

CITY OF MIAMI, FLORIDA

# POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended  
September 30, 2023





# POPULAR ANNUAL FINANCIAL REPORT



Prepared By:

**The Finance Department**

**Erica T. Paschal Darling, CPA**  
Director

**Noel G. Ramos**  
Controller

**Munirah Daniel, CPA**  
Assistant Director

**Armando J. Blanco**  
Treasurer

FISCAL YEAR ENDED SEPTEMBER 30, 2023



## TABLE OF CONTENTS

### INTRODUCTION

About our City .....	1
Principal City Officials .....	2
City Organizational Chart .....	3
Geographic Location and Population .....	4
Miami by the Numbers .....	5
Economic Outlook .....	6
Achievements .....	7
Budget Process .....	8

### FINANCIAL INFORMATION

Financial Highlights .....	9
Net Position .....	10
Expenses .....	11
Revenues .....	12
Capital Assets .....	13
Long-Term Obligations .....	14
Cash and Investments .....	15
Fund Balance .....	16
Glossary .....	17

CITY OF MIAMI, FLORIDA

# POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended  
September 30, 2023



## COVER PHOTO

Miami Skyline Stock photos by:  
ESB Professiona and cvrestan

The Finance Department would like to extend a special recognition to GSA-Graphics Division, for their creativity and support with the production of the Popular Annual Financial Report

**City of Miami, Florida Finance Department**  
444 SW 2 Avenue, 6th Floor, Miami, Florida 33130

## ABOUT the POPULAR ANNUAL FINANCIAL REPORT (PAFR)

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information contained in the City's 2023 Annual Comprehensive Financial Report, with selected information from Annual Comprehensive Financial Report's prepared for earlier years.

The Annual Comprehensive Financial Report is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements. As such, it provides much more detail as well as full disclosure of all material events, both financial and non-financial. The GAAP presentation also includes the City's component units (related organizations) and information on individual funds.

The information in the Annual Comprehensive Financial Report by its nature can be technical and complex and as such not as useful to citizens wishing to gain an overview of the City's finances. The PAFR has been prepared to simplify the information in the Annual Comprehensive Financial Report and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

Questions or feedback concerning any of the information provided in this report or requests for additional financial information may be directed to the City's Finance Department via mail to 444 SW 2nd Avenue, 6th Floor, Miami, Florida 33130.

**TO VIEW THE CITY'S ANNUAL  
COMPREHENSIVE FINANCIAL REPORT AND  
POPULAR ANNUAL FINANCIAL REPORT  
(PAFR) PLEASE VISIT:**

<http://archive.miamigov.com/Finance/financialInfo.html>





The City of Miami was incorporated in 1896. The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay. It is a main port of entry into Florida. Now 127 years old, the City is part of the nation's eighth largest metropolitan area. Incorporated in 1896, the City is the only municipality conceived and founded by a woman – Julia Tuttle.

The City Charter was adopted by the electors of the City of Miami at an election held May 17, 1921 and legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. The Florida Legislature, in 1955, approved and submitted to a general election, a constitutional amendment designed to give a new form of government to Miami-Dade County, Florida (“County”). The County is, in effect, a municipality with governmental powers affecting thirty-five cities and unincorporated areas, including the City. The County has not displaced nor replaced the cities’ powers but supplements them. The County can assume activities of the City’s operations if the services fall below minimum standards set by the County Commission, or with the consent of the governing body of the City. Accordingly, the County’s financial statements are not included in this report.

Since 1997, the City has been governed by a form of government known as the “Mayor-City Commissioner plan.” There are five Commissioners elected from designated districts within the City. City elections are held in November every two years on a non-partisan basis. Candidates for mayor must run as such and not for the commission in general. At each election, two or three members of the Commission are elected for four-year terms. The Mayor is elected at large every four years.

As official head of the City, the Mayor has veto authority over actions of the Commission. The Mayor appoints the City Manager who functions as chief administrative officer. The City Manager serves as the administrative head of the municipal government, charged with the responsibility of managing the City’s financial operations and organizing and directing the administrative infrastructure. The City Manager also retains full authority in the appointment and supervision of department directors, preparation of the City’s annual budget and initiation of the investigative procedures. In addition, the City Manager takes appropriate action on all administrative matters.

## CITY SERVICES

The City provides a full range of services, including police and fire protection, public works activities; refuse collections; building inspections; licenses and permits; vital statistics; the construction and maintenance of streets, and other infrastructure; recreational and cultural activities; and trolley services.

# CITY OF MIAMI, FLORIDA

# POPULAR ANNUAL FINANCIAL REPORT 2023



## MISSION STATEMENT

Miami is a modern and diverse city that is a global leader in technology, innovation, and resiliency.

## VISION

The City of Miami is committed to elevating the quality of life of its residents by improving public safety, housing, mobility, diverse shared spaces that foster community, and efficient and transparent government.



**Francis X. Suarez**  
Mayor



**Miguel Angel Gabela**  
Commissioner - District 1



**Damian Pardo**  
Commissioner - District 2



**Joe Carollo**  
Commissioner - District 3  
Vice-Chairman



**Manolo Reyes**  
Commissioner - District 4



**Christine King**  
Commissioner - District 5  
Chairwoman



**Arthur Noriega V**  
City Manager



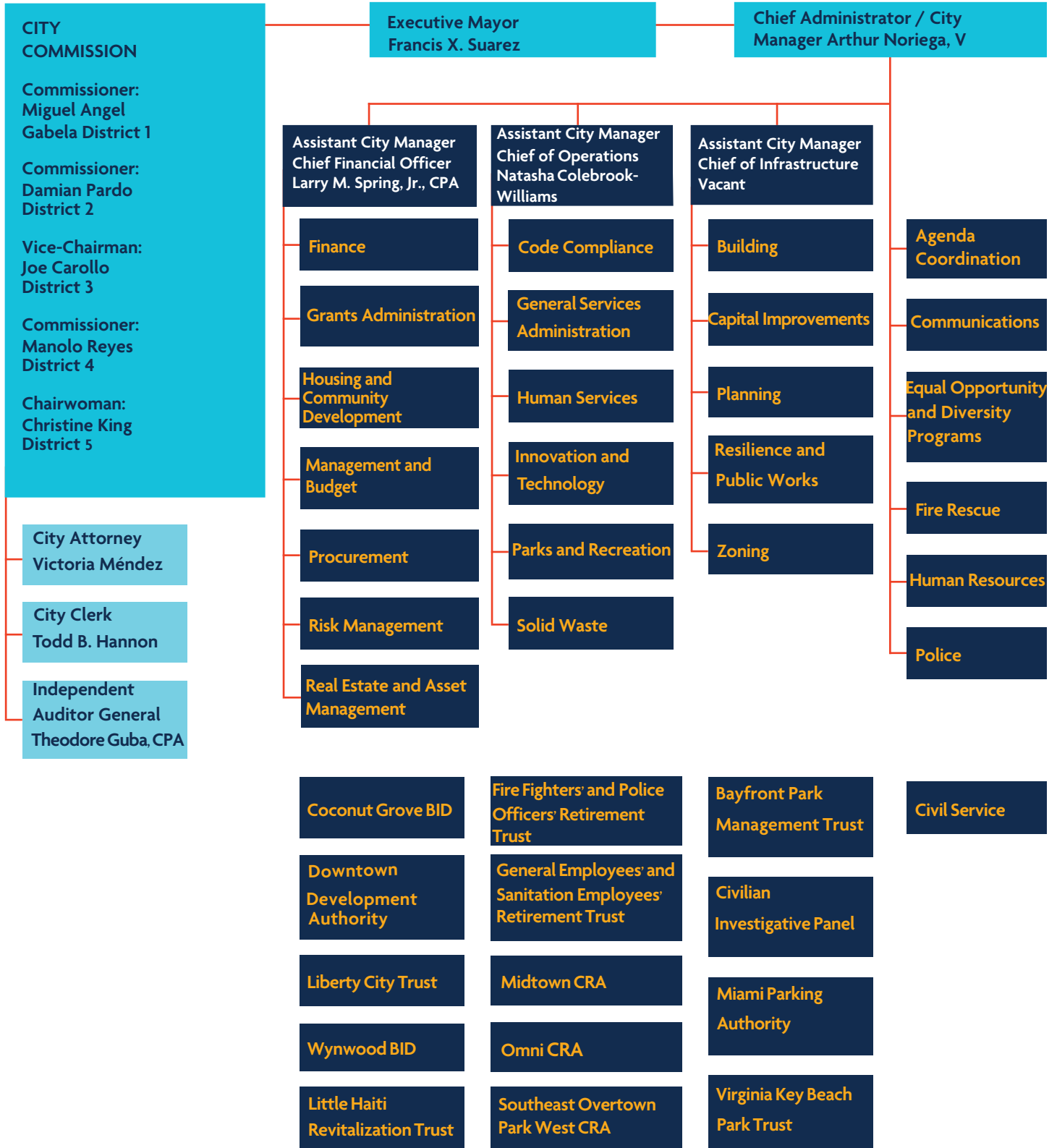
**Todd B. Hannon**  
City Clerk



**Victoria Méndez**  
City Attorney

# CITY ORGANIZATIONAL CHART

# POPULAR ANNUAL FINANCIAL REPORT 2023





# GEOGRAPHIC LOCATION AND POPULATION

# POPULAR ANNUAL FINANCIAL REPORT 2023

According to the U.S. Census Bureau, the City's population in 1900 was 1,700 people. Today it is a city rich in cultural and ethnic diversity of approximately 464,225 residents according to the Bureau of Economic and Business research, University of Florida. In physical size, the City is not large, encompassing only 35.87 square miles. In population, the City is the largest of the 34 municipalities that make up Miami-Dade County.

## COMMISSION DISTRICTS



**DISTRICT 1:**  
Commissioner  
Miguel Angel Gabela



**DISTRICT 2:**  
Commissioner  
Damian Pardo



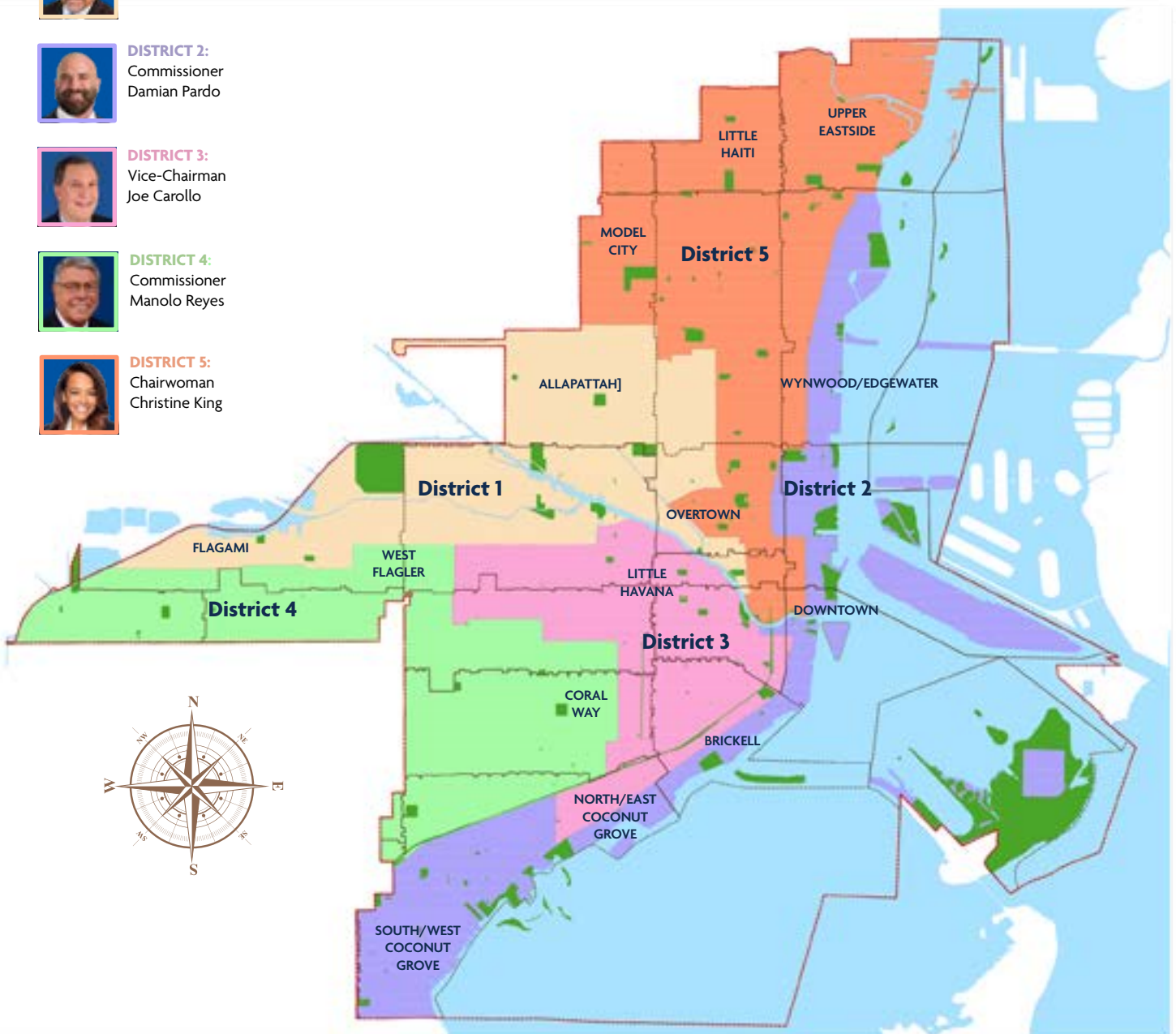
**DISTRICT 3:**  
Vice-Chairman  
Joe Carollo



**DISTRICT 4:**  
Commissioner  
Manolo Reyes



**DISTRICT 5:**  
Chairwoman  
Christine King



# MIAMI BY THE NUMBERS

## POPULAR ANNUAL FINANCIAL REPORT 2023

### CITY EMPLOYEES

4,643

### POLICE

1 Station

3 Sub-stations

### FIRE

15

Stations

### PUBLIC WORKS

661.6

Streets (miles paved)

### MIAMI AREA

35.87

Sq. Miles

### PARK & RECREATION

164 Parks

43 Community Centers

### POPULATION

464,225

The City of Miami is the largest of 34 municipalities that make up Miami-Dade County

The Magic City, a moniker earned for the City's rapid growth after incorporation, continues to experience growth and development. With the third-largest skyline in the United States, the City is the heart of South Florida and continues to display impressive growth, emerging as a global city. Miami is a major center of commerce, culture, entertainment, the arts, and international trade, leveraging the City's proximity to Latin American markets. Furthermore, Miami continues to be a hub for international business and one of the largest concentrations of international banks in the United States.

In January of 2024, the Florida Commerce announced that the Miami metro area gained the highest number of private sector jobs over the year among all metro areas, increasing by 3.8 percent. The unemployment rate was reported at 1.4 percent, which is 0.5 percentage point decrease from the January 2023 rate of 1.9 percent.

The Miami metro area led all metro areas in job gains over the year in five industry sectors—leisure and hospitality, increasing by 12,200 jobs; construction, increasing by 4,500 jobs; professional and business services, increasing by 4,500 jobs; financial activities, increasing by 3,600 jobs; and manufacturing, increasing by 2,300 jobs. The industries gaining the most jobs over the year were leisure and hospitality and education and health services, increasing by 10,100 jobs.

The Miami area economy has demonstrated an ability to bounce back from past challenges, benefiting from continuous strong immigration, resilient domestic and international tourism, and leveraging various intrinsic strengths including its deep trade and transportation infrastructure and access to Latin American markets.





Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Miami  
Florida**

For its Annual Financial Report  
For the Fiscal Year Ended

September 30, 2022

A handwritten signature in cursive script, reading 'Christopher P. Morrill'.

Executive Director/CEO

The Government Finance Officers Association of The United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Miami, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

A GFOA award in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

The City of Miami, Florida was also awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report for year ended September 30, 2022. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is also valid for a period of one year. We believe our Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement program requirements, and we have also submitted our Annual Comprehensive Financial Report for the current year to the GFOA.





# 1

## END OF FEBRUARY

Department Budget Submittals

# 2

## MARCH

Mayor delivers "State of the City" address to City residents

# 3

## APRIL THROUGH MAY

Budget workshops are conducted with the department and budget analysts. Public Hearings are held for citizen's comments.

# 4

## JULY

Proposed Budget is finalized and introduction of Budget Ordinance to the City Commission. Commission also votes on the proposed millage rate.

# 5

## SEPTEMBER

Review of Budget Ordinance and Public Hearings with City Manager and department directors

# 6

## LATE SEPTEMBER

Adoption of Budget Ordinance

The annual budget serves as the foundation for the City's financial planning and control. The City's fiscal year is from October 1st to September 30th. The Mayor is required to prepare and deliver a budgetary address annually to the residents of the City.

The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30th preceding the beginning of the fiscal year on October 1st.

Budgets are monitored at varying levels of classification detail that include both personnel and operating as appropriation designations; however, budgetary control is legally maintained at the fund level, except for the general fund, which is maintained at the departmental operating level.



# FINANCIAL HIGHLIGHTS

# POPULAR ANNUAL FINANCIAL REPORT 2023

The information provided is summarized and represents only selected funds; therefore, it is not in accordance with generally accepted accounting principles (GAAP) and is not intended to represent all of the City's component units. The following table is a summary of select financial data for the past two fiscal years:

## FINANCIAL SUMMARY

### GOVERNMENTAL ACTIVITIES

NET POSITIONS	2023	2022
Assets	\$ 2,464,061,735	\$ 2,299,105,624
Deferred Outflows	679,623,620	712,257,594
Liabilities	3,304,991,327	3,111,775,783
Deferred Inflows	705,994,135	794,384,888
<b>Total Net Position (Deficit)</b>	<b>(867,300,107)</b>	<b>(894,797,454)</b>
<b>REVENUES</b>		
Governmental Activities	1,373,983,040	1,227,856,410
<b>Total Revenues</b>	<b>1,373,983,040</b>	<b>1,227,856,410</b>
<b>EXPENSES</b>		
Governmental Activities	1,346,485,693	1,213,665,001
<b>Total Expenditures</b>	<b>1,346,485,693</b>	<b>1,213,665,001</b>
<b>CAPITAL ASSETS</b>		
Governmental Activities	1,151,953,839	1,110,009,806
<b>Total Capital Assets</b>	<b>1,151,953,839</b>	<b>1,110,009,806</b>
<b>LONG-TERM OBLIGATIONS</b>		
Governmental Activities	442,964,442	479,842,688
<b>Total Long-Term Obligations</b>	<b>\$ 442,964,442</b>	<b>\$ 479,842,688</b>

Governmental activities of the City – general government, planning, and development, community development, community redevelopment areas, public works, public safety, public facilities, parks and recreation, interest on long-term debt, lease financing.

# THE CITY'S NET POSITION

# POPULAR ANNUAL FINANCIAL REPORT 2023

The Government-wide Balance Sheet, known as the Statement of Net Position, presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Increases and decreases in net position serve as an indicator of the City's financial position and of the results of the City's operations.

The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the 2023 fiscal year by approximately \$867.3 million (net position deficit).

One portion of the City's net position is its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), which is reported net of accumulated depreciation, less any related debt used to construct or acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are typically not used to liquidate these liabilities. As of September 30, 2023, the City's net investment in capital assets was approximately \$780.8 million.

An additional portion of the City's net position represents resources that are subject to restrictions on how they may be used. As of September 30, 2023, the City's portion of restricted net position was approximately \$448.6 million.

The remaining portion of the City's net position represents an unrestricted net deficit of approximately \$2.1 billion, which is primarily due to outstanding liabilities for which there are no off-setting assets, which include claims payable, net pension liability, total OPEB liability, and compensated absences. At the end of the current fiscal year, the City's overall net position increased by approximately \$27.5 million compared to the prior fiscal year.

## STATEMENT OF NET POSITION GOVERNMENT ACTIVITIES

ASSETS	2023	2022	CHANGE (\$)	CHANGE (%)
Current and Other Assets	\$ 1,312,107,896	\$ 1,189,095,818	\$ 123,175,613	10.36%
Capital Assets	1,151,953,839	1,110,009,806	41,944,033	3.78%
<b>Total Assets</b>	<b>2,464,061,735</b>	<b>2,299,105,624</b>	<b>165,119,646</b>	<b>7.18%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>679,623,620</b>	<b>712,257,594</b>	<b>(32,633,974)</b>	<b>-4.58%</b>
<b>LIABILITIES</b>				
Other Liabilities				
Long-Term Liabilities	301,655,281	326,933,135	(11,880,208)	-3.63%
	3,003,336,046	2,784,842,648	200,966,488	7.22%
<b>Total Liabilities</b>	<b>3,304,991,327</b>	<b>3,111,775,783</b>	<b>189,086,280</b>	<b>6.08%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>705,994,135</b>	<b>794,384,888</b>	<b>(88,390,753)</b>	<b>-11.13%</b>
<b>NET POSITION (Deficit)</b>				
Net Investment in Capital Assets				
Restricted	780,830,574	715,473,122	50,963,573	7.12%
Unrestricted (Deficit)	448,588,697	397,310,704	51,277,993	12.91%
	(2,096,719,378)	(2,007,581,280)	(70,451,420)	3.51%
<b>Total Net Position (Deficit)</b>	<b>\$ (867,300,107)</b>	<b>\$ (894,797,454)</b>	<b>\$ 31,790,146</b>	<b>-3.55%</b>

# GOVERNMENT FUND EXPENSES

# POPULAR ANNUAL FINANCIAL REPORT 2023

## WHERE DOES THE MONEY GO?

During fiscal year 2023, expenses for governmental activities increased by \$132.8 million, which is an increase of 10.9 percent in comparison to the 1.1 percent increase in expenses in the prior year. Expenses for General Government experienced the most significant increase of \$96.8 million or 69.2 percent during the current fiscal year primarily due to a \$27 million debt payment to the Port of Miami, \$12 million of Public Official insurance, and overall increases in personnel and payroll related expenses. There were also noteworthy increases in Planning and Development of \$24 million or 90.9 percent, Community Redevelopment Areas of \$35.2 million or 75.6 percent, Parks and Recreation of \$37.7 million or 90.1 percent, Public Works of \$12.3 million or 10.1 percent, and Public Facilities of \$7.8 million or 42.9 percent during the current fiscal year. All other areas (Community Development, Public Safety, and Interest on Long-Term Debt) experienced decreases.

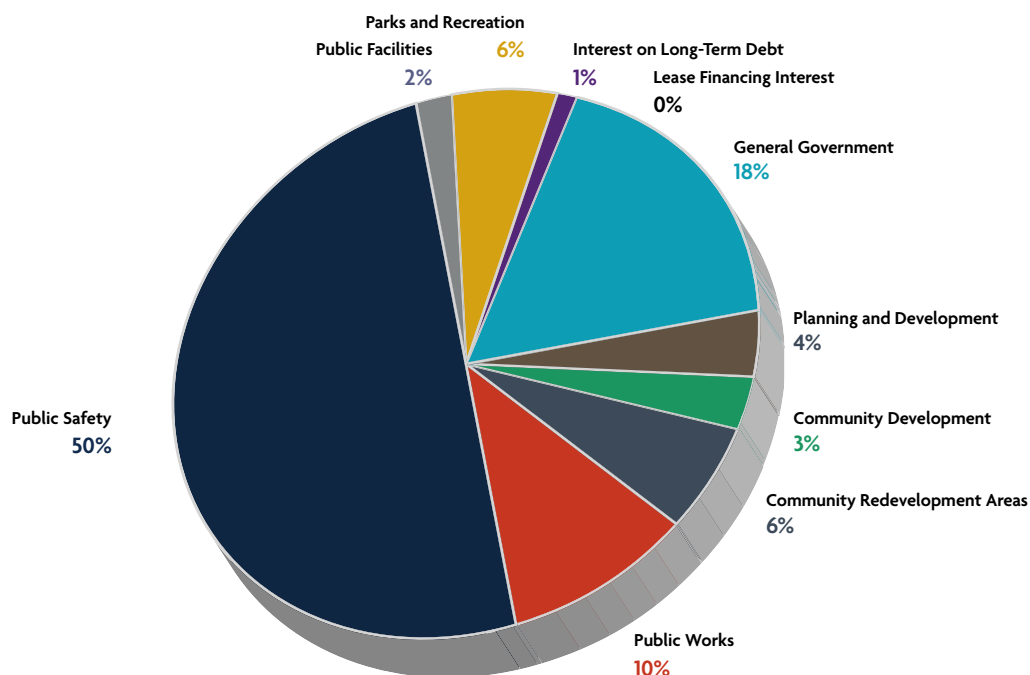
The following schedule reflects a summary of expenses compared to the prior year:

## TOTAL EXPENSES

### GOVERNMENTAL ACTIVITIES

EXPENSES	2023	2022	2021
General Government	\$ 236,646,089	\$ 139,895,526	\$ 181,802,024
Planning and Development	50,292,697	26,342,054	32,322,698
Community Development	45,708,781	64,951,670	49,845,139
Community Redevelopment Areas	81,701,184	46,524,287	41,687,355
Public Works	134,553,426	122,261,123	128,492,915
Public Safety	675,352,316	736,037,131	693,848,367
Public Facilities	26,006,068	18,193,540	20,286,822
Parks and Recreation	79,559,292	41,850,258	60,233,253
Interest on Long-Term Debt	16,212,390	17,603,609	18,690,842
Lease Financing Interest	453,450	5,803	

<b>Total Expenses</b>	<b>\$1,346,485,693</b>	<b>\$1,213,665,001</b>	<b>\$1,227,209,415</b>
-----------------------	------------------------	------------------------	------------------------





# GOVERNMENT FUND REVENUES

# POPULAR ANNUAL FINANCIAL REPORT 2023

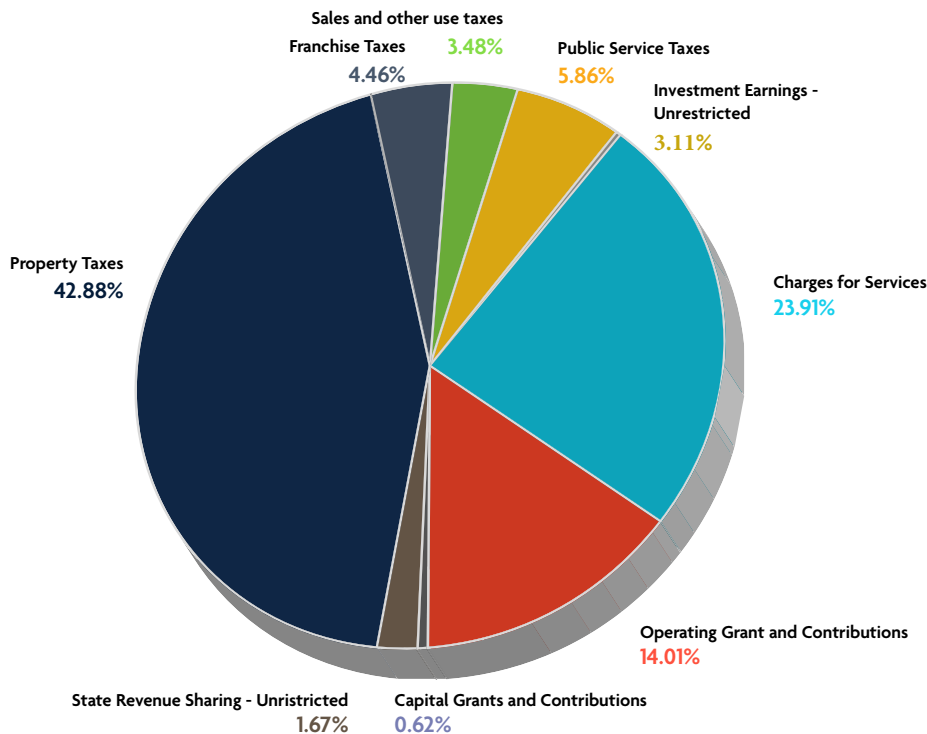
## WHERE DOES THE MONEY COME FROM?

During fiscal year 2023, total revenues for governmental activities increased over the prior year by \$146.1 million and were more than the total expenses for the governmental activities. Specifically, property taxes increased over the prior year by \$58.9 million, an increase of 11.1 percent, which was primarily driven by new construction. Also, Charges for Services increased by 8.4 percent over the prior year primarily driven by the economy's continued recovery from the effects of the COVID 19 pandemic. Investment Earnings also increased significantly over the prior year by \$45.2 million, an increase of 1,775 percent, which was primarily driven by improvement in market conditions from the economy's post pandemic rebounding and higher interest rates.

The following schedule reflects a summary of revenue compared to the prior year:

## TOTAL REVENUES

GOVERNMENTAL ACTIVITIES			
PROGRAM REVENUES	2023	2022	2021
Charges for Services	\$ 328,507,751	\$ 302,932,638	\$ 242,502,030
Operating Grants and Contributions	192,529,223	190,492,332	162,278,864
Capital Grants and Contributions	8,554,132	8,060,969	19,238,489
<b>GENERAL REVENUE</b>			
Property Taxes	589,219,768	530,270,191	505,088,763
Franchise Taxes	61,217,502	57,001,420	50,339,450
State Revenue Sharing - Unrestricted	23,010,534	22,494,052	18,716,613
Sales and Other Use Taxes	47,769,337	49,108,943	40,024,004
Public Service Taxes	80,527,456	70,042,172	65,846,228
Investment earnings/(losses) - unrestricted	42,647,337	(2,546,307)	1,056,799
<b>Total Revenues</b>	<b>\$ 1,373,983,040</b>	<b>\$ 1,227,856,410</b>	<b>\$ 1,105,091,240</b>



# SUMMARY OF CAPITAL ASSETS

# POPULAR ANNUAL FINANCIAL REPORT 2023

## INVESTING IN OUR COMMUNITY

The City's capital assets as of September 30, 2023, is \$1.2 billion. Capital assets include land, buildings, improvements, machinery, equipment, and infrastructure. The total increase in capital assets from the end of the prior fiscal year is approximately \$41.9 million.

### Major capital asset events during the current fiscal year included the following:

- Land increased approximately \$6.2 million.
- Construction in progress increased approximately \$42.9 million. The total transfers out and deletions of construction in progress amounted to approximately \$48.9 million; however, there were additions of approximately \$91.8 million in new expenditures.
- Buildings decreased by approximately \$6.7 million. The decrease is primarily attributed to \$7.6 million in depreciation expense.
- Improvements increased by approximately \$3.4 million. The projects completed during the fiscal year and transferred from construction in progress totaled \$9.1 million. There was also an addition of \$0.2 million. These transfers and additions are offset by approximately \$5.9 million of depreciation expense incurred for the current fiscal year.
- Machinery and Equipment decreased by approximately \$4.7 million. There was \$11.5 million in additions, primarily attributed to the acquisition of Fire, Police, Public Works, GSA, and Solid Waste light and heavy fleet vehicles and Police and Fire equipment. These expenditures are offset by \$7.3 million in retirements and approximately \$9.0 million in depreciation expense for the current fiscal year.
- Infrastructure increased by approximately \$0.8 million. The projects completed during the fiscal year and transferred from construction in progress totaled \$33.1 million and were primarily for roadway improvements and water control projects. This was offset by \$32.3 million in net depreciation expense for the current fiscal year.
- The City also reported right of use lease and SBITA assets at year end of \$13.4 million.

## CAPITAL ASSETS (NET OF DEPRECIATION)

### GOVERNMENTAL ACTIVITIES

	2023	2022
Land	\$ 135,987,655	\$ 129,779,204
Construction-in-Progress	304,849,813	261,904,470
Buildings	178,612,324	185,280,904
Improvements	49,669,481	46,266,327
Machinery and Equipment	53,274,971	57,989,784
Infrastructure	429,559,595	428,789,117
<b>Total Capital Assets</b>	<b>\$ 1,151,953,839</b>	<b>\$ 1,110,009,806</b>

# LONG-TERM OBLIGATIONS

# POPULAR ANNUAL FINANCIAL REPORT 2023

As of September 30, 2023, the City's long-term obligations totaled \$3.1 billion. Of this amount, \$109.1 million is due within one year. The long-term obligations for the City include claims payable, debt, compensated absences, net pension liability, other post-employment benefit (OPEB) obligations, and leases and SBITA.

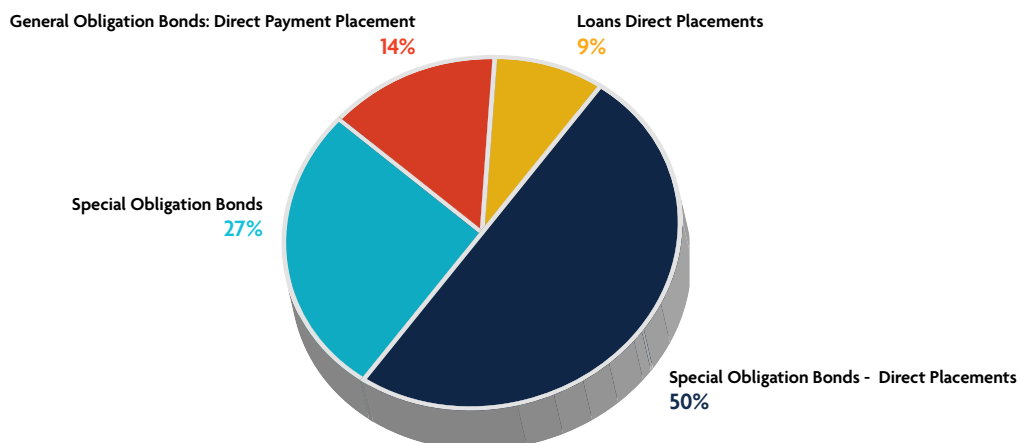
The claims payable balance of \$241.6 million includes an accrual of \$1.6 million for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution, \$37.2 million for potential legal claims and \$202.8 million in connection with the City's self-insurance program.

## GOVERNMENTAL ACTIVITIES

LONG-TERM OBLIGATIONS	Ending Balance as of September 30, 2023	Amount Due Within One Year
General Obligation Bonds – Direct Placement	\$ 63,025,000	\$ 11,255,000
Special Obligation Bonds – Direct Placement	220,114,069	17,517,670
Loans – Direct Placement	39,265,373	10,052,065
Special Obligation Bonds	120,560,000	7,170,000
<b>Total Debt Outstanding</b>	<b>442,964,442</b>	<b>45,964,735</b>
Bond Premium (Discounts)	4,207,668	
Compensated Absences	98,935,008	11,011,161
Claims Payable and other liabilities	241,620,610	50,186,915
Other Post-Employment Benefits	846,025,511	
Net Pension Liability	1,465,095,098	
Lease and SBITA Liability	13,625,178	1,998,268
Arbitrage Rebate Liability	23,610	
<b>Total Long-Term Obligations</b>	<b>\$ 3,112,497,125</b>	<b>\$ 109,161,079</b>

The City had total debt outstanding of \$443.0 million plus \$4.2 million of unamortized bond premiums as of September 30, 2023. Of this amount, \$63 million is backed by the Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation Bonds and loans secured solely by Non-Ad Valorem Revenue sources.

## LONG TERM DEBT



## TYPES OF RISK

**Interest Rate Risk** - the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates.

**Credit Rate Risk** – the risk that the City will not recover its investments due to the inability of the issuer to fulfill its obligation.

**Custodial Credit Risk** – the risk that, in the event of failure of the issuer, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in possession of an outside party.

## WAYS THE CITY MITIGATES RISK

**Interest Rate Risk** - to limit its exposure to fair value losses arising from rising interest rates, the City's Investment Policy limits the maturity of an investment to a maximum of five years.

**Credit Rate Risk** – in order to prevent over concentration by investment type, the City's Investment Policy provides for diversification of its portfolio which establishes limitations on portfolio composition by investment type and by issuer.

**Custodial Credit Risk** – the City's Investment Policy requires that all securities be registered in the name of the City and be held with a third party custodian. The policy also requires that all securities purchased and all collateral obtained by the City should be properly designated as an asset of the City.

As of September 30, 2023, pooled cash, cash equivalents and investments including restricted amounts of the primary government, exclusive of the Pension Trust Funds and discrete component units balances, consisted of the following:

Investment Type	Balance	Standard & Poor's Rating	Moody's Rating
United States Treasury Notes	\$ 366,738,506	AA+	Aaa
Federal National Mortgage Association	6,846,387	AA+	Aaa
Federal Home Loan Mortgage Corporation	1,995,880	AA+	Aaa
Federal Farm Credit Bank	10,402,283	AA+	Aaa
Federal Home Loan Bank	129,318,945	AA+	Aaa
Corporate Notes	44,181,366	A-	A3
Commercial Paper	171,565,900	A-1	P-1
Money Market Fund	35,212	AAAm	Aaa-mf
<b>Total Investments</b>	<b>731,084,479</b>		
<b>Bank Deposits</b>	<b>195,894,177</b>		
<b>Total Pooled Cash, Cash Equivalents and Investments</b>	<b>\$ 926,978,656</b>		



The following is a description of the City’s fund balance classifications:

**Non Spendable Fund Balance** – This amount includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of this would be inventory, prepaid assets, and permanent endowments.

**Restricted Fund Balance** – This amount includes amounts that are restricted to specific purposes stipulated by (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed Fund Balance** – This amount includes amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the City’s highest level of decision making authority, which is the City Commission. Once adopted by resolution, a resolution can only be revised or removed by adoption of a new resolution.

**Assigned Fund Balance** – This amount includes amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made directly by formal action of the City Commission.

**Unassigned Fund Balance** – This amount is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. An assigned fund balance cannot result in an unassigned fund balance deficit.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the City’s total General Fund balance was \$216.0 million. Of this amount, the City has approximately \$133.4 million retained as designated fund balance, which includes \$43.2 million as restricted, approximately \$51.9 million is reported as non-spendable for prepaid expenses and advances, approximately \$38.3 million is designated as assigned fund balance, and approximately \$82.6 million is unassigned fund balance in accordance with the City’s Financial Integrity Ordinance.

The General Fund’s fund balance had a net increase of approximately \$27.8 million during the current fiscal year. Although expenditures increased by \$54.8 million, the increase was offset by an increase in revenues of \$109.9 million and an increase in other financing sources totaling \$58.1 million, which resulted in the net increase of the General Fund balance.

## FUND BALANCE - GENERAL FUND

	2023	2022
Non Spendable	\$ 51,871,577	\$ 37,893,799
Restricted	43,250,983	61,238,332
Committed	-	-
Assigned	38,275,173	10,779,271
Unassigned	82,598,671	78,330,228
<b>Total Fund Balances</b>	<b>\$ 215,996,404</b>	<b>\$ 188,241,630</b>

**Current and Other Assets:**

Assets such as cash, investments, receivables and inventory that can be converted to cash within one year.

**Current Liabilities:**

Debts that can be paid off in one year or less, such as accounts payable and accrued payroll.

**Deferred Inflows of Resources:**

An acquisition of net position by the government that is applicable to a future reporting period.

**Deferred Outflows of Resources:**

A consumption of net position by the government that is applicable to a future reporting period.

**Expenses/Expenditures:**

Money spent or costs incurred through the city's operations.

**Fund:**

A self-balancing set of accounts which are segregated for specific activities or objectives. Funds are often referred to as "buckets."

**Fund Balance:**

The difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources of a fund.

**General Fund:**

The chief operating fund of the city.

**Government Finance Officers Association (GFOA):**

Organization which represents public finance officials and promotes excellence in public finance by providing best practice guidance, recognition programs, research, and training.

**Long-Term Liabilities:**

Represents mainly debt obligations of the city.

**Millage Rate:**

Dollars of tax per \$1,000 of taxable value.

**Net Position:**

The difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources for the city as a whole.

**Prior Period Adjustment:**

The correction of an error or retroactive application of a new accounting rule.

**Revenues:**

Income from taxes and charges to individuals who purchase, use, or benefit from goods or services.





CITY OF MIAMI, FLORIDA

# POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

 [twitter.com/ miamifinance305](https://twitter.com/miamifinance305)

[www.miami.gov](http://www.miami.gov)