	\$ 222,655	\$ 358,514	\$ 291,121	\$ 114,678	\$ 76,862
Covered payroll	2,430,876	2,303,688	2,179,937	2,010,041	1,892,398	82,359,302	76,362,960	65,054,000	66,347,000	68,844,000
Contributions as a percentage of covered payroll	11.20%	10.50%	18.95%	14.04%	14.83%	0.15%	0.25%	0.29%	0.30%	0.31%

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date	September 30, 2019
Discount Rate	2.69 per annum. This was based on combination of the estimated long term rate of return from the City's OPEB trust and 20 year GO Bond rate of return @ 9/30/2020.
Asset Valuation Method	Fair Market Value
Current Asset Mix	Currently the City is targeted to invest approximately 60% in equities and 39% in bonds, with the remainder as cash.
Salary Increase Rate	3.5% per annum
Inflation Rate	2.5% per annum
Census Data	The census was provided by the City as of August 2019.
Marriage Rate	It is assumed that 40% of future retirees have a spouse. This is based on the current retiree demographic.
Spouse Age	Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 6.6 years starting the current fiscal year, equal to the average remaining service to expected retirement age of active and inactive plan members (who have no future service), starting on October 1, 2016.
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of future retirees will participate in the retiree medical plan and 100% participate in the life insurance plan. For those employees hired after 3/18/2006, it is assumed that 40% continue on the plans post-Medicare. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 generational table, split by Teacher, Public Safety, and General, scaled using MP-2018 and applied on a gender-specific basis.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years (*)

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

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

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Agency's proportion of the net OPEB liability	2.90%	3.27%	3.40%	2.65%
Agency's proportionate share of the net OPEB liability	\$ 12,989,742	\$ 10,750,906	\$ 5,090,097	\$ 3,948,074
Agency's covered payroll	\$ 2,403,876	\$ 2,303,688	\$ 2,179,937	\$ 2,010,041
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	540.37%	466.68%	233.50%	196.42%
Plan fiduciary net position as a percentage of the total pension liability	9.03%	8.89%	18.69%	17.18%

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

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2020
(Unaudited)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Revenues:				
Tax Increment	\$ 61,161,000	\$ 61,161,000	\$ 56,577,471	\$ (4,583,529)
Interest	869,000	869,000	905,908	36,908
Total revenues	<u>62,030,000</u>	<u>62,030,000</u>	<u>57,483,379</u>	<u>(4,546,621)</u>
Expenditures:				
General government	21,286,000	21,286,000	1,690,000	19,596,000
Public safety	5,082,500	5,082,500	4,625,580	456,920
Physical environment	5,733,000	5,733,000	5,619,638	113,362
Economic environment	6,614,000	6,614,000	6,492,101	121,899
Culture and recreation	1,225,500	1,225,500	913,632	311,868
Capital outlay	400,000	400,000	329,404	70,596
Total expenditures	<u>40,341,000</u>	<u>40,341,000</u>	<u>19,670,355</u>	<u>20,670,645</u>
Excess of revenues over expenditures	<u>21,689,000</u>	<u>21,689,000</u>	<u>37,813,024</u>	<u>16,124,024</u>
Other financing (uses):				
Operating transfers out	(34,351,000)	(34,351,000)	(30,205,597)	4,145,403
Total other financing (uses)	<u>(34,351,000)</u>	<u>(34,351,000)</u>	<u>(30,205,597)</u>	<u>4,145,403</u>
Net change in fund balance	(12,662,000)	(12,662,000)	7,607,427	20,269,427
Fund balance, beginning	<u>52,257,898</u>	<u>52,257,898</u>	<u>52,257,898</u>	<u>113,362</u>
Fund balance, ending	<u><u>\$ 39,595,898</u></u>	<u><u>\$ 39,595,898</u></u>	<u><u>\$ 59,865,325</u></u>	<u><u>\$ 20,382,789</u></u>

**Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)**

**Notes to Budgetary Comparison Schedule
September 30, 2020 (Unaudited)**

Note 1. Budgetary Policy

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The Agency uses appropriations in the capital budget to authorize the expenditures of funds for various capital projects. Capital appropriations, unless modified or rescinded, remain in effect until the completion of each project.

At least 65 days prior to the beginning of the fiscal year, the City Commission, which also serves as the Agency's Board of Directors, is presented with a proposed budget. 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 budget is approved by district and fund. Management may transfer amounts between line items within a fund as long as the transfer does not result in an increase in the fund's budget. Increases to fund budgets require Commission approval.

There were one (1) supplemental budgetary appropriations during fiscal year ended September 30, 2020.

Budgets are considered a management control and planning tool and as such are incorporated in the accounting system of the Agency. Budgets are adopted on the modified accrual basis of accounting with the inclusion of encumbrances as reductions in the budgetary amount available. All appropriations lapse at year-end.

SUPPLEMENTARY INFORMATION

Miami Beach Redevelopment Agency
(A Component Unit of the City of Miami Beach, Florida)

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Budgeted Nonmajor Debt Service Funds
For the Fiscal Year Ended September 30, 2020

	Miami Beach Redevelopment Agency Special Obligation Debt Service Fund			Variance with Final Budget- Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues	\$ -	\$ -	\$ -	\$ -
Total revenues				
Expenditures				
Debt Service:				
Principal	7,120,000	7,120,000	7,120,000	-
Interest	14,563,000	14,563,000	14,563,597	(597)
Other	3,000	3,000		3,000
Total expenditures	<u>21,686,000</u>	<u>21,686,000</u>	<u>21,683,597</u>	<u>2,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,686,000)</u>	<u>(21,686,000)</u>	<u>(21,683,597)</u>	<u>2,403</u>
Other financing sources (uses)				
Transfers in	21,686,000	21,686,000	21,683,597	(2,403)
Total other financing sources	<u>21,686,000</u>	<u>21,686,000</u>	<u>21,683,597</u>	<u>(2,403)</u>
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Fund balances – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to the above Statements:

A - Per City Charter, any excess of the 1% additional tax over debt service payments may be used for capital renewal and replacement of the Miami Beach Convention Center. This transfer represents such excess due to higher than expected tax receipts.

OTHER REPORTS

**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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated July 23, 2021. As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City, as of September 30, 2020 and the changes in financial position and, where applicable its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 identify a deficiency in internal control described in the accompanying schedule of findings and responses as 2020-001 that we consider to be a material weaknesses.

Compliance and Other Matters

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

Agency's Response to Finding

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

RSM US LLP

Miami, Florida
July 23, 2021

2020-001 – Accounts Receivable – Material Weakness

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

Condition: A material audit adjustment was made to the financial statements to decrease the redevelopment agency (RDA) leasing fund accounts receivable balance and increase the due from primary government and unearned revenues balances.

Context: The condition is an isolated incident related only impacting the subledger of the RDA leasing fund.

Cause: The City's obligation to review the subledgers within the general ledger system and to ensure the accuracy of the funds' balances did not occur.

Effect: Accounts Receivable as of 9/30/2020 was overstated by \$695,501 in the RDA leasing fund and the Primary Government's general fund.

Recommendation: We recommend that the management review process identify and resolve all variances between the subledger and the general ledger on a periodic basis, annually, at a minimum.

Views of Responsible Officials and Planned Corrective Action: Due to system limitations, all payments or adjustments to historical/converted receivable subledger balances must be manually recorded in the general ledger. The subledger and general ledger accounts receivable fund balances will be reviewed and any variances will be resolved quarterly.

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

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

Report on the Financial Statements

We have audited the financial statements of the Miami Beach Redevelopment Agency (the Agency), a component unit of the City of Miami Beach, Florida (the City), as of and for the year ended September 30, 2020, and have issued our report thereon date July 23, 2021. As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City, as of September 30, 2020, and the changes in its financial position, or where applicable its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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; and Chapter 10.550, Rules of the Auditor General of the State of Florida.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with AICPA Professional Standards, *AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated July 23, 2021, 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 information is disclosed in Note 1 to the Agency'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 Agency 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 Agency 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 Agency'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.

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
July 23, 2021



RSM US LLP

Independent Accountant's Report

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

We have examined the Miami Beach Redevelopment Agency (the Agency), a component unit of 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, 2019 to September 30, 2020. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency'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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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 Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the period October 1, 2019 to September 30, 2020.

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

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

RSM US LLP

Miami, Florida
July 23, 2021

Miami Beach Redevelopment Agency (RDA)
Report for the fiscal year ended
September 30, 2020

OTHER RDA REPORTS
UNAUDITED ALL TABLES

LOCAL GOVERNMENT REPORTING
SECTION 163.371, FLORIDA STATUTES

- A. Projects and expenditures (as of September 30, 2020)
- B. Property values (Form DR-420 TIF)
- C. Affordable housing
- D. Achievements and goals

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - Q1 2021 (12-31-2020)

	Prior Reporting Period	Period Ended December 31, 2020	Total Rev/Expenses
REVENUES			
Tax increment - County	\$ 309,347,510	\$ 25,323,375	\$ 334,670,885
Tax increment - City	336,642,518	31,110,894	367,753,412
Tax increment (Interest) - County	19,057	-	19,057
Tax increment - Children's Trust	19,941,368	-	19,941,368
Bond proceeds	108,779,453	-	108,779,453
Bond proceeds - Series 2015	322,095,000	-	322,095,000
Bond premium - Series 2015	29,558,832	-	29,558,832
Rental income	292,861	-	292,861
Anchor Garage receipts	57,345,244	364,628	57,709,872
Anchor Garage deposit card receipts	30,788	-	30,788
Anchor Shops rental income	15,451,083	-	15,451,083
Anchor Shops rental deposits	193,044	-	193,044
Pennsylvania Garage receipts	8,106,134	102,523	8,208,657
Pennsylvania Garage deposit card receipts	240	-	240
Pennsylvania Shops rental income	980,488	-	980,488
Pennsylvania Shops rental deposits	1,896,327	-	1,896,327
Legal settlement	100,000	-	100,000
Loews Facility Use/Usage Fee	145,462	-	145,462
Loews Ground Lease Receipts	8,240,984	-	8,240,984
Loews Hotel - exercise option	27,498,975	-	27,498,975
RDP Royal Palm Ground Lease Receipts	470,222	-	470,222
RDP Royal Palm - Sale of Land	12,562,278	-	12,562,278
New World Symphony Contribution	250,000	-	250,000
Interest income/Unrealized Gain/Loss Invest	37,502,660	43,817	37,546,477
Resort tax contributions	55,977,581	-	55,977,581
Cost of Issuance Proceeds-Series 2005	37,246,218	-	37,246,218
Bid deposits - hotels	375,000	-	375,000
Bid deposits - cinema	100,000	-	100,000
Loan from City	3,000,000	-	3,000,000
Line of credit from City	19,190,000	-	19,190,000
Cultural Campus	1,975,762	-	1,975,762
Transfers In	114,823,465	-	114,823,465
St. Moritz Hotel - refund/reimbursement	925,450	-	925,450
Reimbursements (GMCVB/RE taxes/Grants)	3,864,530	-	3,864,530
St. sales tax (receipt - income for pmt. to St)	2,371,561	-	2,371,561
Miami City Ballet-Capital	134,405	-	134,405
Miami City Ballet Lease/Maint	264,042	-	264,042
Anchor Garage insurance reimbursement	26,170	-	26,170
2015 RDA Bond CC Project-Insurance Recoveries/Replace	-	-	-
Real Estate taxes refund	299,056	-	299,056
Refund Due to/From	1,128,005	-	1,128,005
Refund - Loews - Water/Sewer Impact Fees	348,319	-	348,319
Refund - Police Salaries and Wages	844,503	-	844,503
Suspense Account	-	-	-
Miscellaneous/Prior Year Refunds & Voids	1,549,105	-	1,549,105
TOTAL REVENUES	\$ 1,541,893,700	\$ 56,945,237	\$ 1,598,838,937
EXPENDITURES			
Projects			
African-American Hotel			
Appraisal fees	\$ (4,200)	\$ -	\$ (4,200)
Bid refund	(50,000)	-	(50,000)
Board up	(50,995)	-	(50,995)
Construction (soil remediation/tank)	(9,800)	-	(9,800)
Delivery	(503)	-	(503)
Electric service	(422)	-	(422)
Environmental clean up	(161,613)	-	(161,613)
Equipment rental	(14,815)	-	(14,815)
Fire alarm service	(13,870)	-	(13,870)
Hotel negotiation consultant	(126,131)	-	(126,131)
Land acquisition	(10,592,060)	-	(10,592,060)
Legal fees/costs	(667,871)	-	(667,871)
Lot clearing	(16,924)	-	(16,924)
Maintenance	(48,173)	-	(48,173)
Miscellaneous	(309,495)	-	(309,495)
Owner's representative fees & expenses	(293,757)	-	(293,757)
Postage, printing & mailing	(4,153)	-	(4,153)
Professional services	(144,049)	-	(144,049)
Public notice/advertisement	(13,951)	-	(13,951)
Refund of deposits	(175,000)	-	(175,000)
Reimbursements	(15,799)	-	(15,799)
Relocation	(32,400)	-	(32,400)
Security guard service	(170,015)	-	(170,015)
Title insurance	(25,271)	-	(25,271)
Travel & related expenses	(2,159)	-	(2,159)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - Q1 2021 (12-31-2020)

	Prior Reporting Period	Period Ended December 31, 2020	Total Rev/Expenses
Water/Sewer (impact fees)	(25,240)	-	(25,240)
Total African-American Hotel	(12,968,666)	-	(12,968,666)
Convention Hotel			
Administrative fees	(5,436)	-	(5,436)
Appraisal fees	(67,150)	-	(67,150)
Bid refund	(100,000)	-	(100,000)
Bond costs	(173,998)	-	(173,998)
Building permit fees	(172,451)	-	(172,451)
Construction	(33,265,118)	-	(33,265,118)
	(1,778)	-	(1,778)
Demolition	(47,361)	-	(47,361)
Environmental clean up	(19,556)	-	(19,556)
Equipment rental	(24,389)	-	(24,389)
Fire alarm service	(600)	-	(600)
Hotel selection/study	(263,357)	-	(263,357)
Hotel negotiation consultant	(723,112)	-	(723,112)
Land acquisition	(20,673,575)	-	(20,673,575)
Legal fees/costs	(1,026,811)	-	(1,026,811)
Lot clearing	(12,407)	-	(12,407)
Maintenance	(695)	-	(695)
Miscellaneous	(28,063)	-	(28,063)
Owner's representative fee & expenses	(1,218,615)	-	(1,218,615)
Postage, printing & mailing	(15,977)	-	(15,977)
Professional services	(275,568)	-	(275,568)
Public notice/advertisement	(5,996)	-	(5,996)
Reimburse closing costs to C.M.B.	(3,000,000)	-	(3,000,000)
Reimbursements	(27,902)	-	(27,902)
Security guard service	(26,563)	-	(26,563)
Temporary staffing	(3,000)	-	(3,000)
Training, conferences & meetings	(1,750)	-	(1,750)
Travel & related expenses	(25,800)	-	(25,800)
Water/sewer service	(308,979)	-	(308,979)
Total Convention Hotel	(61,516,007)	-	(61,516,007)
Hotel Garage - Construction			
Administrative fees	(26,248)	-	(26,248)
Appraisal fees	(24,913)	-	(24,913)
Board up	(9,763)	-	(9,763)
Bond costs	(37,442)	-	(37,442)
Building permit fees	(818)	-	(818)
Construction draw	(13,773,347)	-	(13,773,347)
Delivery	(230)	-	(230)
Demolition	(155,834)	-	(155,834)
Electric service	(1,554)	-	(1,554)
Equipment rental	(360)	-	(360)
Environmental	(30,824)	-	(30,824)
Land acquisition	(3,312,947)	-	(3,312,947)
Legal fees/costs	(239,024)	-	(239,024)
Maintenance	(832)	-	(832)
Miscellaneous	(36,680)	-	(36,680)
Owner's representative fee & expenses	(311,094)	-	(311,094)
Printing	(6,915)	-	(6,915)
Professional services	(80,094)	-	(80,094)
Public notice/advertisement	(6,525)	-	(6,525)
Reimbursement	(10,759)	-	(10,759)
Relocation	(99,384)	-	(99,384)
Security guard service	(81,247)	-	(81,247)
Water/sewer service	(1,142)	-	(1,142)
Total Hotel Garage	(18,247,976)	-	(18,247,976)
Movie Theater Project			
Appraisal fees	(4,500)	-	(4,500)
Bid refund	(80,000)	-	(80,000)
Delivery	(476)	-	(476)
Equipment rental	(4,032)	-	(4,032)
Legal fees	(57,299)	-	(57,299)
Miscellaneous	(2,913)	-	(2,913)
Professional services	(14,380)	-	(14,380)
Refund of deposit	(10,000)	-	(10,000)
Traffic parking study	(8,600)	-	(8,600)
Total South Beach Cinema	(182,200)	-	(182,200)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - Q1 2021 (12-31-2020)

	Prior Reporting Period	Period Ended December 31, 2020	Total Rev/Expenses
Lincoln Road			
Appraisal fees	(5,000)	-	(5,000)
Delivery	(8)	-	(8)
Equipment rental	(11,900)	-	(11,900)
Legal fees	(10,827)	-	(10,827)
Lot clearing	(5,440)	-	(5,440)
Lighting	(60,805)	-	(60,805)
Maintenance	(195,588)	-	(195,588)
Miscellaneous	(582)	-	(582)
Postage, printing & mailing	(810)	-	(810)
Professional services	(99,553)	-	(99,553)
Reimbursements	(23,581)	-	(23,581)
Revitalization	(960,522)	-	(960,522)
Repayment of Loan	(21,776,959)	-	(21,776,959)
Temporary staffing	(66,158)	-	(66,158)
Training, conferences & meetings	(1,518)	-	(1,518)
Travel & related expenses	(771)	-	(771)
Total Lincoln Road	(23,220,022)	-	(23,220,022)
Beachwalk			
Environmental	(5,400)	-	(5,400)
Miscellaneous	(212,613)	-	(212,613)
Professional services	(5,015,698)	-	(5,015,698)
Total Beachwalk	(5,233,711)	-	(5,233,711)
Convention Center			
Convention Center Hotel	(596,772)	-	(596,772)
Convention Center Improvement	(280,568,907)	(314,863)	(280,883,770)
Total Convention Center	(281,165,679)	(314,863)	(281,480,542)
Collins Park Cultural Center			
Appraisal fees	(24,605)	-	(24,605)
Environmental	(137,515)	-	(137,515)
Land acquisition	(6,661,982)	-	(6,661,982)
Construction	(7,814,087)	-	(7,814,087)
Legal fees	(768,507)	-	(768,507)
Miscellaneous	(156,498)	-	(156,498)
Professional services	(1,242,704)	-	(1,242,704)
Streetscape	(401,312)	-	(401,312)
Utilities	(110,168)	-	(110,168)
Children's Feature	(7,200)	-	(7,200)
Total Cultural Campus	(17,324,578)	-	(17,324,578)
Other Projects			
Bus Prop. Ctr.	(159)	-	(159)
Chamber of Commerce Relocation Study	(2,000)	-	(2,000)
Colony Theater-Stage Lighting-Coils Repl	(6,618,783)	-	(6,618,783)
Construction of Library	(14,586)	-	(14,586)
East/West Corridor	(88)	-	(88)
Electrowave	(3,161)	-	(3,161)
Garden Center	(52,647)	-	(52,647)
Guidelines	(12,450)	-	(12,450)
Old City Hall	(499)	-	(499)
17th Street Surface Lot	(288,274)	-	(288,274)
10A Surface Lot-Lennox	(382,854)	-	(382,854)
Streetscapes	(324,849)	-	(324,849)
6th Street Streetscape	(577)	-	(577)
Botanical Gardens	(1,195,221)	-	(1,195,221)
Transportation Mobility Study	(32,225)	-	(32,225)
Convention Center Streetscape	(12,335,124)	(255)	(12,335,379)
New World Symphony	(21,591,976)	-	(21,591,976)
New World Symphony-Lincoln Park	(14,440,890)	-	(14,440,890)
Washington Avenue Streetscape	(3,198,183)	-	(3,198,183)
Rotunda/ Collins Park 9/30/2014	(735,652)	-	(735,652)
R.O.W. Improvements	(2,356,207)	-	(2,356,207)
Flamingo (16 St. Corridor)	(4,721)	-	(4,721)
Flamingo Neigh.South - Bid A	(10,186)	-	(10,186)
Flamingo Neigh. Lummus - Bid B	(456,047)	-	(456,047)
Flamingo Bid C	(13,877)	-	(13,877)

Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - Q1 2021 (12-31-2020)

	Prior Reporting Period	Period Ended December 31, 2020	Total Rev/Expenses
Beachfront Restrooms	(431,147)	-	(431,147)
Water & Wastewater Pump Station	(1,228,541)	-	(1,228,541)
Miami City Ballet & HVAC	(5,859,594)	-	(5,859,594)
Wayfinding Project	(348,123)	-	(348,123)
West Ave/Bay Road Neigh. Improve.	(750,000)	-	(750,000)
Multi-Purpose Building Adj. City Hall	(14,762,648)	-	(14,762,648)
Bass Museum	(17,752,042)	-	(17,752,042)
Bass Museum Hydraulic	(2,750)	-	(2,750)
Bass Museum HVAC Improv./Heat Pump	(168,895)	-	(168,895)
Bass Museum Exterior Lighting	(41,658)	-	(41,658)
Bass Museum Heat Pump Replacement	(49,816)	-	(49,816)
Bass Museum Wheater Seal	(100,078)	-	(100,078)
Bass Museum Hydraulic	(42,013)	-	(42,013)
BASS MUSEUM GENERATOR	(90,425)	-	(90,425)
BASS MUSEUM ELECTRICAL BREAK	(1,223)	-	(1,223)
Bass Museum Fire Pump Replacement	(52,151)	-	(52,151)
Emergency Light Replacement	(2,854)	-	(2,854)
Botanical Garden Window	(41,840)	-	(41,840)
The Barclay, the Allen and the London House	(34,441)	-	(34,441)
Carl Fisher Renewal and Replacement	(189,540)	-	(189,540)
Alleyway Restoration Program	(221,632)	-	(221,632)
Lincoln Road Between Lennox and Alton	(6,173,406)	-	(6,173,406)
City Center Neighborhood Improvement	(1,439,236)	-	(1,439,236)
Lincoln Road Between Collins/Washington	(1,482,197)	-	(1,482,197)
Lincoln Road Fountain	(4,484)	-	(4,484)
Lincoln Road Mall Accent Light	(90,446)	-	(90,446)
Lincoln Road Washington	(4,658,333)	(5,051)	(4,663,384)
Lincoln Road Washington	(12,565)	-	(12,565)
Convention Center - Lincoln Road Connection	(857,059)	-	(857,059)
17th Street North Imprv Penn A	(12,593)	-	(12,593)
Aluminum Street Lighting Pole	(163,173)	-	(163,173)
Lincoln Road Landscaping	(72,167)	-	(72,167)
Reserve Euclid Avenue Improvement	(485,584)	-	(485,584)
Lincoln Road Uplighting	(7,820)	-	(7,820)
Miami City Ballet Ext	(10,568)	-	(10,568)
Miami City Ballet Transfers	(363,244)	-	(363,244)
Miami City Ballet Windows	(117,120)	(798)	(117,918)
Lincoln Road Master Plan	(500,000)	-	(500,000)
1100 Lincoln Road Updates	(133,000)	-	(133,000)
Little Stage Complex	(325,593)	-	(325,593)
Preferred Parking Surface Lot	(526,649)	-	(526,649)
Tree Wells Pilot Project	(409,571)	-	(409,571)
Washington Ave. Bridge Restoration Loan	(700,000)	-	(700,000)
Collins Canal Enhancement Project	(1,477,120)	(7,575)	(1,484,695)
Collins Park Parking Garage-and Land	(27,266,652)	(612,261)	(27,878,913)
Collins Park Ancillary Improvement	(3,428,605)	(7,269)	(3,435,874)
CCHV Neighborhood Improvements	(11,672,435)	-	(11,672,435)
21st Street Recreational Center Repairs	(14,901)	-	(14,901)
Animal Waste Dispensers & Receptacles	(25,000)	-	(25,000)
Trash Receptacles	(24,860)	-	(24,860)
Pedestrian Countdown Signals	(54,868)	-	(54,868)
Maze Project - 21st Street & Collins	(135,000)	-	(135,000)
Directory Signs in City Center ROW	(190,277)	-	(190,277)
Beach Shower Replacement & Renovation	(6,355)	-	(6,355)
24" PVC Sanitary Sewer Improvements	(315,016)	-	(315,016)
Bicycle Parking Phase 2	(8,620)	-	(8,620)
Bicycle Parking Project	(32,923)	-	(32,923)
Total Other Projects	(183,594,731)	(633,209)	(184,227,940)
Total Projects	(603,453,570)	(948,072)	(604,401,642)
Administration			
Administrative fees	(225)	-	(225)
Anchor Shops Leasing	(134,878)	-	(134,878)
Appraisal fees	(7,000)	-	(7,000)
Bond costs/Bond Trustee. Fees	(2,200,650)	-	(2,200,650)
Delivery	(1,400)	-	(1,400)
Dues & subscriptions	(10,830)	-	(10,830)
Facility Usage - Loews Hotel	(117,377)	-	(117,377)
Management fees	(2,836,300)	-	(2,836,300)
Interlocal Agreement/City Center Operation	(53,926,948)	(1,329,500)	(55,256,448)

**Redevelopment Agency - City Center/Historic Convention Village
Summary of Accrual Basis Transactions by Project
Fiscal Years 1994 - Q1 2021 (12-31-2020)**

	<u>Prior Reporting Period</u>	<u>Period Ended December 31, 2020</u>	<u>Total Rev/Expenses</u>
Miscellaneous	(83,225)	-	(83,225)
Office supplies	(45,009)	-	(45,009)
Postage, printing & mailing	(59,881)	-	(59,881)
Professional services	(1,166,950)	-	(1,166,950)
Parks Maintenance by Parks Department	(1,892,407)	(44,735)	(1,937,142)
Public notice/advertisement	(2,496)	-	(2,496)
Reimbursements	(62,184)	-	(62,184)
Sales tax	(180,222)	-	(180,222)
Settlement Costs	(457,500)	-	(457,500)
Legal Fees (Ongoing Litigation)	(334,629)	-	(334,629)
Temporary staffing	(14,197)	-	(14,197)
Training, conferences & meetings	(19,294)	-	(19,294)
Travel & related expenses	(1,769)	-	(1,769)
Resort Tax Accrual	-	-	-
Accrued interest on investments	(479,466)	-	(479,466)
Total Administration	<u>(55,554,073)</u>	<u>(1,374,235)</u>	<u>(65,409,072)</u>
New World Symphony Grant In Aid	<u>(15,000,000)</u>	<u>-</u>	<u>(15,000,000)</u>
Capital projects Maintenance	<u>(12,434,581)</u>	<u>-</u>	<u>(12,434,581)</u>
City Center Greenspace Management	<u>(6,202,364)</u>	<u>(108,677)</u>	<u>(6,311,041)</u>
South Beach Area- Property Management	<u>(17,666,666)</u>	<u>(273,004)</u>	<u>(17,939,670)</u>
RDA City Center Code Compliance	<u>(1,034,207)</u>	<u>(43,493)</u>	<u>(1,077,700)</u>
RDA City Center Sanitation	<u>(22,809,274)</u>	<u>(1,000,654)</u>	<u>(23,809,928)</u>
RDA Center - Misc. Employee Fringe Benefits	<u>(2,675)</u>	<u>-</u>	<u>(2,675)</u>
Cost of Issuance Series 2005 A&B	<u>(37,219,044)</u>	<u>-</u>	<u>(37,219,044)</u>
Transfers out - Debt Service	<u>(51,202,221)</u>	<u>(2,291,000)</u>	<u>(53,493,221)</u>
Debt Service/Loan Repayment	<u>(299,434,876)</u>	<u>10</u>	<u>(299,434,866)</u>
Debt Service/Escrow payment (Series 1998A, 2005A and 2005B)	<u>(50,954,074)</u>	<u>-</u>	<u>(50,954,074)</u>
Cost of Issuance Series 2015 A&B	<u>(4,688,286)</u>	<u>-</u>	<u>(4,688,286)</u>
Anchor Garage Operations	<u>(47,399,556)</u>	<u>(600,130)</u>	<u>(47,999,686)</u>
Anchor Shops Operation	<u>(5,072,693)</u>	<u>(27,262)</u>	<u>(5,099,955)</u>
Pennsylvania Ave- Garage Operations	<u>(8,907,153)</u>	<u>(90,054)</u>	<u>(8,997,207)</u>
Pennsylvania shops operations	<u>(3,401,514)</u>	<u>(92,671)</u>	<u>(3,494,185)</u>
Community Policing-CCHCV	<u>(59,486,876)</u>	<u>(1,104,445)</u>	<u>(60,591,321)</u>
Transfer Out - Debt Service	<u>(86,686,845)</u>	<u>-</u>	<u>(86,686,845)</u>
Transfers Out	<u>(16,153,697)</u>	<u>-</u>	<u>(16,153,697)</u>
TOTAL EXPENDITURES	<u>\$ (1,404,764,245)</u>	<u>\$ (7,953,687)</u>	<u>\$ (1,421,198,696)</u>
ENDING BALANCE	<u>\$ 137,129,455</u>	<u>\$ 48,991,550</u>	<u>\$ 177,640,241</u>



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TAX INCREMENT ADJUSTMENT WORKSHEET

Year : 2019	County : MIAMI-DADE
Principal Authority : CITY OF MIAMI BEACH	Taxing Authority : CITY OF MIAMI BEACH
Community Redevelopment Area : MIAMI BEACH CITY CENTER CRA	Base Year : 1992

SECTION I : COMPLETED BY PROPERTY APPRAISER

1.	Current year taxable value in the tax increment area	\$	6,258,372,786	(1)
2.	Base year taxable value in the tax increment area	\$	292,572,271	(2)
3.	Current year tax increment value <i>(Line 1 minus Line 2)</i>	\$	5,965,800,515	(3)
4.	Prior year Final taxable value in the tax increment area	\$	5,797,820,708	(4)
5.	Prior year tax increment value <i>(Line 4 minus Line 2)</i>	\$	5,505,248,437	(5)

SIGN HERE	Property Appraiser Certification	I certify the taxable values above are correct to the best of my knowledge.		
	Signature of Property Appraiser : Electronically Certified by Property Appraiser	Date :	7/1/2019 12:51 PM	

SECTION II: COMPLETED BY TAXING AUTHORITY Complete EITHER line 6 or line 7 as applicable. Do NOT complete both.

6. If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:				
6a.	Enter the proportion on which the payment is based.		95.00 %	(6a)
6b.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 6a)</i> If value is zero or less than zero, then enter zero on Line 6b	\$	5,667,510,489	(6b)
6c.	Amount of payment to redevelopment trust fund in prior year	\$	29,299,312	(6c)
7. If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:				
7a.	Amount of payment to redevelopment trust fund in prior year	\$	0	(7a)
7b.	Prior year operating millage levy from Form DR-420, Line 10		0.0000 per \$1,000	(7b)
7c.	Taxes levied on prior year tax increment value <i>(Line 5 multiplied by Line 7b, divided by 1,000)</i>	\$	0	(7c)
7d.	Prior year payment as proportion of taxes levied on increment value <i>(Line 7a divided by Line 7c, multiplied by 100)</i>		0.00 %	(7d)
7e.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 7d)</i> If value is zero or less than zero, then enter zero on Line 7e	\$	0	(7e)

S I G N H E R E	Taxing Authority Certification	I certify the calculations, millages and rates are correct to the best of my knowledge.		
	Signature of Chief Administrative Officer : Electronically Certified By Taxing Authority	Date :	7/31/2019 6:49 PM	
	Title : CITY MANAGER	Contact Name and Contact Title :	TAMEKA OTTO STEWART, BUDGET DIRECTOR	
	Mailing Address : 1700 CONVENTION CENTER DR	Physical Address :	1700 CONVENTION CENTER DRIVE	
	City, State, Zip : MIAMI BEACH, FL 33139	Phone Number :	305-673-7510	Fax Number :

**Miami Beach Redevelopment Agency
Report for the fiscal year ended
September 30, 2020**

No funds were expended for affordable housing during fiscal year 2020

**Miami Beach Redevelopment Agency
Report for the fiscal year ended
September 30, 2020**

Achievements and Goals

The 332-acre City Center/Historic Convention Village Redevelopment and Revitalization Area was established in 1993, primarily with the objective of providing the funding mechanism to foster the development of a new convention hotel development within proximity of the Miami Beach Convention Center, and to establish the necessary linkages between the City's many core area civic, cultural and entertainment uses in order to create the fabric of a true urban downtown.

Legislative History of the Plan

On January 26, 1993, Miami-Dade County (the "County") adopted Resolution No. R-14-93, which:

- (i) found the area in the City of Miami Beach (the "City") bounded on the East by the Atlantic Ocean, on the North by 24 Street, on the West by West Avenue, and on the South by 14th Lane (the "City Center Redevelopment Area" or "City Center District"), to be a "blighted area" within the meaning of Part III of Chapter 163, Florida Statutes, and
- (ii) delegated to the City of Miami Beach, pursuant to Section 163.410, Florida Statutes, certain powers conferred upon the County Commission as the governing body of Dade County by Part III of Chapter 163, Florida Statutes, with regard to the Redevelopment Area, so that the City Commission, either directly or through its duly designated community redevelopment agency, could exercise such powers.

On February 3, 1993, the City adopted Resolution No. 93-20709, which established a community redevelopment agency, the Miami Beach Redevelopment Agency (the "Agency" or the "RDA") and declared the members of the City Commission as the members of the RDA. Subsequently, on February 12, 1993, the City adopted Resolution No. 93-20721, which adopted the Agency's City Center/Historic Convention Village Redevelopment and Revitalization Area plan (the "Plan") for the redevelopment and revitalization of the Redevelopment Area.

On February 24, 1993, the City enacted Ordinance 93-2836, which created a City Center/Historic Convention Village Redevelopment and Revitalization Trust Fund and provided a funding mechanism for implementing the Plan. The County, on March 30, 1993, adopted Resolution No. R-317-93, which among other things (i) adopted the Plan and (ii) approved an Interlocal Cooperation Agreement, between the County and the City, dated and executed on November 16, 1993, as amended four times (the "Interlocal Agreement") by which the County delegated to the City certain redevelopment powers granted by law, including but not limited to the creation of the Redevelopment Area and implementation of the Plan.

Miami Beach Redevelopment Agency
Report for the fiscal year ended
September 30, 2020

Achievements and Goals

In 2014, the City and County adopted a third amendment to the Plan which, among other components, (i) extended the life of the district from FY 2022/23 to March 31, 2044; (ii) allows the Board of County Commissioners the right to appoint a member of the Agency; and (iii) further provided for related payment terms, with the intent that all available excess Trust Fund revenues remaining on deposit in the Trust Fund be used for the prepayment or redemption of debt prior to maturity of tax increment revenue bonds issued by the RDA to support the City's Convention Center Renovation and Expansion project within the district.

Since 2014, pursuant to the third amendment to the Plan, the elected Commissioner of Miami-Dade County Commission District 5, which includes the City Center CRA District, has served as a voting member of the RDA board. The addition of the County Commissioner as a voting member of the RDA board has benefited the City with a strengthened relationship with the County Commissioner. Further, citing to the City of Miami Beach example, the appointment of a County Commissioner to a CRA's governing board has since become the Florida Legislature's recommended strategy for successful CRA governance.

A fourth amendment to the Plan was adopted in 2017, which provided modest funding for limited purposes related to the Convention Center Renovation and Expansion project and Hurricane Irma disaster relief.

Mission / Purpose of the Redevelopment Plan:

- To assure continued economic viability of the City Center Redevelopment Area and the City as a whole, through the implementation of the objectives and projects defined in the Redevelopment Plan and the amendment thereto.
- To establish the necessary linkages to tie in the Convention Center, area hotels, cultural amenities, entertainment, residential, and business uses in the district.
- To involve community residents in the redevelopment process and to incur minimum relocation and condemnation.
- To enhance diversity of form and activity through the use of established planning and design principles.
- To create a traffic system to serve local and through traffic needs.
- To recognize the historic structures and designations within the historic districts and facilitate development accordingly.

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Successful Implementation of Plan Objectives

Since its inception, the City Center district has undergone dynamic changes which have furthered the goals of the Plan and enhanced the economic vitality of the City Center Redevelopment Area. Between the time of establishment of the City Center Redevelopment Area in 1993 and January 2018, the district experienced an increase in property tax values from \$292.6 million dollars to \$6 billion dollars, including more than \$800 million in new building permit activity since the inception of the CRA.

Following the initial success of attracting two convention-quality hotels, the RDA began focusing its efforts on a number of initiatives aimed at upgrading the area's infrastructure, streets and parks, alleviating traffic and parking congestion, and encouraging the production and presentation of arts and cultural activities in the area. Since 2003, the RDA, with the consent and collaboration of Miami-Dade County, amended the Plan for the City Center Redevelopment Area four times to accomplish these objectives. Representative projects have included:

- Two new convention-quality hotels, both of which are the result of public/private partnerships between the RDA and the private sector: the 800-room Loews Miami Beach Hotel and the 425-room Royal Palm Crowne Plaza Hotel, the latter of which recognized as the first African American-owned convention center hotel in the United States, and both of which included restoration of historic buildings in the City's National Register Historic District.
- The development of an 800-space public parking garage, the Anchor Garage and Retail Shops, to accommodate the parking needs for the Loews Miami Beach Hotel, the Royal Palm Crowne Plaza Hotel, and other service and retail businesses in the area, including the incorporation of the facades of historic buildings in the City's National Register Historic District.
- Initiation of the Convention Center Renovation and Expansion, a project to modernize and upgrade the Convention Center facility and surrounding area to be competitive within the trade/consumer show and convention industries. The project included redesign and reconstruction of the convention center building and site; upgrading media, communications, and other area technology; alterations to on and off-site parking; on-site and off-site aesthetic improvements, and construction of Pride Park.
- Acquisition and renovation of three multifamily buildings (the Barclay, Allen House, the London House) to maintain the stock of affordable housing within the Redevelopment Area.
- Award-winning Public Beachwalk Expansion project from 21 Street to Lummus Park, comprising an at-grade, landscaped pedestrian walkway and public restroom and shower facility replacement with stainless steel trees and drain interceptors throughout the beach accessways.

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- Beach Renourishment Project, including funding to rebuild and fortify the City's public beaches, which serve as our most notable public amenity and international tourist draw.
- Development and implementation of a Cultural Arts Campus Master Plan, within the Collins Park area east of the Miami Beach Convention Center, including:
 - construction of a regional Miami Beach Public Library (including demolition of the old library and construction of the new library, partially funded by the RDA);
 - construction and purchase of the headquarter facility of the Miami City Ballet (\$ 5.2 million in acquisition costs funded by the RDA);
 - the expansion and renovation of the Bass Museum of Art, which provided a 47% increase in programmable space;
 - restoration of Collins Park, including new landscaping of the park, the refurbishment of the historic Rotunda building, and extensive streetscape improvements throughout the area; and
 - funding for development of the Collins Park Parking Garage. Recent achievements by the RDA at this property are detailed herein.
- Completion of the acclaimed New World Center Campus, including a state-of-the-art Frank Gehry-designed headquarter performance hall facility for the New World Symphony and School, and publicly funded components that included a \$15 million Frank Gehry-designed municipal parking garage and retail space and the 2.5-acre, \$21 million mixed-use urban oasis Soundscape Park.
- Community Policing initiatives, including enhanced staffing levels and services, enabling the addition of ten police officers, two sergeants, two public safety aides, a crime analyst and a part-time lieutenant providing patrol, crime prevention, and investigation exclusively within the City Center District.
- Wayfinding directory signage-including the installation of monument directory signs within neighborhood rights of way, to direct residents and visitors to City office and services.
- Miami Beach Botanical Garden renovation, including renovations of the building, landscape and site improvements, lighting, planting, irrigation, and acoustic improvements.
- Collins Canal Enhancement Project, including development of a bicycle path connecting the Venetian causeway on Biscayne Bay with the Beachwalk on the Atlantic Ocean.
- A \$20 million overhaul of the Lincoln Road Pedestrian Mall partially funded with the participation of businesses on Lincoln Road. Project scope consisted of new lighting, refurbishing pedestrian surfaces, street furnishings, healthy tree fertilization systems, milling and resurfacing pavement surfaces and cross walk enhancements, as well as a Lincoln Road Master Plan Study and the funding of improvements at the Euclid Avenue Plaza on Lincoln Road.

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- Washington Avenue Streetscape work around the City Center district including sanitary sewer improvements.
- Convention Center / Lincoln Road Streetway Connectors Improvement Project enhancements of the pedestrian experience from the Convention Center complex to Lincoln Road along Drexel Avenue, Pennsylvania Avenue, and Meridian Avenue. Work consisted of new lighting, sidewalk reconstruction, street furnishings, landscaping, healthy tree fertilization systems, road reconstruction, and crosswalk enhancements. Improvements along 17 Street, from Pennsylvania Avenue to Washington Avenue, consisted of landscaping, irrigation, pedestrian lighting, and sidewalk replacement.
- Funding of capital and operational costs for the Pennsylvania Avenue Parking Garage and retail space, enabling the leasing of the commercial retail space rent-free to a cultural arts nonprofit institution, Moonlighter Makerspace. Following completion of buildout of the Learning Center and Fabrication Lab, the nonprofit will provide free STEAM programming and instruction to students at Miami Beach schools and empower workers with shared workshop space for technological innovation.

More recently, the RDA has had several accomplishments in furtherance of achieving the goals of the Redevelopment Plan. During Fiscal Year 2020, the RDA invested resources in continued programs and projects as follows:

- The Miami Beach Convention Center (MBCC) received a Temporary Certificate of Occupancy in April 2020 after recently undergoing a \$620 million renovation. The improvements included the addition of 263,000 square feet of space, 10 new meeting rooms and LEED Silver certification, which is granted to environmentally friendly buildings. The renovation brought the facility's total size to 1.43 million square feet. Upgrades to the Convention Center were crucial in making the aging facility competitive in the crowded but lucrative convention industry. The redevelopment of the convention center will help boost Miami-Dade's \$26 billion tourism industry, helping it to secure a greater share of the U.S. meetings industry.
- Miami Beach voters approved a plan to build a convention center hotel after two previous efforts to get a hotel project off the ground did not result in an agreement. Voters authorized the lease of City land and the construction of an 800-room hotel that will connect to the Convention Center, which allows Miami Beach to execute a previously negotiated ground lease already approved by the City Commission. According to the terms of the lease agreement, the hotel will pay Miami Beach either fixed rent totaling \$16.6 million over the first 10 years or a percentage of hotel revenue, whichever is greater. Grand Hyatt has committed to the developers to oversee hotel operations when the hotel opens. The City estimates collecting \$96 million in taxes from the hotel over 30 years.

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- The current Convention Center hotel design, located at the corner of 17 Street and Convention Center Drive, includes many amenities such as a resort-style pool deck, fitness center and ballrooms. The completion of the Convention Center District with a privately-financed hotel will spur economic growth, attract world-class events, strengthen infrastructure with an eye toward resiliency, and improve quality of life by reducing traffic and funding education.
- As COVID-19 blanketed the world in 2020, the MBCC calendar of events was initially robust. However, the convention and conference industry and community engagements came to an abrupt halt. Due to the global pandemic, the MBCC management team was unable to book, host and execute events. MBCC lost the ability to host many planned events and this had an adverse impact on the overall operations and management of the venue. In this time of hardship, as a service to the community, although not activated, the MBCC was converted into an Alternative Care Facility and the adjacent street served as a drive-up COVID-19 testing site.
- In order to promote activation and enhance the offerings and amenities at the Miami Beach Convention Center Campus, the City issued an RFP for the food and beverage operations of the Carl Fisher Clubhouse with Annex. This will allow greater synergy between the Convention Center, Carl Fisher Clubhouse and other nearby public assets such as Pride Park.
- The recently completed Collins Park Garage, located at 340 23 Street, spans an entire block of 23 Street between Park Avenue and the vacated Liberty Avenue. The Collins Park Garage is located immediately adjacent to the Miami City Ballet headquarters and the future site of the City's public-private artist and educator workforce housing project, all within the Collins Park Cultural Campus, a signature achievement of the RDA. The parking structure's ground floor includes approximately 16,000 gross sq. ft. of unfinished interior commercial space with an elevated exterior terrace providing access from the street. The City's nonprofit cultural arts partner, Miami New Drama, Inc. presented the City Commission with an unsolicited proposal to program the tenant space of the Collins Park Garage as a flexible black box studio.
- Community Policing initiatives, including enhanced staffing levels and services allowed for the provision of patrol and specialized services to the City Center area, including the Lincoln Road corridor, Convention Center District and Collins Park neighborhood. These services also included crime prevention and investigation.
- Code Compliance services were provided via an enforcement officer detail assigned to the Redevelopment Area responding to complaints and proactively patrolling the areas to ensure compliance with the City Code by businesses, sidewalk cafes, vendors, and other applicable entities.
- Parks Landscape Maintenance services were provided including grounds maintenance, athletic fields maintenance, and dog tracks to provide beautiful

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public spaces that improved the quality of life and supported recreational opportunities.

- Park Ranger Program offers patrol of park facilities to maintain a safe environment, enforces City Code and ordinances, and serves as ambassadors to provide information to tourists and park guests.
- Greenspace services including daily landscape maintenance services for the City's rights-of-way (North & South rights-of-way, Lincoln Road Mall, parking lots and facilities, coastal areas,) irrigation system services, and pest control.
- Sanitation services are provided to enhance the cleanliness of the area via litter control and pressure washing services to Lincoln Road, the Beachwalk and Collins Park Cultural Campus seven days per week during both the day and night shifts.

Planning for capital improvements, public programs, and the initiatives to further the goals of the Redevelopment Plan is an annual budgetary process, with adjustments made to priorities as needs change within the Redevelopment Area. The Redevelopment Plan provides public policy regarding long-range development within the district, which is implemented via the City's five-year capital projects plan. Along with the participation of Miami-Dade County, including a County Commissioner serving as a voting member on the RDA, the City and RDA will continue to evaluate and implement a comprehensive approach to projects which address the many needs within the City Center district, including neighborhood enhancements and community programs, park renovation and upgrades, and construction of public facilities.

Affordable Housing Programs

In 2014, the third amendment of the Interlocal Agreement, as adopted by RDA Resolution No. 607-2014 and City Commission Resolution No. 2014-28835, provided for bond financing for the renovation and expansion of the Miami Beach Convention Center—a cultural facility and economic driver that was a focal point for original creation of the district in 1993. As a condition precedent to the amendment, Miami-Dade County required that, going forward, all available excess Trust Fund revenues be used for the prepayment of debt prior to maturity of the tax increment revenue bonds. In addition, the third amendment stipulated that, going forward, the use of TIF revenue for operating expenses may not exceed more than three percent (3%) of the prior fiscal year's expenses. The practical effect of limiting growth and requiring that excess revenues be used to satisfy existing debt is that the RDA is precluded from incurring or introducing any additional costs for new programs that were not existing before. The requirement that excess revenues be used to prepay existing bond debt was again restated in the fourth amendment to the Interlocal Agreement, as adopted by RDA Resolution No. 628-2017.

Nevertheless, this limitation on expenditures for new programming has not come at the expense of pursuing housing initiatives in the Redevelopment Area. On the contrary,

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these objectives have been well served within the City Center district. RDA Resolution No. 607-2014 and City Commission Resolution No. 2014-28835 both contained explicit findings by the RDA that, with respect to the Plan amendments:

- (i) a feasible method continues to exist for the location of families who will be displaced from the Redevelopment Area in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families, as the amendments do not contemplate displacement of residents;
- (ii) the Plan continues to conform to the general plan of the County and the City as a whole;
- (iii) the Plan continues to give due consideration to the utilization of community policing innovations, and to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the Plan;
- (iv) the Plan will continue to afford maximum opportunity, consistent with the sound needs of the City as a whole, for the rehabilitation or redevelopment of the community redevelopment area by private enterprise; and
- (v) the City began negotiating a Term Sheet as the basis for a proposed ground lease for the Collins Park Artist and Educator Workforce Housing project, which once approved and completed, will provide approximately 80 housing units for income-eligible artists, law enforcement, educators, veterans, and other Miami Beach workers in the Redevelopment Area.

While RDA resources cannot be allocated beyond what was contained in the original Plan, the City's Housing and Community Development Division uses other funding sources to successfully implement programs that develop and maintain affordable housing, promote economic development, and support efforts to reduce poverty, citywide and within the City Center district. To achieve this, the Housing Division leverages the City's allocation of State and Federal housing and community development funds, primarily from the U.S. Department of Housing and Urban Development and the Florida Housing Finance Corporation, a state-funded agency. The Division funds a variety of projects and has acquired and/or rehabilitated many properties throughout the City and in the City Center district. In addition to housing projects, the Division funds a variety of public service activities including childcare for low-income families, grocery delivery program for the elderly, mental health services for homeless youth, rent assistance for households facing eviction, and housing payment and rehabilitation assistance programs. Additional information is available in the City's Five-Year Plan Consolidated Plan, prepared for the U.S. Department of Housing and Urban Development and available on the City's website.