



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
CITY OF SOUTH MIAMI, FLORIDA
FISCAL YEAR ENDING SEPTEMBER 30, 2020

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF SOUTH MIAMI, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**



Prepared By

The Finance Department

**Alfredo Riverol, CPA, CGFM, CGMA, CRFAC
Chief Financial Officer**

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INTRODUCTORY SECTION



March 31, 2021

Honorable Mayor and Members of the City Commission
City of South Miami, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of South Miami, for the fiscal year ended September 30, 2020, is hereby submitted for your review. The accuracy of the data, the completeness, and impartiality of the presentation, including all disclosures, are the responsibility of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly, the financial position and results of operations, for all funds under the direct operating control of the City.

All necessary disclosures were included to enable the reader to gain maximum understanding of the City's financial activities for the year. Accordingly, this report consists of four main sections: Introductory, Financial, Statistical, and Compliance.

The contents of the report are in compliance with Government Accounting Standards Board (GASB) pronouncements, including Statement 34, et al., that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds, as well as Management's Discussion and Analysis ("MD&A"). The MD&A is found immediately following the report of the independent certified public accountants.

THE REPORTING ENTITY AND ITS SERVICES

The City of South Miami was incorporated in 1927 and is a political subdivision of the State of Florida. The City is a full-service city providing its citizens with a full complement of municipal services, specifically, Public Safety, General Government, Parks, Culture and Recreation, Solid Waste and Public Works.

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations. The South Miami Community Redevelopment Agency is included in the Report as a blended component unit. There are no other component units discretely presented herein.

ECONOMIC OUTLOOK

The City of South Miami is primarily a residential community comprised of approximately 13,000 residents, as per the Bureau of Economics and Business Research at the University of Florida. Most persons employed within the City are in professional/specialty, administrative support, and executive/administrative/management positions. City residents are primarily employed in jobs throughout Miami-Dade County.

The City's downtown business district is comprised of approximately 45 acres located on the west side of Red Road both north and south of Sunset Drive featuring specialty shops, restaurants, and a shopping mall and a movie theater.

Also, located within the City are two major medical institutions, South Miami Hospital and Larkin Hospital, which are considered two of the finest medical facilities in the metropolitan area.

In addition to the Miami-Dade County Bus System serving the City, County's Metro-Rail system also provides mass transit for the City with a station located off Sunset Drive and US-1. The Miami International Airport is within 30 minutes from downtown South Miami.

In fiscal year 2017 the City began operating a public transportation circulator service running predominately in the business district and CRA area. The City was providing the service as a result of the terms from the Interlocal Agreement established with Miami-Dade County for Direct Transit funding. On January 6, 2020, the City terminated the service due to lack of users over the course of the program. In December of 2020, the City contracted with Freebee to provide residents and visitors with free on-demand transit service.

The City is located in the center of Metropolitan Miami-Dade County and abutting several other municipalities in the area. Numerous major attractions are situated in close proximity to the City. As with many businesses in the County, local businesses benefit from a significant tourist trade. The City of South Miami owns a multi-use public parking garage facility, which was completed in November 2007. A mixed-use development, Red Road Commons consists of over 400 residential units, of which 10% are affordable housing units.

MAJOR INITIATIVES

The Community Redevelopment Agency (CRA), a blended component unit of the City, was created in 1998 to bring economic revitalization to the depressed area of the City through tax increment financing. The CRA obtained most of its funds through annual contributions from Miami-Dade County and the City from the tax revenue generated from an increment of property assessments within the designated area. The CRA ended its fifth fiscal year of operations in September 2005. On May 3, 2005, the Miami-Dade County Commission approved Resolution R-466-05, extending the life of the CRA for fifteen (15) years beyond the June 1, 2005 sunset provision of the CRA's Interlocal Agreement with the County. However, the renewal included a sunset review within two (2) years of this extension. As part of the fifteen-year extension, the Miami-Dade County Commission mandated that the CRA must obtain long-term financing that is supported by tax increment revenues to fund the second phase of the Plan within the two (2) year period ended June 1, 2007. In November 2006, the City, through its Community Redevelopment Agency, issued \$ 2,730,000 of Taxable Redevelopment Revenue Bonds, Series 2006 to acquire various properties located within the boundaries of the South Miami Community Redevelopment Area. The loan was paid in full in November of 2015. The City Commission decided not to extend the CRA and as of June 1, 2020, it no longer exists.

The City remains committed to the current level of services with a high-quality level of delivery. There are some priorities that need to be addressed, including updating the charter, preparing for sea level rise related issues, pedestrian bridge, a new police station and working with Miami Dade County on the sewer system. Should revenues grow, we will be able to evaluate new priorities for the City with the authorization of the Commission.

The South Miami Intermodal Transportation Plan is part of a continuing effort to enhance the transportation system and mobility choices for the residents and visitors to the City of South Miami, and aims to establish a network of bicycle lanes, sidewalks, trails, roadway improvements, and neighborhood greenways, throughout the City, connecting residential areas with downtown shopping, dining, and transit facilities (Metrorail). A main priority of this plan is to provide a safer, more efficient environment for pedestrians, cyclists, and all users by promoting neighborhood greenways on residential streets with low volumes of traffic and reduce speed with the use of traffic calming devices such as landscaping, speed tables, pavement markings, and signage. With the City Commission approved plan, the City shall continue with the design and construction of recommended improvements.

For the past few fiscal years, the City has been allocating funds for new citywide directional street signs and posts. The Miami-Dade County's Peoples Transportation Plan ("PTP") funded the project. The scope included the manufacturing of new signs, and the removal and replacement of existing traffic signs. The traffic sign replacement program was implemented in various phases. In FY 2013-14, the City funded a branding plan which established a new logo and new color scheme for the City. In the FY 2018-19 budget, the City Commission approved monies for the installation of two major entry signs using the new logo, which will welcome visitors to the City boundaries along Red Road and on US-1. One of the two welcome signs was completed in fiscal year 2019, the second is scheduled to be completed in fiscal year 2021. The street signs, welcome signs, and many other features will incorporate the new look for the City as we prepare for the next great chapters in the life of South Miami.

The City is committed to completing multiple traffic improvements projects funded in last year's budget; Pinecrest Villas/Snapper Creek and Twin Lakes/Bird Estates. The City will continue working with Miami-Dade County in the ongoing improvement to our roadway, drainage, and traffic calming projects.

To continue maintaining a safe and efficient vehicle fleet, in fiscal year 2019-2020, the City budgeted for the purchase of eight new police vehicles. The upgrades of the City's fleet are required to continue providing expected levels of service to the residents. The older police vehicles that are being replaced are determined to have exceeded their useful life and may have safety or operational problems. Currently and in the future, the City will purchase extended warranties for our vehicles and surplus the vehicles at the end of the warranty program to reduce maintenance costs to the City.

MAJOR INDUSTRIES AND/OR SERVICE CENTERS

The City's economy is greatly influenced by the economic condition of the entire Miami-Dade County. The major businesses in the City are service-oriented, with the health care industry professional services, restaurant and retail shops, and education and administrative services being the main employers.

ACCOUNTING SYSTEM, INTERNAL AND BUDGETARY CONTROL

The City follows the generally accepted accounting principles ("GAAP") for state and local governments as set forth by the United States government for governmental accounting and financial reporting. The City's accounting records follow the modified accrual basis of reporting revenues and expenditures for all governmental funds, i.e., General Fund and Special Revenue Funds. The Pension Trust Funds are accounted for on the accrual basis. Further explanation of the City's accounting policies is contained in the notes to the financial statements.

The City's Finance Department is responsible for maintaining a comprehensive internal framework of accounting controls. The objectives of this system are to protect the City's assets from loss, theft and/or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls was designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The firm of Caballero Fierman Llerena & Garcia, LLP licensed Certified Public Accountants, audited the City's financial statements dated March 31, 2021. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of South Miami, for the fiscal year ending September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ending September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. As part of their audit, Caballero Fierman Llerena & Garcia, LLP gained an understanding and performed tests of controls on the City's comprehensive framework as required by government auditing standards.

Budgetary control is maintained in a manner to ensure compliance with the requirements and restraints of the State of Florida, Miami-Dade County, and the City of South Miami Charter, through a system of monthly financial reports reflecting expenditures against appropriations. The City's Charter is silent on the legal level of budget control, hence defaults to the Florida Statutes which is the fund level. The annual budget provides details of the approved appropriation by specific purpose within each object of expense.

DEBT ADMINISTRATION

2020 Refinancing – Chase Bank: In September 2020, the City issued a \$ 4,988,000 Capital Improvement Revenue Refunding Note, Series 2020, to refund \$ 1,145,000 and \$ 3,714,000 of the then remaining balance of Florida Municipal Loan Council Bonds, Series 2006 and Refunding Revenue Note, Series 2015, respectively. Annual principal and interest payments are due through April 2032 at a fixed rate of 1.327%; secured by a pledge of all non-ad valorem revenues of the City. The refunding provided a present value savings of approximately \$550,000 of the principal amounts refunded. The 2020 Series Note is scheduled to mature in 2032.

2015 Refinancing – Branch Banking & Trust Company (BB&T): This debt issuance was refunded in September 2020 with proceeds from the issuance of Capital Improvement Revenue Refunding Note, Series 2020. On May 19, 2015, the City Commission adopted Ordinance 11-15-2218 authorizing the issuance of its Capital Improvement Refunding Revenue Note, Series 2015, in the principal amount not to exceed \$5,000,000, for the purpose of refinancing certain of the City's outstanding indebtedness. In 2012 the City of South Miami in conjunction with the City's Financial Advisor requested bank loan proposals on a 15-year and 20-year basis to refund all the City's outstanding 2001A and 2002A loans. The City closed on the refinancing loan with BB&T in 2015, with an attractive 17-year loan at a fixed interest rate of 2.80%. The refunding provided a present value savings at the time of approximately \$828,000 or 17% of the principal amount refunded.

SunTrust Bank: On August 16, 2011, the City of South Miami agreed to issue a loan with SunTrust Bank which in furtherance of the Settlement Agreement with the IRS, the City issued a Taxable Revenue Note, Series 2011. This note was made to provide funds to finance, on a taxable basis, (i) the prepayment of the FMLC 2002A and 2006 revenue bonds, (ii) the payment of the settlement amount owed to the IRS pursuant to the Settlement Agreement relating to the Municipal Parking Garage, and costs related thereto, and (iii) the payment of costs of issuance of the Series 2011 Note for a total \$ 7.575 million. The new 2011 SunTrust Loan was issued at a fixed interest rate of 4.55% and matures on October 1, 2026.

Florida Municipal Loan Council ("FMLC"): The City had several loans outstanding with the Florida Municipal Loan Council ("FMLC"). The FMLC, as a subsidiary of Florida League of Cities administers the Florida Municipal Loan Program. Small and medium-sized cities in the State obtain loans from the FMLC through bonds, which are insured by MBIA Insurance Corporation.

Florida Municipal Loan Council (FMLC Bonds): The City previously borrowed \$ 5,625,000 from the FMLC's debt issue of \$22,365,000 Revenue Bonds, Series 2006, to assist with the financing of the construction and improvements of a municipal parking garage used for public parking. The bonds bear varying interest rates ranging from 4.00% to 5.00% and are secured by non-ad valorem revenues from the City. This debt issuance was refunded with proceeds from the issuance of the Taxable Revenue Notes, Series 2011 and further refunded, in-whole, in September 2020 with proceeds from the issuance of Capital Improvement Revenue Refunding Note, Series 2020.

RETIREMENT BENEFITS

The City sponsors two defined benefit pension plans, the General Employees' Pension Fund and the Police Officers Retirement Trust Fund. These two pension plans are administered through one independent Pension Board. The Pension Board hires an outside pension plan administrator to administer the plans. Each year, an independent actuary, engaged by the Board calculates the amount of annual contribution that the City must make to each pension plan to ensure that the plans are actuarially sound. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan, as determined by the actuary.

In general, regular full-time employees of the City hired on or after October 1, 1995 but before, October 1, 2011 must become participants upon completion of six months of service. Police Officers become eligible, and are required to enter the plan, as of the date of employment.

All regular full-time general employees hired after October 1, 2011 were no longer eligible to enter the General Employees' Pension Fund. These employees must have elected a retirement contribution percentage of their salary, which is matched by the City up to 7% of their salary, to the 401(a)/457(b) combination deferred compensation plan. As part of the FY 10-11 pension reform, the City provided members of the previous pension system an opt-out window, providing the employees with an opportunity to enter the newly defined 401(a)/457(b) retirement plan.

Effective October 1, 2016, the Commission approved Ordinance No. 22-16-2255 to allow for all general eligible employees, including members of management, to join the defined benefit pension plan. In general, the ordinance created new tiers of membership that allows employees hired on or after October 1, 2016 to participate in the plan. Also, these new tiers provide for employees hired prior October 1, 2016, and not previously members, to elect participation in the plan. Other general provisions of the plan were also amended as part of this ordinance.

The City also provides a defined contribution Section 457 deferred compensation plan for all its employees.

The financial activities of the plans are reported annually as part of the overall City Comprehensive Annual Financial Report.

AWARDS

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement; a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a **Distinguished Budget Presentation Award** to City of South Miami, Florida for its annual budget for the fiscal year beginning October 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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 City of South 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 reports.



In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

The Award for Outstanding Achievement 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 GFOA.

ACKNOWLEDGEMENTS,

The preparation of this report could not have succeeded without the efficient and dedicated services of the entire Finance Department staff.

We express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report, and to the various Departments who contributed the necessary statistical data. Our thanks and appreciation is also extended to the accounting firm of Caballero Fierman Llerena + Garcia, LLP for the professional approach and high standards in the conduct of their independent audit of the City's financial records and transactions.

Finally, our thanks to the Mayor and City Commission for their guidance and cooperation in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

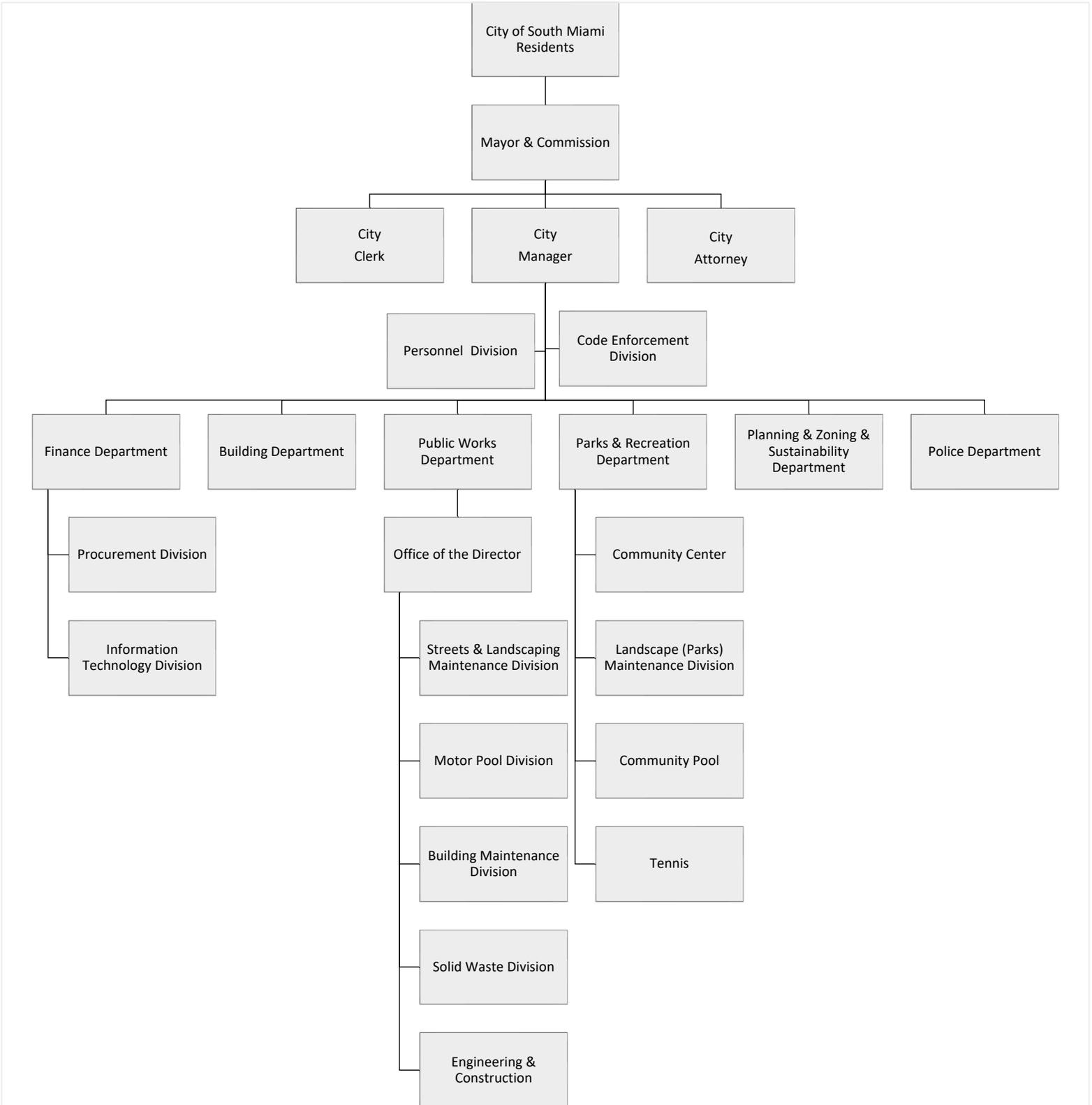


Shari Kamali, ICMA-CM
City Manager



Alfredo Riverol, CPA, CGFM, CGMA, CRFAC
Chief Financial Officer

CITY OF SOUTH MIAMI ORGANIZATIONAL CHART



COMMISSION – MANAGER FORM OF GOVERNMENT

LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS



Mayor
Sally B. Philips, EdD



Vice Mayor
Bob Welsh



Commissioner
Luis Gil



Commissioner
Walter Harris



Commissioner
Josh Liebman

CHARTERED OFFICIALS



City Clerk
Nkenga Payne, CMC



City Manager Shari
Kamali, ICMA-CM



City Attorney
Thomas Pepe, Esq.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Miami
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of South Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Miami, Florida, (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 City'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 City'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, each major fund, and the aggregate remaining fund information of the City of South Miami, Florida, as of September 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules on pages 3-10 and 41-44, respectively, as well as the pension schedules and OPEB schedule on pages 46-49 and 50, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 City's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The management of the City of South Miami (the "City") included this section in the Comprehensive Annual Financial Report ("CAFR") in accordance with the Governmental Accounting Standards Board ("GASB") Statement Number 34, et al. It is intended to provide readers of this report the narrative overview and analysis of the financial activities of the City for fiscal year ended September 30, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, the City's financial statements, and the other required supplementary information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole.

Financial Highlights

The following are the highlights of financial activity for the fiscal year ending September 30, 2020:

- The assets of the City are \$72,767,272; and the deferred outflow of resources of the City are \$2,013,011.
- The liabilities of the City are \$14,429,572; and the deferred inflow of resources of the City are \$9,222,825.
- The assets and deferred outflows of resources of the City of South Miami exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$51,127,886 (net position). Of this amount, \$17,316,636 is unrestricted.
- The City's \$25,817,068 in revenues exceeded the \$23,32,052 in expenses for governmental activities, providing a \$ 2,685,016 increase in total net position.
- At the end of the current year, fund balance for the General Fund was \$14,935,274, or 69% of total general fund operating revenues. Of this amount, \$6,326,861 is reserved for prepaid expenditures and contingencies.
- The current year's unassigned fund balance for the General Fund is \$8,608,413, or 39% of total general fund operating revenues.
- The General Fund's fund balance increased by \$3,448,407 for the year ended September 30, 2020.
- The City's total debt, excluding compensated absences, decreased by \$670,000 and we continue to actuarially fund our defined benefit pension plan.

Overview of the Financial Statements

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an additional section that presents combining statements for non-major governmental funds, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of those parties outside of the government.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information which further explains and supports this information. In addition to these required elements, we include a section with combining statements that provide details about our non-major governmental funds, each of which is added together and presented in single columns in the basic financial statements.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City of South Miami's finances, in a manner similar to a private-sector business. 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. Over time, increases or decreases in position assets may serve as a useful indicator of whether the financial position of the City of South Miami is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities), and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the City of South Miami include police services, public works, culture and recreation, code compliance, planning and zoning, economic development and general administration services. There are no business-type activities.

Additionally, the City has four separate single employer defined contribution pension plans, a 401(a) plan currently being utilized by the Chief of Police, and available to all new general full-time employees and a voluntary Section 457(b) defined contribution plan for all interested employees. The defined benefit pension plans are reported as Fiduciary Funds in the fund financial statements of this report but are not included in the government-wide statements.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that were segregated for specific activities or objectives. The City of South Miami, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Miami are divided into two categories: governmental funds and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 the 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 this comparison between governmental funds and governmental activities.

The City of South Miami maintains several 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, Debt Service Fund, Capital Improvements Fund, and the Community Redevelopment Agency Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Budgetary comparison statement was provided for the General Fund, Debt Service Fund, and Community Redevelopment Agency Fund to demonstrate compliance with the budget. The basic governmental funds financial statements can be found on pages 13 to 16 of this report.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of South Miami's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 17 to 18 of this report. Individual fund data for the Fiduciary Funds is provided in the form of combining statements elsewhere in this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 40 of this report.

Required supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of South Miami's pension and other post-employment benefits to its employees' pension, and budgetary comparison schedules for the General Fund, Debt Service Fund, and Community Redevelopment Agency Fund.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund financial statements and budgetary comparison schedules can be found beginning on page 51 of this report.

Our analysis of the financial statements of the City begins below. The Statement of Net Position and the Statement of Activities report information about the City's activities that will help answer questions about the position of the City.

Government-Wide Financial Analysis

Statement of Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

- 1) **Net results of activities** will impact (increase/decrease) current assets and unrestricted net position.
- 2) **Borrowing for capital** will increase current assets and long-term debt.
- 3) **Spending borrowed proceeds on new capital** will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the net invested in capital assets.
- 4) **Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets and increase the net invested in capital assets.
- 5) **Principal payment on debt** will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase the net invested in capital assets.
- 6) **Reduction of capital assets through depreciation** will reduce the net invested in capital assets.

The City's net position was \$51,127,886 in fiscal year 2020 (see Table 1). This amount came solely from governmental activities because the City has no business-type activities. Restricted net position and net investment in capital assets amounted to 66% of total net position. The largest portion of net position (58%) is invested in capital assets (land, buildings, streets, sidewalks, and equipment).

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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The respective fraction of net position (8%) is restricted for community service, public safety or capital projects. The remaining balance of unrestricted net position (\$17,316,636) may be used to meet government's ongoing obligations to citizens and creditors.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Table 1
City of South Miami
Net Position

	Governmental Activities	
	2020	2019
Current and other assets	33,750,053	33,364,348
Capital assets (net)	39,017,219	39,199,475
Total Assets	72,767,272	72,563,823
Deferred outflow of resources	2,013,011	2,148,543
Current and other liabilities	4,610,648	3,608,240
Long term liabilities	9,818,924	10,338,184
Total liabilities	14,429,572	13,946,424
Deferred inflow of resources	9,222,825	12,323,072
Net position:		
Invested in capital assets	29,864,219	29,928,570
Restricted	3,947,031	6,060,376
Unrestricted	17,316,636	12,453,924
Total net assets	51,127,886	48,442,870

At the end of the current fiscal year, the City of South Miami is able to report positive balances in all three categories of net position. The restricted net position decreased in 2020 by \$2,113,345, due to the closing of the SMCRA and the unrestricted governmental activities net position increased by \$4,862,712, due to good fiscal control. Capital assets remained mostly unchanged for the fiscal year. The increase in liabilities is mainly due to the refinance of long-term debt.

The following information presented is to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) Economic condition can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) The City Commission has significant authority to set increases or decreases in City's rates (stormwater, permitting, user fees, etc.)
- 3) Changing patterns in intergovernmental and grant revenues (both recurring and non-recurring) can significantly change and impact the annual comparisons.
- 4) Market impacts on investment income may cause investment revenues to fluctuate from the prior year.

Some other basic impacts on expenses are reflected below:

- 1) Introduction of new programs can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) Changes in service demand levels can cause the City to increase or decrease authorized staffing.
- 3) Salary increases such as cost of living, performance increases, and market adjustments can impact personal service costs.
- 4) While inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels, and parts. Some functional expenses may experience unusual commodity specific increases.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

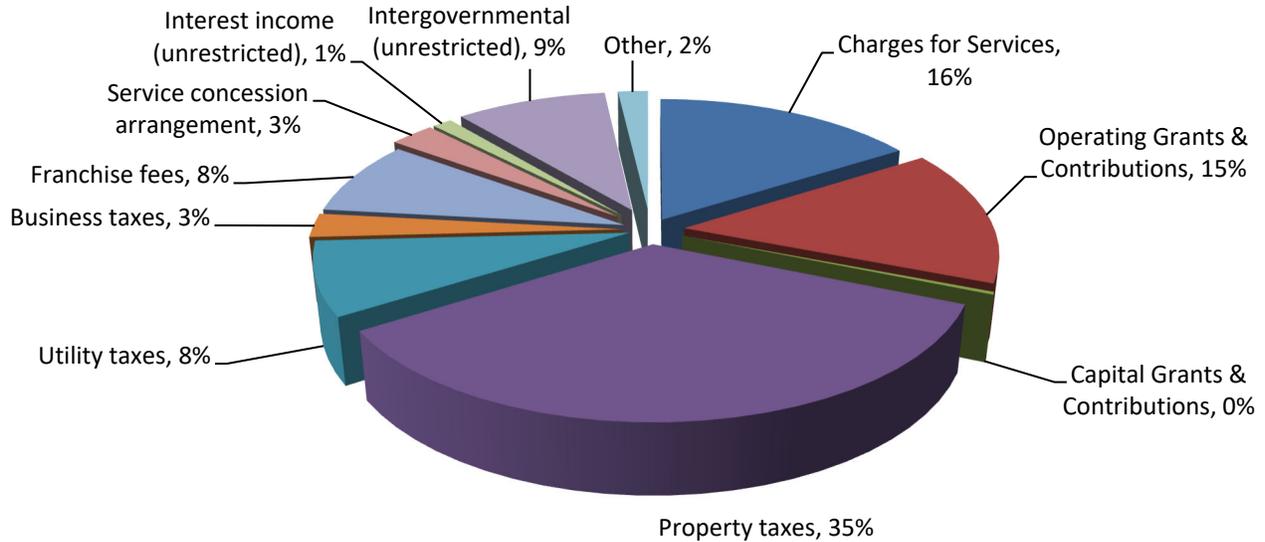
Statement of Activities: As noted earlier, the statement of activities presents information showing how the City's net position changed during the most recent fiscal year. The following table reflects the City's revenues and expenses for fiscal year 2020 compared to 2019 with the resulting change in net position:

Table 2
City of South Miami
Changes in Net Position

	Government Activities	
	<u>2020</u>	<u>2019</u>
Revenues:		
Charges for Services	4,131,957	4,917,996
Operating Grants & Contributions	3,851,578	417,208
Capital Grants & Contributions	71,917	176,329
General revenues:		
Property taxes	8,998,956	8,649,794
Utility taxes	2,089,118	2,170,245
Business taxes	676,521	656,815
Franchise fees	2,115,879	2,177,290
Service concession arrangement	707,991	323,580
Interest income (unrestricted)	312,288	328,783
Intergovernmental (unrestricted)	2,387,215	2,688,302
Miscellaneous	473,648	543,158
Total Revenues	<u>25,817,068</u>	<u>23,049,500</u>
Expenses:		
General Government	4,956,145	6,070,662
Public Safety	10,116,000	7,326,961
Public Works	3,729,018	4,370,995
Community Service	2,311,628	2,587,068
Culture & Recreation	1,475,336	1,221,278
Interest on Long-Term Debt	543,925	447,161
Total Expenses	<u>23,132,052</u>	<u>22,024,125</u>
Change in net asset	2,685,016	1,025,375
Net position, October 1	<u>48,442,870</u>	<u>47,417,495</u>
Net position, September 30	<u>51,127,886</u>	<u>48,442,870</u>

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The City's total revenues increased by 12%, to \$25,817,068 (see Table 2), mainly due to the increase in operating grants and contributions. Approximately 35% of the City's revenues come from property taxes, another 9% comes from intergovernmental, 15% from grants and contributions, and 16% from charges for services (see chart that follows). The City's management took major actions in 2020 to improve City revenues and to control expenses.

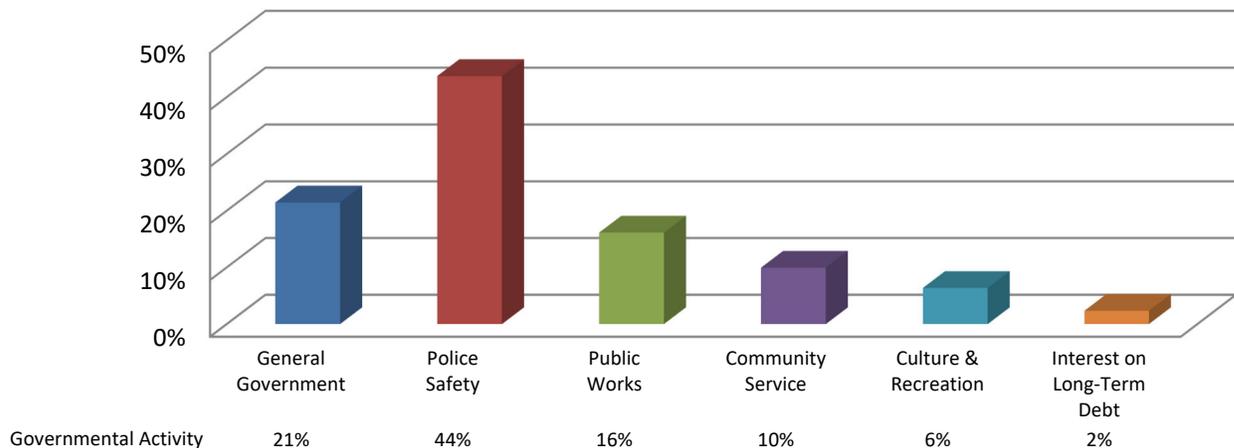


The total cost of all programs and services increased by \$1,107,927 or 5% (see Table 2). The City's expenses cover a range of services. As shown in Table 2 above, governmental expenses are largely weighted in three functions, namely the public safety, general government, and public works. At \$10,116,000, public safety expense represents 44% of the statement of activities' total expenses for the City in 2020. General government category expense total for 2020 was \$4,956,145, or 21% of total expenses. The General government category includes all other City departments except public safety, culture and recreation, public works, and non-departmental. Lastly, public works expended \$3,729,018, or 16% of expenses. No business-type activities for the current year.

The chart below presents the net cost of each of the City's governmental services. Net cost is the total cost of each service less the program revenue generated, fees by each activity and intergovernmental aid.

The net cost graph below, shows the financial cost that is placed on the City's taxpayers by each of these services:

Governmental Activity



CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The cost of all governmental activities this year, including \$543,925 in interest expense on long-term debt, was \$23,132,052. Some of that cost was financed by those who directly benefited from the programs through charges for services (\$4,131,957).

The City financed the remaining \$19,000,095 "public benefit" portion of governmental activities from property taxes, utility taxes and with other revenues, such as interest and unrestricted intergovernmental revenue.

Governmental Funds' Financial Analysis

As the City completed the year, its governmental funds reported combined fund balances of \$20,415,353, with the general fund representing \$14,935,274. Of the total governmental fund balances, \$3,947,031 is restricted, \$6,386,696 is committed, \$1,451,601 is assigned and \$8,630,025 is unassigned fund balance.

The General Fund's fund balance increased by \$3,448,407 after transfers of a net -\$120,599. General fund revenues were fairly consistent for the years ended 2020 and 2019. Please refer to the General Fund Budget Highlights section below for further information.

In fiscal year 2020, the City's General Fund had an increase change in fund balance due to the efficient and effective operation of the City's operations, especially after the unforeseen emergency event of COVID-19 and ongoing recession.

The Stormwater fund has a change in fund balance due to certain critical capital improvements and the change from utility billing to non-ad valorem collection process. These two changes helped continue to balance the Stormwater's fund balance.

The City of South Miami Community Redevelopment Agency (CRA) change in fund balance is due to the closing of the Agency. The CRA sunset on June 1, 2020.

During the current year, the City's Debt balance decreased. There was approximately \$6,152,730 in principal and interest expenditures due to the major refinancing. Total Debt Service Fund expenditures were mostly financed with new debt, rent and royalties revenues, and General Fund transfers.

General Fund Budgetary Highlights

The base revenue budget for fiscal year 2020 was \$19,374,710. The difference between the estimated revenues, and the actual revenues, in the General Fund was \$667,833 for fiscal year 2020.

Actual revenues, at \$20,172,563 came in above the final budget of \$19,374,710.

Comparing the final budget to the actual expenditure amount for fiscal year 2020; the final expenditure budget of \$21,467,427 with actual expenditures being \$18,659,807, were below the final amended budget by \$4,341,560. All expenditures were in line with the projected expectations. Please refer to page 41 and 42 for further details.

Capital Assets and Debt Administration

Capital assets: The City of South Miami's investment in capital assets for its governmental activities as of September 30, 2020 and 2019, is detailed below:

	Government Activities	
	2020	2019
Land	13,649,468	13,606,196
Construction in progress	-	264,956
Building & improvements	15,450,572	15,538,338
Machinery	2,284,621	2,244,230
Land improvements	1,404,788	1,058,404
Infrastructure	6,256,878	6,487,351
	39,046,327	39,199,475

For fiscal year 2020 the City spent \$1,583,967 on capital programs primarily on acquisition of vehicles and equipment, and street and park improvements. Additional information on the City's capital assets can be found in Note 7 on pages 28 and 29 of this report.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Debt Administration: At year-end, the City had approximately \$9.1 million in outstanding debt, as noted below:

	Government Activities	
	2020	2019
Florida Municipal Loan Council Bonds	-	1,190,000
Taxable Revenue Note, Series 2011	4,165,000	4,660,000
Taxable Revenue Note, Series 2015	-	3,973,000
Capital Revenue Note, Series 2020	4,988,000	-
	9,153,000	9,823,000

Additional information on the City's outstanding debt can be found in Note 9 on pages 30 through 31 of this report.

Economic Factors and Next Year's Budgets and Ratios

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, occupational license, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For certain governmental activities (building inspections, recreational programs, etc.) the user pays a related fee or charge associated with the service.

Estimated revenues and transfers in fiscal year 2021 General Fund budget are \$19,329,896, a decrease of \$842,667 from actual revenues and transfers of \$20,172,563 for fiscal year 2020, if estimates are realized. With these revenues the City will be able to fund current services and any expected impact of inflation on fuel, salaries, and benefits.

Requests for Information

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact Alfredo Riverol, CPA, CGFM, CGMA, CRFAC, Chief Financial Officer, City of South Miami, 6130 Sunset Drive Miami, Florida 33143.

BASIC FINANCIAL STATEMENTS

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 21,396,090
Receivables	2,282,958
Accrued interest receivable	146,266
Notes receivable	6,549,307
Guaranteed rent receivable	969,612
Net pension asset	2,405,820
Capital assets:	
Capital assets not being depreciated	13,649,468
Capital assets, net of accumulated depreciation	<u>25,367,751</u>
Total assets	<u>72,767,272</u>
 Deferred outflows of resources:	
Deferred loss on bond refunding	344,358
Deferred outflows of resources relating to pensions	1,627,710
Deferred outflows of resources relating to other post employment benefits (OPEB)	<u>40,943</u>
Total deferred outflows of resources	<u>2,013,011</u>
 Liabilities:	
Accounts payable	1,776,045
Accrued liabilities	551,983
Unearned revenue	425,130
Other liabilities	510,537
Accrued interest payable	194,498
Due within one year:	
Compensated absences payable	368,455
Debt, including bonds and notes payable	794,000
Due in more than one year	
Compensated absences payable	1,105,366
Debt, including bonds and notes payable	8,359,000
Total other post employment benefits (OPEB) liability	<u>344,558</u>
Total liabilities	<u>14,429,572</u>
 Deferred inflows of resources:	
Service concession arrangement	7,518,919
Deferred inflows of resources relating to pensions	1,322,994
Deferred inflows of resources relating to other post employment benefits (OPEB)	<u>380,912</u>
Total deferred inflows of resources	<u>9,222,825</u>
 Net position:	
Net investment in capital assets	29,864,219
Restricted for:	
Park improvements	69,740
Grant projects	651,951
Stormwater management	318,121
Transportation projects	1,587,332
Law enforcement	1,319,887
Unrestricted	<u>17,316,636</u>
Total net position	<u>\$ 51,127,886</u>

The notes to the basic financial statements are an integral part of these financial statements.

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/programs	Expenses	Program Revenues			Net Revenue (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 4,956,145	\$ 1,323,983	\$ 3,685,824	\$ -	\$ 53,662
Public safety	10,116,000	2,643,064	106,852	-	(7,366,084)
Public works	3,729,018	-	-	-	(3,729,018)
Culture and recreation	2,311,628	154,044	49,852	71,917	(2,035,815)
Community services	1,475,336	10,866	9,050	-	(1,455,420)
Interest on long-term debt	543,925	-	-	-	(543,925)
Total governmental activities	<u>\$ 23,132,052</u>	<u>\$ 4,131,957</u>	<u>\$ 3,851,578</u>	<u>\$ 71,917</u>	<u>\$ (15,076,600)</u>
General revenues:					
Property taxes				\$ 8,998,956	
Utility taxes				2,089,118	
Business taxes				676,521	
Franchise taxes				2,115,879	
Service concession arrangement				707,991	
Interest income (unrestricted)				312,288	
Intergovernmental (unrestricted)				2,387,215	
Other				473,648	
Total general revenues				<u>17,761,616</u>	
Change in net position					2,685,016
Net position, beginning					<u>48,442,870</u>
Net position, ending					<u>\$ 51,127,886</u>

The notes to the basic financial statements are an integral part of these financial statements.

CITY OF SOUTH MIAMI, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Major Funds					Total Governmental Funds
	General Fund	Debt Service Fund	Capital Improvements Program Fund	Community Redevelopment Agency Fund	Other Nonmajor Governmental Funds	
Assets:						
Cash and cash equivalents	\$ 14,667,687	\$ 407,439	\$ 1,252,429	\$ 1,002,261	\$ 4,066,274	\$ 21,396,090
Receivables	2,127,950	-	-	-	155,008	2,282,958
Due from other funds	<u>647,600</u>	<u>-</u>	<u>210,935</u>	<u>-</u>	<u>106,417</u>	<u>964,952</u>
Total assets	<u>17,443,237</u>	<u>407,439</u>	<u>1,463,364</u>	<u>1,002,261</u>	<u>4,327,699</u>	<u>24,644,000</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	711,891	7,500	11,763	1,002,261	42,630	1,776,045
Accrued liabilities	551,983	-	-	-	-	551,983
Due to other funds	317,352	378,327	-	-	269,273	964,952
Unearned revenue	416,200	-	-	-	8,930	425,130
Other liabilities	<u>510,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,537</u>
Total liabilities	<u>2,507,963</u>	<u>385,827</u>	<u>11,763</u>	<u>1,002,261</u>	<u>320,833</u>	<u>4,228,647</u>
Fund balances:						
Restricted for:						
Park improvements	-	-	-	-	69,740	69,740
Grant projects	-	-	-	-	651,951	651,951
Stormwater management	-	-	-	-	318,121	318,121
Transportation projects	-	-	-	-	1,587,332	1,587,332
Law enforcement	-	-	-	-	1,319,887	1,319,887
Committed to:						
Emergency and disaster recovery operating reserve	6,026,861	-	-	-	-	6,026,861
Revenue stabilization	60,000	-	-	-	-	60,000
Grant match	60,000	-	-	-	-	60,000
Insurance	60,000	-	-	-	-	60,000
Tax equalization	60,000	-	-	-	-	60,000
Building capital	60,000	-	-	-	-	60,000
Tree projects	-	-	-	-	58,827	58,827
Parking management	-	-	-	-	1,008	1,008
Assigned to:						
Capital projects	-	-	1,451,601	-	-	1,451,601
Unassigned (deficit)	<u>8,608,413</u>	<u>21,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,630,025</u>
Total fund balances	<u>14,935,274</u>	<u>21,612</u>	<u>1,451,601</u>	<u>-</u>	<u>4,006,866</u>	<u>20,415,353</u>
 Total liabilities and fund balances	 <u>\$ 17,443,237</u>	 <u>\$ 407,439</u>	 <u>\$ 1,463,364</u>	 <u>\$ 1,002,261</u>	 <u>\$ 4,327,699</u>	 <u>\$ 24,644,000</u>

The notes to the basic financial statements are an integral part of these financial statements.

CITY OF SOUTH MIAMI, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund balances - total governmental funds (see page 13) **\$ 20,415,353**

Amounts reported for governmental activities in the statement of net position are different as a result of:

Certain assets used in government activities are not financial resources, and, therefore, are not reported in the governmental funds:

Notes receivable	6,549,307
Guaranteed rent receivable	969,612
Accrued interest receivable	146,266
Net pension assets	2,405,820

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

Cost of capital assets	56,503,292
Less accumulated depreciation	(17,486,073)

Certain deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the funds:

Deferred loss on bond refunding	344,358
Deferred outflows of resources relating to pensions	1,627,710
Deferred outflows of resources relating to other post employment benefits (OPEB)	40,943

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Notes payable	(9,153,000)
Accrued interest payable	(194,498)
Deferred inflows of resources relating to pensions	(1,322,994)
Deferred inflows of resources from service concession arrangement	(7,518,919)
Net other post employment benefits (OPEB) obligation	(344,558)
Deferred inflows of resources relating to other post employment benefits (OPEB)	(380,912)
Compensated absences payable	<u>(1,473,821)</u>

Net position of governmental activities (see page 11) **\$ 51,127,886**

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Major Funds					Total Governmental Funds
	General Fund	Debt Service Fund	Capital Improvements Program Fund	Community Redevelopment Agency Fund	Other Nonmajor Governmental Funds	
Revenues:						
Taxes:						
Ad valorem	\$ 7,439,135	\$ -	\$ -	\$ 1,559,821	\$ -	\$ 8,998,956
Utility taxes	2,088,871	-	-	-	247	2,089,118
Business taxes	676,521	-	-	-	-	676,521
Franchise taxes	1,073,313	-	-	-	-	1,073,313
Licenses and permits	1,236,396	-	-	-	51,592	1,287,988
Intergovernmental	5,148,836	-	-	-	1,045,972	6,194,808
Charges for services	2,647,049	-	-	-	-	2,647,049
Fines and forfeitures	1,083,626	-	-	-	-	1,083,626
Rents and royalties	230,040	639,772	-	10,866	-	880,678
Interest income	237,786	2,828	-	27,488	44,186	312,288
Miscellaneous	461,121	141,356	-	5,821	4,853	613,151
Total revenues	<u>22,322,694</u>	<u>783,956</u>	<u>-</u>	<u>1,603,996</u>	<u>1,146,850</u>	<u>25,857,496</u>
Expenditures:						
Current:						
General government	4,185,441	-	-	-	-	4,185,441
Public safety	9,608,701	-	-	196,296	204,279	10,009,276
Public works	2,963,525	-	-	-	242,763	3,206,288
Culture and recreation	1,996,021	-	-	-	-	1,996,021
Community services	-	-	-	1,315,161	6,526	1,321,687
Capital outlay	-	-	1,583,967	135,922	492,161	2,212,050
Debt service:						
Principal	-	5,658,000	-	-	-	5,658,000
Interest and fiscal charges	-	494,730	-	-	-	494,730
Total expenditures	<u>18,753,688</u>	<u>6,152,730</u>	<u>1,583,967</u>	<u>1,647,379</u>	<u>945,729</u>	<u>29,083,493</u>
Excess (deficiency) of revenues over expenditures	<u>3,569,006</u>	<u>(5,368,774)</u>	<u>(1,583,967)</u>	<u>(43,383)</u>	<u>201,121</u>	<u>(3,225,997)</u>
Other financing sources (uses):						
Issuance of debt	-	4,988,000	-	-	-	4,988,000
Transfer in	2,262,442	391,070	1,991,971	-	-	4,645,483
Transfer out	(2,383,041)	-	-	(2,097,887)	(164,555)	(4,645,483)
Total other financing sources (uses)	<u>(120,599)</u>	<u>5,379,070</u>	<u>1,991,971</u>	<u>(2,097,887)</u>	<u>(164,555)</u>	<u>4,988,000</u>
Net change in fund balance	3,448,407	10,296	408,004	(2,141,270)	36,566	1,762,003
Fund balances, beginning	<u>11,486,867</u>	<u>11,316</u>	<u>1,043,597</u>	<u>2,141,270</u>	<u>3,970,300</u>	<u>18,653,350</u>
Fund balances, ending	<u>\$ 14,935,274</u>	<u>\$ 21,612</u>	<u>\$ 1,451,601</u>	<u>\$ -</u>	<u>\$ 4,006,866</u>	<u>\$ 20,415,353</u>

The notes to the basic financial statements are an integral part of these financial statements.

CITY OF SOUTH MIAMI, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total government funds (see page 15) \$ 1,762,003

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

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

Expenditures for capital assets	2,212,050
Current year provision for depreciation	(1,388,622)
Amounts reported as capital outlay not included in capital assets (not capitalized)	(973,033)

In the statement of activities, only a gain or loss on the sale/disposition/contribution of assets is reported, whereas, in the governmental funds, the entire proceeds from that sale/disposition/contribution increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of assets sold/disposed/contributed, less accumulated depreciation. (32,651)

Principal payments received on notes receivable and payments on guaranteed rent receivable are reported as revenue in the governmental funds because they provide current financial resources, but are reported as reduction of assets in the statement of net position. (323,254)

Certain revenues do not provide current financial resources, and therefore, are not reported in the governmental funds:

Net revenues from service concession arrangement	323,254
Change in accrued interest receivable	(7,777)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of 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.

Issuance of debt	(4,988,000)
Bond principal payments	5,658,000

Certain changes related to pension and other post employment benefits (OPEB) assets and liabilities are not reported in the net change in the governmental funds:

Change in deferred outflows of resources relating to pension	(127,280)
Change in deferred outflows of resources relating to other post employment benefits (OPEB)	40,943
Change in deferred inflows of resources relating to pensions	1,187,441
Change in deferred inflows of resources relating to other post employment benefits (OPEB)	(104,068)

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

Amortization of deferred loss on bond refunding	(49,195)
Change in net other post employment benefits (OPEB) obligation	78,667
Change in net pension asset	(329,893)
Change in compensated absences payable	<u>(253,569)</u>

Change in net position of governmental activities (see page 12) \$ 2,685,016

The notes to the basic financial statements are an integral part of these financial statements.

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	<u>Employee Retirement Funds</u>
Assets:	
Receivables:	
Employer contribution	\$ 167,044
Dividends and interest	80,649
Section 185 contribution	186,080
Pending trades	<u>259,602</u>
Total receivables	<u>693,375</u>
Investments at fair value:	
Money market funds	3,450,880
Real estate holdings	2,189,597
U.S. Government and agency securities	5,335,192
Corporate obligations	7,085,904
Common stocks:	
Domestic equity	6,093,875
International equity	318,038
Mutual funds:	
Equity	17,559,820
International equity	6,466,242
Fixed income	<u>99,425</u>
Total investments	<u>48,598,973</u>
Other assets:	
Prepaid expenses	<u>4,071</u>
Total assets	<u>49,296,419</u>
Liabilities:	
Accounts payable	41,100
Pending trades payable	259,145
Minimum funding liability	<u>79,228</u>
Total liabilities	<u>379,473</u>
Net Position:	
Restricted for pension benefits	<u>\$ 48,916,946</u>

The notes to the basic financial statements are an integral part of these financial statements.

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Employee Retirement Funds</u>
Additions:	
Contributions:	
Employer	\$ 2,164,260
Employees	459,625
Section 185 contributions	<u>565,132</u>
Total contributions	<u>3,189,017</u>
Investment income:	
Net appreciation in fair value of investments	2,583,364
Interest and dividends	<u>927,442</u>
Total investment earnings	3,510,806
Less investment expense	<u>(242,254)</u>
Net investment earnings	<u>3,268,552</u>
Total additions	<u>6,457,569</u>
Deductions:	
Benefits paid	1,587,588
Benefits payment to South Miami Pension Plan	379,052
Administrative expenses	167,553
Minimum benefit funding payment	<u>79,228</u>
Total deductions	<u>2,213,421</u>
Change in net position	4,244,148
Net position, restricted for pension benefits, beginning	<u>44,672,798</u>
Net position, restricted for pension benefits, ending	<u>\$ 48,916,946</u>

The notes to the basic financial statements are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 1 - General Description of the City

The City of South Miami, Florida (the "City") is a political subdivision of the State of Florida, located in Miami-Dade County. The City was incorporated in 1927 and has operated since 1978 under the same charter. It is located approximately 3 miles south of the City of Miami and borders the University of Miami's main campus and the City of Coral Gables and the Village of Pinecrest. The City is approximately 2.5 square miles in area and has a population of approximately 13,000 residents. The City is a full-service city providing its citizens with a full complement of municipal services, specifically public safety, general government, parks, culture and recreation, sanitation, public works, and community services. It also maintains various trust funds in a fiduciary capacity, but does not provide any educational facilities, water, wastewater or fire services. Those services are provided by the Miami-Dade County Public School System and Miami-Dade County, Florida.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity: The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As defined by GASB, the financial reporting entity is required to include (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the statement of net position to emphasize they are legally separate from the government.

Blended Component Unit: The South Miami Community Redevelopment Agency (the "SMCRA") is deemed to be a separate, distinct and independent legal entity controlled by a board of seven members, which included five members of the City's elected Commission. Since the governing body is substantially the same as the governing body of the primary government and there is a financial burden on the City due to property tax appropriations to the SMCRA, the SMCRA is determined to be a component unit of the City. The SMCRA falls under the requirements of Chapter 163 Part III of the Florida Statutes. Consequently, this component unit is reported in the primary government using the blended method. The City of South Miami Commission did not renew the SMCRA, hence causing the Agency to sunset and cease to exist during the fiscal year ending September 30, 2020 with remaining balances transferred to Miami-Dade County and the City's General Fund upon completion, using the percentage of contribution for fiscal year 2020. As a result, the SMCRA will not be presented with the financial statements of the City beyond September 30, 2020.

Individual financial statements for the SMCRA are available through the Finance Department of the City at 6130 Sunset Drive, South Miami, Florida 33143.

Discretely Presented Component Units: There are no discretely presented component units for the City.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of the interfund activity has been removed from these statements. 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 City has no business-type activities.

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

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

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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 are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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. 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. Property taxes and charges for services are considered available when collected in the current year or within sixty days subsequent to year end; provided that amounts received pertain to billings through the fiscal year just ended. Intergovernmental revenues, franchise fees/taxes and utility service taxes are recorded in accordance with their legal or contractual requirements if collected in the current period or within sixty days after year end. Revenues derived from rents and royalties and investment income are recorded when earned. Permits, fines and forfeitures, and other revenue are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, other post-employment benefits and claims and judgments, are recorded when due.

The City reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for the accumulation of resources to pay for the payment of the principal and interest of the City's bonds and certain notes payable.

The *Capital Improvements Program Fund* is used to account for financial resources used for the acquisition and/or construction of major capital assets within the City.

The *Community Redevelopment Agency Fund*, which is the City's sole blended component unit, accounts for the revenues and expenditures dedicated to the redevelopment and recreational programs within certain areas of the City. The CRA's primary source of revenue is tax-increment funds from Miami Dade County and the City.

Additionally, the government reports the following fiduciary fund type:

The fiduciary funds account for the activities of the *General Employees and Police Officers Pension Plan* (the "Pension Plan") and the *Police Officers Retirement Trust Fund - Section 185 Plan* that accumulates resources for pension benefit payments to qualified general and public safety employees.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar-for-dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Cash, Cash Equivalents and Investments: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of purchase.

Investments for the government, as well as its component unit and fiduciary funds, are carried at fair value. Unrealized gains and losses in fair value are recognized.

Receivables: Receivables consist of amounts due for charges for services, fees, various taxes, intergovernmental revenues, and grants. If the ultimate collectability of receivables became uncertain, the City would provide an allowance for that amount. As of September 30, 2020, there were no material receivables deemed uncollectible by management.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Prepaid Expenses/Expenditures: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These costs are accounted under the consumption method.

Ad Valorem Taxes: Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the City by Miami-Dade County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the Laws of Florida. There were no material delinquent property taxes in the fiscal year ended September 30, 2020.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$ 1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission and the Miami-Dade County Property Appraiser, who incorporates the City's millage into the total tax levy, which includes the County and the County School Board, Regional and other tax requirements. The millage rate assessed by the City for the year ended September 30, 2020 was 4.3 mills (\$ 4.3 mills per \$1,000 of the taxable value).

Capital Assets: Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, land improvements, infrastructure assets (e.g., roads, sidewalks, culverts, pump stations, stormwater lines, catch basins, and similar items), and intangibles, are reported in the governmental activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition. Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial, individual cost of more than the following established thresholds:

Building and improvements	\$ 50,000
Machinery and equipment	5,000
Land improvements	25,000
Infrastructure	250,000
Intangibles	25,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Building and improvements	50 years
Machinery and equipment	5-15 years
Land improvements	20 years
Infrastructure	40-50 years
Intangibles	5 years

Unearned Revenue: Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. This is classified as unearned revenue. Unearned revenues at the government-wide level arise only when the City receives resources before it has a legal claim to them.

Compensated Absences: City employees are granted annual leave (vacation) and sick leave in varying amounts based on length of service and the department in which the employee serves.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Compensated Absences: (continued)

Annual Leave:

Effective May 1997, the City's annual leave policy allows full-time employees to earn and accrue annual leave or vacation leave at varying rates depending on years of service. A maximum accrued leave balance, also varying depending on years of service, will be paid at employee's termination or retirement. Temporary, seasonal, provisional or part-time employees are not entitled to the provisions for the City's annual leave policy.

Sick Leave:

Effective October 1995, employees may accumulate sick leave without a maximum cap, but will not be paid upon termination or retirement. Employees hired on or before October 1995 may accumulate unused sick leave to a maximum of 600 hours. Upon termination or retirement, sick leave is paid to those employees, hired on or before October 1995, on a pro rata formula based upon years of service.

The City reports the liability for compensated absences in the governmental activities of the government-wide financial statements when earned. The current portion is the amount estimated to be due in the following fiscal year. Expenditures for compensated absences are recorded in the governmental funds only for employees who had terminated their employment as of the end of the fiscal year. The General Fund has typically been used to liquidate such amounts.

Deferred Outflows and Inflows of Resources: In addition to assets, the statement of financial 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 expense or expenditure until then. The City has two items that meet this criterion; an unamortized loss on a bond refunding, and certain deferrals relating to pensions, which are discussed further in Note 12. In addition to liabilities, the statement of financial 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 revenue until then. The City has three items that meet this criterion; service concession arrangements, which are discussed further in Note 8, deferrals relating to other post-employment benefits (OPEB), which are discussed further in Note 10, and certain deferrals relating to pensions, which are discussed further in Note 11.

Long-Term Obligations: In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Long-term debt is reported net of the applicable premium or discount.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. The accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflow or inflow in the statement of net position.

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

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Investments are reported at fair value.

Equity Classifications:

Government-wide financial statements:

Net position in the government-wide financial statements is displayed in three categories: 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Net position is reported as restricted when constraints are placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation. Remaining net position that does not meet the definition of "restricted" or "net investment in capital assets," is reported as unrestricted.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Equity Classifications: (continued)

Fund financial statements:

In the governmental fund financial statements, fund balance is comprised of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted into cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making. The City Commission is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Resources accumulated pursuant to stabilization arrangements are reported in this category.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Commission has by resolution authorized the City Finance Director to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally can only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned: This classification includes the residual fund balance 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. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Emergency and Disaster Recovery Operating Reserve: The City's policy is to maintain an adequate General Fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency and unanticipated expenditures and/or revenue shortfalls. The City's Commission had previously adopted an ordinance (No. 23-08-1958) to maintain an Emergency and Disaster Recovery Operating Reserve at a minimum level of no less than 10% of budgeted expenditures (\$6,026,861 committed at year-end). This emergency reserve component is available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result in a negative ending fund balance for the General Fund.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Some of these estimates include assessing the collectability of receivables, the realization of pension and other-post-employment obligations/assets, and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they could ultimately differ from actual results.

Internal Balances: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds" (i.e., the current portion of inter-fund loans). These amounts reported in the fund financial statements as due/to other funds are eliminated in the government-wide governmental columns of the statement of net position.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 3 - Stewardship, Compliance and Accountability

The City has no funds with a total deficit fund balance at the end of the fiscal year.

Note 4 -Deposits and Investments

The City, for accounting and investment purposes, maintains various accounts for use by all City funds.

Deposits - City: *Florida Statutes* authorize the deposit of City funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. All City public deposits are held in qualified public depositories pursuant to Chapter 280, *Florida Statutes*, "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the Federal Depository Insurance Corporation or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

As of September 30, 2020, the carrying amount of the City's book balance for deposits held with financial institutions totaled \$21,396,090 and the bank balance was \$ 21,347,949.

Investments - City: The City previously adopted a comprehensive investment policy established in accordance with Section 218.415, *Florida Statutes*. The investment policy applies to all investments held or controlled by the City with the exception of the City-sponsored employee pension plans and its debt issuances where there are other existing policies or indentures in effect for the investment of related funds.

Allowable investments include United States government securities, United States government agencies and sponsored agencies repurchase agreements, commercial paper, state and local government taxable and/or tax-exempt debt, money market mutual funds, intergovernmental investment pools, corporate obligations, certificates of deposit, and other investments authorized by City Commission from time to time. The City manages its risk by establishing strict guidelines related to interest rates, credit worthiness, concentration, and custodial credit. In addition, the City is not directly exposed to foreign credit risk.

As of September 30, 2020, the City had the following cash equivalents:

Investment Type	Amortized Cost	Maturity Less than 1 Year
Repurchase agreement*	\$ 7,518,919	\$ 7,518,919
Total at amortized cost	\$ 7,518,919	

* Amortized cost approximates fair value.

A reconciliation of deposits and investments as shown by category is as follows:

Category	
Deposits	\$ 21,394,588
Petty cash	1,502
Total deposits and investments	\$ 21,396,090

Investments – Pension Plan: The General Employees and Police Officers Pension Plan (the "Plan") and the Police Officers Retirement Trust Fund-Section 185 Plan (the "Fund") investments are held separately from those of other City funds and are shown in a separate fiduciary fund. As prescribed by the Plan and Fund investment policies, they are authorized to invest among several institutionally acceptable asset classes including bonds, debentures and other corporate obligations, equity securities, and domestic real estate. The City's Plan and Fund investment policies are determined by their respective Board of Trustees.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 4 -Deposits and Investments (continued)

Investments – Pension Plan: (continued)

The Plan and Fund have investments in a combination of stocks, bonds, government securities, and other investment securities. Investment securities are exposed to various risk, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of fiduciary net position and the statement of changes in fiduciary net position. The Plan and Fund, through its investment advisors, monitors the Plan and Fund's investments and the risks associated with them on a regular basis, which is believed to minimize these risks.

Credit Risk:

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Plan and Fund have an investment policy that targets investments of the safest types of securities. This policy requires a diversified portfolio to minimize the potential loss on individual securities. The Plan and Fund's investment policy utilizes portfolio diversification in order to control the risk. As of September 30, 2020, the Plan and Fund fixed income investments have been rated by Standard & Poor's and Moody's Investor Service Ratings as follows:

	General Employees and Police Officers Pension Plan	Police Officers Retirement Trust Fund - Section 185	Total
U.S. government guaranteed*	\$ 5,188,516	\$ 146,676	\$ 5,335,192
Quality rating of credit risk debt securities			
AAA/Aaa	393,555	9,352	402,907
AA/Aa	350,015	9,106	359,121
A/A	2,770,713	31,255	2,801,968
BBB/Baa	3,541,578	49,712	3,591,290
Not rated	30,043	-	30,043
Total credit risk debt securities	7,085,904	99,425	7,185,329
Total fixed income securities	\$ 12,274,420	\$ 246,101	\$ 12,520,521

*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.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Although the Plan and Fund investment policy do not provide limitations as to maturities, the Plan and Fund minimizes risk of fair value losses in its fixed income portfolio due to rising interest rates by structuring its investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections.

The Plan and Fund's investments in fixed income securities had maturities as follows:

Investment Type	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
Corporate obligations	\$ 7,085,904	\$ 688,107	\$ 2,698,716	\$ 2,767,535	\$ 931,546
U.S. Government and agency securities	5,188,516	-	1,283,935	1,499,671	2,404,910
Mutual fund, fixed income	246,101	2,461	135,109	55,127	53,404
Totals	<u>\$ 12,520,521</u>	<u>\$ 690,568</u>	<u>\$ 4,117,760</u>	<u>\$ 4,322,333</u>	<u>\$ 3,389,860</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 4 -Deposits and Investments (continued)

Investments – Pension Plan: (continued)

Concentration of Credit Risk:

In general, the investment policy of the Plan and Fund limits investments in the stock of any one issuing company to 5% of the Plan's or Fund's assets at cost and to 5% of the outstanding capital stock of that company. Furthermore, investments in domestic equities shall not exceed 60% of the Plan's or Fund's assets at market value, and international equity investments shall not exceed 20% of the Plan's or Fund's assets at market value. In general, for fixed income securities, not more than 5% of the Plan's or Fund's fixed income portfolio at cost shall be invested in the securities of any single corporate issuer. Furthermore, investments in domestic and international fixed income securities of the Plan's or Fund's assets at market value shall not exceed 40% - 45% and 0% - 10%, respectively. The Plan limits its real estate holdings between 2.5% - 10% of portfolio market value.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan and Fund will not be able to recover their investments or collateral securities that are in possession of an outside party. At September 30, 2020, and consistent with their investment policies, the Plan and Fund's securities were registered in their name, nominee registration.

Foreign Credit Risk:

Foreign credit risk is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than U.S. dollars as well as the carrying value of foreign investments. The Plan and Fund's exposure to foreign credit risk derives mainly from equity securities. As of the year end, investment balances in foreign investments are within policy limits. The Plan and Fund do not have direct exposure to foreign creditrisk.

Fair Value Hierarchy: Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - Unadjusted price quotations in active markets/exchanges for identical assets.
- Level 2 - Observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market- corroborated inputs).
- Level 3 - Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priorities to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The Plan and Fund categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Investments are recorded at fair value, and primarily uses the market approach to value each security. Security pricing is provided by a third-party and is generally reported daily to the Plan and Fund by its custodians.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 4 -Deposits and Investments (continued)

Fair Value Hierarchy: (continued)

The Plan and the Fund has the following recurring fair value measurements as of September 30, 2020:

Investment Type	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 23,756,700	\$ 246,101	\$ 23,510,599	\$ -
Real estate holdings	2,189,597	-	-	2,189,597
Corporate obligations	7,085,904	-	7,085,904	-
Common stocks	6,927,376	6,927,376	-	-
U.S. Government and agency securities	5,188,516	2,877,379	2,311,137	-
	45,148,093	<u>\$ 10,050,856</u>	<u>\$ 32,907,640</u>	<u>\$ 2,189,597</u>
Investments measured at amortized cost:				
Money market funds	<u>3,450,880</u>			
Total	<u>\$ 48,598,973</u>			

The real estate holdings of the limited partnership have no current unfunded commitments. The final capital call was due by February 26, 2018. The limited partnership is expected to distribute the principal and earnings to the Plan over a period of approximately seven years from the date when substantially all capital commitments are invested, unless extended longer or terminated earlier, as provided in the Limited Partnership Agreement. The changes in investments in real estate holdings measured at estimated fair value, for which the Plan has used Level 3 inputs to determine fair value, are as follows:

	Real Estate Holdings
Beginning balance, at October 1	\$ 1,673,342
Capital contributed during period	500,000
Investment income from operations	77,101
Total gains (realized and unrealized)	143,835
Distributions	(83,823)
Management fees and other	(120,858)
Ending balance, at September 30	<u>\$ 2,189,597</u>

Note 5 - Receivables

Receivables at September 30, 2020 were as follows:

Receivable type:	Major Fund		Total
	General Fund	Nonmajor Governmental Funds	
Intergovernmental	\$ 1,801,996	\$ 155,008	\$ 1,957,004
Franchise fees	100,247	-	100,247
Utility taxes	122,056	-	122,056
Accounts	103,651	-	103,651
Total	<u>\$ 2,127,950</u>	<u>\$ 155,008</u>	<u>\$ 2,282,958</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 6 - Interfund Balances and Transfers

Interfund balances at September 30, 2020 and the amount of interfund transfers for the fiscal year ended are summarized as follows:

	Payable fund:			Total
	Major Funds			
	General Fund	Debt Service Funds	Nonmajor Governmental Funds	
<u>Receivable fund:</u>				
General Fund	-	378,327	269,273	647,600
Capital Improvements Program Fund	210,935	-	-	210,935
Nonmajor Governmental Funds	106,417	-	-	106,417
Total	<u>\$ 317,352</u>	<u>\$ 378,327</u>	<u>\$ 269,273</u>	<u>\$ 964,952</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of the above amounts are expected to be repaid shortly after year-end from available current assets and next year funding.

During the year, \$ 1,991,971 and \$ 391,070 was transferred from the General Fund to the Capital Improvements Program Fund and the Debt Service Fund, respectively, to assist with capital improvement projects and debt service requirements. The remaining transfers were to the General Fund from the Community Redevelopment Agency Fund and nonmajor governmental funds to transfer the remaining assets of the SMCRA at fiscal year end and to reimburse the General Fund for expenditures incurred.

Note 7 - Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Increases	Decreases/ Transfers	Balance September 30, 2020
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 13,606,196	\$ 43,272	\$ -	\$ 13,649,468
Construction in progress	<u>264,956</u>	<u>-</u>	<u>264,956</u>	<u>-</u>
Total capital assets, not being depreciated	<u>13,871,152</u>	<u>43,272</u>	<u>264,956</u>	<u>13,649,468</u>
Capital assets, being depreciated:				
Buildings and improvements	20,965,183	1,273,238	1,278,017	20,960,404
Machinery and equipment	8,565,884	645,084	828,632	8,382,336
Land improvements	2,080,823	443,263	-	2,524,086
Infrastructure	10,538,741	-	-	10,538,741
Intangible assets	<u>448,257</u>	<u>-</u>	<u>-</u>	<u>448,257</u>
Total capital assets, being depreciated	<u>42,598,888</u>	<u>2,361,585</u>	<u>2,106,649</u>	<u>42,853,824</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 7 - Capital Assets (continued)

	Balance October 1, 2019	Increases	Decreases/ Transfers	Balance September 30, 2020
Less accumulated depreciation for:				
Buildings and improvements	5,426,845	468,834	381,192	5,514,487
Machinery and equipment	6,321,654	586,895	791,922	6,116,627
Land improvements	1,022,419	102,419	-	1,124,838
Infrastructure	4,051,390	230,474	-	4,281,864
Intangible assets	448,257	-	-	448,257
Total accumulated depreciation	<u>17,270,565</u>	<u>1,388,622</u>	<u>1,173,114</u>	<u>17,486,073</u>
Total capital assets, being depreciated, net	<u>25,328,323</u>	<u>972,963</u>	<u>933,535</u>	<u>25,367,751</u>
Governmental activities capital assets, net	<u>\$ 39,199,475</u>	<u>\$ 1,016,235</u>	<u>\$ 1,198,491</u>	<u>\$ 39,017,219</u>

Provision for depreciation was charged to functions/programs of the City as follows:

General government	\$ 574,952
Public safety	343,217
Public works	274,721
Culture and recreation	170,172
Community services	<u>25,560</u>
Total depreciation expense - governmental activities	<u>\$ 1,388,622</u>

Note 8 - Service Concession Arrangement and Note Receivable

The City owns a municipal garage that started operations in January 2008. The City executed a lease agreement (the "Lease") with an outside party to operate and maintain the municipal garage for a term of 50 years. In accordance with the Lease, the City approves all services and fees charged to customers. In addition, the City retains no contractual obligations for the garage until the end of the Lease, at which time the operation and management of the municipal garage reverts to the City. Installment payments due to the City under the Lease are as follows:

- (i) Repayment of principal on certain amounts used in the construction of the municipal garage. These amounts owed to the City by the lessee are shown as notes receivable in the statement of net position in the amount of \$ 6,549,307.
- (ii) Guaranteed rent payments equal to \$ 76,000 per year. The present value of these payments is reflected in the statement of net position using a discount rate of 7.25% in the amount of \$ 969,612.

The City has determined that the agreement meets the requirements of GASB Statement No. 60; *Accounting and Financial Reporting for Service Concession Arrangements*.

In accordance with GASB Statement No. 60, the City previously adjusted capital assets to include the municipal garage at fair value of approximately \$ 13 million. Additionally, \$ 7,518,919 is reflected in the government-wide financial statements (Statement of Net Position) as a deferred inflow of resources to be received over the term of the agreement, at net present value. The deferred inflow of resources is recognized annually over the term of the agreement.

The notes receivable mainly requires semi-annual payments including interest at rates ranging from 3.25% to 5.50% through October 1, 2036. The notes receivable are collateralized by the municipal garage, a mortgage on certain land owned by the lessee and by a personal guarantee from the owner of the lessee. A portion of the notes receivable (original amount of \$ 700,000) requires quarterly payments, including interest at 4.23%, through April 2019.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 8 - Service Concession Arrangement and Note Receivable (continued)

Future principal and interest payments due to the City under the notes receivable, as of September 30, 2020, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 335,688	\$ 301,706	\$ 637,394
2022	356,855	285,739	642,594
2023	369,462	269,112	638,574
2024	391,656	250,332	641,988
2025	401,088	235,551	636,639
2026-2030	2,327,143	867,915	3,195,058
2031-2035	1,825,575	299,683	2,125,258
2036-2037	541,840	24,570	566,410
Total	<u>\$ 6,549,307</u>	<u>\$ 2,534,608</u>	<u>\$ 9,083,915</u>

Note 9 - Long Term Liabilities of Governmental Activities

The following is a summary of changes in long-term liabilities of the City for governmental activities for the year ended September 30, 2020:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Governmental Activities:					
Florida Municipal Loan Council					
Bonds, Series 2006	\$ 1,190,000	\$ -	\$ 1,190,000	\$ -	\$ -
Taxable Revenue Note, Series 2011	4,660,000	-	495,000	4,165,000	530,000
Refunding Revenue Note, Series 2015	3,973,000	-	3,973,000	-	-
Capital Improvement Revenue Refunding Note, Series 2020	-	4,988,000	-	4,988,000	264,000
Compensated absences	<u>1,220,252</u>	<u>1,059,145</u>	<u>805,576</u>	<u>1,473,821</u>	<u>368,455</u>
Total	<u>\$ 11,043,252</u>	<u>\$ 6,047,145</u>	<u>\$ 6,463,576</u>	<u>\$ 10,626,821</u>	<u>\$ 1,162,455</u>

The City does not currently have unused line of credit or assets placed as collateral for debt. Compensated absences attributable to the governmental activities are generally liquidated by the General Fund.

Florida Municipal Loan Council (FMLC Bonds): The City previously borrowed \$ 5,625,000 from the FMLC's debt issue of \$22,365,000 Revenue Bonds, Series 2006, to assist with the financing of the construction and improvements of a municipal parking garage used for public parking. The bonds bear varying interest rates ranging from 4.00% to 5.00% and are secured by non-ad valorem revenues from the City. Payments received from a lessee in conjunction with the notes receivable (Note 8), future municipal garage revenues, and non-ad valorem revenues are used to repay the bonds as the payments become due. As discussed later, this debt issuance was refunded with proceeds from the issuance of the Taxable Revenue Notes, Series 2011 and further refunded in September 2020 with proceeds from the issuance of Capital Improvement Revenue Refunding Note, Series 2020.

Revenue Notes: Previously, the City issued a \$ 7,575,000 Taxable Revenue Note, Series 2011, primarily to partially advance refund \$ 1,725,000 and \$ 3,775,000 of the then FMLC 2002A and 2006 revenue bonds, respectively, and also to currently refund the then remaining obligation of the Capital Improvement Promissory Note, Series 2009 in the amount of \$ 814,488. Funds were deposited into an irrevocable trust with an escrow agent to provide for the scheduled principal and interest installments of the partially advanced refunded bonds, including the remaining obligations on the call date of May 1, 2012 and October 1, 2016 for the FMLC 2002A and 2006, respectively. Effective May 2012, the FMLC Series 2002A partially advanced refunded portion was considered defeased. Effective October 2016, the FMLC Series 2006 partially advanced refunded portion was considered defeased.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 9 - Long Term Liabilities of Governmental Activities (continued)

Annual principal and semi-annual interest payments are due through October 2026 at a fixed rate of 4.55%; secured by a pledge of all non-ad valorem revenues of the City.

In May 2015, the City issued a \$ 4,948,000 Refunding Revenue Note, Series 2015, to refund \$ 1,640,000 and \$ 3,308,000 of the then remaining balance of FMLC 2001A and 2002A revenue bonds, respectively. Semi-annual principal and interest payments are due through May 2032 at a fixed rate of 2.80%; secured by a pledge of all non-ad valorem revenues of the City. The indenture contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately.

In September 2020, the City issued a \$ 4,988,000 Capital Improvement Revenue Refunding Note, Series 2020, to refund \$ 1,145,000 and \$ 3,714,000 of the then remaining balance of Florida Municipal Loan Council Bonds, Series 2006 and Refunding Revenue Note, Series 2015, respectively. Annual principal and interest payments are due through April 2032 at a fixed rate of 1.327%; secured by a pledge of all non-ad valorem revenues of the City. The indenture contains provisions for remedies included for instances triggering an event of default, however no remedies for an event of default will result in acceleration of the payment of the Note.

Annual debt service requirements to maturity for the Revenue Notes are estimated to be as follows:

Fiscal Year Ending September 30,	Series 2011		Series 2020		Total
	Principal	Interest	Principal	Interest	
2021	\$ 530,000	\$ 179,717	\$ 264,000	\$ 33,095	\$ 1,006,812
2022	540,000	155,268	292,000	60,750	1,048,018
2023	565,000	129,782	296,000	56,849	1,047,631
2024	590,000	103,388	301,000	52,888	1,047,276
2025	620,000	75,235	303,000	48,880	1,047,115
2026-2030	1,320,000	61,670	2,348,000	31,291	3,760,961
2031-2034	-	-	1,184,000	7,856	1,191,856
Total	<u>\$ 4,165,000</u>	<u>\$ 705,060</u>	<u>\$ 4,988,000</u>	<u>\$ 291,608</u>	<u>\$ 10,149,668</u>

Conduit Debt Obligation: The City of South Miami Health Facilities Authority was created to issue Healthcare Facilities Revenue Bonds to provide financial assistance to the City's private-sector hospitals for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from revenues derived from the private-sector hospitals.

On December 28, 2017, the Baptist Health South Florida ("BHSF") Obligated Group issued through the City of South Miami Health Facilities Authority \$809,565,000 of its Hospital Refunding Revenue Bonds, Series 2017 ("2017 Bonds"). The 2017 Bonds bear interest at rates ranging from 3.00% to 5.00%, payable semiannually each February 15 and August 15, and mature annually on August 15 through 2047. Payment of principal and interest on the 2017 Bonds is wholly dependent on the credit of the BHSF Obligated Group. Proceeds of the 2017 Bonds, together with other available funds, were used to refund outstanding bonds and pay issue costs incurred in connection with the issuance of the 2017 Bonds. As of September 30, 2020, the outstanding principal amount payable was \$ 768,590,000.

The City acts solely as a lawful conduit in the issuance of the bonds and is not obligated in any manner for their repayment. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Note 10 - Other Post-Employment Benefits (OPEB)

The City follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

Plan Description and Funding Policy: Employees who retire from the City and their dependents are eligible to continue to participate (single employer plan) in the City's health insurance, dental, and vision plans currently offered through the City at the "blended" employee group rate, which is determined annually by the City. The retiree must continue to meet all participation requirements and pay in full all blended costs of coverage by the specified due date. The City pays the full blended cost of coverage for the surviving spouse, until remarried, and dependents, up to age 26, of any police officer who dies in the line of duty. If the police officer is catastrophically injured, the City will pay the full blended cost of insurance for the member, spouse, until remarried, and dependents, up to age 26.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

Plan Description and Funding Policy: (continued)

The following table provides a summary of the number of participants in the plan as of the measurement date:

Inactive plan members or beneficiaries	
currently receiving benefits	1
Inactive plan members entitled to but not	
not yet receiving benefits	-
Active plan members	132
Total plan members	133

Currently, the City's OPEB benefits are unfunded. This plan is not accounted for in a trust fund. To date, the City has followed a pay as you go funding policy, therefore, only those amounts necessary to provide for the City's reporting of current year benefit costs and expenses have been contributed from the General Fund. Contribution rates are determined by the City. The Plan does not issue a stand-alone financial report and it is not included in the report of a public employee retirement system or a report of another entity.

Actuarial Methods and Assumptions: The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The total OPEB liability at September 30, 2020 was measured as of October 1, 2019 and was determined to be based on an actuarial valuation performed as of the same date:

Actuarial cost method	Entry age, level percent of pay
Inflation	2.40%
Discount rate	2.74%
Projected salary increases	3.75% - 5.25%
Healthcare cost trend rates:	Based on the Getzen Model starting at 6.0% gradually decreasing to an ultimate rate of 4% in 2040 and thereafter.
Retirees' share of benefit - related costs:	100% of blended health insurance premium rates except where 0% is required by law for certain Police Officer death and disability provisions.
Mortality:	Healthy members based on various PUB-2010 base table, generational mortality using gender-specific MP-2018 mortality improvement projection scale. Disabled Employees based on various PUB-2010 Disabled mortality tables and no projected improvements.

Changes in assumptions and other inputs include the following for as of the beginning of the measurement period, October 1, 2019: the discount rate decreased from 3.83% to 2.74%, the excise tax load remained consistent at 4.3%, and the health care trend remained consistent (from 6.0% to 4.4% in 2040+). These changes are reflected in the Schedule of Changes in Total OPEB Liability. Mortality tables and rates of retirement were also updated. For the October 1, 2019 measurement date, eligibility for benefits was changed to reflect the new pension benefit eligibilities added to the Plan.

Discount Rate: The discount rate used to measure the total OPEB liability at October 1, 2019 was 2.74%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a tax- exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability. The discount rate was 3.83% as of the beginning of the measurement year.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

Total OPEB Liability of the City: The components of the City's net OPEB liability at September 30, 2020, are as follows:

Total OPEB liability	\$ 344,558
OPEB Plan fiduciary net position	<u>-</u>
City's net OPEB liability	<u>\$ 344,558</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0%

Schedule of Changes in Total OPEB Liability

Measurement year ended September 30, 2020

Total OPEB liability:	
Service cost	\$ 48,125
Interest on total OPEB liability	17,764
Benefit changes	2,672
Difference between actual and expected experience	(165,990)
Assumption changes	33,961
Benefit payments	<u>(15,199)</u>
Net change in total OPEB liability	(78,667)
Total OPEB liability, beginning	<u>423,225</u>
Total OPEB liability, ending	<u>\$ 344,558</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability, calculated using the discount rate of 2.74%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease (1.74)%	Current Discount Rate (2.74)%	1% Increase (3.74)%
Total OPEB liability	<u>\$ 397,020</u>	<u>\$ 344,558</u>	<u>\$ 301,259</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

	1% Trend Decrease (5.0% to 3.4%)	Current Trend Rates (6.0% to 4.4%)	1% Trend Increase (7.0% to 5.4%)
Total OPEB liability	<u>\$ 289,250</u>	<u>\$ 344,558</u>	<u>\$ 416,173</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 10 - Other Post-Employment Benefits (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2020 the City recognized OPEB expense of \$ 10,959. At September 30, 2020, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 364,780
Changes in assumptions and other inputs	29,966	16,132
Total	\$ 29,966	\$ 380,912

The deferred outflow of resources related to OPEB totaling \$ 10,977 resulting from City contribution and administrative expenses subsequent to the measurement date will be included as a reduction of the total OPEB liability for the fiscal year ended September 30, 2021.

The deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Deferred Inflows of Resources
2021	\$ (57,927)
2022	(57,927)
2023	(57,927)
2024	(57,927)
2025	(57,927)
Thereafter	(61,311)
Total	\$ (350,946)

Note 11 - Defined Benefit Pension Plan

Plan Description:

The City sponsors and maintains the General Employees and Police Officers Pension Plan (the "Plan"), a single employer defined benefit pension plan established by Ordinance No. 528 dated December 7, 1965, effective October 1, 1965. The Plan covers police officers and other full-time general employees of the City who are eligible to participate in the Plan and who fulfill the prescribed eligibility requirements. Through September 30, 2020, the most recent amendment to the Plan occurred on December 3, 2019.

A more detailed description of the Plan and its provisions appears in the Ordinances constituting the Plan and in the summary plan description.

The City has issued stand-alone financial statements for the Plan, which may be obtained from the City's Finance Department.

Benefits:

Normal Retirement:

General Employees: Attainment of age 55 and completion of 10 years of credited service for benefits accrued at September 30, 2011. Attainment of age 60 and completion of 10 years of credited service for benefits accrued after September 30, 2011, including increases in the accrued benefit as of September 30, 2011 due to increases in the final average compensation. These General Employees are entitled to retirement benefits ranging from 2.25% to 2.75% of their final monthly compensation ("FMC") based on years of credited service.

General Employees - Second Tier Members: Attainment of age 65 and completion of 10 years of credited service or completion of 33 years of credited service regardless of age. Second Tier Members are categorized as general employees who are hired on or after October 1, 2016 who elect to join the South Miami Pension Plan, and general employees who were hired prior to October 1, 2016 and not participating in the Plan as of October 1, 2016 and have elected to join. Second Tier Members are entitled to retirement benefits of 1.60% of FMC based on years of credited service.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Benefits: (continued)

Administration Management Service Class ("AMSC"): Attainment of age 65 and completion of 3 years of credited service or completion of 33 years of credited services regardless of age. AMSC Members are select personnel holding administrative/managerial level positions as defined by ordinance including, but not limited to, City Manager, City Attorney, City Clerk, and Chief of Police. The AMSC Members are entitled to retirement benefits of 3.00% of FMC based on years of credited service.

Police Officers: Attainment of age 55 and completion of 10 years of credited services or completion of 25 years of credited services regardless of age. These police officers are entitled to retirement benefits ranging from 2.00% to 3.00% of the FMC based on years of credited service.

Final Monthly Compensation:

Final average compensation is 1/36th of the final 36 consecutive months of compensation. For police officers, not less than 1/5th of the highest 5 years out of the last 10 years of compensation. Compensation shall mean regular wages and salaries, excluding bonuses, vacation, sick leave, and other additional compensation. Effective October 1, 2011, final average compensation for general employees is 1/60th of the final 60 consecutive months of basic compensation, provided it is not less than the final average compensation at September 30, 2011, based on the definition above. Basic compensation shall mean base wages and salaries, excluding commissions, overtime pay, bonuses and any other forms of additional compensation earned outside of base wages. Effective October 1, 2011, final average compensation for members covered under the police officers and sergeants collective bargaining agreements is the best of 5 years of basic compensation, provided is not less than the final average compensation as of September 30, 2011 based on the definition above. Basic compensation shall mean base wages and salaries, including up to 300 hours of overtime in a fiscal year and excluding payments for accrued unused sick or annual leave, extra duty or special detail work, shift differential, assignment pay, bonuses and other forms of additional compensation earned outside of base wages.

Effective October 1, 2016, final average compensation for members covered under the Miami-Dade County Police Benevolent Association Upper-Collective Bargaining Union (Lieutenants & Captains), collective bargaining agreements, is the best 5 years of basic compensation, provided it is not less than the final average compensation as of September 30, 2016 based on the definition above.

Final average compensation for Second Tier Members and AMSC members shall be the average of the highest 8 years of credit service.

Supplemental Benefit:

A cost-of-living supplemental benefit based upon the consumer price index is provided upon retirement. The City amended the supplemental benefit in 2020 with ordinance 35-19-2348 to provide the following:

- A cost-of-living supplemental benefit based upon the consumer price index, limited to 3%, upon retirement on the entire accrued benefit for General Employees (Tier 1 and 2), AMSC Employees and Police Officers.
- For Tier 1 General Employees who retired or entered the DROP prior to October 1, 2019, no cost-of-living supplemental benefit is provided on the portion of the benefit accrued after September 30, 2011 including increases in the accrued benefit due to increases in final average compensation. For Tier 2 General Employees and AMSC Employees who retired or entered the DROP prior to October 1, 2019, no cost-of-living supplemental benefit is provided.

In addition, the City enacted Ordinance No. 03-20-2357 approving the payment to the plan of the supplemental benefit (COLA) for the next 30 years at the present value amount of \$1,538.292. The amount is reflected in employer contributions in the statement of changes in fiduciary net position for the fiscal year ended September 30, 2020.

Early Retirement:

Police officers may elect early retirement at age 50 after 10 years of credited service. Benefits shall be based upon FMC and credited service as of early retirement date, reduced by 3% for each year that the benefit commencement date precedes normal retirement. General employees and AMSC members may elect early retirement at any age 55 after 10 years of credited service. Benefits shall be based upon FMC and credited service as of early retirement date, reduced by 1/15th for each of the first five years and 1/30th for the next five years that the benefit commencement date precedes normal retirement.

Disability Retirement:

Members who become totally and permanently disabled for a six-month period while actively employed are eligible. Benefits for disability retirement will be based upon the FMC and credited service as of the date of disability, actuarially reduced for early retirement commencement.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Benefits: (continued)

Pre-Retirement Death:

Death benefits are payable on behalf of members who die prior to retirement. A surviving beneficiary will receive the member's accumulated employee contributions.

Eligibility:

General Employees: The Plan is available to regular full-time employees who were employed prior to October 1, 2011 and had completed six months of credited service and attainment of age 20.

General Employees - Second Tier Members: Second Tier Members are categorized as full-time general employees who are hired on or after October 1, 2016 who elect to join or fail to make any election within ninety days from the date of hire; and full-time general employees who were hired or on after October 1, 2011 and not participating in the Plan as of October 1, 2016 and who elect to join or fail to make any election within ninety days from the effective date of the ordinance creating this tier.

Administration Management Service Class: As of October 1, 2016, and thereafter, AMSC members are offered a one-time irrevocable election to either join the Plan or a defined contribution plan of the City.

Police Officers: Full-time police officers are eligible to participate in the plan as of date of employment.

Employees Covered by Benefit Terms: The Plan has the following classes and number of plan members as of the latest actuarial valuation date of October 1, 2018:

	General and AMSC Employees	Police Officers
Active plan members	60	43
Terminated vested	4	5
Receiving benefits	27	22
	91	70

Contributions: The City's annual required contribution is determined annually by an independent third-party actuary and is, together with earnings and employee contributions, sufficient to fund the benefits provided by the Plan. For the year ended September 30, 2019, Plan participant contribution requirements were as follows: 7% for general employees - first tier members and AMSC; 3.0% for general employees - second tier members; and 7.5% for police officers. For the year ended September 30, 2018, City contribution requirements were as follow: 7.9% for general employees - first tier members; 4.7% for general employees - second tier members; 10.1% for AMSC members; and 8.6% for police officers. In accordance with a City ordinance, should the aggregate participant's and City's contribution be actuarially determined to exceed, not including expenses, 14% and 15%, for general employees (other than second tier members and AMSC participants) and police officers, respectively, both participants and the City shall share equally in such excess percentage. Notwithstanding the above, the maximum general employees and police officers (lieutenants and captains) contributions is capped at 10% and 12%, respectively, for fiscal years beginning on or after October 1, 2016. In accordance with City ordinance number 30-01-1761 and ordinance 38-19-2351, the Plan also receives an annual contribution from the Police Officers Retirement Trust Fund - Section 185 Plan of \$ 79,228.

In addition to amending the annual contribution from the Police Officers Retirement Trust Fund, ordinance 38-19-2351 identified reserve unused State funds of \$379,052 as of September 30, 2018. The funds shall be used to offset the cost of the benefits purchased by the adopted Ordinance 38-19-2351 which made changes to normal retirement and early retirement eligibility for eligible police officers. The Fund remitted the \$379,052 identified to the Plan during 2020.

The Police Officers Pension Plan also receives contributions from the State of Florida. During the fiscal year ended September 30, 2020, the City received \$ 106,852 from the State, which was generated from the insurance premium tax as part of the required funding for the Police Officers Pension Plan, and recorded revenues and expenditures in the General Fund, as appropriate.

Net Pension Liability: The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation date as of October 1, 2018.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Net Pension Liability: (continued)

Actuarial Assumptions:

The total pension liability in the October 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	10/1/2018
Actuarial cost method	Entry age normal
Amortization method	Level percentage or payroll, closed
Amortization period	25 years for general employees and AMSC; 30 years for Police Officers
Asset valuation method	5-year smoothed
Actuarial assumptions:	
Investment rate of return	7.375%
Projected salary increases	3.75% - 5.25%
Includes inflation at	2.75%
Cost-of-living adjustment	3% / 0.0%

Mortality rates for general employees and AMSC members were based on the RP-2000 Mortality Tables, separate for males and females. Mortality rates for police officers were based on RP-2000 Combined Healthy Participant Mortality Tables with Blue Collar Adjustment, separate for males and females. Mortality rates for disabled members were based on RP-2000 Disabled Mortality Tables, separate for males and females. These tables provide fully generational mortality improvements projected to each future payment date with Scale AA.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap	30%	5.6%
Smaller Mid Cap	15%	6.8%
Foreign Equity	15%	3.3%
Real Estate	10%	6.2%
Fixed Income	<u>30%</u>	2.9%
	<u>100%</u>	

Discount Rate:

A discount rate of 7.375% was used to measure the total pension liability. This discount rate was based on the expected rate of return on the Plan investments of 7.375%. 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 Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Net Pension Liability: (continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of			
September 30, 2018	\$ 40,483,665	\$ 43,219,378	\$ (2,735,713)
Service cost	842,564	-	842,564
Interest	2,889,649	-	2,889,649
Benefit changes	-	-	-
Difference between expected and actual experience	(1,314,061)	-	(1,314,061)
Assumption changes	-	-	-
Contributions - employer and state	-	704,929	(704,929)
Contributions - employees	-	594,753	(594,753)
Net investment income	-	868,406	(868,406)
Benefit payments, including refunds	(1,660,970)	(1,660,970)	-
Administrative expenses	-	(129,072)	129,072
Other	-	49,243	(49,243)
Net changes	<u>757,182</u>	<u>427,289</u>	<u>329,893</u>
Balance as of			
September 30, 2019	<u>\$ 41,240,847</u>	<u>\$ 43,646,667</u>	<u>\$ (2,405,820)</u>

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

The following represents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
City's net pension liability (asset)	<u>\$ 3,278,335</u>	<u>\$ (2,405,820)</u>	<u>\$ (7,043,835)</u>

Pension Plan Fiduciary Net Position:

Detailed information about the Plan's fiduciary net position is available in the separately issued financial report.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Relating to Pensions: For the year ended September 30, 2020, the City recognized pension expense (credit) of (\$ 94,493). At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	\$ 251,607	\$ -
Net difference between projected and actual earnings on Plan investments	216,803	-
Difference between expected and actual experience on liabilities	561,305	1,322,994
Total	\$ 1,029,715	\$ 1,322,994

The deferred outflows of resources related to the Plan, resulting from City contributions to the Plan subsequent to the measurement date in the amount of \$ 597,995, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows/inflows of resources relating to pensions will be recognized in pension expense in future years as follows:

Fiscal Year Ending September 30,	Deferred Inflows of Resources
2021	\$ (502,470)
2022	(179,743)
2023	199,669
2024	263,646
2025	(74,381)
Total	\$ (293,279)

Note 12 - Defined Contributions Plans

Police Officers Retirement Trust Fund - Section 185 Plan: The City sponsors and maintains the Police Officers Retirement Trust Fund - Section 185 Plan (the "Fund"), which accounts for the financial activity of the separate plan for police officers established under the provisions of Chapter 185 of the *Florida Statutes*. The City and participating members do not contribute to the Fund.

A Board of Trustees administers this account, which is made up of representatives of the police officers and the City. Statutory authority vests with the Board of Trustees with autonomy in the administration and control over the Fund.

The City has issued stand-alone financial statements for the Fund, which may be obtained from the City's Finance Department.

The sum of \$79,228 is paid from the Fund to the City of South Miami Police Officers Pension Plan each year, regardless of the growth or diminution in future Chapter 185 funds, to partially fund additional benefits.

401(a) and 457(b) Deferred Compensation Plans: The City is a single employer that contributes to four (4) defined contribution pension plans based upon employee classification. The City Commission executed a resolution for the City to make contributions of up to 7% of participating members' earnings into the plans.

The City contributes into a pension plan established under the Internal Revenue Code Section 401(a) that is available to all eligible employees with the designated contributions of up to 7% of earnings. The City provided contributions to the plan for the year ended September 30, 2020 of approximately \$ 9,779.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 12 - Defined Contributions Plans (continued)

401(a) and 457(b) Deferred Compensation Plans (continued):

For employees hired after October 1, 2016 and choosing not to enroll in the defined benefit plan, the City created a mandatory 401(a) plan with a City contribution of 7% and employee contribution of 3%. The City contribution to this plan during the year ended September 30, 2020 was approximately \$ 43,139.

Also available to eligible employees, the City contributes to a 401(a) plan as a matching contribution to an existing employer elected 457(b) plan. Those City contributions to this plan during the year ended September 30, 2019 were approximately \$ 4,056.

Lastly, the City established a deferred compensation pension plan created in accordance with the Internal Revenue Service Code Section 457(b). Eligible employees can contribute into the plan with a City match up to the 7% limitation as adopted by City Commission. The City provided contributions to this plan for the year ended September 30, 2020 of approximately \$ 6,795.

The 401(a) and 457(b) plans mentioned above are administered by ICMA Retirement Corporation. The City does not exercise any control nor have fiduciary responsibility over the 401(a) and 457(b) plan assets. Therefore, the assets, liabilities, and transactions are not included in the City's financial statements.

Note 13 - Commitments and Contingencies

Grants: Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the City. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation - General Matters: The City is currently a defendant in several pending claims and other legal proceedings incidental to the operations of the City. The City attorneys are vigorously defending each action. The ultimate liability and likelihood related to these claims is not presently determinable.

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. The City has not had a significant reduction in insurance coverage from coverage in the prior year by major categories of risk, settled claims and excess coverage in force for each of the past three years.

Note 14 - Risks and Uncertainties

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Ad valorem	\$ 7,402,977	\$ 7,402,977	\$ 7,439,135	\$ 36,158
Utility taxes	2,084,919	2,084,919	2,088,871	3,952
Business taxes	680,000	680,000	676,521	(3,479)
Franchise taxes	1,323,564	1,323,564	1,073,313	(250,251)
Licenses and permits	892,756	892,756	1,236,396	343,640
Intergovernmental	1,597,050	1,597,050	3,048,128	1,451,078
Charges for services	3,372,369	3,372,369	2,647,049	(725,320)
Fines and forfeitures	1,506,253	1,506,253	1,083,626	(422,627)
Rents and royalties	259,371	259,371	230,040	(29,331)
Interest income	103,039	103,039	188,363	85,324
Miscellaneous	152,412	152,412	461,121	308,709
Total revenues	<u>19,374,710</u>	<u>19,374,710</u>	<u>20,172,563</u>	<u>797,853</u>
Expenditures:				
Current:				
General government:				
City commission	136,338	136,338	115,152	21,186
City manager	2,190,569	2,241,269	1,923,950	317,319
City clerk	488,314	488,314	423,326	64,988
Legal	471,639	471,639	338,452	133,187
Finance	1,548,890	1,603,552	1,358,263	245,289
Total general government	<u>4,835,750</u>	<u>4,941,112</u>	<u>4,159,143</u>	<u>781,969</u>
Public safety:				
Police	7,184,174	8,758,777	8,208,836	549,941
Building, zoning and community development	1,509,334	1,559,042	1,357,012	202,030
Total public safety	<u>8,693,508</u>	<u>10,317,819</u>	<u>9,565,848</u>	<u>751,971</u>
Public works	3,666,103	3,670,665	2,963,525	707,140
Culture and recreation	2,525,054	2,537,831	1,971,291	566,540
Total expenditures	<u>19,720,415</u>	<u>21,467,427</u>	<u>18,659,807</u>	<u>2,807,620</u>
Excess (deficiency) of revenues over expenditures	<u>(345,705)</u>	<u>(2,092,717)</u>	<u>1,512,756</u>	<u>3,605,473</u>
Other financing sources (uses):				
Transfer in	1,349,641	1,349,641	2,262,442	912,801
Transfer out	(2,383,041)	(2,383,041)	(2,383,041)	-
Appropriation of prior year fund balance	1,379,105	3,126,117	-	(3,126,117)
Total other financing sources (uses)	<u>345,705</u>	<u>2,092,717</u>	<u>(120,599)</u>	<u>912,801</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,392,157</u>	<u>4,518,274</u>
Fund balances, beginning			<u>11,486,867</u>	
Fund balances, ending			<u>\$ 12,879,024</u>	

See required supplementary information - notes to budgetary comparison schedules.

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
(CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

EXPLANATION OF DIFFERENCES BETWEEN CHANGE IN FUND BALANCE -
 BUDGET TO ACTUAL AND STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GENERAL FUND

Net change in fund balance - budget to actual - General Fund \$ 1,392,157

Amounts reported for budget to actual are different because:

Revenues and expenditures in certain funds are reported in those funds
 for budgetary purposes; but in the General Fund for the purpose of the
 Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds:

Net change in fund balance - Emergency Reserve Fund ⁽¹⁾ 2,056,250

Net change in fund balance - City Parks Acquisition, Development,
 Operations and Maintenance Fund ⁽²⁾ -

General Fund - net change in fund balance per the Statement of Revenues,
 Expenditures, and Changes in Fund Balances - Governmental Funds \$ 3,448,407

⁽¹⁾ See budget to actual comparison schedule on page 64.

⁽²⁾ See budget to actual comparison schedule on page 65.

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Rents and royalties	\$ 639,772	\$ 639,772	\$ 639,772	\$ -
Interest income	2,000	2,000	2,828	828
Miscellaneous	<u>141,421</u>	<u>141,421</u>	<u>141,356</u>	<u>(65)</u>
Total revenues	<u>783,193</u>	<u>783,193</u>	<u>783,956</u>	<u>763</u>
Expenditures:				
Debt service:				
Principal	799,000	799,000	5,658,000	(4,859,000)
Interest and fiscal charges	<u>375,263</u>	<u>375,263</u>	<u>494,730</u>	<u>(119,467)</u>
Total expenditures	<u>1,174,263</u>	<u>1,174,263</u>	<u>6,152,730</u>	<u>(4,978,467)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(391,070)</u>	<u>(391,070)</u>	<u>(5,368,774)</u>	<u>(4,977,704)</u>
Other financing sources (uses)				
Issuance of debt	-	-	4,988,000	4,988,000
Transfer in (out)	<u>391,070</u>	<u>391,070</u>	<u>391,070</u>	<u>-</u>
Total other financing sources (uses)	<u>391,070</u>	<u>391,070</u>	<u>5,379,070</u>	<u>4,988,000</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>10,296</u>	<u>10,296</u>
Fund balances, beginning			<u>11,316</u>	
Fund balances, ending			<u>\$ 21,612</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - COMMUNITY REDEVELOPMENT AGENCY FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Incremental tax receipts	\$ 1,559,821	\$ 1,559,821	\$ 1,559,821	\$ -
Rents and royalties	26,000	26,000	10,866	(15,134)
Interest income	3,800	3,800	27,488	23,688
Miscellaneous	-	-	5,821	5,821
Total revenues	<u>1,589,621</u>	<u>1,589,621</u>	<u>1,603,996</u>	<u>14,375</u>
Expenditures:				
Current:				
Public safety	185,970	185,970	196,296	(10,326)
Community services	1,200,918	1,212,327	1,315,161	(102,834)
Capital outlay	<u>1,046,757</u>	<u>1,166,375</u>	<u>135,922</u>	<u>1,030,453</u>
Total expenditures	<u>2,433,645</u>	<u>2,564,672</u>	<u>1,647,379</u>	<u>917,293</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(844,024)</u>	<u>(975,051)</u>	<u>(43,383)</u>	<u>931,668</u>
Other financing sources (uses)				
Transfer in (out)	(1,051,753)	(1,051,753)	(2,097,887)	(1,046,134)
Appropriation of prior year fund balance	<u>1,895,777.00</u>	<u>2,026,804.00</u>	-	<u>(2,026,804)</u>
Total other financing sources (uses)	<u>844,024</u>	<u>975,051</u>	<u>(2,097,887)</u>	<u>(3,072,938)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(2,141,270)</u>	<u>(2,141,270)</u>
Fund balances, beginning			<u>2,141,270</u>	
Fund balances, ending			<u>\$ -</u>	

CITY OF SOUTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2020

Note 1 - Budgets and Budgetary Accounting

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). All governmental funds adopted a budget, with the exception of the Parks Impact Fees Fund.

The following procedures are used by the City in establishing the budgetary data reflected in the financial statements.

- a) Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- d) At the request of the City Manager, and within the last three months of the budget year, the City Commission may transfer any unencumbered balance or portion thereof from one department to another. All budget fund transfers require a resolution from the City Commission. Pursuant to the City's Charter, expenditures may not legally exceed appropriations at the departmental level.
- e) Formal budgetary integration is employed as a management control device during the year.
- f) In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent final authorized amounts. Therefore, the department level is the legal level of budgetary control. Budgeted amounts are as originally adopted or as amended.

Revisions that alter the total expenditures of any department within a fund must be approved by the City Commission. Actual expenditures and transfers out may not exceed budget appropriations at the departmental level. Appropriations that are not expended nor specifically designated to be carried over, lapse at the end of the fiscal year.

Note 2 - Excess of Expenditures Over Appropriations

For the year ended September 30, 2020, expenditures exceeded appropriations in the following fund:
Community Redevelopment Agency Fund public safety and community services expenditures exceeded appropriations by \$102,834 for Community Services and \$10,326 for Public Safety. This unfavorable variance was caused by costs for salaries and accumulated payouts and costs associated with the closure of the CRA which were incurred prior to the end of the fiscal year.

CITY OF SOUTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES AND POLICE OFFICERS PENSION PLAN - PENSION TRUST FUND
(UNAUDITED)

Measurement Date	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:							
Service cost	\$ 852,115	\$ 842,564	\$ 796,141	\$ 846,884	\$ 697,537	\$ 686,435	\$ 669,181
Interest	3,164,443	2,889,649	2,834,288	2,630,646	2,460,415	2,381,731	2,299,340
Benefit changes	2,209,880	-	-	(20,122)	-	-	-
Difference between expected and actual experience	502,197	(1,314,061)	901,489	(112,807)	(656,677)	(502,259)	(598,374)
Assumption changes	(1,109,800)	-	-	566,118	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,584,681)</u>	<u>(1,660,970)</u>	<u>(1,563,305)</u>	<u>(1,570,751)</u>	<u>(1,293,782)</u>	<u>(1,417,586)</u>	<u>(1,315,113)</u>
Net change in total pension liability	4,034,154	757,182	2,968,613	2,339,968	1,207,493	1,148,321	1,055,034
Total pension liability - beginning	<u>41,240,847</u>	<u>40,483,665</u>	<u>37,515,052</u>	<u>35,175,084</u>	<u>33,967,591</u>	<u>32,819,270</u>	<u>31,764,236</u>
Total pension liability - ending (a)	<u>\$ 45,275,001</u>	<u>\$ 41,240,847</u>	<u>\$ 40,483,665</u>	<u>\$ 37,515,052</u>	<u>\$ 35,175,084</u>	<u>\$ 33,967,591</u>	<u>\$ 32,819,270</u>
Total Fiduciary Net Position:							
Contributions - employer and state	\$ 2,215,515	\$ 704,929	\$ 690,632	\$ 681,713	\$ 570,154	\$ 834,251	\$ 878,217
Contributions - employees	459,625	594,753	536,473	910,127	490,452	562,835	593,396
Net investment income	3,177,042	868,406	3,984,542	4,542,693	3,306,002	16,750	3,054,164
Benefit payments, including refunds of employee contributions	(1,584,681)	(1,660,970)	(1,563,305)	(1,570,751)	(1,293,782)	(1,417,586)	(1,315,113)
Administrative expenses	(143,452)	(129,072)	(139,324)	(163,555)	(129,291)	(135,093)	(100,780)
Other	<u>359,949</u>	<u>49,243</u>	<u>260,999</u>	<u>-</u>	<u>2,835</u>	<u>4,454</u>	<u>6,784</u>
Net change in plan fiduciary net position	4,483,998	427,289	3,770,017	4,400,227	2,946,370	(134,389)	3,116,668
Plan fiduciary net position - beginning	<u>43,646,667</u>	<u>43,219,378</u>	<u>39,449,361</u>	<u>35,049,134</u>	<u>32,102,764</u>	<u>32,237,153</u>	<u>29,120,485</u>
Plan fiduciary net position - ending (b)	<u>\$ 48,130,665</u>	<u>\$ 43,646,667</u>	<u>\$ 43,219,378</u>	<u>\$ 39,449,361</u>	<u>\$ 35,049,134</u>	<u>\$ 32,102,764</u>	<u>\$ 32,237,153</u>
Net pension (asset) liability - ending (a) - (b)	<u>\$ (2,855,664)</u>	<u>\$ (2,405,820)</u>	<u>\$ (2,735,713)</u>	<u>\$ (1,934,309)</u>	<u>\$ 125,950</u>	<u>\$ 1,864,827</u>	<u>\$ 582,117</u>
Plan fiduciary net position as a percentage of total pension liability	106.31%	105.83%	106.76%	105.16%	99.64%	94.51%	98.23%
Covered payroll	\$ 7,013,961	\$ 6,840,856	\$ 6,447,564	\$ 6,368,739	\$ 4,861,991	\$ 4,086,300	\$ 4,902,128
Net pension liability as a percentage of covered payroll	-40.71%	-35.17%	-42.43%	-30.37%	2.59%	45.64%	11.87%

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF SOUTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES AND POLICE OFFICERS PENSION PLAN - PENSION TRUST FUND
(UNAUDITED)

Fiscal Year	Actuarially	Contributions	Contribution	Covered	Contribution
Ended 9/30	Determined	in Relation to	Deficiency	Payroll1,2	as a Percentage
	Contribution	the Actuarially	(Excess)		of Covered
		Determined			Payroll
		Contribution			
2011	\$ 1,266,587	\$ 1,273,320	\$ (6,733)	\$ 6,830,908	18.64%
2012	1,021,975	1,021,975	-	5,423,152	18.84%
2013	860,190	860,190	-	4,861,701	17.69%
2014	878,217	878,217	-	4,902,128	17.92%
2015	834,251	834,251	-	4,086,300	20.42%
2016	570,154	570,154	-	4,861,991	11.73%
2017	680,568	681,713	(1,145)	6,368,739	10.70%
2018	690,632	690,632	-	6,447,564	10.71%
2019	704,929	704,929	-	6,840,856	10.30%
2020	677,223	2,215,515	(1,538,292)	7,013,961	31.59%

Notes to Schedule:

Valuation date:	Actuarially determined contributions are calculated as of October 1st - two year(s) prior to the fiscal year end in which contributions are reported.
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	25 years for general employees and AMSC; 30 years for police officers
Asset valuation method:	5-year smoothed
Inflation:	2.75%
Salary increases:	3.75% - 5.25%
Investment rate of return:	7.375%, net of investment expenses
Payroll growth assumption:	4.0% per year, but limited to average annual increase over most recent ten years (1.4%) for Police Officers. None for general employees or AMSC.
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition
Mortality:	General including AMSC members-healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% WhiteCollar/50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

CITY OF SOUTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES AND POLICE OFFICERS PENSION PLAN - PENSION TRUST FUND
(UNAUDITED)

Notes to Schedule (Continued):

Mortality (Continued):

Police Members - healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Table with separate rates for males and females, with 10% White Collar/ 90% Blue Collar Adjustment for Police members and fully generational mortality improvements projected to each future decrement date with Scale BB.

General including AMSC members - healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar/ 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

Police Members - healthy participants post employment ,RP 2000 Annuitant Mortality Table with separate rates for males and females, with 10% White Collar/ 90% Blue Collar Adjustment for Police members and fully generational mortality improvements projected to each future decrement date with Scale BB.

General including AMSC members - disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Police members - disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years/ 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements .For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years/ 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

Cost-of-living increases: 3.0% / 0%

CITY OF SOUTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES AND POLICE OFFICERS PENSION PLAN - PENSION TRUST FUND
(UNAUDITED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.2%	2.1%	10.3%	13.1%	10.4%	0.0%	11.4%

Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF SOUTH MIAMI, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS
(UNAUDITED)

Fiscal Year:	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	10/1/2019	10/1/2018	10/1/2017
Total OPEB Liability:			
Service cost	\$ 48,125	\$ 46,640	\$ 48,182
Interest	17,764	15,206	22,481
Benefit changes	2,672	-	(10,435)
Difference between expected and actual experience	(165,990)	-	(337,400)
Assumption changes	33,961	(20,628)	(1,025)
Benefit payments	<u>(15,199)</u>	<u>(11,537)</u>	<u>(10,446)</u>
Net change in Total OPEB Liability	(78,667)	29,681	(288,643)
Total OPEB liability-beginning	<u>423,225</u>	<u>393,544</u>	<u>682,187</u>
Total OPEB liability-ending	<u>\$ 344,558</u>	<u>\$ 423,225</u>	<u>\$ 393,544</u>
Covered payroll	\$ 8,130,725	\$ 7,091,413	\$ 7,142,019
Total OPEB liability as a percentage of covered payroll	4.24%	5.97%	5.51%

Notes to Schedule:

* Schedule is intended to show information for ten years. Additional years will be displayed as the become available.

Changes in assumptions and other inputs include the following for as of the beginning of the measurement period, October 1, 2018: the discount rate increased from 3.50% to 3.83%, the excise tax load increased from 3.6% to 4.3%, and the healthcare trend decreased from (7.5% to 5.0% in 2020+) to (6.0% to 4.0% in 2040+). Mortality tables and rates of retirement were also updated for October 1, 2017 measurement date.

Plan Assets - No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

Local Option Gas Tax - This fund is used to account for the revenues and expenditures associated with the State of Florida's Local Option Fuel Taxes.

Peoples Transportation Tax - This fund is used to account for eighty percent of the revenues and expenditures associated with the Miami-Dade County's Peoples Transportation Plan. This revenue share is used towards the development, construction, operation and maintenance of roads and bridges throughout the City. Funds can also be used for the payment of principal and interest of debt issued in connection with these projects.

Peoples Transportation Tax, Direct Transit - This fund is used to account for twenty percent of the revenues and expenditures associated with Miami-Dade County's People Transportation Plan. This revenue share is used towards transit, such as bus services, bus pullout bays, shelters, and any other direct transit related infrastructure.

State Forfeiture Fund - To account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgments in accordance with the Florida Contraband Forfeiture Act. Proceeds are to be used solely for crime fighting purposes.

Tree Trust Fund - This fund was created under the City's Land Development Code Section 20-4.5 with the purpose to acquire, protect, and to plant trees on public property.

Hometown District Improvement Trust - This fund accounts for monies received that are to be used for improvements to parking facilities, infrastructure to increase parking capacity, and the installation of metering devices. Monies collected in this fund can also be used to improve pedestrian environment.

Federal Forfeiture Fund - To account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgments in accordance with the Federal Department of Justice Asset Forfeiture Program. Proceeds are to be used solely for crime fighting purposes.

Grants Fund - This fund accounts for grant funding received that is restricted for specific projects as defined by the grantor agencies.

Parks Impact Fees Fund - This fund accounts for parks impact fees assessed on new residential developments during permitting. Proceeds are to be used solely for land acquisition for parks, facility maintenance and new park construction, retirement of debt issued to finance park improvements, and any administrative costs incurred during the fee collection process.

Stormwater Drain Trust Fund - This fund accounts mainly for the revenues associated with an inter-local agreement with the Miami-Dade County, Water and Sewer Department related to stormwater charges. The revenues are used for the management and maintenance of existing catch basins, stormwater drains and canal system, and future construction of the City's system.

CITY OF SOUTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds										Total Nonmajor Governmental Funds
	Local	Peoples	Peoples	State	Tree	Hometown	Federal	Grants	Park	Stormwater	
	Option	Transportation	Transportation	Forfeiture	Trust	District	Forfeiture	Fund	Impact	Drain	
	Gas Tax	Tax	Tax, District Transit	Fund	Fund	Improvement Fund	Fund	Fund	Fees Fund	Trust Fund	
Assets:											
Cash and cash equivalents	\$ 251,813	\$ 977,504	\$ 266,464	\$ 40,221	\$ 34,817	\$ 21,063	\$ 1,289,004	\$ 586,916	\$ 69,740	\$ 528,732	\$ 4,066,274
Receivables	-	60,526	-	-	-	-	-	81,978	-	12,504	155,008
Due from other funds	12,100	37,016	5,764	-	27,348	-	-	24,189	-	-	106,417
Total assets	\$ 263,913	\$ 1,075,046	\$ 272,228	\$ 40,221	\$ 62,165	\$ 21,063	\$ 1,289,004	\$ 693,083	\$ 69,740	\$ 541,236	\$ 4,327,699
Liabilities and Fund Balances:											
Liabilities:											
Accounts payable	\$ -	\$ 23,855	\$ -	\$ -	\$ 3,338	\$ -	\$ 4,024	\$ 10,213	\$ -	\$ 1,200	\$ 42,630
Due to other funds	-	-	-	-	-	20,055	5,314	21,989	-	221,915	269,273
Unearned revenue	-	-	-	-	-	-	-	8,930	-	-	8,930
Total liabilities	-	23,855	-	-	3,338	20,055	9,338	41,132	-	223,115	320,833
Fund balances:											
Restricted for:											
Park improvements	-	-	-	-	-	-	-	-	69,740	-	69,740
Grant projects	-	-	-	-	-	-	-	651,951	-	-	651,951
Stormwater management	-	-	-	-	-	-	-	-	-	318,121	318,121
Transportation projects	263,913	1,051,191	272,228	-	-	-	-	-	-	-	1,587,332
Law enforcement	-	-	-	40,221	-	-	1,279,666	-	-	-	1,319,887
Committed to:											
Tree projects	-	-	-	-	58,827	-	-	-	-	-	58,827
Parking management	-	-	-	-	-	1,008	-	-	-	-	1,008
Total fund balances (deficit)	263,913	1,051,191	272,228	40,221	58,827	1,008	1,279,666	651,951	69,740	318,121	4,006,866
Total liabilities and fund balances	\$ 263,913	\$ 1,075,046	\$ 272,228	\$ 40,221	\$ 62,165	\$ 21,063	\$ 1,289,004	\$ 693,083	\$ 69,740	\$ 541,236	\$ 4,327,699

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds										Total Nonmajor Governmental Funds
	Local Option Gas Tax	Peoples Transportation Tax	Peoples Transportation Tax, District Transit	State Forfeiture Fund	Tree Trust Fund	Hometown District Improvement Fund	Federal Forfeiture Fund	Grants Fund	Park Impact Fees Fund	Stormwater Drain Trust Fund	
Revenues:											
Taxes:											
Utility taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247	\$ 247
Licenses and permits	-	-	-	-	26,534	-	-	-	25,058	-	51,592
Intergovernmental	65,731	380,226	95,057	-	-	-	139,794	-	365,164	-	1,045,972
Interest income	2,245	10,648	-	585	-	-	16,427	6,705	815	6,761	44,186
Miscellaneous	-	-	-	-	-	-	4,601	-	-	252	4,853
Total revenues	<u>67,976</u>	<u>390,874</u>	<u>95,057</u>	<u>585</u>	<u>26,534</u>	<u>-</u>	<u>21,028</u>	<u>146,499</u>	<u>25,873</u>	<u>372,424</u>	<u>1,146,850</u>
Expenditures:											
Current:											
Public safety	-	-	-	30,000	-	-	167,675	6,604	-	-	204,279
Public works	-	-	89,293	-	3,338	-	-	21,363	-	128,769	242,763
Culture and recreation	-	-	-	-	-	-	-	6,526	-	-	6,526
Capital outlay	<u>14,033</u>	<u>310,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,192</u>	<u>105,301</u>	<u>-</u>	<u>4,989</u>	<u>492,161</u>
Total expenditures	<u>14,033</u>	<u>310,646</u>	<u>89,293</u>	<u>30,000</u>	<u>3,338</u>	<u>-</u>	<u>224,867</u>	<u>139,794</u>	<u>-</u>	<u>133,758</u>	<u>945,729</u>
Excess (deficiency) of revenues over expenditures	<u>53,943</u>	<u>80,228</u>	<u>5,764</u>	<u>(29,415)</u>	<u>23,196</u>	<u>-</u>	<u>(203,839)</u>	<u>6,705</u>	<u>25,873</u>	<u>238,666</u>	<u>201,121</u>
Other financing sources (uses) :											
Transfers out	-	-	-	-	-	(14,555)	-	-	-	(150,000)	(164,555)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(164,555)</u>
Net change in fund balances	<u>53,943</u>	<u>80,228</u>	<u>5,764</u>	<u>(29,415)</u>	<u>23,196</u>	<u>(14,555)</u>	<u>(203,839)</u>	<u>6,705</u>	<u>25,873</u>	<u>88,666</u>	<u>36,566</u>
Fund balances, beginning	<u>209,970</u>	<u>970,963</u>	<u>266,464</u>	<u>69,636</u>	<u>35,631</u>	<u>15,563</u>	<u>1,483,505</u>	<u>645,246</u>	<u>43,867</u>	<u>229,455</u>	<u>3,970,300</u>
Fund balances, ending	<u>\$ 263,913</u>	<u>\$ 1,051,191</u>	<u>\$ 272,228</u>	<u>\$ 40,221</u>	<u>\$ 58,827</u>	<u>\$ 1,008</u>	<u>\$1,279,666</u>	<u>\$ 651,951</u>	<u>\$ 69,740</u>	<u>\$ 318,121</u>	<u>\$ 4,006,866</u>

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - LOCAL OPTION GAS TRUST FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 71,763	\$ 71,763	\$ 65,731	\$ (6,032)
Interest income	1,600	1,600	2,245	645
Total revenues	<u>73,363</u>	<u>73,363</u>	<u>67,976</u>	<u>(5,387)</u>
Expenditures:				
Capital outlay	250,000	286,620	14,033	272,587
Total expenditures	<u>250,000</u>	<u>286,620</u>	<u>14,033</u>	<u>(272,587)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(176,637)</u>	<u>(213,257)</u>	<u>53,943</u>	<u>267,200</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	176,637	213,257	-	(213,257)
Total other financing sources (uses)	<u>176,637</u>	<u>213,257</u>	<u>-</u>	<u>(213,257)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>53,943</u>	<u>53,943</u>
Fund balances, beginning			<u>209,970</u>	
Fund balances, ending			<u>\$ 263,913</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEOPLES TRANSPORTATION TAX
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 440,000	\$ 440,000	\$ 380,226	\$ (59,774)
Interest income	10,000	10,000	10,648	648
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>390,874</u>	<u>(59,126)</u>
Expenditures:				
Capital outlay	1,067,500	1,250,479	310,646	939,833
Total expenditures	<u>1,067,500</u>	<u>1,250,479</u>	<u>310,646</u>	<u>939,833</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(617,500)</u>	<u>(800,479)</u>	<u>80,228</u>	<u>880,707</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	617,500	800,479	-	(800,479)
Total other financing sources (uses)	<u>617,500</u>	<u>800,479</u>	<u>-</u>	<u>(800,479)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>80,228</u>	<u>80,228</u>
Fund balances, beginning			<u>970,963</u>	
Fund balances, ending			<u>\$ 1,051,191</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEOPLES TRANSPORTATION TAX, DIRECT TRANSIT
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 95,057	\$ (14,943)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>95,057</u>	<u>(14,943)</u>
Expenditures:				
Current:				
Public works	<u>277,748</u>	<u>277,748</u>	<u>89,293</u>	<u>188,455</u>
Total expenditures	<u>277,748</u>	<u>277,748</u>	<u>89,293</u>	<u>188,455</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(167,748)</u>	<u>(167,748)</u>	<u>5,764</u>	<u>173,512</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	<u>167,748</u>	<u>167,748</u>	<u>-</u>	<u>(167,748)</u>
Total other financing sources (uses)	<u>167,748</u>	<u>167,748</u>	<u>-</u>	<u>(167,748)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>5,764</u>	<u>5,764</u>
Fund balances, beginning			<u>266,464</u>	
Fund balances, ending			<u>\$ 272,228</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - STATE FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest income	\$ 700	\$ 700	\$ 585	\$ (115)
Total revenues	<u>700</u>	<u>700</u>	<u>585</u>	<u>(115)</u>
Expenditures:				
Current:				
Public safety	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(29,300)</u>	<u>(29,300)</u>	<u>(29,415)</u>	<u>(115)</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	<u>29,300</u>	<u>29,300</u>	<u>-</u>	<u>(29,300)</u>
Total other financing sources (uses)	<u>29,300</u>	<u>29,300</u>	<u>-</u>	<u>(29,300)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(29,415)</u>	<u>(29,415)</u>
Fund balances, beginning			<u>69,636</u>	
Fund balances, ending			<u>\$ 40,221</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - TREE TRUST FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 26,534	\$ 26,534
Total revenues	<u>-</u>	<u>-</u>	<u>26,534</u>	<u>26,534</u>
Expenditures:				
Current:				
Public works	20,000	20,000	3,338	16,662
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>3,338</u>	<u>16,662</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>23,196</u>	<u>43,196</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	20,000	20,000	-	(20,000)
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>23,196</u>	<u>23,196</u>
Fund balances, beginning			<u>35,631</u>	
Fund balances, ending			<u>\$ 58,827</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - HOMETOWN IMPROVEMENT FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	-	-
Other financing sources (uses):				
Appropriation of prior year fund balance	14,555	14,555	-	(14,555)
Transfer in (out)	(14,555)	(14,555)	(14,555)	-
Total other financing sources (uses)	-	-	(14,555)	(14,555)
Net change in fund balance	-	-	(14,555)	(14,555)
Fund balances, beginning			15,563	
Fund balances, ending			<u>\$ 1,008</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - FEDERAL FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest income	\$ 16,000	\$ 16,000	\$ 16,427	\$ 427
Miscellaneous	30,000	30,000	4,601	(25,399)
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>21,028</u>	<u>(24,972)</u>
Expenditures:				
Current:				
Public safety	321,500	321,500	167,675	153,825
Capital outlay	50,000	95,916	57,192	38,724
Total expenditures	<u>371,500</u>	<u>417,416</u>	<u>224,867</u>	<u>192,549</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(325,500)</u>	<u>(371,416)</u>	<u>(203,839)</u>	<u>167,577</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	325,500	371,416	-	(371,416)
Total other financing sources (uses)	<u>325,500</u>	<u>371,416</u>	<u>-</u>	<u>(371,416)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(203,839)</u>	<u>(203,839)</u>
Fund balances, beginning			<u>1,483,505</u>	
Fund balances, ending			<u>\$ 1,279,666</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GRANTS FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 895,094	\$ 139,794	\$ (755,300)
Interest income	-	-	6,705	6,705
Total revenues	<u>-</u>	<u>895,094</u>	<u>146,499</u>	<u>(748,595)</u>
Expenditures:				
Current:				
Public safety	-	6,604	6,604	-
Public works	-	54,440	21,363	33,077
Culture and recreation	-	6,526	6,526	-
Capital outlay	-	827,524	105,301	722,223
Total expenditures	<u>-</u>	<u>895,094</u>	<u>139,794</u>	<u>755,300</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,705</u>	<u>6,705</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>6,705</u>	<u>6,705</u>
Fund balances, beginning			<u>645,246</u>	
Fund balances, ending			<u>\$ 651,951</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PARK IMPACT FEES FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 25,058	\$ 25,058
Interest income	3,500	3,500	815	(2,685)
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>25,873</u>	<u>22,373</u>
Expenditures:				
Capital outlay	225,894	225,894	-	225,894
Total expenditures	<u>225,894</u>	<u>225,894</u>	<u>-</u>	<u>225,894</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(222,394)</u>	<u>(222,394)</u>	<u>25,873</u>	<u>248,267</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	222,394	222,394	-	(222,394)
Total other financing sources (uses)	<u>222,394</u>	<u>222,394</u>	<u>-</u>	<u>(222,394)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>25,873</u>	<u>25,873</u>
Fund balances, beginning			<u>43,867</u>	
Fund balances, ending			<u>\$ 69,740</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - STORMWATER DRAIN TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Utility taxes	\$ 10,000	\$ 10,000	\$ 247	\$ (9,753)
Intergovernmental	400,000	400,000	365,164	(34,836)
Interest income	7,000	7,000	6,761	(239)
Miscellaneous	<u>-</u>	<u>-</u>	<u>252</u>	<u>252</u>
Total revenues	<u>417,000</u>	<u>417,000</u>	<u>372,424</u>	<u>(44,576)</u>
Expenditures:				
Current:				
Public works	207,485	237,772	128,769	109,003
Capital outlay	<u>220,000</u>	<u>237,228</u>	<u>4,989</u>	<u>232,239</u>
Total expenditures	<u>427,485</u>	<u>475,000</u>	<u>133,758</u>	<u>341,242</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(10,485)</u>	<u>(58,000)</u>	<u>238,666</u>	<u>296,666</u>
Other financing sources (uses):				
Transfer in (out)	(150,000)	(150,000)	(150,000)	-
Appropriation of prior year fund balance	<u>160,485</u>	<u>208,000</u>	<u>-</u>	<u>(208,000)</u>
Total other financing sources (uses)	<u>10,485</u>	<u>58,000</u>	<u>(150,000)</u>	<u>(208,000)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>88,666</u>	<u>88,666</u>
Fund balances, beginning			<u>229,455</u>	
Fund balances, ending			<u>\$ 318,121</u>	

See required supplementary information - notes to budgetary comparison schedules.

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT PROGRAM FUND
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>2,750,000</u>	<u>3,732,505</u>	<u>1,583,967</u>	<u>2,148,538</u>
Total expenditures	<u>2,750,000</u>	<u>3,732,505</u>	<u>1,583,967</u>	<u>2,148,538</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(2,750,000)</u>	<u>(3,732,505)</u>	<u>(1,583,967)</u>	<u>(2,148,538)</u>
Other financing sources (uses)				
Transfer in (out)	1,991,971	1,991,971	1,991,971	-
Appropriation of prior year fund balance	<u>758,029</u>	<u>1,740,534</u>	<u>-</u>	<u>(1,740,534)</u>
Total other financing sources (uses)	<u>2,750,000</u>	<u>3,732,505</u>	<u>1,991,971</u>	<u>(1,740,534)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>408,004</u>	<u>(3,889,072)</u>
Fund balances, beginning			<u>1,043,597</u>	
Fund balances, ending			<u>\$ 1,451,601</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - EMERGENCY RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	2,100,708	\$ 2,100,708
Interest income	36,000	36,000	49,423	13,423
Total revenues	<u>36,000</u>	<u>36,000</u>	<u>2,150,131</u>	<u>2,114,131</u>
Expenditures:				
Current:				
General government	-	-	26,298	(26,298)
Public safety	-	-	42,853	(42,853)
Culture and recreation	-	-	24,730	(24,730)
Total expenditures	<u>-</u>	<u>-</u>	<u>93,881</u>	<u>(26,298)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>36,000</u>	<u>36,000</u>	<u>2,056,250</u>	<u>2,140,429</u>
Other financing sources (uses)				
Appropriation of prior year fund balance	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>	<u>36,000</u>
Total other financing sources (uses)	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>	<u>36,000</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>2,056,250</u>	<u>2,176,429</u>
Fund balances, beginning			<u>4,090,286</u>	
Fund balances, ending			<u>\$ 6,146,536</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CITY PARKS ACQUISITION, DEVELOPMENT,
OPERATION AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	310,000	310,000	-	310,000
Total expenditures	310,000	310,000	-	310,000
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(310,000)	(310,000)	-	(310,000)
Other financing sources (uses):				
Appropriation of prior year fund balance	310,000	310,000	-	(310,000)
Total other financing sources (uses)	310,000	310,000	-	(310,000)
Net change in fund balance	-	-	-	(620,000)
Fund balances, beginning			-	
Fund balances, ending			\$ -	

TRUST AND AGENCY FUNDS

These funds account for assets held by the City in a trustee capacity or as an agent for employees, other governments and/or other funds.

PENSION TRUST FUNDS

General Employees and Police Officers Pension Plan - This fund is used to account for the accumulation of resources for pension benefit payments to qualified public safety employees and other City employees.

Section 185 Police Officers Pension Trust Fund - This fund is used to account for the accumulation of resources, under Chapter 185 of the *Florida Statutes*, for pension benefit payments to qualified public safety employees.

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
Assets:			
Receivables:			
Employer contribution	\$ 167,044	\$ -	\$ 167,044
Dividends and interest	80,649	-	80,649
Section 185 contribution	79,228	106,852	186,080
Pending trades	259,602	-	259,602
Total receivables	586,523	106,852	693,375
Investments at fair value:			
Money market funds	3,450,880	-	3,450,880
Real estate holdings	2,189,597	-	2,189,597
U.S. Government and agency securities	5,188,516	146,676	5,335,192
Corporate obligations	7,085,904	-	7,085,904
Common stocks:			
Domestic equity	6,093,875	-	6,093,875
International equity	318,038	-	318,038
Mutual funds:			
Equity	17,044,357	515,463	17,559,820
International equity	6,466,242	-	6,466,242
Fixed income	-	99,425	99,425
Total investments	47,837,409	761,564	48,598,973
Other assets:			
Prepaid expenses	4,071	-	4,071
Total assets	48,428,003	868,416	49,296,419
Liabilities:			
Accounts payable	41,100	-	41,100
Pending trades payable	259,145	-	259,145
Minimum funding liability	-	79,228	79,228
Total liabilities	300,245	79,228	379,473
Net Position:			
Restricted for pension benefits	\$ 48,127,758	\$ 789,188	\$ 48,916,946

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 2,164,260	\$ -	\$ 2,164,260
Employees	459,625	-	459,625
Section 185 contributions	<u>458,280</u>	<u>106,852</u>	<u>565,132</u>
Total contributions	<u>3,082,165</u>	<u>106,852</u>	<u>3,189,017</u>
Investment income:			
Net appreciation in fair value of investments	2,504,679	78,685	2,583,364
Interest and dividends	<u>908,972</u>	<u>18,470</u>	<u>927,442</u>
Total investment earnings	3,413,651	97,155	3,510,806
Less investment expense	<u>(236,609)</u>	<u>(5,645)</u>	<u>(242,254)</u>
Net investment earnings	<u>3,177,042</u>	<u>91,510</u>	<u>3,268,552</u>
Total additions	<u>6,259,207</u>	<u>198,362</u>	<u>6,457,569</u>
Deductions:			
Benefits paid	1,587,588	-	1,587,588
Benefits payment to South Miami Pension Plan	-	379,052	379,052
Administrative expenses	143,453	24,100	167,553
Minimum benefit funding payment	<u>-</u>	<u>79,228</u>	<u>79,228</u>
Total deductions	<u>1,731,041</u>	<u>482,380</u>	<u>2,213,421</u>
Change in net assets	4,528,166	(284,018)	4,244,148
Net position, restricted for pension benefits, beginning	<u>43,599,592</u>	<u>1,073,206</u>	<u>44,672,798</u>
Net position, restricted for pension benefits, ending	<u>\$ 48,127,758</u>	<u>\$ 789,188</u>	<u>\$ 48,916,946</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of South Miami, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	68-71
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	72-75
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	76-79
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	80-81
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	82-84

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SOUTH MIAMI, FLORIDA
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amount expressed in thousands)

Table 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 23,767	\$ 24,318	\$ 24,353	\$ 26,306	\$ 26,819	\$ 27,343	\$ 28,360	\$ 29,407	\$ 29,928	\$ 29,893
Restricted	4,680	6,719	6,353	5,963	5,280	5,208	5,424	6,174	6,060	3,947
Unrestricted	8,324	7,956	8,324	9,730	10,335	11,529	11,486	11,836	12,454	17,317
Total governmental activities net position	\$ 36,771	\$ 38,993	\$ 39,030	\$ 41,999	\$ 42,434	\$ 44,080	\$ 45,270	\$ 47,417	\$ 48,442	\$ 51,157

CITY OF SOUTH MIAMI, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(amount expressed in thousands)

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES:										
Governmental activities:										
General government	\$ 3,912	\$ 3,598	\$ 4,032	\$ 4,512	\$ 3,480	\$ 4,373	\$ 5,029	\$ 4,683	\$ 6,071	\$ 4,956
Public safety	7,542	7,483	7,853	6,906	7,362	7,613	7,746	7,148	7,327	10,097
Public works	4,337	4,747	3,960	3,708	4,068	4,166	3,420	4,651	4,371	3,729
Community services	1,098	1,284	1,249	999	712	985	948	635	1,221	1,475
Culture and recreation	1,140	1,084	1,668	1,772	2,096	2,082	2,135	2,336	2,587	2,301
Interest on long-term debt	929	946	830	775	586	531	494	464	447	544
Total governmental activities expenses	18,958	19,142	19,592	18,672	18,304	19,750	19,772	19,917	22,024	23,102
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	371	287	1,047	1,098	1,176	1,210	949	966	766	1,324
Public safety	4,608	5,917	1,750	3,913	3,882	3,808	3,544	3,686	3,468	2,643
Public works	574	525	22	36	28	32	30	29	4	-
Community services	34	31	2,896	-	-	35	40	36	26	11
Culture and recreation	199	234	-	-	-	210	241	185	223	154
Interest on long-term debt	244	446	-	406	390	284	294	346	431	-
Operating and capital grants and contributions	1,159	541	515	631	267	492	272	283	593	3,923
Total governmental activities program revenues	7,189	7,981	6,230	6,084	5,743	6,071	5,370	5,531	5,511	8,055
Net (expense)/revenue: Governmental activities	(11,769)	(11,161)	(13,362)	(12,588)	(12,561)	(13,679)	(14,402)	(14,386)	(16,513)	(15,047)
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS:										
Governmental activities:										
Taxes:										
Property taxes	7,114	6,708	6,122	6,406	6,598	6,989	7,643	8,090	8,650	8,999
Utility taxes	2,070	2,052	2,073	2,167	2,182	2,112	2,111	2,180	2,170	2,089
Business taxes	606	641	620	613	676	705	679	667	657	677
Franchise taxes	1,066	1,048	1,574	1,641	1,896	1,951	2,174	2,156	2,177	2,116
Service concession arrangement	359	370	248	377	393	405	419	439	324	708
Intergovernmental (unrestricted)	1,980	2,198	2,279	3,770	2,683	2,710	2,743	2,666	2,688	2,387
Interest income (unrestricted)	140	181	331	154	149	162	183	273	329	312
Other	108	185	305	427	254	338	665	439	543	474
Extraordinary item- Judgment	-	-	-	-	-	-	(1,025)	-	-	-
Total governmental activities	13,443	13,383	13,552	15,555	14,831	15,372	15,592	16,910	17,538	17,762
CHANGES IN NET POSITION:										
Governmental activities	\$ 1,674	\$ 2,222	\$ 190	\$ 2,967	\$ 2,270	\$ 1,693	\$ 1,190	\$ 2,524	\$ 1,025	\$ 2,715

CITY OF SOUTH MIAMI, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	186	204	209	242	251	248	294	277	284	-
Committed	1,785	1,689	1,704	1,717	4,579	4,893	4,809	4,072	4,167	6,327
Assigned	1,982	622	1,064	3,957	1,628	2,361	4,158	1,871	-	-
Unassigned	5,546	6,144	6,359	4,867	5,444	5,644	3,730	4,551	7,035	8,608
Total General Fund	\$ 9,499	\$ 8,659	\$ 9,336	\$ 10,783	\$ 11,902	\$ 13,146	\$ 12,991	\$ 10,771	\$ 11,486	\$ 14,935
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	4	-	72	71	71	75	74	73	73	-
Restricted	4,676	6,720	6,353	5,963	5,324	5,208	5,425	5,932	6,060	3,947
Committed	10	9	22	22	28	48	60	77	51	60
Assigned	-	510	180	355	839	816	1,587	-	1,044	1,452
Unassigned	-	-	-	-	(149)	(134)	(132)	(67)	(61)	22
Total all other governmental funds	\$ 4,690	\$ 7,239	\$ 6,627	\$ 6,411	\$ 6,113	\$ 6,013	\$ 7,014	\$ 6,015	\$ 7,167	\$ 5,481

CITY OF SOUTH MIAMI, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Taxes and franchise fees	\$ 8,787	\$ 8,397	\$ 8,316	\$ 8,660	\$ 9,170	\$ 9,645	\$ 10,496	\$ 9,820	\$ 10,419	\$ 10,749
Charges for services	3,968	4,089	2,918	2,857	2,949	2,809	2,536	3,464	3,437	2,647
Utility taxes	2,070	2,052	2,074	2,167	2,182	2,112	2,111	2,180	2,170	2,089
Intergovernmental	3,091	2,614	2,702	4,309	2,836	3,069	2,972	2,809	3,142	6,195
Licenses and permits	964	667	1,047	1,099	1,176	1,194	927	939	732	1,288
Fines and forfeitures	483	1,944	926	849	995	1,076	1,104	1,403	1,169	1,084
Interest income	140	181	153	145	157	162	183	273	329	312
Rents and royalties	1,007	1,026	1,072	1,026	768	1,057	1,000	1,013	1,008	881
Other	495	439	397	519	349	386	665	549	651	613
Total revenues	21,005	21,409	19,605	21,631	20,582	21,510	21,994	22,450	23,057	25,858
EXPENDITURES:										
General government	3,217	2,838	3,250	3,684	3,638	3,720	4,316	4,614	3,961	4,185
Public safety	7,242	7,071	7,532	6,564	7,043	7,089	7,548	8,407	7,784	10,009
Public works	4,148	3,822	3,338	3,252	3,242	3,318	3,211	3,682	3,661	3,206
Community services	1,065	1,232	1,220	970	683	636	594	615	577	1,322
Culture and recreation	1,089	1,034	1,607	1,674	1,994	1,973	2,027	2,118	2,256	1,996
Debt service:										
Principal	2,599	802	1,105	1,078	6,064	853	742	836	774	5,658
Interest and fiscal charges	1,167	660	750	695	645	485	458	430	398	495
Capital outlay	1,100	2,241	737	2,484	1,401	2,294	2,252	2,434	4,312	2,212
Total expenditures	21,627	19,700	19,539	20,401	24,710	20,368	21,148	23,136	23,723	29,083
Excess (deficiency) of revenues over expenditures	(622)	1,709	66	1,230	(4,128)	1,142	846	(686)	(666)	(3,225)
OTHER FINANCING SOURCES (USES):										
Transfers in	820	2,359	543	1,008	4,348	1,800	2,629	3,172	2,157	4,645
Transfers out	(820)	(2,359)	(543)	(1,008)	(4,348)	(1,800)	(2,629)	(3,172)	(2,157)	(4,645)
Issuance of debt	748	-	-	-	-	-	-	-	-	4,988
Proceeds from refunding debt	7,575	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	(6,287)	-	-	-	4,948	-	-	-	-	-
Total other financing sources (uses)	2,036	-	-	-	4,948	-	-	-	-	4,988
Net change in fund balances	\$ 1,414	\$ 1,709	\$ 66	\$ 1,230	\$ 820	\$ 1,142	\$ 846	\$ (686)	\$ (666)	\$ 1,763
Debt service as a percentage of noncapital expenditures	18.3%	8.4%	9.9%	9.9%	28.8%	7.4%	6.4%	6.1%	6.0%	22.9%

CITY OF SOUTH MIAMI, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Table 5

Fiscal Year (2)	Real Property	Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value (1)
2011	\$ 1,347,024	\$ 66,751	\$ 1,413,775	4.6662	\$ 1,413,775	100.00%
2012	\$ 1,362,014	\$ 64,823	\$ 1,426,837	4.3639	\$ 1,426,837	100.00%
2013	\$ 1,372,600	\$ 60,743	\$ 1,433,343	4.3639	\$ 1,433,343	100.00%
2014	\$ 1,411,443	\$ 69,158	\$ 1,480,601	4.3639	\$ 1,480,601	100.00%
2015	\$ 1,500,767	\$ 69,981	\$ 1,570,748	4.3639	\$ 1,570,748	100.00%
2016	\$ 1,624,996	\$ 67,414	\$ 1,692,410	4.3000	\$ 1,692,410	100.00%
2017	\$ 1,727,379	\$ 65,832	\$ 1,793,211	4.3000	\$ 1,793,211	100.00%
2018	\$ 1,843,033	\$ 75,134	\$ 1,918,167	4.3000	\$ 1,918,167	100.00%
2019	\$ 1,917,804	\$ 69,268	\$ 1,987,072	4.3000	\$ 1,987,072	100.00%
2020	\$ 1,999,537	\$ 73,599	\$ 2,073,136	4.3000	\$ 2,073,136	100.00%

Note: Property in the City is reassessed each year at actual value.
Tax rates are \$ 1,000 of assessed value.

(1) Includes tax exempt property.

(2) Year of levy.

Source: Miami-Dade County Department of Property Appraisal - DR-420.

CITY OF SOUTH MIAMI, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Table 6

Fiscal Year (2)	City of South Miami				Overlapping Rates (1)										Total City-Wide
	Basic Direct Rate	Debt Service Rate	MDC School Board - Operating	MDC School Board - Debt Service	Regional Millages			County Wide Millages				Other			
					Everglades Project	South Florida Water Management District	Florida Inland Navigation District	County Wide - Operating	County Wide - Debt Service	Fire & Rescue - Operating	Fire & Rescue - Debt Service	MDC Library District	Childrens Trust Authority		
2011	4.6662	-	7.7650	0.2400	0.0624	0.3739	0.0345	4.8050	0.2850	2.4496	0.0131	0.1795	0.5000	21.3742	
2012	4.3639	-	7.7650	0.2330	0.0613	0.3676	0.0345	4.7035	0.2850	2.4496	0.0131	0.1725	0.5000	20.9490	
2013	4.3639	-	7.6440	0.3330	0.0587	0.3523	0.0345	4.7035	0.4220	2.4496	0.0127	0.1725	0.5000	21.0467	
2014	4.3639	-	7.7750	0.1990	0.0548	0.3294	0.0345	4.6669	0.4500	2.4207	0.0114	0.2840	0.5000	21.0896	
2015	4.3000	-	7.4130	0.1990	0.0506	0.3045	0.0320	4.6669	0.4500	2.4207	0.0086	0.2840	0.5000	20.6293	
2016	4.3000	-	7.1380	0.1840	0.0471	0.2836	0.0320	4.6669	0.4000	2.4207	0.0075	0.2840	0.5000	20.2638	
2017	4.3000	-	6.7740	0.2200	0.0441	0.2659	0.0320	4.6669	0.4000	2.4207	0.0075	0.2840	0.4673	19.8824	
2018	4.3000	-	6.5040	0.2290	0.0417	0.2519	0.0320	4.6669	0.4644	2.4207	0.0000	0.2840	0.4415	19.6361	
2019	4.3000	-	7.0250	0.1230	0.0397	0.2398	0.0320	4.6669	0.4780	2.4207	0.0000	0.2840	0.4680	20.0771	
2020	4.3000	-	6.9360	0.1930	0.0380	0.2295	0.0320	4.6669	0.4780	2.4207	0.0000	0.2840	0.4507	20.0288	

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of South Miami.

(2) Year of levy.

Additional information:

- Property tax rates are assessed per \$ 1,000 of taxable assessed valuation.
- City property tax rates above (all inclusive) do not have a debt service millage component.
- MDC - Miami Dade County

Tax rate limits:

- City 10.000 mills
- County 10.000 mills
- SFWMD* 10.000 mills

Source: Miami-Dade County Department of Property Appraisal

* South Florida Water Management District

CITY OF SOUTH MIAMI, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)

Table 7

2020				2011			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
Frit Shops at Sunset Place	\$ 85,536	1	4.30%	Bakery Associates, Ltd.	\$ 83,900	1	5.9%
SCG Red Road Commons LLC	76,700	2	3.86%	RRC 57th Avenue LLC	37,000	2	2.6%
US RV VI Sunset Drive LLC	33,488	3	1.69%	S. Miami Hopital Dev Fund Inc	18,192	3	1.3%
Larkin Community Hospital	22,624	4	1.14%	South Miami Corp.	17,941	4	1.3%
S Miami Hospital DEV Fund	20,400	5	1.03%	J.W. Advance Development Corp.	17,135	5	1.2%
Capstone Capital Trust INC	19,900	6	1.00%	Kimco South Miami 634 Inc.	15,607	6	1.1%
Florida Power & Light Company	16,514	7	0.83%	Larkin Community Hospital	15,369	7	1.1%
MHS Realt Estate Capital LLC	16,478	8	0.83%	Capstone Capital Trust Inc.	13,230	8	0.9%
South Miami Corp	15,366	9	0.77%	Promed Sunset LLC	12,283	9	0.9%
Kimco South Miami 634 Inc	<u>15,044</u>	10	0.76%	Valencia South Miami LLC	<u>11,793</u>	10	0.8%
	<u>\$ 322,050</u>		<u>16.21%</u>		<u>\$ 242,450</u>		<u>17.0%</u>

Source: Miami-Dade County Tax Assessors' Office 2020 & 2011 Tax Rolls

CITY OF SOUTH MIAMI, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Table 8

Fiscal Year Ended September 30,	Total Taxes Levied For Fiscal Year (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections	
		Amount (2)	Percent of Levy		Amount (2)	Percent of Levy
2011	\$ 6,628	\$ 6,402	96.6%	\$ 53	\$ 6,455	97.4%
2012	\$ 6,596	\$ 6,049	91.7%	\$ 148	\$ 6,197	94.0%
2013	\$ 6,226	\$ 5,373	86.3%	\$ 228	\$ 5,601	90.0%
2014	\$ 6,254	\$ 5,842	93.4%	\$ 26	\$ 5,868	93.8%
2015	\$ 6,855	\$ 5,912	86.2%	\$ 159	\$ 6,071	88.6%
2016	\$ 7,277	\$ 6,362	87.4%	\$ 29	\$ 6,391	87.8%
2017	\$ 7,711	\$ 6,905	89.5%	\$ 53	\$ 6,958	90.2%
2018	\$ 8,248	\$ 7,326	88.8%	\$ 22	\$ 7,348	89.1%
2019	\$ 8,544	\$ 7,799	91.3%	\$ 49	\$ 7,848	91.9%
2020	\$ 8,914	\$ 7,975	89.5%	\$ 212	\$ 8,187	91.8%

(1) Data from Form DR-420 provided to Florida Department of Revenue

(2) Provided by City of South Miami Finance Dept

CITY OF SOUTH MIAMI, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Table 9

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Notes Payable	Capital Leases			
2011	\$ 14,896	\$ 1,135	\$ 227	\$ 16,258	17.88%	\$ 1.3947
2012	\$ 14,524	\$ 840	\$ 141	\$ 15,505	16.04%	\$ 1.1421
2013	\$ 13,767	\$ 587	\$ 96	\$ 14,450	14.35%	\$ 1.0488
2014	\$ 12,625	\$ 387	\$ 49	\$ 13,061	12.51%	\$ 0.9587
2015	\$ 12,815	\$ 178	\$ -	\$ 12,993	11.65%	\$ 0.9514
2016	\$ 12,087	\$ 88	\$ -	\$ 12,175	10.45%	\$ 0.9429
2017	\$ 11,365	\$ 68	\$ -	\$ 11,433	9.27%	\$ 0.9042
2018	\$ 10,597	\$ -	\$ -	\$ 10,597	8.36%	\$ 0.8368
2019	\$ 9,823	\$ -	\$ -	\$ 9,823	7.11%	\$ 0.7577
2020	\$ 9,153	\$ -	\$ -	\$ 9,153	6.14%	\$ 0.7095

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 13 - Demographic and Economic Statistics.

CITY OF SOUTH MIAMI, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Table 10

Fiscal Year	Revenue Bonds	Less: Amounts Available in Debt Service Reserves	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2011	\$ 14,896	\$ 279	\$ 14,617	1.03%	\$ 1.254
2012	\$ 14,524	\$ 1,086	\$ 13,438	0.94%	\$ 0.990
2013	\$ 13,767	\$ 803	\$ 12,964	0.90%	\$ 0.941
2014	\$ 12,625	\$ 451	\$ 12,174	0.82%	\$ 0.894
2015	\$ 12,815	\$ -	\$ 12,815	0.82%	\$ 0.938
2016	\$ 12,087	\$ -	\$ 12,087	0.71%	\$ 0.936
2017	\$ 11,365	\$ -	\$ 11,365	0.63%	\$ 0.899
2018	\$ 10,597	\$ -	\$ 10,597	0.55%	\$ 0.837
2019	\$ 9,823	\$ -	\$ 9,823	0.49%	\$ 0.758
2020	\$ 9,153	\$ -	\$ 9,153	0.44%	\$ 0.710

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: Total adjusted tax levy is based on final assessed property values by Miami-Dade County Department of Property Appraisal Office after the Property Appraisal Adjustment Board has completed hearings on the tax roll; and before discounts.

(1) See Table 5 - Assessed Value and Estimated Actual Value of Taxable Property.

(2) See Table 13 - Demographic and Economic Statistics.

CITY OF SOUTH MIAMI, FLORIDA
 Direct and Overlapping Governmental Activities Debt
 as of September 30, 2020
 (amounts expressed in thousands)

Table 11

<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to South Miami</u>
Miami-Dade Board of County Commissioners (3)	\$ 4,656,773	0.639%	\$ 29,763
Miami-Dade County School Board (2)	<u>3,330,170</u>	0.639%	<u>21,284</u>
Subtotal overlapping debt	7,986,943		51,048
City of South Miami direct debt	<u>9,153</u>	100.00%	<u>9,153</u>
Total direct and overlapping debt	<u><u>\$ 7,996,096</u></u>		<u><u>\$ 60,201</u></u>

- Sources:
- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.
 - (2) Miami-Dade County Schools, General Finance Department.
 - (3) Miami-Dade County, Finance Department; includes General Obligation and Special Obligation Bonds.

CITY OF SOUTH MIAMI, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Table 12

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 212,066	\$ 214,026	\$ 215,001	\$ 222,090	\$ 235,612	\$ 253,862	\$ 268,982	\$ 287,725	\$ 298,061	\$ 310,970
Total net debt applicable to limit (1)	14,896	14,524	13,767	12,625	12,815	12,087	11,365	10,597	9,823	9,153
Legal debt margin	\$ 197,170	\$ 199,502	\$ 201,234	\$ 209,465	\$ 222,797	\$ 241,775	\$ 257,617	\$ 277,128	\$ 288,238	\$ 301,817
Total net debt applicable to the limit as a percentage of debt limit	7.02%	6.79%	6.40%	5.68%	5.44%	4.76%	4.23%	3.68%	3.30%	2.94%

(1) Revenue Bonds were issued in fiscal year 2002 and 2007. In November 2006, the City through its Community Development Agency issued \$ 2,730,000 of Taxable Redevelopment Revenue Bonds.

CITY OF SOUTH MIAMI, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 13

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2011	11,657	\$ 90,915	\$ 36,357	40.7	3,450	12.3
2012	13,576	\$ 96,658	\$ 37,834	36.7	3,397	8.8
2013	13,778	\$ 100,689	\$ 38,860	36.7	3,420	6.7
2014	13,623	\$ 104,373	\$ 39,880	37.1	3,372	6.5
2015	13,656	\$ 111,528	\$ 41,883	37.7	3,440	6.3
2016	12,912	\$ 116,553	\$ 43,278	38.3	3,434	5.4
2017	12,645	\$ 123,276	\$ 45,440	39.0	3,259	4.6
2018	12,664	\$ 126,716	\$ 46,048	38.9	3,140	4.6
2019	12,965	\$ 138,139	\$ 50,022	38.9	3,112	4.1
2020	12,900	\$ 149,166	\$ 54,902	36.9	2,924	8.5

- Source: (1) Bureau of Economic and Business Research - University of Florida
(2) U.S. Department of Commerce, Bureau of Economic Analysis and Bestplaces.net/city/South_Miami.
(3) Miami-Dade County Public Schools Registrar's Office (does not include private schools).
(4) Miami Dade County Labor Market Report

CITY OF SOUTH MIAMI, FLORIDA
PRINCIPAL EMPLOYERS - MIAMI-DADE COUNTY, FLORIDA
CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	33,477	1	2.83%	48,571	1	4.27%
Miami-Dade County, Florida	25,502	2	2.16%	29,000	2	2.73%
Federal Government	19,200	3	1.62%	19,500	3	1.74%
Florida State Government	17,100	4	1.45%	17,100	4	1.45%
University of Miami	12,818	5	1.08%	16,000	5	0.84%
Baptist Health South Florida	11,353	6	0.96%	13,376	6	0.92%
American Airlines	11,031	7	0.93%	9,000	9	0.90%
Jackson Health System	9,797	8	0.83%	12,571	7	0.94%
City of Miami	3,997	9	0.34%	-	-	0.00%
Florida International University	3,534	10	0.30%	-	-	0.00%
Miami Dade College	-	-	0.00%	8,000	10	0.55%
Publix Super Markets	-	-	0.00%	10,800	8	0.77%
	147,809		12.50%	183,918		15.11%

Source: The Beacon Council, 2020.
 Miami Dade County Labor Market Report

CITY OF SOUTH MIAMI, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Table 15

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
FUNCTION:										
General government	25	18	21	21	21	31	31	27	28	25
Public safety:										
Police:										
Officers	51	51	48	50	52	54	52	52	52	52
Civilians	9	9	8	9	9	7	7	8	7	7
Building and zoning	17	14	12	4	4	4	4	4	4	4
Public works	23	25	24	17	17	19	20	17	16	14
Recreation and social services	10	10	10	10	10	18	13	14	14	13
Sanitation	9	9	9	11	11	10	10	10	9	8
 Total	<u>144</u>	<u>136</u>	<u>132</u>	<u>122</u>	<u>124</u>	<u>143</u>	<u>137</u>	<u>132</u>	<u>130</u>	<u>123</u>

Source: City of South Miami Personnel Division

CITY OF SOUTH MIAMI, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Table 16

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Number of calls answered	11,609	11,744	10,409	10,409	10,416	12,964	13,265	15,259	16,315	13,650
Number of arrests	591	383	459	463	413	419	352	293	265	477
Number of uniformed officers	51	50	48	50	52	52	52	52	52	52
Building and zoning:										
Number of building permits issued	1,261	1,293	1,403	1,447	1,258	1,610	1,480	1,484	1,469	1,122
License/permit revenue generated	\$ 1,570,045	\$ 1,307,269	\$ 1,666,666	\$ 1,710,597	\$ 1,852,375	\$ 1,898,843	\$ 1,605,602	\$ 1,605,559	\$ 1,389,198	\$ 1,964,509
Occupational licenses issued	3,750	3,335	3,356	3,372	3,381	3,301	3,201	3,255	3,211	3,232
Culture and recreation:										
Number of senior meals served	27,300	27,612	27,732	24,968	25,269	25,109	26,432	27,024	27,216	27,630
Recreation revenues collected	\$ 199,147	\$ 233,624	\$ 200,700	\$ 260,017	\$ 194,363	\$ 488,976	\$ 548,961	\$ 597,131	\$ 609,187	\$ 535,819
Sanitation:										
Refuse collected										
(tons per month)	751	798	843	840	886	914	945	984	1,020	1,038

Sources: Various City departments

Note: Indicators are not available for the general government function

CITY OF SOUTH MIAMI, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 17

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	62	64	64	64	64	65	68	62	64	66
Public works:										
Streets (miles-paved)	46.80	46.80	46.80	46.80	46.80	46.80	46.80	46.80	46.80	46.80
Culture and recreation:										
Parks	12	12	11	14	14	15	15	15	16	17
Tennis courts	10	10	10	10	10	10	10	10	10	10
Baseball/football fields	7	7	7	7	7	7	7	7	7	7
Sanitation:										
Number of collection trucks	14	14	14	14	14	14	14	14	14	14

Sources: Various City departments

Note: Indicators are not available for the general government function

N/A: Information not available for these years.

COMPLIANCE SECTION



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Commission
City of South Miami, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Miami, Florida, (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 31, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Commission
City of South Miami, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of South Miami, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 31, 2020

CITY OF SOUTH MIAMI, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract #</u>	<u>Expenditures</u>
<i>CDBG - Entitlement Grants-Cluster</i>			
<i>Department of Housing and Urban Development</i>			
Community Development Block Grants/Entitlement Grants	14.218		\$ 39,722
<i>Indirect Programs-Passed through Miami-Dade County</i>			
Community Development Block Grants/Entitlement Grants	14.218		71,917
<i>Department of Housing and Urban Development</i>			<u>111,639</u>
<i>Total CDBG - Entitlement Grants-Cluster</i>			<u>111,639</u>
<i>Department of Homeland Security</i>			
<i>Federal Emergency Management Agency</i>			
<i>Indirect Programs-Passed through Florida Department of Emergency Management</i>			
Public Assistance Grants	97.036		2,069,022
<i>Total Department of Homeland Security</i>			
<i>U.S. Treasury Department</i>			
<i>Indirect Programs-Passed through Miami Dade County</i>			
Coronavirus Relief Fund	21.019		1,598,777
<i>Total U.S. Treasury Department</i>			<u>3,667,799</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,779,438</u></u>

See notes to schedule of expenditures of federal awards.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal program activity of the City for the fiscal year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF SOUTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards Programs

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major federal programs:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal program:

CFDA No.

Federal Program

97.036

Department of Homeland Security Grants - Public Assistance Grants

21.019

Department of the Treasury - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk for audit of federal awards programs?

_____ Yes X No

CITY OF SOUTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - MAJOR FEDERAL PROGRAM FINDINGS AND QUESTIONED COSTS

None.



MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the City Commission
City of South Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Miami, Florida (the "City") as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated March 31, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditors' Report on Compliance for Each Major Federal Program, and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditors' Report 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, which are dated March 31, 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 annual financial audit report. There were no findings or recommendations made in the preceding annual 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 City was incorporated on July 10, 1963 under chapter 166 of the Florida Statutes. The City included the following component units: City of South Miami Community Redevelopment Agency.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Financial Condition and Management (Continued)

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. This assessment was performed as of the fiscal year end.

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, and members of the City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 31, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF
SECTION 218.415 FLORIDA STATUTES**

Honorable Mayor and Members of the City Commission
City of South Miami, Florida

We have examined the City of South Miami, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 31, 2021

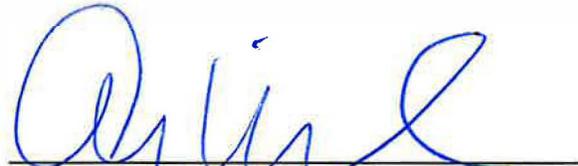


IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Alfredo Riverol, who being duly sworn, deposes and says on oath that:

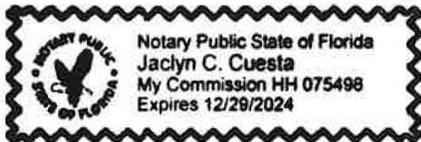
1. I am the Chief Financial Officer of the City of South Miami which is a local governmental entity of the State of Florida;
2. The City of South Miami adopted Ordinance No. 14-14-2192 implementing an impact fee; and
3. The City of South Miami has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


 Alfredo Riverol, CPA

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 31st day of March, 2021.




 NOTARY PUBLIC
 Print Name Jaclyn Cuesta

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
12/29/2024