

POPULAR ANNUAL FINANCIAL REPORT CITY OF MIAMI, FLORIDA



FISCAL YEAR ENDED
September 30, 2020



Prepared By:

THE FINANCE DEPARTMENT

Erica T. Paschal, CPA
Director

Munirah Daniel, CPA
Assistant Director

Noel Ramos
Controller

Armando J. Blanco
Treasurer



**POPULAR
ANNUAL
FINANCIAL REPORT**

City of Miami, Florida

FISCAL YEAR ENDED
September 30, 2020



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FINANCIAL REPORT**
CITY OF MIAMI, FLORIDA



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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 2020 Comprehensive Annual Financial Report, with selected information from Comprehensive Annual Financial Report's prepared for earlier years.

The Comprehensive Annual 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 Comprehensive Annual 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 Comprehensive Annual 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
COMPREHENSIVE ANNUAL
FINANCIAL REPORT AND
POPULAR ANNUAL FINANCIAL
REPORT (PAFR) PLEASE VISIT:**

**[http://archive.miamigov.com/Finance/
financialInfo.html](http://archive.miamigov.com/Finance/financialInfo.html)**

COVER PHOTOS

Various stock photos of Miami locations:
Maimi Design District
Downtown skyline
Carribbean Marketplace, Little Haiti

The Finance Department would like to extend a special recognition to Richard Rios, GSA-Graphics Reproduction Division, for his 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 OUR CITY



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 124 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. Thus, the terms are staggered so that there are always at least two experienced members of the commission. 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 projects, solid waste collection, building inspections, licenses and permits, code compliance, the construction and maintenance of streets, housing and community development, recreational and cultural activities, human services, trolley services, and resilience and sustainability initiatives.

CITY OF MIAMI, FLORIDA



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



Alex Díaz de la Portilla
Commissioner - District 1



Ken Russell
Commissioner - District 2
Vice-Chairman



Joe Carollo
Commissioner - District 3



Manolo Reyes
Commissioner - District 4



Jeffrey Watson
Commissioner - District 5



Arthur Noriega V
City Manager

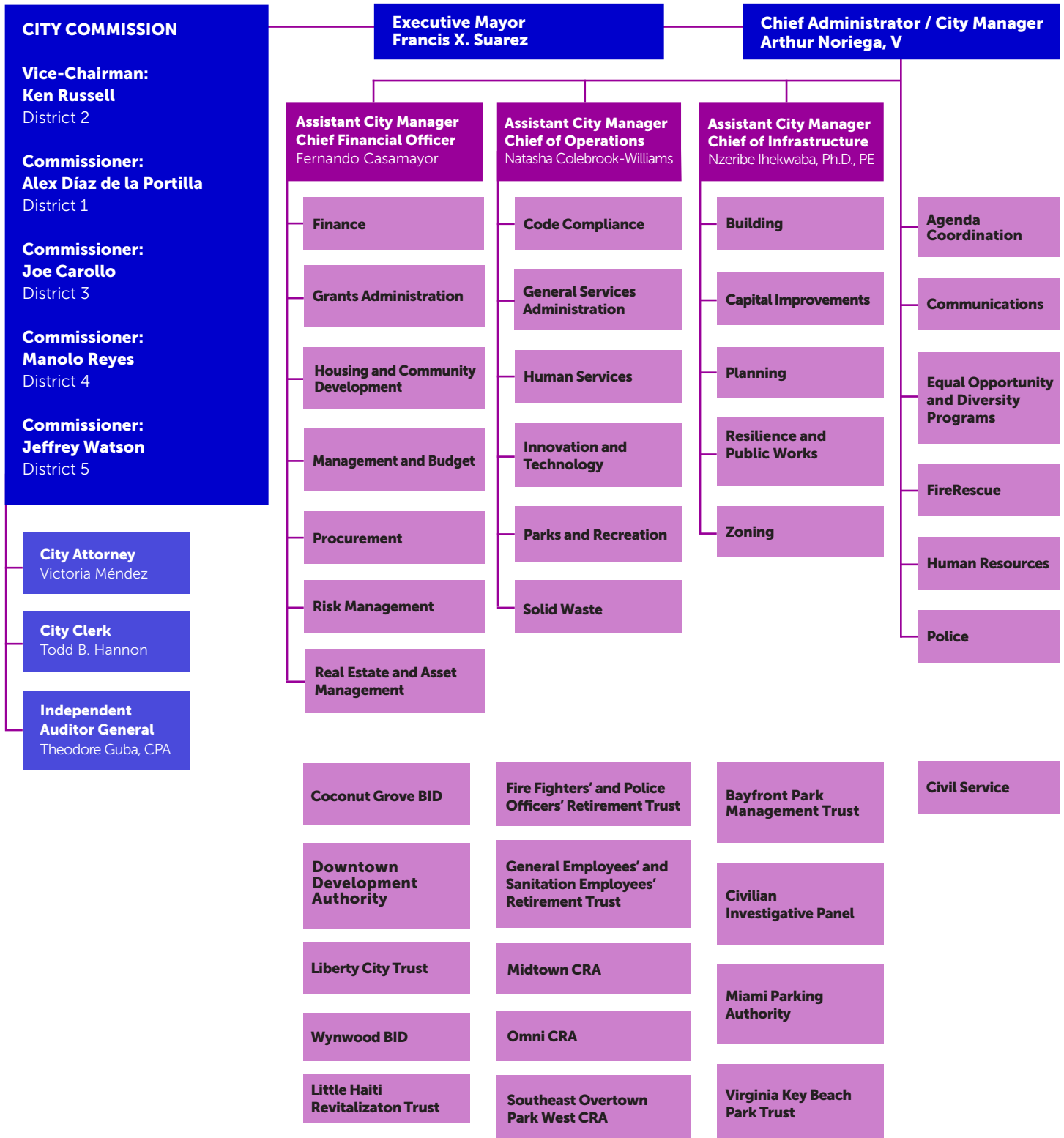


Todd B. Hannon
City Clerk



Victoria Méndez
City Attorney

CITY ORGANIZATIONAL CHART



GEOGRAPHIC LOCATION AND POPULATION



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 497,924 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
Alex Díaz de la Portilla



DISTRICT 2:
Vice-Chairman
Ken Russell



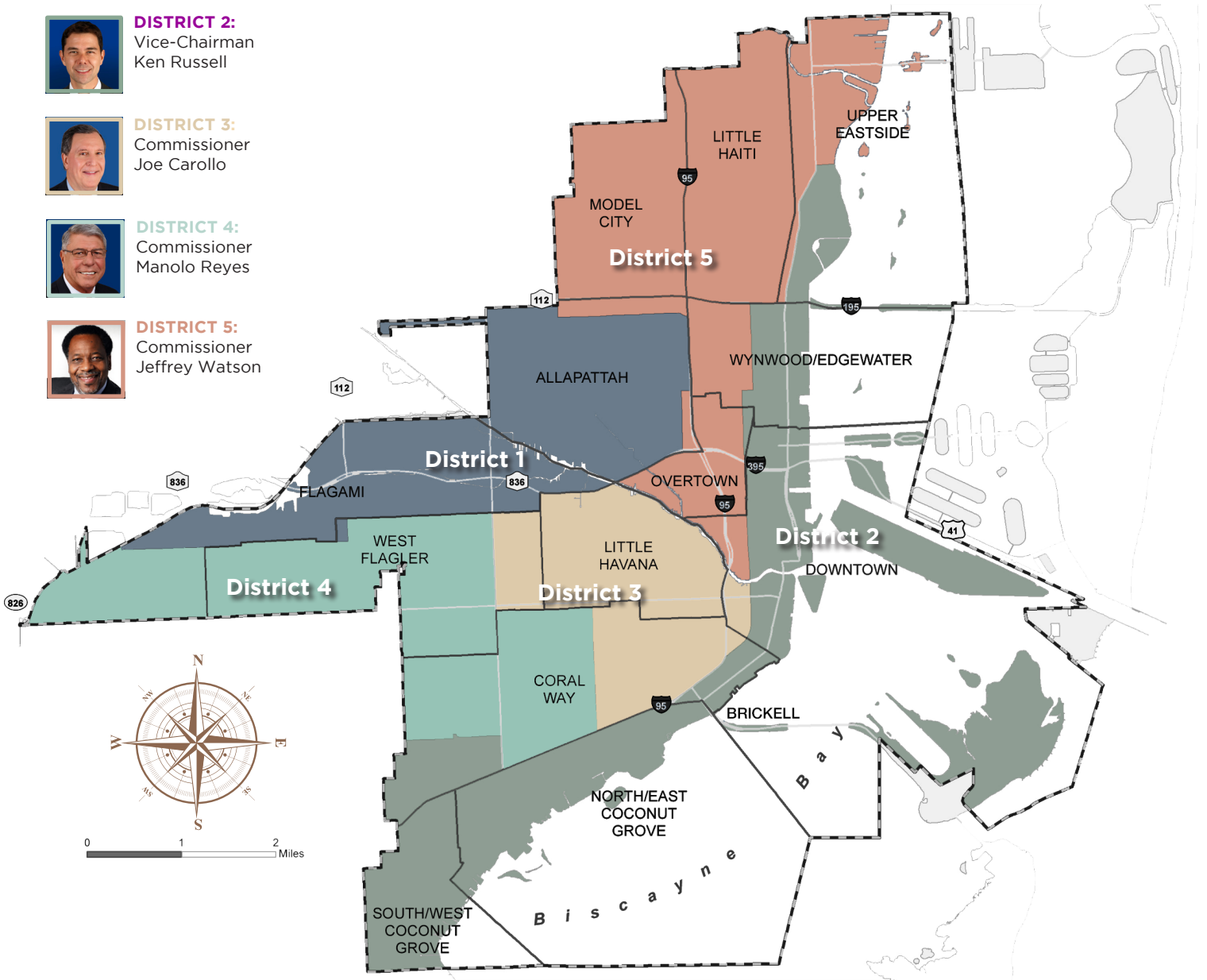
DISTRICT 3:
Commissioner
Joe Carollo



DISTRICT 4:
Commissioner
Manolo Reyes



DISTRICT 5:
Commissioner
Jeffrey Watson

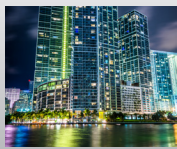


MIAMI BY THE NUMBERS



CITY EMPLOYEES

4,517



MIAMI AREA

35.87
Sq. Miles

POPULATION

497,924

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

POLICE

1 Station
3 Sub-stations

PUBLIC WORKS

661.6
Streets (miles)

FIRE

15
Stations

PARK & RECREATION

147
Parks
43
Community Centers

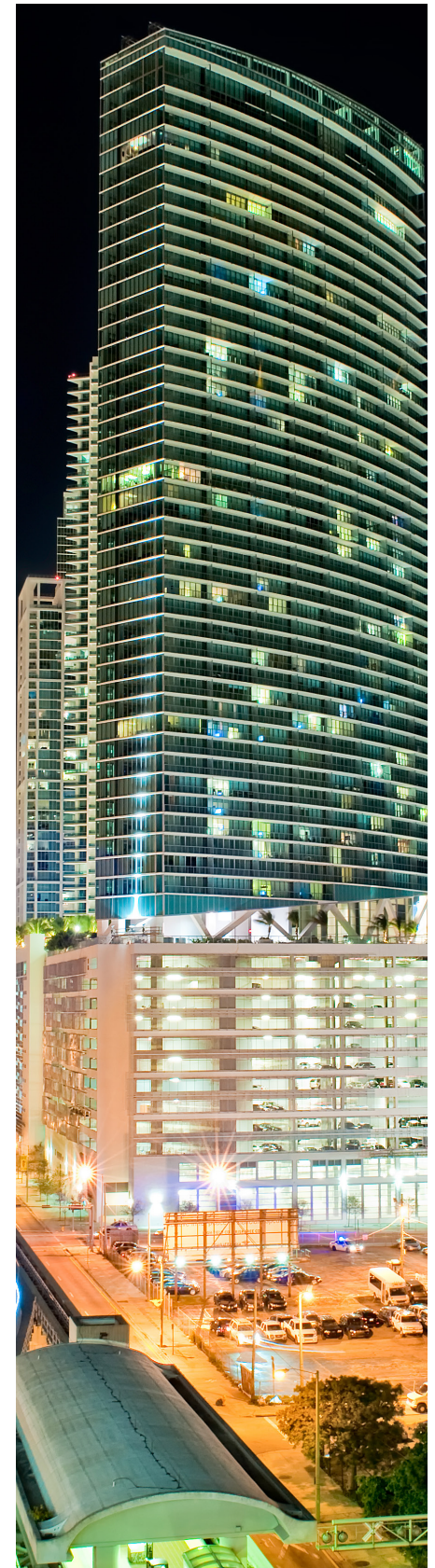
ECONOMIC OUTLOOK

With one of the tallest skylines in the United States, the City is the heart of South Florida and continues to display impressive growth, as it emerges as a global city. Miami is the core of the regional U.S. Construction, trade and transportation, financial activities, and tourism, leveraging the City's proximity to Latin American markets. Furthermore, Miami is a hub for international business and one of the largest concentrations of international banks in the United States

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 12, 2020 the City of Miami declared a State of Local Emergency due to the spread of COVID -19 in Miami-Dade County, Florida. The spread of COVID-19, a novel strain of coronavirus, has altered the behavior of business and people in a manner that is having negative effects on local, regional and global economies. The extent to which COVID-19 will continue to impact the City will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of COVID-19, the actions taken to contain COVID-19 or treat its impact, and the impact of each of these items on the economies and financial markets in the United States.

In response to the economic hardships caused by the COVID-19 Pandemic, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act). On July 9th, 2020, the Miami-Dade Board of County Commissioners unanimously approved \$10.0 million of CARES Act funds to develop a Residential Landlord and Tenant Assistance Program to support small landlords with five or fewer rental units by providing grants for rent forgiveness for tenants who are behind on rent due to the COVID-19 pandemic. On July 16th, 2020, the Miami-Dade Board of County Commissioners approved an additional \$15.0 million of CARES Act funds to provide Housing and Basic Needs assistance to veterans and active duty military members. This includes support for rent, mortgage and basic needs such as groceries.

As with most U.S. cities, but particularly important for the Miami area given its dependence on travel-related activity, economic and revenue performance are closely aligned with the progression of the virus and widespread availability of an effective vaccine or treatment. The current deployment of the COVID-19 vaccines to the population is an indicator that points towards improvement in the local economy.



ACHIEVEMENTS



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, 2019

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, 2019. 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 Comprehensive Annual Financial Report for year ended September 30, 2019. 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 Comprehensive Annual 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 Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement program requirements, and we have also submitted our Comprehensive Annual Financial Report for the current year to the GFOA.



BUDET PROCESS

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

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	2020	2019
Assets	\$ 1,816,112,772	\$ 1,815,913,383
Deferred Outflows	566,452,576	447,208,269
Liabilities	2,854,317,892	2,857,923,675
Deferred Inflows	315,118,144	120,672,038
Total Net Position (Deficit)	(786,870,688)	(715,474,061)
REVENUES		
Governmental Activities	1,024,569,536	985,703,909
Total Revenues	1,024,569,536	985,703,909
EXPENSES		
Governmental Activities	1,095,966,163	1,071,709,418
Total Expenditures	1,095,966,163	1,071,709,418
CAPITAL ASSETS		
Governmental Activities	1,092,258,711	1,094,248,044
Total Capital Assets	1,092,258,711	1,094,248,044
LONG-TERM OBLIGATIONS		
Governmental Activities	548,405,997	601,913,991
Total Long-Term Obligations	\$ 548,405,997	\$ 601,913,991

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.

THE CITY'S NET POSITION

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 2020 fiscal year by approximately \$786.9 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, 2020, the City's net investment in capital assets was approximately \$650.0 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, 2020, the City's portion of restricted net position was approximately \$394.9 million.

The remaining portion of the City's net position represents an unrestricted net deficit of approximately \$1.83 billion, which is primarily due to outstanding borrowings for which there are no off-setting assets, along with an increase in claims payable, net pension liability, and other post-employment benefits (OPEB) liability. At the end of the current fiscal year, the City's overall net position decreased by approximately \$71.4 million compared to the prior fiscal year.

STATEMENT OF NET POSITION GOVERNMENT ACTIVITIES

ASSETS	2020	2019	CHANGE (\$)	CHANGE (%)
Current and Other Assets	\$ 723,854,061	\$ 721,665,339	\$ 2,188,722	0.30%
Capital Assets	1,092,258,711	1,094,248,044	\$ (1,989,333)	-0.18%
Total Assets	1,816,112,772	1,815,913,383	199,389	0.01%
DEFERRED OUTFLOWS OF RESOURCES	566,452,576	447,208,269	119,244,307	26.66%
LIABILITIES				
Other Liabilities	232,669,627	208,420,925	24,248,702	11.63%
Long-Term Liabilities	2,621,648,265	2,649,502,750	(27,854,485)	-1.05%
Total Liabilities	2,854,317,892	2,857,923,675	(3,605,783)	-0.13%
DEFERRED INFLOWS OF RESOURCES	315,118,144	120,672,038	194,446,106	161.14%
NET POSITION (Deficit)				
Net Investment in Capital Assets	665,680,605	604,198,879	45,834,974	7.59%
Restricted	401,306,194	372,927,622	21,992,659	5.90%
Unrestricted (Deficit)	(1,853,857,487)	(1,692,600,562)	(139,224,260)	8.23%
Total Net Position (Deficit)	\$ (786,870,688)	\$ (715,474,061)	\$ (71,396,627)	9.98%

GOVERNMENT FUND EXPENSES



WHERE DOES THE MONEY GO?

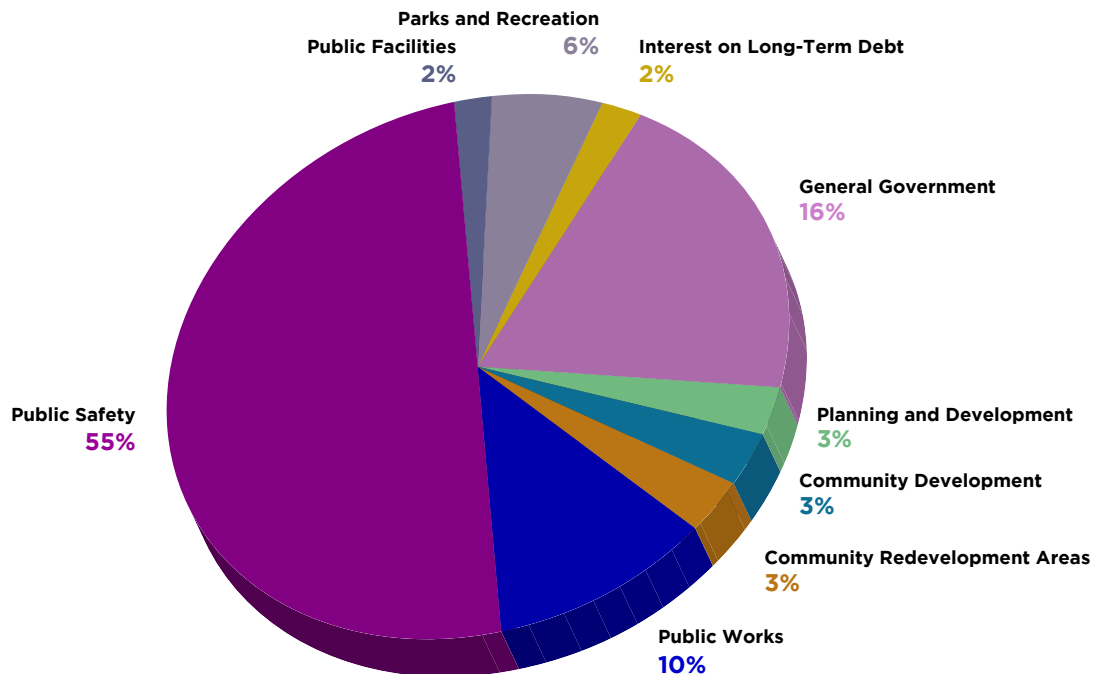
During fiscal year 2020, expenses for governmental activities increased by \$24.3 million primarily due to Public Safety expenses increasing by \$68.0 million or 12.73 percent during the current fiscal year. The increase in Public Safety expenses was offset by decreases of \$34.9 million in General Government.

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

TOTAL EXPENSES

GOVERNMENTAL ACTIVITIES

EXPENSES	2020	2019	2018 \$
General Government	\$ 177,167,727	\$ 212,030,574	190,825,241
Planning and Development	29,291,564	32,481,681	22,721,335
Community Development	29,159,537	29,885,260	28,371,102
Community Redevelopment Areas	48,200,294	39,510,779	35,272,784
Public Works	116,448,800	118,662,743	123,517,711
Public Safety	602,699,416	534,660,409	387,651,947
Public Facilities	19,575,268	20,295,788	22,371,164
Parks and Recreation	54,919,137	63,493,078	66,817,655
Interest on Long-Term Debt	18,504,420	20,689,106	25,405,481
Total Expenses	\$ 1,095,966,163	\$ 1,071,709,418	\$ 902,954,420



GOVERNMENT FUND REVENUES



WHERE DOES THE MONEY COME FROM?

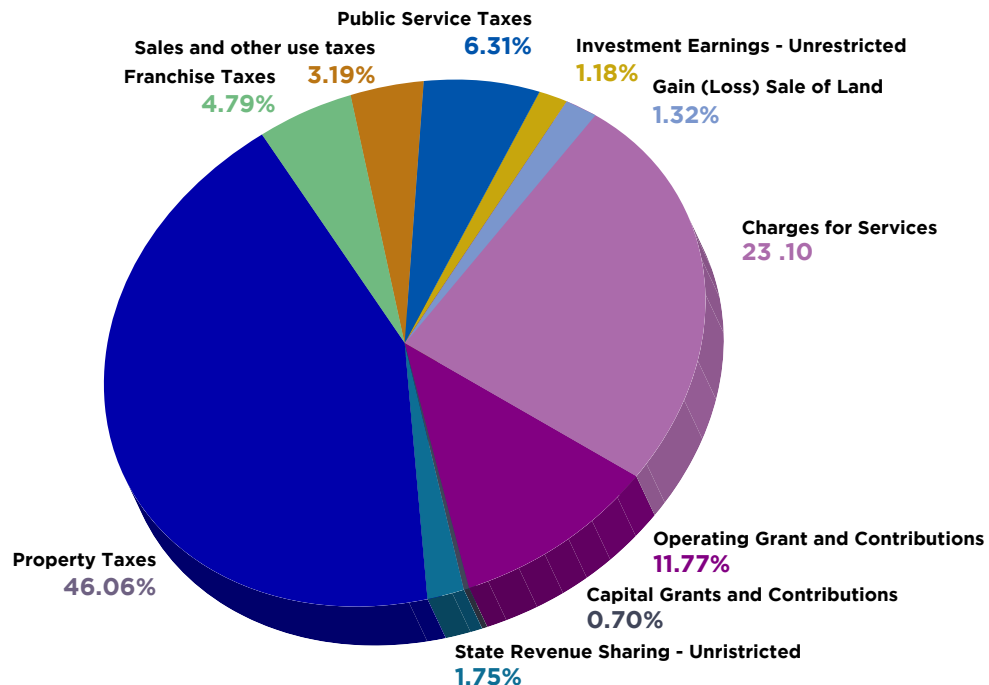
During fiscal year 2020, total revenues for governmental activities increased over the prior year but were less than the total expenses for the governmental activities. Specifically, property taxes increased over the prior year by \$44.7 million, an increase of 10.5 percent, which was primarily driven by new construction.

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

TOTAL REVENUES

GOVERNMENTAL ACTIVITIES

PROGRAM REVENUES	2020	2019	2018
Charges for Services	\$ 236,702,616	\$ 264,479,946	\$ 274,602,207
Operating Grants and Contributions	120,557,951	104,297,657	95,524,077
Capital Grants and Contributions	7,128,248	2,816,007	9,069,762
GENERAL REVENUE			
Property Taxes	471,877,220	427,204,549	397,247,874
Franchise Taxes	49,083,039	51,399,079	49,741,913
State Revenue Sharing - Unrestricted	16,310,689	17,254,032	16,380,921
Sales and Other Use Taxes	32,664,564	37,022,921	35,786,997
Public Service Taxes	64,646,386	64,160,961	64,250,989
Gain (loss) Sale of Property	13,537,217	-	-
Investment earnings/(losses) - unrestricted	12,061,606	17,068,757	9,681,342
Total Revenues	\$ 1,024,569,536	\$ 985,703,909	\$ 952,286,082



SUMMARY OF CAPITAL ASSETS



INVESTING IN OUR COMMUNITY

The City's investment in capital assets as of September 30, 2020, is \$1.1 billion. This investment in capital assets includes land, buildings, improvements, machinery, equipment and infrastructure. The total decrease in capital assets from the end of the prior fiscal year is approximately 2.0 million.

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

- Land increased approximately \$0.7 million.
- Construction in progress increased approximately \$37.7 million. The total transfers out of construction in progress amounted to approximately \$4.5 million; however, there was an addition of approximately \$42.2 million in new expenditures.
- Buildings decreased by approximately \$7.7 million. The decrease is in large part attributed to \$571 thousand in completed construction in progress projects and building acquisitions offset by \$8.2 million in depreciation expense.
- Improvements decreased by approximately \$12.5 million. These transfers and additions are offset by depreciation expense and retirements incurred for the current fiscal year which net to \$15.2 million.
- Machinery and Equipment increased by approximately \$10.8 million. There was \$35.1 million in additions and transfers, primarily attributed to the acquisition of new ambulances, boats, computers, heavy duty trucks, Police and Fire equipment. These expenditures are offset by \$8.9 million in retirements and approximately \$23.2 million in depreciation expense for the current fiscal year.
- Infrastructure decreased by approximately \$31.0 million. There was \$2.2 million in additions of drainage improvements and the construction of mini parks. These were offset by \$33.2 million in depreciation expense for the current fiscal year.

CAPITAL ASSETS (NET OF DEPRECIATION)

GOVERNMENTAL ACTIVITIES

	2020	2019
Land	\$ 121,199,691	\$ 120,473,843
Construction-in-Progress	164,334,377	126,641,268
Buildings	201,121,853	208,782,224
Improvements	65,991,842	78,474,025
Machinery and Equipment	75,258,399	64,492,823
Infrastructure	464,352,548	495,383,861
Total Capital Assets	\$ 1,092,258,711	\$ 1,094,248,044

LONG-TERM OBLIGATIONS

As of September 30, 2020, the City's long-term obligations totaled \$2.7 billion. Of this amount, \$104.8 million is due within one year. The long-term obligations for the City include claims payable, debt, compensated absences, net pension liability, and other post-employment benefit (OPEB) obligations.

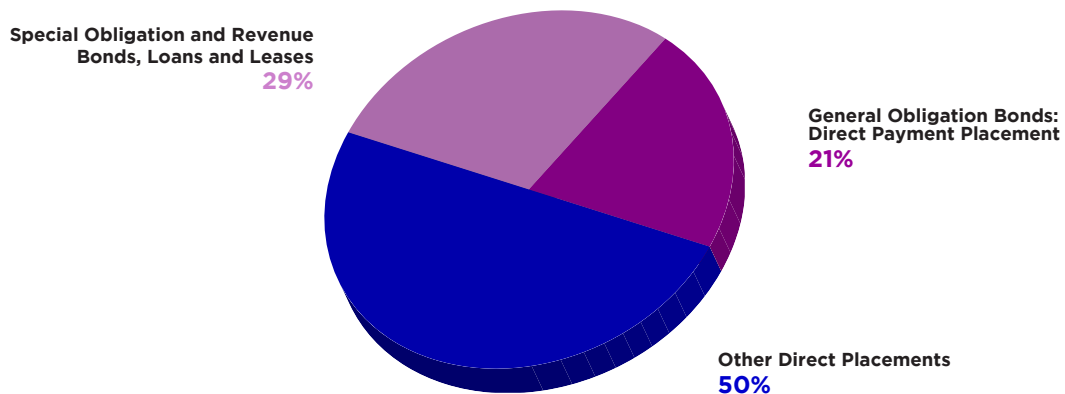
The claims payable balance of \$235.1 million includes an accrual of \$2.0 million for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution, \$49.9 million for potential legal claims and \$183.2 million in connection with the City's self-insurance program.

GOVERNMENTAL ACTIVITIES

LONG-TERM OBLIGATIONS	Ending Balance as of September 30, 2020	Amount Due Within One Year
General Obligation Bonds – Direct Placement	\$ 115,240,000	\$ 20,895,000
Other Direct Placements	276,905,997	19,035,920
Special Obligation and Revenue Bonds, Loans and Leases	156,260,000	16,660,000
Total Debt Outstanding	548,405,997	56,590,920
Bond Premium (Discounts)	6,545,073	-
Compensated Absences	74,312,829	5,846,045
Claims Payable	235,050,965	42,323,710
Other Post Employment Benefits	867,949,431	-
Net Pension Liability	994,144,647	-
Total Long-Term Obligations	\$ 2,726,408,942	\$ 104,760,675

The City had total debt outstanding of \$548.4 million plus \$6.5 million of unamortized bond premiums as of September 30, 2020. Of this amount, \$115.2 million is backed by Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation, Revenue bonds, loans and leases which are secured solely by Non-Ad Valorem Revenue sources.

LONG TERM DEBT






LONG-TERM OBLIGATIONS

During Fiscal Year 2020 the City issued \$75.5 million in Taxable Special Obligation Parking Refunding Revenue Note Series 2019 (Marlins Project), \$28.0 million Special Obligation Non-Ad Valorem Revenue Refunding Note, Taxable Series 2020 (Port of Miami Tunnel Project) and \$9.3 million Vehicle Replacement Program Series 2020.

CREDIT RATINGS

There are three major rating agencies that evaluate thousands of issuers and their municipal bonds. The agencies are Moody's, Standard and Poor's (S&P), and Fitch Ratings. The ratings agencies assign ratings such as AAA and other ratings. The objective of the rating agency is to assign a municipal bond credit rating to make it faster for market participants to evaluate risk. A bond's credit rating is the rating agency's opinion as to the creditworthiness of the bond's issuer. Each rating agency produces a ratings scale. The table below shows the City's latest ratings as determined by the three national rating agencies (Moody's, Standard & Poor's, and Fitch Ratings) as of September 30, 2020:

City of Miami Bond Ratings

ISSUE			
Limited General Obligation	Aa2	AA-	A-
Marlins Garage	Aa3	AA-	A+
Special Obligation (NAV)	Aa3	AA-	A+
Street and Sidewalks	A2	A	AA-



WIKIPEDIA
The Free Encyclopedia

BOND CREDIT RATING

In investment, the bond credit rating represents the credit worthiness of corporate or government bonds. It is not the same as individual's credit score. The ratings are published by credit rating agencies and used by investment professionals to assess the likelihood the debt will be repaid. Credit rating is a highly concentrated industry with the two largest rating agencies — Moody's Investors Service, Standard & Poor's — having roughly 80% market share globally, and the "Big Three" credit rating agencies — Moody's, S&P and Fitch Ratings — controlling approximately 95% of the ratings business."

Moody's		S&P		Fitch		Rating description		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term			
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime	Investment-grade	
Aa1		AA+		AA+		High grade		
Aa2		AA		AA		High grade		
Aa3		AA-		AA-		High grade		
A1		A+		A+		Upper medium grade		
A2	A	A	Upper medium grade					
A3	P-2	A-	A-2	A-	F2	Upper medium grade		
Baa1		BBB+		BBB+		Lower medium grade		
Baa2		BBB		BBB		Lower medium grade		
Baa3	P-3	BBB-	A-3	BBB-	F3	Lower medium grade		
Ba1		BB+		BB+		Non-investment grade speculative		
Ba2		BB		BB				
Ba3		BB-		BB-				
B1		B		B+			B	B
B2				B				B
B3				B-				B-

CASH AND INVESTMENTS

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, 2020, 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	\$169,602,749	AA+	Aaa
Federal National Mortgage Association	14,646,315	AA+	Aaa
Federal Home Loan Mortgage Corp.	17,795,815	AA+	Aaa
Federal Home Loan Bank	41,201,496	AA+	Aaa
Corporate Notes	44,878,661	A-	A3
Commercial Paper	99,965,300	A-1	P-1
Supranational Notes	19,895,758	AAA	Aaa
Money Market Fund	3,473,608	AAAm	Aaa-mf
Total Investments	411,459,702		
Bank Deposits	233,733,791		
Total Pooled Cash, Cash Equivalents and Investments	\$645,193,493		

FUND BALANCE

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 \$196.6 million. Of this amount, the City has approximately \$122.7 million retained as designated fund balance, which includes 96.4 million as restricted, approximately \$13.8 million is reported as non-spendable for prepaid expenses and advances, approximately \$12.5 million is designated as assigned fund balance, and approximately \$73.9 million is unassigned fund balance in accordance with the City's Financial Integrity Ordinance.

The General Fund's fund balance had a net decrease of approximately \$3.4 million during the current fiscal year. Although expenses saw a decrease of \$8.6 million, revenues also decreased by \$19.0 million. COVID-19 Pandemic negatively impacted the collection of General Fund Revenues, specifically Intergovernmental Revenues and Charges for Services. Intergovernmental Revenues includes revenues from the Miami Parking Authority, Half Cent Sales Tax and Municipal Revenue Sharing. Charges for Services are derived by charges for the use of certain city services, special events and parking surcharge. The preventive measures mandated by the City, in addition to the State and Miami-Dade County measures, to slow the spread of coronavirus negatively impacted the ability to generate such revenues. These measures included the prohibition of on-premise food service in restaurants and retail food facilities, the closure of casinos, cardrooms, frontons, racetracks and parimutuels citywide, and a mandate that all non-essential businesses remain closed until further notice.

FUND BALANCE - GENERAL FUND

	2020	2019
Non Spendable	\$ 13,821,891	\$ 3,342,337
Restricted	96,364,271	93,564,826
Committed	-	-
Assigned	12,516,335	33,984,190
Unassigned	73,863,962	69,054,019
Total Fund Balances	\$ 196,566,459	\$ 199,945,372



POPULAR ANNUAL FINANCIAL REPORT CITY OF MIAMI, FLORIDA

FISCAL YEAR ENDED September 30, 2020

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CONTACT INFORMATION

City Mayor's Office	(305) 250-5300
City Manager's Office	(305) 250-5400
Finance	(305) 416-1570
Fraud Hot Line.....	(305) 416-2003
Office of Management and Budget	(305) 416-1502
General Services Administration	(305) 329-4870
Code Compliance	(305) 416-2087
Housing and Community Development	(305) 416-2080
Employment Office	(305) 416-2170
Loan Servicing.....	(305) 416 1975
Occupational Licenses (BTR)	(305) 416-1918
Division of Emergency Management	(305) 468-5900
Public Facilities	(305) 416-1450
Sanitation Code Enforcement	(305) 960-2830
Building Inspections and Permits	(305) 416-1100

