



South Miami

THE CITY OF PLEASANT LIVING

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
CITY OF SOUTH MIAMI, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2021

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF SOUTH MIAMI, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**



**Prepared By
The Finance Department
Alfredo Riverol, CPA, CGFM, CGMA, CRFAC
Chief Financial Officer**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



March 31, 2022

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

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the City of South Miami, for the fiscal year ended September 30, 2021, is hereby submitted for your review. The accuracy of the data, the completeness, and fairness 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.

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 center with movie theaters.



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 U.S. 1. The Miami International Airport is within 30 minutes from downtown South Miami.

In December of 2020, the City contracted with Freebee to provide residents and visitors with free on-demand transit service. Freebee is a city sponsored on-demand form of public transportation running throughout the City. 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.

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 major mixed-use development, Red Road Commons, which is adjacent to the South Miami Metro-Rail Station, consists of over 400 residential units.

MAJOR INITIATIVES

One of the primary responsibilities of any government is the effective and efficient use of public dollars. The City of South Miami took several steps towards fulfillment of that obligation.

The City aggressively applied for and received approximately \$5 million dollars in funding and multiple grants to support numerous programs without requiring the use of additional taxpayer dollars. This included \$2.2 million from CARES Act, \$1 million dollars for a pedestrian bridge and \$500,000 for street improvements. Another \$600,000 was saved as the result of refinancing of City outstanding loan obligations.

The City also held the line on property tax rates. The City Commission voted not to increase the property tax rate over the previous year, and the City received a clean 2020 fiscal year audit from the City's independent accounting firm.

From solar energy to alternative transportation, the City of South Miami continued its leadership role in implementing environmentally conscience initiatives.

Solar panels are planned for the City's buildings including the Gibson-Bethel Community Center. Once installed, the panels will offset over twenty percent of energy consumption. The City also welcomed the Freebee shuttle service, providing free rides to SoMi's downtown, and reducing the number of cars on the streets.

Protected bike lanes were installed on SW 64th Street. The project was part of continuing efforts to enhance transportation and mobility choices. Sharrows were also installed across the City.



Sharrows are pavement markings reminding drivers that bikers have the right to share the travel lanes.

Additionally, the City held a recycling event for electronics, reducing the number of electronic devices sent to local landfills.

The City of South Miami began several new initiatives to improve communication and keep residents better informed. In January 2021, the City launched a new bi-weekly electronic newsletter. The SoMi INSIDER is the only source for exclusive stories affecting the City, its residents, and visitors. The SoMi INSIDER features breaking news and general information.

The City also underwent an audit of its social media presence. Changes were made to improve communications on several platforms. The City rebranded itself with a uniform social media identity across multiple platforms including Facebook, Instagram, and Twitter. New, engaging content is now posting regularly, highlighting services and news from all City departments.

The City of South Miami continues to attract private sector development. The ribbon was cut on the Madison Square project, which includes retail space as well as 40 units of workforce housing.

Other projects during the year included the new pharmacy on SW 62nd Avenue south of SW 64th Street, the rehabilitation of the property at the corner of Red Road and Bird Road, one of the City's busiest intersections, and the mixed-use Edgewater SOMI project, which includes 16 units and 6,600 square feet of commercial space.

The "Winn Dixie" project also moved forward. The mixed-use project on SW 73rd Street and SW 59th Avenue will include 248 residential units and a 32,000 square-foot market.

The Planning Department completed an annexation analysis, and the City is pursuing an annexation application with Miami-Dade County for an area bounded by SW 80th Street, the SFWMD canal, SW 62nd Avenue and SW 67th Avenue.

The City launched several initiatives in response to the pandemic. These included small business grants to help close the gap created by the economic shutdown, food assistance, and vaccination clinics held at the Gibson-Bethel Community Center.

The City also provided assistance unrelated to the pandemic. Among them were mammograms, holiday toy drives, and providing free insulation to over two dozen homes.

The City also renewed its commitment to helping the future leaders of our community. The City Commission voted to dedicate \$12,000 to the Marshall Williamson Scholarship. The program is intended to encourage disadvantaged South Miami students who exhibit strong desires for self-improvement, and who wish to further their education past high school.



The City is installed new placemaking signs designed to announce to visitors that they are entering a growing city with ever-growing state-of-the-art amenities. This visual rebranding inspires new residents and businesses to take part in that growth.

The City made progress or completed several park improvements projects:

- Installation of night lighting at the Dante Fascell tennis courts and parking lot
- Final design phase for Robert C. Welsh Jr. Park
- New pedestrian pathway around Fuchs Park
- Infrastructure and landscape improvements at Marshall Williamson Park
- New lighting for public art in Dante Fascell Park
- Design for new playground and fitness equipment at South Miami Park
- New safety surfaces installed in Dante Fascell, Fuchs, Murray, and Palmer Parks

The City continued to aggressively pursue ambitious capital improvement goals:

- Planning and design of a new Police Headquarters and Emergency Operations Center.
- Interior renovations at Gibson-Bethel Community Center, including all bathrooms and kitchen.
- Traffic calming speed table installation along SW 78th Street west of SW 62nd Avenue.
- Construction of roundabout at SW 69th Street and SW 63rd Avenue.
- Drainage improvements on SW 62nd Place between 58th Street and 60th Street.
- Drainage improvements on SW 61st Avenue between 74th Street and 76th Street.
- Citywide drainage cleaning, sidewalk repairs, and street resurfacing and reconstruction.
- Conducting a Citywide traffic calming study.
- New roofs for City Hall, Gibson-Bethel Community Center, and the Mobley building.
- Over 100 homes will be connected to Miami-Dade County water system.
- Study and design of pedestrian bridge over US-1 between SW 57th Avenue and SW 70th street.
- Landscape improvements and road realignment at Sunset Drive between SW 62nd Avenue & US-1.
- Drainage improvements, new sidewalks, and new bike lanes on SW 62nd Avenue between US-1 and SW 80th Street.
- Installation of downtown parking signs.
- Completed the construction of a protected Bike Lane along SW 64th Street between SW

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305.663.6343 | southmiamifl.gov



57th Ave and SW 62nd Ave.

The City marked the passing of Vice Mayor Robert Welsh. A park was named for him. A section of SW 64th Court was dedicated "Bicycle Bob Welsh Court." The City's tree trust fund was also renamed in Vice Mayor Welsh's honor.

The City of South Miami is experiencing tremendous growth and redevelopment as people continue to recognize the unique "small-town" atmosphere of the "City of Pleasant Living." The City stands poised to lead by example in the next millennium. The Mayor, Commission, and City staff are committed to provide the citizens of South Miami exceptional constituent service.

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. Below is the breakdown of businesses within the City by category.

*INDUSTRY BY CLASS OF WORKER	SECTOR ESTIMATE
Construction	294
Manufacturing	308
Wholesale trade	256
Retail trade	310
Transportation and warehousing, and utilities	357
Information	186
Finance and insurance, and real estate, and rental and leasing	363
Prof., scientific, mngt. and admin, and waste management services	896
Educational services, and health care and social assistance	1,418
Arts, entertainment, and recreation, and accommodation and food services	602
Other services, except public administration	285
Public administration	335
TOTAL FOR ALL SECTORS	5,610

Source: U.S. Census Bureau 2010 Form S2407 - Industry by Class of Work for the Civilian Employed Population 16-Years and Over

* Information is based on data from year 2010. The Census data for year 2020 is not available as if the date of this report.



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, 2022. 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, 2021, 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, 2021, 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.

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.

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 Annual Comprehensive Financial Report.



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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. 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, 2020. 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, 2020. 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.

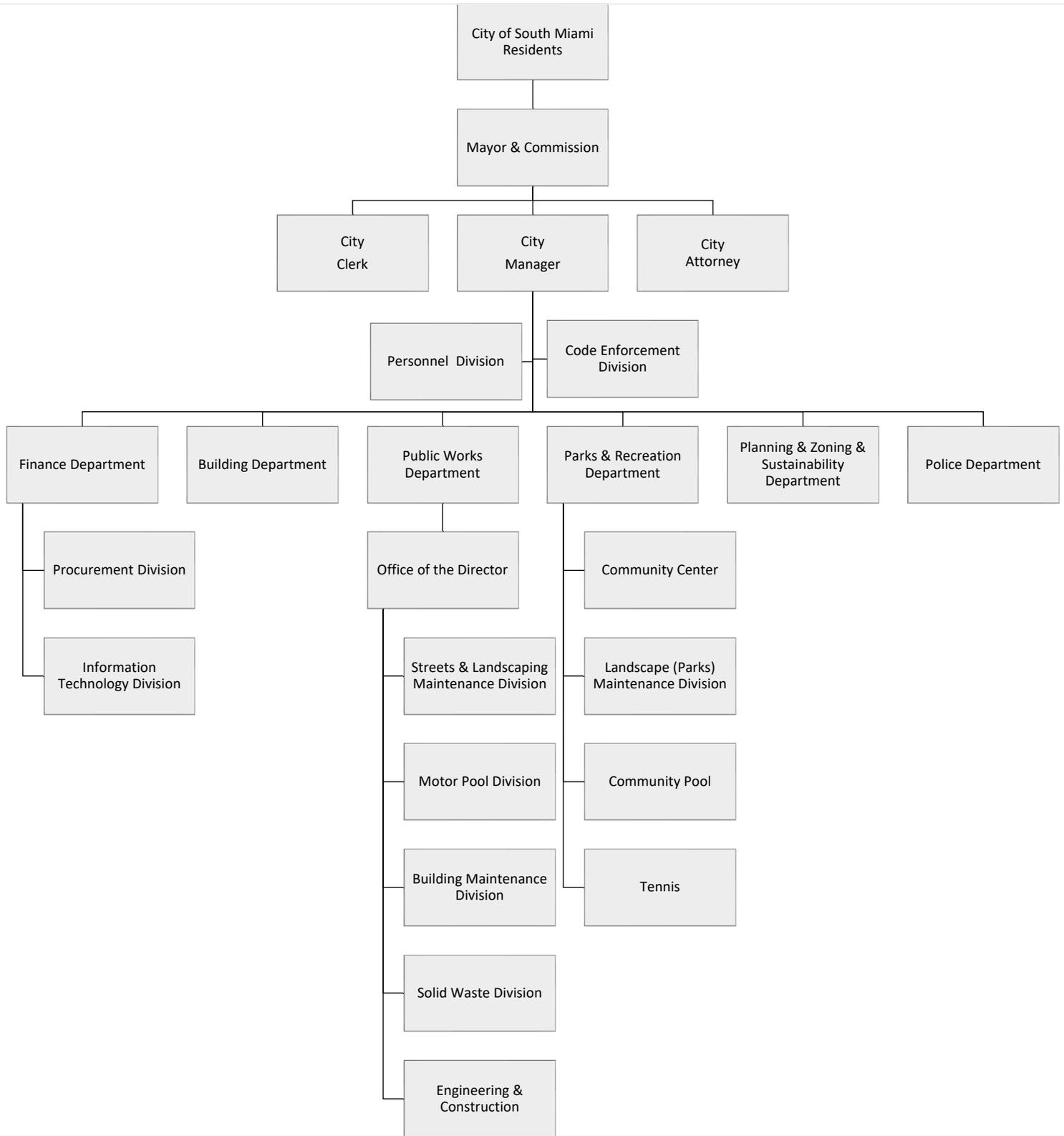
Finally, our thanks to the Mayor and City Commission for their guidance and cooperation in planning and conducting the financial affairs of the City in a responsible and progressive manner.

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



Commissioner
Luis Gil



Commissioner
Josh Liebman



Commissioner
Brian Corey



Commissioner
Walter Harris

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

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, 2021, 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, 2021, 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, respectively, as well as the pension schedules and OPEB schedule on pages 44-47 and 48, 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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, 2022, 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, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

The management of the City of South Miami (the "City") included this section in the Annual Comprehensive Financial Report ("ACFR") 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, 2021. 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, 2021:

- The assets of the City are \$74,273,165; and the deferred outflow of resources of the City are \$2,464,771.
- The liabilities of the City are \$12,294,140; and the deferred inflow of resources of the City are \$9,273,318.
- 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 \$55,170,478 (net position). Of this amount, \$19,201,671 is unrestricted.
- The City's \$24,362,394 in revenues exceeded the \$20,319,802 in expenses for governmental activities, providing a \$4,042,592 increase in total net position.
- At the end of the current year, fund balance for the General Fund was \$16,974,246, or 80% of total general fund operating revenues. Of this amount, \$6,531,131 is reserved for prepaid expenditures and contingencies.
- The current year's unassigned fund balance for the General Fund is \$10,443,115, or 49% of total General Fund operating revenues.
- The General Fund's fund balance increased by \$2,038,972 for the year ended September 30, 2021.
- The City's total debt, excluding compensated absences, decreased by \$784,000 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.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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.

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, 401(a) plans for the City Manager, Chief of Police, senior level staff, and all new general 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 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 and the Stormwater Drain Trust 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 and the Stormwater Drain Trust 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, 2021

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 and Stormwater Drain Trust – Special Revenue 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 41 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 \$55,170,478 in fiscal year 2021 (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 65% of total net position. The largest portion of net position (57%) 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 (\$19,201,671) 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, 2021

Table 1
City of South Miami
Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 34,491,661	\$ 33,750,053
Capital assets (net)	39,781,504	39,017,219
Total Assets	74,273,165	72,767,272
Deferred outflow of resources	2,464,771	2,013,011
Current and other liabilities	3,242,218	4,610,648
Long term liabilities	9,051,922	9,818,924
Total liabilities	12,294,140	14,429,572
Deferred inflow of resources	9,273,318	9,222,825
Net position:		
Invested in capital assets	31,412,504	29,864,219
Restricted	4,556,303	3,947,031
Unrestricted	19,201,671	17,316,636
Total net position	\$ 55,170,478	\$ 51,127,886

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 increased in 2021 by \$609,272, and the unrestricted governmental activities net position increased by \$1,885,035, due to good fiscal control. Capital assets increased by \$764,285 for the fiscal year. The decrease in liabilities is due to principal payments on long term debt.

The following information is presented 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) Inflation appears to be increasing, 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, 2021

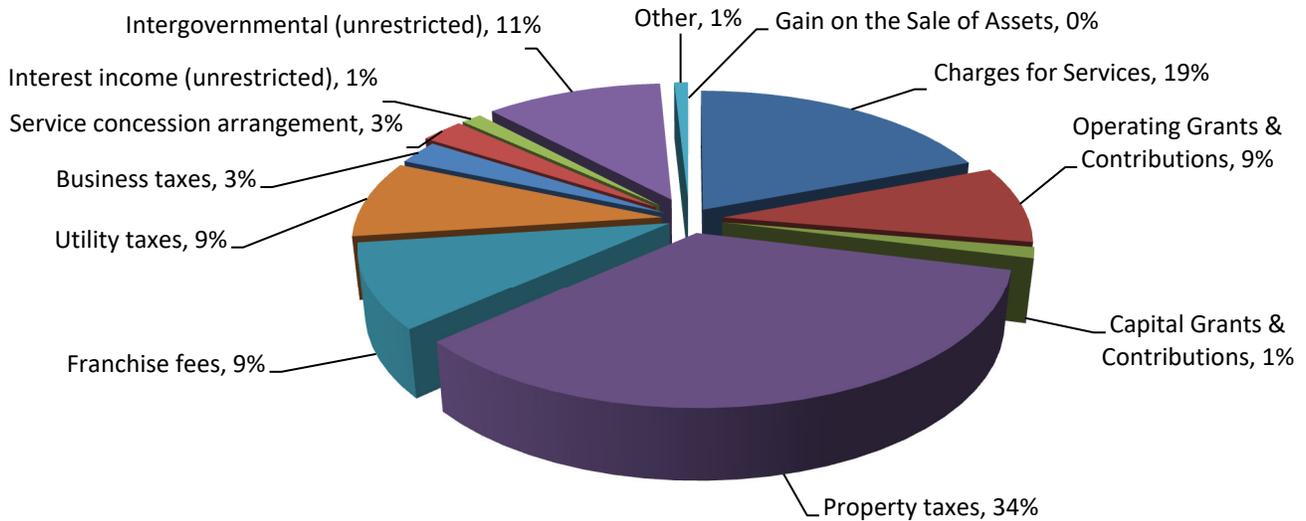
Statement of Activities: As noted earlier, the statement of activities presents information showing how the City's net position changed during the most recent fiscal year. The following table reflects the City's revenues and expenses for fiscal year 2021 compared to 2020 with the resulting change in net position:

Table 2
City of South Miami
Changes in Net Position

	Government Activities	
	<u>2021</u>	<u>2020</u>
Revenues:		
Charges for services	\$ 4,658,041	\$ 4,131,957
Operating grants & contributions	2,086,426	3,851,578
Capital grants & contributions	293,916	71,917
General revenues:		
Property taxes	8,391,916	8,998,956
Utility taxes	2,110,286	2,089,118
Business taxes	645,543	676,521
Franchise fees	2,308,937	2,115,879
Service concession arrangement	659,847	707,991
Intergovernmental (unrestricted)	2,681,910	2,387,215
Interest income (unrestricted)	313,954	312,288
Other	210,418	473,648
Gain on sale of assets	1,200	-
Total Revenues	<u>24,362,394</u>	<u>25,817,068</u>
Expenses:		
General government	5,372,312	4,956,145
Police safety	8,076,615	10,116,000
Public works	4,349,537	3,729,018
Culture and recreation	2,334,959	1,475,336
Community service	-	2,311,628
Interest on long-term debt	186,379	543,925
Total Expenses	<u>20,319,802</u>	<u>23,132,052</u>
 Change in net position	 4,042,592	 2,685,016
 Net position, October 1	 <u>51,127,886</u>	 <u>48,442,870</u>
Net position, September 30	<u>\$ 55,170,478</u>	<u>\$ 51,127,886</u>

The City's total revenues decreased by 5.6%, to \$24,362,394 (see Table 2), mainly due to the decrease in operating grants and contributions. Approximately 34% of the City's revenues come from property taxes, another 11% comes from intergovernmental, 9% from grants and contributions, and 19% from charges for services (see chart that follows). The City's management took major actions in 2021 to improve City revenues and to control expenses.

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

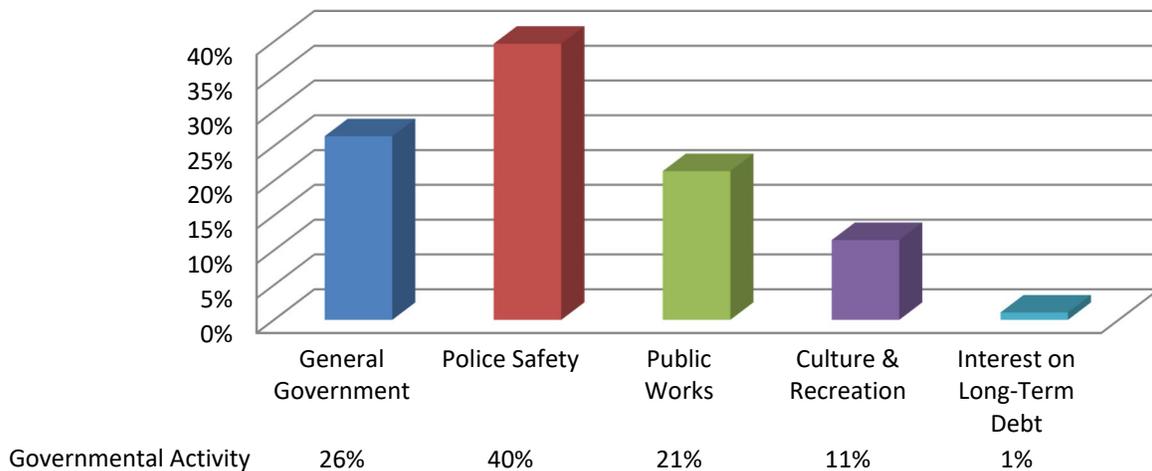


The total cost of all programs and services decreased by \$2,812,250 or 12% (see Table 2). The City's expenses cover a range of services. As shown in Table 2 above, governmental expenses are largely weighted in three functions, namely the public safety, general government, and public works. At \$8,076,615, public safety expense represents 40% of the statement of activities' total expenses for the City in 2021. General government category expense total for 2021 was \$5,372,312, or 26% 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 \$4,349,537, or 21% 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, 2021

The cost of all governmental activities this year, including \$186,379 in interest expense on long-term debt, was \$20,319,802. Some of that cost was financed by those who directly benefited from the programs through charges for services (\$4,658,041) or grants (\$2,380,342).

The City financed the remaining \$13,311,071 "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 \$22,399,673, with the General Fund representing \$16,974,246. Of the total governmental fund balances, \$4,556,303 is restricted, \$6,609,685 is committed, \$790,570 is assigned and \$10,443,115 is unassigned fund balance.

The General Fund's fund balance increased by \$2,038,972 after transfers of a net \$(1,810,109). General Fund revenues were fairly consistent for the years ended 2021 and 2020. 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 which the City continues to monitor as we proceed with recovery.

The Stormwater fund's fund balance remains overall unchanged. The change in utility billing to non-ad valorem collection process has helped continue to keep the Stormwater's fund balance consistent.

During the current year, the City's Debt balance decreased. There was approximately \$1,000,031 in principal and interest expenditures. Total Debt Service Fund expenditures were mostly financed with payments in lieu of taxes (PILOT), rent and royalties revenues, and General Fund transfers.

General Fund Budgetary Highlights

The base revenue budget for fiscal year 2021 was \$19,179,896. The difference between the estimated revenues, and the actual revenues, in the General Fund was \$1,724,369 for fiscal year 2020.

Actual revenues, at \$20,904,265 came in above the final budget of \$19,179,896.

Comparing the final budget to the actual expenditure amount for fiscal year 2021; the final expenditure budget of \$19,260,116 with actual expenditures being \$17,034,639, were below the final amended budget by \$2,225,477. All expenditures were in line with the projected expectations. Please refer to page 41 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, 2021 and 2020, is detailed below:

	Government Activities	
	2021	2020
Land	\$ 13,649,168	\$ 13,649,468
Construction in progress	671,351	-
Building & improvements	15,134,952	15,445,917
Machinery	2,308,475	2,265,709
Land improvements	1,619,463	1,399,248
Infrastructure	6,398,095	6,256,877
	\$ 39,781,504	\$ 39,017,220

CITY OF SOUTH MIAMI, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

For fiscal year 2021 the City spent \$2,231,851 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.

Debt Administration: At year-end, the City had approximately \$8.3 million in outstanding debt, as noted below:

	Government Activities	
	2021	2020
Taxable Revenue Note, Series 2011	3,645,000	4,165,000
Chase 2020	4,724,000	4,988,000
	8,369,000	9,153,000

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 2022 General Fund budget are \$19,992,802, a decrease of \$1,061,463 from actual revenues and transfers of \$21,054,265 for fiscal year 2021, if forecasts are realized. Should revenues exceed expectations in fiscal year 2022, the revenues 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.

FINANCIAL STATEMENTS

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 23,117,267
Receivables	1,202,202
Accrued interest receivable	139,000
Notes receivable	6,213,619
Guaranteed rent receivable	963,909
Net pension asset	2,855,664
Capital assets:	
Capital assets not being depreciated	14,320,519
Capital assets, net of accumulated depreciation	25,460,985
Total assets	74,273,165
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on bond refunding	295,163
Deferred outflows of resources relating to pensions	2,122,100
Deferred outflows of resources relating to other post employment benefits (OPEB)	47,508
Total deferred outflows of resources	2,464,771
LIABILITIES	
Accounts payable	492,058
Accrued liabilities	560,866
Unearned revenue	601,545
Other liabilities	265,327
Accrued interest payable	115,651
Due within one year:	
Compensated absences	374,771
Debt, including bonds and notes payable	832,000
Due in more than one year:	
Compensated absences	1,124,313
Debt, including bonds and notes payable	7,537,000
Total other post employment benefits (OPEB) liability	390,609
Total liabilities	12,294,140
DEFERRED INFLOWS OF RESOURCES	
Service concession arrangement	7,177,528
Deferred inflows of resources relating to pensions	1,776,800
Deferred inflows of resources relating to other post employment benefits (OPEB)	318,990
Total deferred inflows of resources	9,273,318
NET POSITION	
Net investment in capital assets	31,412,504
Restricted for:	
Park improvements	264,912
Grant projects	658,605
Stormwater management	382,166
Transportation projects	1,821,203
Law enforcement	1,233,008
Debt service	196,409
Unrestricted	19,201,671
Total net position	\$ 55,170,478

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, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental activities:					
General government	\$ 5,372,312	\$ 1,160,221	\$ 1,422,484	\$ -	\$ (2,789,607)
Public safety	8,076,615	3,317,494	109,815	-	(4,649,306)
Public works	4,349,537	-	-	-	(4,349,537)
Culture and recreation	2,334,959	180,326	300,899	293,916	(1,559,818)
Community services	-	-	253,228	-	253,228
Interest on long-term debt	186,379	-	-	-	(186,379)
Total governmental activities	<u>\$ 20,319,802</u>	<u>\$ 4,658,041</u>	<u>\$ 2,086,426</u>	<u>\$ 293,916</u>	<u>(13,281,419)</u>
General revenues:					
Taxes:					
Property taxes					8,391,916
Utility taxes					2,110,286
Business taxes					645,543
Franchise taxes					2,308,937
Service concession arrangement					659,847
Interest income (unrestricted)					313,954
Intergovernmental (unrestricted)					2,681,910
Other					210,418
Gain on sale of assets					1,200
Total general revenues, special items, and transfers					<u>17,324,011</u>
Change in net position					4,042,592
Net position - beginning					51,127,886
Net position - ending					<u>\$ 55,170,478</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, 2021

	Major Funds			Total Governmental Funds
	General Fund	Capital Improvements Program Fund	Other Nonmajor Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 17,900,786	\$ 942,295	\$ 4,274,186	\$ 23,117,267
Receivables	705,175	-	497,027	1,202,202
Due from other funds	193,223	-	247,667	440,890
Total assets	<u>18,799,184</u>	<u>942,295</u>	<u>5,018,880</u>	<u>24,760,359</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	307,601	151,725	32,732	492,058
Accrued liabilities	560,866	-	-	560,866
Due to other funds	247,667	-	193,223	440,890
Unearned revenue	443,477	-	158,068	601,545
Other liabilities	265,327	-	-	265,327
Total liabilities	<u>1,824,938</u>	<u>151,725</u>	<u>384,023</u>	<u>2,360,686</u>
Fund balances:				
Restricted for:				
Park improvements	-	-	264,912	264,912
Grant projects	-	-	658,605	658,605
Stormwater management	-	-	382,166	382,166
Transportation projects	-	-	1,821,203	1,821,203
Law enforcement	-	-	1,233,008	1,233,008
Debt service	-	-	196,409	196,409
Committed for:				
Emergency and disaster recovery operating reserve	6,246,779	-	-	6,246,779
Pedestrian crossing	284,352	-	-	284,352
Tree projects	-	-	77,546	77,546
Parking management	-	-	1,008	1,008
Assigned for:				
Capital projects	-	790,570	-	790,570
Unassigned	10,443,115	-	-	10,443,115
Total fund balances	<u>16,974,246</u>	<u>790,570</u>	<u>4,634,857</u>	<u>22,399,673</u>
Total liabilities and fund balances	<u>\$ 18,799,184</u>	<u>\$ 942,295</u>	<u>\$ 5,018,880</u>	<u>\$ 24,760,359</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, 2021

Fund balances - total governmental funds (see page 13) **\$ 22,399,673**

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	6,213,619
Guaranteed rent receivable	963,909
Accrued interest receivable	139,000
Net pension assets	2,855,664

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

Cost of capital assets	58,663,664
Less accumulated depreciation	(18,882,160)

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	295,163
Deferred outflows of resources relating to pensions	2,122,100
Deferred outflows of resources relating to other post employment benefits (OPEB)	47,508

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	(8,369,000)
Accrued interest payable	(115,651)
Deferred inflows of resources relating to pensions	(1,776,800)
Deferred inflows of resources from service concession arrangement	(7,177,528)
Net other post employment benefits (OPEB) obligation	(390,609)
Deferred inflows of resources relating to other post employment benefits (OPEB)	(318,990)
Compensated absences payable	<u>(1,499,084)</u>

Net position of governmental activities (see page 11) **\$ 55,170,478**

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Improvements Program Fund</u>	<u>Other Nonmajor Governmental Funds</u>	
REVENUES				
Taxes:				
Property taxes	\$ 8,391,916	\$ -	\$ -	\$ 8,391,916
Utility taxes	2,109,859	-	427	2,110,286
Business taxes	647,786	-	-	647,786
Franchise taxes	1,092,988	-	-	1,092,988
Licenses and permits	917,143	-	212,167	1,129,310
Intergovernmental	2,585,373	-	1,002,684	3,588,057
Charges for services	3,279,362	-	-	3,279,362
Fines and forfeitures	1,278,808	-	3,941	1,282,749
Rents and royalties	210,045	-	-	210,045
Grants, contributions and donations	253,228	-	1,111,152	1,364,380
Interest income	262,653	-	51,301	313,954
Miscellaneous	178,285	-	780,842	959,127
Total revenues	<u>21,207,446</u>	<u>-</u>	<u>3,162,514</u>	<u>24,369,960</u>
EXPENDITURES				
Current:				
General government	4,367,004	-	-	4,367,004
Public safety	7,715,322	-	106,781	7,822,103
Public works	3,170,736	-	779,504	3,950,240
Culture and recreation	2,105,303	-	6,551	2,111,854
Capital outlay	-	2,231,851	902,557	3,134,408
Debt Service:				
Principal	-	-	784,000	784,000
Interest and other charges	-	-	216,031	216,031
Total expenditures	<u>17,358,365</u>	<u>2,231,851</u>	<u>2,795,424</u>	<u>22,385,640</u>
Excess (deficiency) of revenues over expenditures	<u>3,849,081</u>	<u>(2,231,851)</u>	<u>367,090</u>	<u>1,984,320</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	583,000	1,570,820	389,289	2,543,109
Transfers out	(2,393,109)	-	(150,000)	(2,543,109)
Total other financing sources and uses	<u>(1,810,109)</u>	<u>1,570,820</u>	<u>239,289</u>	<u>-</u>
Net change in fund balances	<u>2,038,972</u>	<u>(661,031)</u>	<u>606,379</u>	<u>1,984,320</u>
Fund balances - beginning	<u>14,935,274</u>	<u>1,451,601</u>	<u>4,028,478</u>	<u>20,415,353</u>
Fund balances - ending	<u>\$ 16,974,246</u>	<u>\$ 790,570</u>	<u>\$ 4,634,857</u>	<u>\$ 22,399,673</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, 2021

Net change in fund balances - total government funds (see page 15) **\$ 1,984,320**

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:

Capital outlay	3,134,408
Current year provision for depreciation	(1,396,087)
Amounts reported as capital outlay not included in capital assets (not capitalized)	(973,736)

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. (300)

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. (341,391)

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

Net revenues from service concession arrangement	341,391
Change in accrued interest receivable	(7,266)

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.

Bond principal payments	784,000
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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	(453,806)
Change in deferred outflows of resources relating to other post employment benefits (OPEB)	61,922
Change in deferred inflows of resources relating to pensions	494,390
Change in deferred inflows of resources relating to other post employment benefits (OPEB)	6,565

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 governmental funds:

Accrued interest payable	78,847
Amortization of deferred loss on bond refunding	(49,195)
Change in net other post employment benefits (OPEB) obligation	(46,051)
Change in net pension asset	449,844
Change in compensated absences payable	(25,263)

Change in net position of governmental activities (see page 12) **\$ 4,042,592**

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

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Employee Retirement Funds
ASSETS	
Receivables:	
Employer contribution	\$ 109,815
Interest and dividends	77,741
Section 185 contribution	79,228
Total receivables	266,784
Investments at fair value:	
Money market funds	1,053,497
Real estate holdings	8,042,612
U.S. Government and agency securities	5,662,366
Corporate obligations	6,502,689
Mutual funds:	
Equity	28,847,659
International equity	8,798,124
Fixed income	252,892
Total investments	59,159,839
Other assets:	
Prepaid expenses	4,071
Total assets	59,430,694
LIABILITIES	
Accounts payable	38,314
Minimum funding liability	79,228
Total liabilities	117,542
NET POSITION	
Restricted for pension benefits	\$ 59,313,152

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, 2021

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	\$ 552,500
Employees	437,988
Section 185 contributions	189,043
Total contributions	1,179,531
Investment earnings:	
Net appreciation in fair value of investments	10,757,512
Interest and dividends	1,085,126
Total investment earnings	11,842,638
Less: investment expense	614,650
Net investment earnings	11,227,988
Total additions	12,407,519
 DEDUCTIONS	
Benefits paid	1,643,988
Refund of contributions	75,132
DROP distributions	19,118
Administrative expenses	193,847
Minimum benefit funding payment	79,228
Total deductions	2,011,313
Change in net position	10,396,206
Net position, restricted for pension benefits - beginning	48,916,946
Net position, restricted for pension benefits - ending	\$ 59,313,152

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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: There are no blended component units for the City for fiscal year 2021 as the South Miami Community Redevelopment Agency (the "SMCRA") ceased to exist in fiscal year 2020, and had all remaining balances transferred to Miami-Dade County and the City's General fund upon closure.

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 nonfiduciary 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.

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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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 revenues 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 *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.

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 "Plan") and the *Police Officers Retirement Trust Fund - Section 185 Plan* (the "Fund") 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, 2021, there were no material receivables deemed uncollectible by management.

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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2021.

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, 2021 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.

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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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 three items that meet this criterion; an unamortized loss on a bond refunding, 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. 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 periods 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.

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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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 (\$ 6,246,779 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.

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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 4 - Deposits and Investments (Continued)

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, 2021, the carrying amount of the City's book balance for deposits held with financial institutions totaled \$ 23,117,267 and the bank balance was \$ 23,275,940.

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, 2021, the City had the following cash equivalents:

Investment Type	Amortized Cost	Maturity Less than 1 Year
Repurchase agreement*	\$ 7,177,528	\$ 7,177,528
Total at amortized cost	<u>\$ 7,177,528</u>	

* Amortized cost approximates fair value.

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

Category	
Deposits	\$ 23,115,765
Petty cash	<u>1,502</u>
Total deposits and investments	<u>\$ 23,117,267</u>

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, 2021

Note 4 -Deposits and Investments (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, 2021, 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*	\$ 5,662,366	\$ 165,012	\$ 5,827,378
Quality rating of credit risk debt securities			
AAA/Aaa	531,137	9,610	540,747
AA/Aa	609,631	8,143	617,774
A/A	2,599,287	30,549	2,629,836
BBB/Baa	2,577,681	39,578	2,617,259
Not rated	184,953	-	184,953
Total credit risk debt securities	6,502,689	87,880	6,590,569
Total fixed income securities	\$ 12,165,055	\$ 252,892	\$ 12,417,947

*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	\$ 6,502,689	\$ 906,656	\$ 2,537,191	\$ 2,280,107	\$ 778,735
U.S. Government and agency securities	5,662,366	-	3,267,156	1,647,486	747,724
Mutual fund, fixed income	252,892	2,096	106,436	41,317	103,043
Totals	<u>\$ 12,417,947</u>	<u>\$ 908,752</u>	<u>\$ 5,910,783</u>	<u>\$ 3,968,910</u>	<u>\$ 1,629,502</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 4 -Deposits and Investments (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, 2021, 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 credit risk.

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, 2021

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, 2021:

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	\$ 37,898,675	\$ 868,840	\$ 37,029,835	\$ -
Real estate holdings	8,042,612	-	-	8,042,612
Corporate obligations	6,502,689	-	6,502,689	-
U.S. Government and agency securities	<u>5,662,366</u>	<u>3,819,233</u>	<u>1,843,133</u>	<u>-</u>
	58,106,342	<u>\$ 4,688,073</u>	<u>\$ 45,375,657</u>	<u>\$ 8,042,612</u>
Investments measured at amortized cost:				
Money market funds	<u>1,053,497</u>			
Total	<u>\$ 59,159,839</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	\$ 2,189,597
Capital contributed during period	4,500,000
Investment income from operations	222,660
Total gains (realized and unrealized)	2,183,909
Distributions	(574,368)
Management fees and other	<u>(479,186)</u>
Ending balance, at September 30	<u>\$ 8,042,612</u>

Note 5 - Receivables

Receivables at September 30, 2021 were as follows:

Receivable type:	Major Fund	Nonmajor	Total
	General Fund	Governmental Funds	
Intergovernmental	\$ 390,348	\$ 497,027	\$ 887,375
Franchise fees	112,332	-	112,332
Utility taxes	123,541	-	123,541
Accounts	<u>78,954</u>	<u>-</u>	<u>78,954</u>
Total	<u>\$ 705,175</u>	<u>\$ 497,027</u>	<u>\$ 1,202,202</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 6 - Interfund Balances and Transfers

Interfund balances at September 30, 2021 and the amount of interfund transfers for the fiscal year ended are summarized as follows:

	Payable fund:		Total
	Major Fund	Nonmajor	
	General Fund	Governmental Funds	
<u>Receivable fund:</u>			
General Fund	-	193,223	193,223
Nonmajor Governmental Funds	<u>247,667</u>	-	<u>247,667</u>
Total	<u>\$ 247,667</u>	<u>\$ 193,223</u>	<u>\$ 440,890</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, \$ 1,570,820 and \$ 389,289 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 General Fund had \$583,000 transferred in from Emergency Reserve, Revenue Stabilization, Insurance Reserve, Tax Equalization Reserve, Building Capital Reserve, Grant Match Reserve, and Pedestrian Crossing Acquisition, Development Operation, & Maintenance Trust Funds during 2021. The remaining transfers were to the General Fund from the nonmajor governmental funds to reimburse the General Fund for expenditures incurred.

Note 7 - Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Increases	Decreases/ Transfers	Balance September 30, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 13,649,468	\$ -	\$ 300	\$ 13,649,168
Construction in progress	-	<u>671,351</u>	-	<u>671,351</u>
Total capital assets, not being depreciated	<u>13,649,468</u>	<u>671,351</u>	<u>300</u>	<u>14,320,519</u>
Capital assets, being depreciated:				
Buildings and improvements	20,960,404	139,273	-	21,099,677
Machinery and equipment	8,382,336	619,178	-	9,001,514
Land improvements	2,524,086	339,615	-	2,863,701
Infrastructure	10,538,741	391,255	-	10,929,996
Intangible assets	<u>448,257</u>	-	-	<u>448,257</u>
Total capital assets, being depreciated	<u>42,853,824</u>	<u>1,489,321</u>	-	<u>44,343,145</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 7 - Capital Assets (Continued)

	Balance October 1, 2020	Increases	Decreases/ Transfers	Balance September 30, 2021
Less accumulated depreciation for:				
Buildings and improvements	5,514,487	450,238	-	5,964,725
Machinery and equipment	6,116,627	576,412	-	6,693,039
Land improvements	1,124,838	119,400	-	1,244,238
Infrastructure	4,281,864	250,037	-	4,531,901
Intangible assets	448,257	-	-	448,257
Total accumulated depreciation	<u>17,486,073</u>	<u>1,396,087</u>	<u>-</u>	<u>18,882,160</u>
Total capital assets, being depreciated, net	<u>25,367,751</u>	<u>93,234</u>	<u>-</u>	<u>25,460,985</u>
Governmental activities capital assets, net	<u>\$39,017,219</u>	<u>\$ 764,585</u>	<u>\$ 300</u>	<u>\$39,781,504</u>

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

General government	\$ 597,747
Public safety	328,754
Public works	284,809
Culture and recreation	<u>184,777</u>
Total depreciation expense - governmental activities	<u>\$ 1,396,087</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 \$ 6,213,619.
- (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 \$ 963,909.

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, \$ 7,177,528 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, 2021

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, 2021, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	421,938	216,785	638,723
2027-2031	2,442,767	752,565	3,195,332
2032-2036	1,554,765	216,630	1,771,395
2037	275,088	6,189	281,277
Total	<u>\$ 6,213,619</u>	<u>\$ 2,232,903</u>	<u>\$ 8,446,522</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, 2021:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Governmental Activities:					
Taxable Revenue Note, Series 2011	\$ 4,165,000	\$ -	\$ 520,000	\$ 3,645,000	\$ 540,000
Capital Improvement Revenue Refunding Note, Series 2020	4,988,000	-	264,000	4,724,000	292,000
Compensated absences	<u>1,473,821</u>	<u>769,625</u>	<u>744,362</u>	<u>1,499,084</u>	<u>374,771</u>
Total	<u>\$ 10,626,821</u>	<u>\$ 769,625</u>	<u>\$ 1,528,362</u>	<u>\$ 9,868,084</u>	<u>\$ 1,206,771</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.

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 the event of a default, the note contains a provision allowing the owner of the debt to declare the entire debt immediately due and payable including all costs of collection and enforcement.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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	
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	645,000	60,515	312,000	44,800	1,062,315
2027-2031	685,000	31,168	2,624,000	25,319	3,365,487
2032-2034	-	-	596,000	3,954	599,954
Total	<u>\$ 3,645,000</u>	<u>\$ 555,356</u>	<u>\$ 4,724,000</u>	<u>\$ 293,440</u>	<u>\$ 9,217,795</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, 2021, the outstanding principal amount payable was \$ 754,155,000.

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, 2021

Note 10 - Other Post-Employment Benefits (OPEB) (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, 2021 was measured as of October 1, 2020 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	2.43%
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, 2020: the discount rate decreased from 2.74% to 2.43%, the excise tax load remained consistent at 4.3%, and the healthcare trend remained consistent at (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, 2020 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, 2020 was 2.43%. 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 2.74% as of the beginning of the measurement year.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, are as follows:

Total OPEB liability	\$ 390,609
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u>\$ 390,609</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, 2021

Total OPEB liability:	
Service cost	\$ 45,290
Interest on total OPEB liability	10,532
Benefit changes	-
Difference between actual and expected experience	-
Assumption changes	1,206
Benefit payments	<u>(10,977)</u>
Net change in total OPEB liability	46,051
Total OPEB liability, beginning	<u>344,558</u>
Total OPEB liability, ending	<u>\$ 390,609</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 2.43%, 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 (1.43)%	Current Discount Rate (2.43)%	1% Increase (3.43)%
Total OPEB liability	<u>\$ 454,241</u>	<u>\$ 390,609</u>	<u>\$ 338,229</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>\$ 322,631</u>	<u>\$ 390,609</u>	<u>\$ 478,587</u>

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021 the City recognized OPEB expense of \$ 1,710. At September 30, 2021, 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	\$ -	\$ 305,558
Changes in assumptions and other inputs	27,024	13,432
Total	\$ 27,024	\$ 318,990

The deferred outflow of resources related to OPEB totaling \$ 20,484 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
2022	\$ (57,774)
2023	(57,774)
2024	(57,774)
2025	(57,774)
2026	(37,860)
Thereafter	(23,010)

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, 2021, 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, 2021

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 it 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.

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.

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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 11 - Defined Benefit Pension Plan (Continued)

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, 2020:

	General and AMSC Employees	Police Officers
Active plan members	53	45
Terminated vested	6	5
Receiving benefits	28	22
DROP participants	4	3
	91	75

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, 2020 and 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. 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.

The Police Officers Pension Plan also receives contributions from the State of Florida. During the fiscal year ended September 30, 2021, the City received \$ 109,815 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.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 11 - Defined Benefit Pension Plan (Continued)

Net Pension Liability:

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation date as of October 1, 2019.

Actuarial Assumptions:

The total pension liability in the October 1, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	10/1/2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage or payroll, closed
Amortization period	25 years for general employees
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 BB.

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:

<u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap	30.0%	8.6%
Smaller Mid Cap	15.0%	10.0%
Foreign Equity	15.0%	6.1%
Real Estate	12.5%	6.5%
Fixed Income	<u>27.5%</u>	2.2%
	<u>100.0%</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, 2021

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, 2019	\$ 41,240,847	\$ 43,646,667	\$ (2,405,820)
Service cost	852,115	-	852,115
Interest	3,164,443	-	3,164,443
Benefit changes	2,209,880	-	2,209,880
Difference between expected and actual experience	502,197	-	502,197
Assumption changes	(1,109,800)	-	(1,109,800)
Contributions - employer and state	-	2,215,515	(2,215,515)
Contributions - employees	-	459,625	(459,625)
Net investment income	-	3,177,042	(3,177,042)
Benefit payments, including refunds	(1,584,681)	(1,584,681)	-
Administrative expenses	-	(143,452)	143,452
Other	-	359,949	(359,949)
Net changes	4,034,154	4,483,998	(449,844)
Balance as of			
September 30, 2020	\$ 45,275,001	\$ 48,130,665	\$ (2,855,664)

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)	\$ 3,232,951	\$ (2,855,664)	\$ (7,839,313)

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, 2021

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, 2021, the City recognized pension expense of (\$ 141,299). At September 30, 2021, 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	\$ 146,770	\$ 892,192
Net difference between projected and actual earnings on Plan investments	627,891	-
Difference between expected and actual experience on liabilities	794,940	884,608
Total	\$ 1,569,601	\$ 1,776,800

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 \$ 552,499, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. 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
2022	\$ (280,862)
2023	98,550
2024	162,527
2025	(175,501)
2026	(11,913)

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, 2021 of approximately \$ 9,886.

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021 was approximately \$ 37,333.

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, 2021 were approximately \$ 3,474.

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 did not contribute to this plan during the fiscal year ended September 30, 2021.

The 401(a) and 457(b) plans mentioned above are administered by MissionSquare Retirement. 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem	\$ 8,502,590	\$ 8,502,590	\$ 8,389,343	\$ (113,247)
Utility taxes	1,928,556	1,928,556	2,109,859	181,303
Business taxes	578,500	578,500	647,786	69,286
Franchise taxes	1,111,000	1,111,000	1,092,988	(18,012)
Licenses and permits	1,319,500	1,319,500	917,143	(402,357)
Intergovernmental	971,082	971,082	2,376,476	1,405,394
Charges for services	2,960,878	2,960,878	3,279,362	318,484
Fines and forfeitures	1,210,000	1,210,000	1,278,808	68,808
Rents and royalties	255,289	255,289	210,045	(45,244)
Interest income	193,000	193,000	196,229	3,229
Miscellaneous	149,501	149,501	178,285	28,784
Total revenues	<u>19,179,896</u>	<u>19,179,896</u>	<u>20,929,552</u>	<u>1,749,656</u>
EXPENDITURES				
Current:				
General government:				
City commission	138,100	138,100	120,942	17,158
City manager	2,118,276	2,115,437	1,809,336	306,101
City clerk	456,883	456,883	393,660	63,223
Legal	382,310	382,310	320,117	62,193
Finance	1,554,721	1,565,811	1,440,763	125,048
Total general government	<u>4,650,290</u>	<u>4,658,541</u>	<u>4,084,818</u>	<u>573,723</u>
Public safety:				
Police	7,182,308	7,193,406	6,611,662	581,744
Building, zoning, and community development	1,364,955	1,388,817	1,210,768	178,049
Total public safety	<u>8,547,263</u>	<u>8,582,223</u>	<u>7,822,430</u>	<u>759,793</u>
Public Works				
Culture and recreation	3,461,542	3,478,331	3,022,088	456,243
Total expenditures	<u>19,192,688</u>	<u>19,260,116</u>	<u>17,034,639</u>	<u>2,225,477</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(12,792)</u>	<u>(80,220)</u>	<u>3,894,913</u>	<u>3,975,133</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	150,000	-
Transfers out	(2,093,109)	(2,093,109)	(2,093,109)	-
Appropriation of fund balance	1,955,901	2,023,329	-	2,023,329
Total other financing sources (uses)	<u>12,792</u>	<u>80,220</u>	<u>(1,943,109)</u>	<u>2,023,329</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>1,951,804</u>	<u>5,998,462</u>
Fund balances - beginning			<u>12,879,024</u>	
Fund balances - ending			<u>\$ 14,830,828</u>	

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 Hometown District Improvement 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.

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

**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 \$ 1,951,804

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⁾	100,243
Net change in fund balance - Revenue Stabilization Fund ⁽²⁾	(60,000)
Net change in fund balance - Insurance Reserve Fund ⁽³⁾	(60,000)
Net change in fund balance - Tax Equalization Reserve Fund ⁽⁴⁾	(60,000)
Net change in fund balance - Building Capital Reserve Fund ⁽⁵⁾	(60,000)
Net change in fund balance - Grant Match Reserve Fund ⁽⁶⁾	(60,000)
Net change in fund balance - Bond Trust Fund ⁽⁷⁾	2,573
Net change in fund balance - Pedestrian Crossing Acquisition, Development, Operation, & Maintenance Fund ⁽⁸⁾	284,352

General Fund - net change in fund balance per the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds \$ 2,038,972

- ⁽¹⁾ See budget to actual comparison schedule on page 64.
- ⁽²⁾ See budget to actual comparison schedule on page 65.
- ⁽³⁾ See budget to actual comparison schedule on page 66.
- ⁽⁴⁾ See budget to actual comparison schedule on page 67.
- ⁽⁵⁾ See budget to actual comparison schedule on page 68.
- ⁽⁶⁾ See budget to actual comparison schedule on page 69.
- ⁽⁷⁾ See budget to actual comparison schedule on page 70.
- ⁽⁸⁾ See budget to actual comparison schedule on page 71.

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	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service cost	\$ 883,787	\$ 852,115	\$ 842,564	\$ 796,141	\$ 846,884	\$ 697,537	\$ 686,435	\$ 669,181
Interest	3,358,799	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	350,449	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	(1,932,390)	(1,584,681)	(1,660,970)	(1,563,305)	(1,570,751)	(1,293,782)	(1,417,586)	(1,315,113)
Net change in total pension liability	2,660,645	4,034,154	757,182	2,968,613	2,339,968	1,207,493	1,148,321	1,055,034
Total pension liability - beginning	45,275,001	41,240,847	40,483,665	37,515,052	35,175,084	33,967,591	32,819,270	31,764,236
Total pension liability - ending (a)	<u>\$ 47,935,646</u>	<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	\$ 631,727	\$ 2,215,515	\$ 704,929	\$ 690,632	\$ 681,713	\$ 570,154	\$ 834,251	\$ 878,217
Contributions - employees	438,542	459,625	594,753	536,473	910,127	490,452	562,835	593,396
Net investment income	3,512,556	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	(1,932,390)	(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)	(143,452)	(129,072)	(139,324)	(163,555)	(129,291)	(135,093)	(100,780)
Other	-	359,949	49,243	260,999	-	2,835	4,454	6,784
Net change in plan fiduciary net position	2,506,983	4,483,998	427,289	3,770,017	4,400,227	2,946,370	(134,389)	3,116,668
Plan fiduciary net position - beginning	48,130,665	43,646,667	43,219,378	39,449,361	35,049,134	32,102,764	32,237,153	29,120,485
Plan fiduciary net position - ending (b)	<u>\$ 50,637,648</u>	<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>\$ (2,702,002)</u>	<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	105.64%	106.31%	105.83%	106.76%	105.16%	99.64%	94.51%	98.23%
Covered payroll	\$ 6,753,066	\$ 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	-40.01%	-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 Ended 9/30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll^{1,2}	Contribution as a Percentage of Covered Payroll
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%
2021	631,727	631,727	-	6,753,066	9.35%

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
Asset valuation method:	5-year smoothed
Inflation:	2.75%
Salary increases:	3.75% - 5.25%
Investment rate of return:	7.375%
Payroll growth assumption:	4.0% per year, but limited to average annual increase over most recent ten years (-0.3%) for Police Officers. None for General Employees including AMSC.
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition
Mortality:	General including AMSC members - healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

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, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

General including AMSC members - healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, setback 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

Police Members - healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

General including AMSC members - disabled participants, PUB-2010 Headcount Weighted General IDisabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.

Police members - disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Cost-of-living increases:

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>2021</u>	<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 - General Employees and Police Officers Pension Plan	23.27%	7.24%	2.11%	10.30%	13.10%	10.40%	0.00%	11.40%
Annual money-weighted rate of return, net of investment expense - Pension Trust Fund	5.65%	5.75%	2.33%	4.45%	6.71%	3.07%	-1.33%	8.49%

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:	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	10/1/2020	10/1/2019	10/1/2018	10/1/2017
Total OPEB Liability:				
Service cost	\$ 45,290	\$ 48,125	\$ 46,640	\$ 48,182
Interest	10,532	17,764	15,206	22,481
Benefit changes	-	2,672	-	(10,435)
Difference between expected and actual experience	-	(165,990)	-	(337,400)
Assumption changes	1,206	33,961	(20,628)	(1,025)
Benefit payments	(10,977)	(15,199)	(11,537)	(10,446)
	<u>46,051</u>	<u>(78,667)</u>	<u>29,681</u>	<u>(288,643)</u>
Net change in Total OPEB Liability	46,051	(78,667)	29,681	(288,643)
Total OPEB liability-beginning	<u>344,558</u>	<u>423,225</u>	<u>393,544</u>	<u>682,187</u>
Total OPEB liability-ending	<u>\$ 390,609</u>	<u>\$ 344,558</u>	<u>\$ 423,225</u>	<u>\$ 393,544</u>
Covered payroll	\$ 7,938,499	\$ 8,130,725	\$ 7,091,413	\$ 7,142,019
Total OPEB liability as a percentage of covered payroll	4.92%	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, 2020: the discount rate decreased from 2.74% to 2.43%, the excise tax load remained consistent at 4.3%, and the healthcare trend remained consistent at (6.0% to 4.0% in 2040+). Mortality tables and rates of retirement were also updated for October 1, 2020 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.

Park 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.

DEBT SERVICE FUNDS

Debt Service Fund - This fund accounts for the accumulation of resources to pay for the payment of the principal and interest of the City's bonds and certain notes payable.

CITY OF SOUTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Special Revenue 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	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS												
Cash and cash equivalents	\$ 332,787	\$ 1,110,422	\$ 249,485	\$ 40,700	\$ 34,817	\$ 1,008	\$ 1,194,184	\$ 314,154	\$ 264,912	\$ 391,647	\$ 340,070	\$ 4,274,186
Receivables	-	89,606	-	-	-	-	-	404,733	-	2,688	-	497,027
Due from other funds	-	174,211	-	-	42,729	-	-	30,727	-	-	-	247,667
Total assets	<u>\$ 332,787</u>	<u>\$ 1,374,239</u>	<u>\$ 249,485</u>	<u>\$ 40,700</u>	<u>\$ 77,546</u>	<u>\$ 1,008</u>	<u>\$ 1,194,184</u>	<u>\$ 749,614</u>	<u>\$ 264,912</u>	<u>\$ 394,335</u>	<u>\$ 340,070</u>	<u>\$ 5,018,880</u>
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	-	8,051	12,805	-	-	-	1,876	-	-	10,000	-	32,732
Due to other funds	-	114,452	-	-	-	-	-	76,602	-	2,169	-	193,223
Unearned revenue	-	-	-	-	-	-	-	14,407	-	-	143,661	158,068
Total liabilities	<u>-</u>	<u>122,503</u>	<u>12,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,876</u>	<u>91,009</u>	<u>-</u>	<u>12,169</u>	<u>143,661</u>	<u>384,023</u>
Fund balances:												
Restricted for:												
Park improvements	-	-	-	-	-	-	-	-	264,912	-	-	264,912
Grant projects	-	-	-	-	-	-	-	658,605	-	-	-	658,605
Stormwater management	-	-	-	-	-	-	-	-	-	382,166	-	382,166
Transportation projects	332,787	1,251,736	236,680	-	-	-	-	-	-	-	-	1,821,203
Law enforcement	-	-	-	40,700	-	-	1,192,308	-	-	-	-	1,233,008
Debt service	-	-	-	-	-	-	-	-	-	-	196,409	196,409
Committed for:												
Tree projects	-	-	-	-	77,546	-	-	-	-	-	-	77,546
Parking management	-	-	-	-	-	1,008	-	-	-	-	-	1,008
Total fund balances	<u>332,787</u>	<u>1,251,736</u>	<u>236,680</u>	<u>40,700</u>	<u>77,546</u>	<u>1,008</u>	<u>1,192,308</u>	<u>658,605</u>	<u>264,912</u>	<u>382,166</u>	<u>196,409</u>	<u>4,634,857</u>
Total liabilities and fund balances	<u>\$ 332,787</u>	<u>\$ 1,374,239</u>	<u>\$ 249,485</u>	<u>\$ 40,700</u>	<u>\$ 77,546</u>	<u>\$ 1,008</u>	<u>\$ 1,194,184</u>	<u>\$ 749,614</u>	<u>\$ 264,912</u>	<u>\$ 394,335</u>	<u>\$ 340,070</u>	<u>\$ 5,018,880</u>

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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		Debt Service Fund
REVENUES												
Taxes:												
Utility taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 427	\$ -	\$ 427	
Fines and forfeitures	-	-	-	-	-	3,941	-	-	-	-	3,941	
Licenses and permits	-	-	-	-	18,719	-	-	193,448	-	-	212,167	
Intergovernmental	65,942	457,809	114,452	-	-	-	-	-	364,481	-	1,002,684	
Grants, contributions and donations	-	-	-	-	-	-	1,111,152	-	-	-	1,111,152	
Interest income	2,932	11,456	-	479	-	-	14,704	6,654	1,724	7,877	51,301	
Miscellaneous	-	-	-	-	-	-	778	-	-	-	780,064	
Total revenues	68,874	469,265	114,452	479	18,719	-	19,423	1,117,806	195,172	372,785	785,539	
EXPENDITURES												
Current:												
Public safety	-	-	-	-	-	-	106,781	-	-	-	106,781	
Highways and roads	-	-	150,000	-	-	-	-	516,337	113,167	-	779,504	
Culture and recreation	-	-	-	-	-	-	-	6,551	-	-	6,551	
Debt Service												
Principal	-	-	-	-	-	-	-	-	-	784,000	784,000	
Interest and other charges	-	-	-	-	-	-	-	-	-	216,031	216,031	
Capital outlay	-	268,720	-	-	-	-	-	588,264	-	45,573	902,557	
Total expenditures	-	268,720	150,000	-	-	-	106,781	1,111,152	-	158,740	2,795,424	
Excess (deficiency) of revenues over expenditures	68,874	200,545	(35,548)	479	18,719	-	(87,358)	6,654	195,172	214,045	(214,492)	
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	-	-	-	-	389,289	
Transfers out	-	-	-	-	-	-	-	-	-	(150,000)	(150,000)	
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(150,000)	239,289	
Net change in fund balances	68,874	200,545	(35,548)	479	18,719	-	(87,358)	6,654	195,172	64,045	174,797	
Fund balances - beginning	263,913	1,051,191	272,228	40,221	58,827	1,008	1,279,666	651,951	69,740	318,121	21,612	
Fund balances - ending	\$ 332,787	\$ 1,251,736	\$ 236,680	\$ 40,700	\$ 77,546	\$ 1,008	\$ 1,192,308	\$ 658,605	\$ 264,912	\$ 382,166	\$ 196,409	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - LOCAL OPTION GAS TRUST FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 71,763	\$ 71,763	\$ 65,942	\$ (5,821)
Interest income	1,600	1,600	2,932	1,332
Total revenues	<u>73,363</u>	<u>73,363</u>	<u>68,874</u>	<u>(4,489)</u>
EXPENDITURES				
Capital outlay	100,000	102,891	-	102,891
Total expenditures	<u>100,000</u>	<u>102,891</u>	<u>-</u>	<u>102,891</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(26,637)</u>	<u>(29,528)</u>	<u>68,874</u>	<u>98,402</u>
Net change in fund balance	<u>(26,637)</u>	<u>(29,528)</u>	<u>68,874</u>	<u>98,402</u>
Fund balances - beginning			<u>263,913</u>	
Fund balances - ending			<u>\$ 332,787</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEOPLES TRANSPORTATION TAX
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 425,000	\$ 425,000	\$ 457,809	\$ 32,809
Interest income	10,000	10,000	11,456	1,456
Total revenues	<u>435,000</u>	<u>435,000</u>	<u>469,265</u>	<u>34,265</u>
EXPENDITURES				
Capital outlay	<u>785,000</u>	<u>1,124,029</u>	<u>268,720</u>	<u>855,309</u>
Total expenditures	<u>785,000</u>	<u>1,124,029</u>	<u>268,720</u>	<u>855,309</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(350,000)</u>	<u>(689,029)</u>	<u>200,545</u>	<u>889,574</u>
Net change in fund balance	<u>(350,000)</u>	<u>(689,029)</u>	<u>200,545</u>	<u>889,574</u>
Fund balances - beginning			<u>1,051,191</u>	
Fund balances - ending			<u><u>\$ 1,251,736</u></u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEOPLES TRANSPORTATION TAX, DIRECT TRANSIT
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 114,452	\$ 14,452
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>114,452</u>	<u>14,452</u>
EXPENDITURES				
Current:				
Public works	150,000	150,000	150,000	-
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(35,548)</u>	<u>14,452</u>
Net change in fund balance	<u>(50,000)</u>	<u>(50,000)</u>	<u>(35,548)</u>	<u>14,452</u>
Fund balances - beginning			<u>272,228</u>	
Fund balances - ending			<u>\$ 236,680</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - STATE FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest income	\$ 700	\$ 700	\$ 479	\$ (221)
Total revenues	<u>700</u>	<u>700</u>	<u>479</u>	<u>(221)</u>
EXPENDITURES				
Current:				
Public safety	30,000	30,000	-	30,000
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (deficiency) of revenues over expenditure: before other financing sources (uses)	<u>(29,300)</u>	<u>(29,300)</u>	<u>479</u>	<u>29,779</u>
Net change in fund balance	<u>(29,300)</u>	<u>(29,300)</u>	<u>479</u>	<u>29,779</u>
Fund balances - beginning			40,221	
Fund balances - ending			<u>\$ 40,700</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - TREE TRUST FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 18,719	\$ 18,719
Total revenues	<u>-</u>	<u>-</u>	<u>18,719</u>	<u>18,719</u>
EXPENDITURES				
Current:				
General government	25,000	25,000	-	25,000
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>18,719</u>	<u>43,719</u>
Net change in fund balance	<u>(25,000)</u>	<u>(25,000)</u>	<u>18,719</u>	<u>43,719</u>
Fund balances - beginning			<u>58,827</u>	
Fund balances - ending			<u>\$ 77,546</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - FEDERAL FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees and fines	\$ -	\$ -	\$ 3,941	\$ 3,941
Interest income	16,000	16,000	14,704	(1,296)
Miscellaneous	30,000	30,000	778	(29,222)
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>19,423</u>	<u>(26,577)</u>
EXPENDITURES				
Current:				
Public safety	<u>355,278</u>	<u>355,278</u>	<u>106,781</u>	<u>248,497</u>
Total expenditures	<u>355,278</u>	<u>355,278</u>	<u>106,781</u>	<u>248,497</u>
Excess (deficiency) of revenues over expenditure: before other financing sources (uses)	<u>309,278</u>	<u>309,278</u>	<u>87,358</u>	<u>221,920</u>
Net change in fund balance	<u>(309,278)</u>	<u>(309,278)</u>	<u>(87,358)</u>	<u>221,920</u>
Fund balances - beginning			<u>1,279,666</u>	
Fund balances - ending			<u>\$ 1,192,308</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GRANTS FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 50,000	\$ -	\$ (50,000)
Grants, contributions and donations	744,908	2,486,283	1,111,152	(1,375,131)
Interest income	-	-	6,654	6,654
Total revenues	<u>744,908</u>	<u>2,536,283</u>	<u>1,117,806</u>	<u>(1,418,477)</u>
EXPENDITURES				
Current:				
Public works	21,685	1,696,741	516,337	1,180,404
Culture and recreation	-	56,551	6,551	50,000
Capital outlay	-	782,991	588,264	194,727
Total expenditures	<u>21,685</u>	<u>2,536,283</u>	<u>1,111,152</u>	<u>1,425,131</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>723,223</u>	<u>-</u>	<u>6,654</u>	<u>6,654</u>
Net change in fund balance	<u>723,223</u>	<u>-</u>	<u>6,654</u>	<u>6,654</u>
Fund balances - beginning			<u>651,951</u>	
Fund balances - ending			<u>\$ 658,605</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PARK IMPACT FEES FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<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	\$ -	\$ -	\$ 193,448	\$ 193,448
Interest income	3,500	3,500	1,724	(1,776)
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>195,172</u>	<u>191,672</u>
EXPENDITURES				
Current:				
Culture and recreation	60,000	60,000	-	60,000
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(56,500)</u>	<u>(56,500)</u>	195,172	<u>251,672</u>
Net change in fund balance	<u>(56,500)</u>	<u>(56,500)</u>	195,172	<u>251,672</u>
Fund balances - beginning			<u>69,740</u>	
Fund balances - ending			<u>\$ 264,912</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - STORMWATER DRAIN TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and miscellaneous taxes	\$ -	\$ -	\$ 427	\$ 427
Intergovernmental	410,000	410,000	364,481	(45,519)
Interest income	7,000	7,000	7,877	877
Total revenues	<u>417,000</u>	<u>417,000</u>	<u>372,785</u>	<u>(44,215)</u>
EXPENDITURES				
Current:				
Public works	207,953	221,453	113,167	108,286
Capital outlay	150,000	196,754	45,573	151,181
Total expenditures	<u>357,953</u>	<u>418,207</u>	<u>158,740</u>	<u>259,467</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>59,047</u>	<u>(1,207)</u>	<u>214,045</u>	<u>215,252</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	<u>(90,953)</u>	<u>(151,207)</u>	<u>64,045</u>	<u>215,252</u>
Fund balances - beginning			<u>318,121</u>	
Fund balances - ending			<u>\$ 382,166</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT PROGRAM FUND
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay	2,165,000	3,686,124	2,231,851	1,454,273
Total expenditures	<u>2,165,000</u>	<u>3,686,124</u>	<u>2,231,851</u>	<u>1,454,273</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(2,165,000)</u>	<u>(3,686,124)</u>	<u>(2,231,851)</u>	<u>1,454,273</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,570,820	1,570,820	1,570,820	-
Total other financing sources (uses)	<u>1,570,820</u>	<u>1,570,820</u>	<u>1,570,820</u>	<u>-</u>
Net change in fund balance	<u>(594,180)</u>	<u>(2,115,304)</u>	<u>(661,031)</u>	<u>1,454,273</u>
Fund balances - beginning			<u>1,451,601</u>	
Fund balances - ending			<u>\$ 790,570</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - EMERGENCY RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 208,897	\$ 208,897
Interest income	36,000	36,000	66,424	30,424
Total revenues	<u>36,000</u>	<u>36,000</u>	<u>275,321</u>	<u>239,321</u>
EXPENDITURES				
Current:				
General government	-	-	175,334	(175,334)
Public safety	-	-	(256)	256
Total expenditures	<u>-</u>	<u>-</u>	<u>175,078</u>	<u>(175,078)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>36,000</u>	<u>36,000</u>	<u>100,243</u>	<u>64,243</u>
Net change in fund balance	<u>36,000</u>	<u>36,000</u>	<u>100,243</u>	<u>64,243</u>
Fund balances - beginning			<u>6,146,536</u>	
Fund balances - ending			<u>\$ 6,246,779</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - REVENUE STABILIZATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources and uses	(60,000)	(60,000)	(60,000)	-
Net change in fund balance	-	-	(60,000)	-
Fund balances - beginning			60,000	
Fund balances - ending			\$ -	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - INSURANCE RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources and uses	(60,000)	(60,000)	(60,000)	-
Net change in fund balance	-	-	(60,000)	-
Fund balances - beginning			60,000	
Fund balances - ending			\$ -	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - TAX EQUALIZATION RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources and uses	(60,000)	(60,000)	(60,000)	-
Net change in fund balance	-	-	(60,000)	-
Fund balances - beginning			60,000	
Fund balances - ending			\$ -	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - BUILDING CAPITAL RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources and uses	(60,000)	(60,000)	(60,000)	-
Net change in fund balance	-	-	(60,000)	-
Fund balances - beginning			60,000	
Fund balances - ending			\$ -	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GRANT MATCH RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources and uses	(60,000)	(60,000)	(60,000)	-
Net change in fund balance	-	-	(60,000)	-
Fund balances - beginning			60,000	
Fund balances - ending			\$ -	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - BOND TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,573	\$ 2,573
Total revenues	<u>-</u>	<u>-</u>	<u>2,573</u>	<u>2,573</u>
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,573</u>	<u>2,573</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>2,573</u>	<u>2,573</u>
Fund balances - beginning			<u>(2,573)</u>	
Fund balances - ending			<u>\$ -</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEDESTRIAN CROSSING ACQUISITION,
DEVELOPMENT, OPERATION, & MAINTENANCE TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Public works	433,000	433,000	148,648	284,352
Total expenditures	<u>433,000</u>	<u>433,000</u>	<u>148,648</u>	<u>284,352</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(433,000)</u>	<u>(433,000)</u>	<u>(148,648)</u>	<u>284,352</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	433,000	433,000	433,000	-
Total other financing sources and uses	<u>433,000</u>	<u>433,000</u>	<u>433,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>284,352</u>	<u>284,352</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 284,352</u>	

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
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Receivables:			
Employer contribution	\$ -	\$ 109,815	\$ 109,815
Dividends and interest	77,741	-	77,741
Section 185 contribution	79,228	-	79,228
Total receivables	<u>156,969</u>	<u>109,815</u>	<u>266,784</u>
Investments at fair value:			
Money market funds	1,053,497	-	1,053,497
Real estate holdings	8,042,612	-	8,042,612
U.S. Government and agency securities	5,662,366	-	5,662,366
Corporate obligations	6,502,689	-	6,502,689
Mutual funds:			
Equity	28,231,711	615,948	28,847,659
International equity	8,798,124	-	8,798,124
Fixed income	-	252,892	252,892
Total investments	<u>58,290,999</u>	<u>868,840</u>	<u>59,159,839</u>
Other assets:			
Prepaid expenses	4,071	-	4,071
Total assets	<u>58,452,039</u>	<u>978,655</u>	<u>59,430,694</u>
LIABILITIES			
Accounts payable	38,314	-	38,314
Minimum funding liability	-	79,228	79,228
Total liabilities	<u>38,314</u>	<u>79,228</u>	<u>117,542</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 58,413,725</u>	<u>\$ 899,427</u>	<u>\$ 59,313,152</u>

CITY OF SOUTH MIAMI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 552,500	\$ -	\$ 552,500
Employees	437,988	-	437,988
Section 185 contributions	79,228	109,815	189,043
Total contributions	<u>1,069,716</u>	<u>109,815</u>	<u>1,179,531</u>
Investment earnings:			
Net appreciation in fair value of investments	10,617,443	140,069	10,757,512
Interest and dividends	1,076,376	8,750	1,085,126
Total investment earnings	<u>11,693,819</u>	<u>148,819</u>	<u>11,842,638</u>
Less: investment expense	610,411	4,239	614,650
Net investment earnings	<u>11,083,408</u>	<u>144,580</u>	<u>11,227,988</u>
Total additions	<u>12,153,124</u>	<u>254,395</u>	<u>12,407,519</u>
DEDUCTIONS			
Benefits paid	1,624,102	19,886	1,643,988
Refund of contributions	75,132	-	75,132
DROP distributions	19,118	-	19,118
Administrative expenses	148,805	45,042	193,847
Minimum benefit funding payment	-	79,228	79,228
Total deductions	<u>1,867,157</u>	<u>144,156</u>	<u>2,011,313</u>
Change in net position	10,285,967	110,239	10,396,206
Net position, restricted for pension benefits, beginning	<u>48,127,758</u>	<u>789,188</u>	<u>48,916,946</u>
Net position, restricted for pension benefits, ending	<u>\$ 58,413,725</u>	<u>\$ 899,427</u>	<u>\$ 59,313,152</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.

CONTENTS

PAGE

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.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

75-78

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.

79-82

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.

83-84

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.

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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

	<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>	<u>2021</u>
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 24,318	\$ 24,353	\$ 26,306	\$ 26,819	\$ 27,343	\$ 28,360	\$ 29,407	\$ 29,928	\$ 29,893	\$ 31,413
Restricted	6,719	6,353	5,963	5,280	5,208	5,424	6,174	6,060	3,947	4,556
Unrestricted	<u>7,956</u>	<u>8,324</u>	<u>9,730</u>	<u>10,335</u>	<u>11,529</u>	<u>11,486</u>	<u>11,836</u>	<u>12,454</u>	<u>17,317</u>	<u>19,201</u>
Total governmental activities net position	<u>\$ 38,993</u>	<u>\$ 39,030</u>	<u>\$ 41,999</u>	<u>\$ 42,434</u>	<u>\$ 44,080</u>	<u>\$ 45,270</u>	<u>\$ 47,417</u>	<u>\$ 48,442</u>	<u>\$ 51,157</u>	<u>\$ 55,170</u>

CITY OF SOUTH MIAMI, FLORIDA

Table 2

Changes in Net Position
 Last Ten Fiscal Year:
 (Accrual Basis of Accounting
 (amount expressed in thousand)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES:										
Governmental activities:										
General government	\$ 3,598	\$ 4,032	\$ 4,512	\$ 3,480	\$ 4,373	\$ 5,029	\$ 4,683	\$ 6,071	\$ 4,956	\$ 5,372
Public safety	7,483	7,853	6,906	7,362	7,613	7,746	7,148	7,327	10,097	8,077
Public works	4,747	3,960	3,708	4,068	4,166	3,420	4,651	4,371	3,729	4,350
Community services	1,284	1,249	999	712	985	948	635	1,221	1,475	-
Culture and recreation	1,084	1,668	1,772	2,096	2,082	2,135	2,336	2,587	2,301	2,335
Interest on long-term debt	946	830	775	586	531	494	464	447	544	186
Total governmental activities expenses	19,142	19,592	18,672	18,304	19,750	19,772	19,917	22,024	23,102	20,319
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	287	1,047	1,098	1,176	1,210	949	966	766	1,324	1,160
Public safety	5,917	1,750	3,913	3,882	3,808	3,544	3,686	3,468	2,643	3,317
Public works	525	22	36	28	32	30	29	4	-	-
Community services	31	2,896	-	-	35	40	36	26	11	-
Culture and recreation	234	-	-	-	210	241	185	223	154	180
Interest on long-term debt	446	-	406	390	284	294	346	431	-	-
Operating and capital grants and contributions	541	515	631	267	492	272	283	593	3,923	2,380
Total governmental activities program revenues	7,981	6,230	6,084	5,743	6,071	5,370	5,531	5,511	8,055	7,038
Net (expense)/revenue: Governmental activities	(11,161)	(13,362)	(12,588)	(12,561)	(13,679)	(14,402)	(14,386)	(16,513)	(15,047)	(13,281)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:										
Governmental activities:										
Taxes:										
Property taxes	6,708	6,122	6,406	6,598	6,989	7,643	8,090	8,650	8,999	8,392
Utility taxes	2,052	2,073	2,167	2,182	2,112	2,111	2,180	2,170	2,089	2,110
Business taxes	641	620	613	676	705	679	667	657	677	646
Franchise taxes	1,048	1,574	1,641	1,896	1,951	2,174	2,156	2,177	2,116	2,309
Service concession arrangement	370	248	377	393	405	419	439	324	708	660
Intergovernmental (unrestricted)	2,198	2,279	3,770	2,683	2,710	2,743	2,666	2,688	2,387	2,682
Interest income (unrestricted)	181	331	154	149	162	183	273	329	312	314
Other	185	305	427	254	338	665	439	543	474	212
Extraordinary item- Judgment	-	-	-	-	-	(1,025)	-	-	-	-
Total governmental activities	13,383	13,552	15,555	14,831	15,372	15,592	16,910	17,538	17,762	17,324
CHANGES IN NET POSITION:										
Governmental activities	\$ 2,222	\$ 190	\$ 2,967	\$ 2,270	\$ 1,693	\$ 1,190	\$ 2,524	\$ 1,025	\$ 2,715	\$ 4,043

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

	<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>	<u>2021</u>
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	204	209	242	251	248	294	277	284	-	-
Committed	1,689	1,704	1,717	4,579	4,893	4,809	4,072	4,167	6,327	6,531
Assigned	622	1,064	3,957	1,628	2,361	4,158	1,871	-	-	-
Unassigned	<u>6,144</u>	<u>6,359</u>	<u>4,867</u>	<u>5,444</u>	<u>5,644</u>	<u>3,730</u>	<u>4,551</u>	<u>7,035</u>	<u>8,608</u>	<u>10,443</u>
Total General Fund	<u>\$ 8,659</u>	<u>\$ 9,336</u>	<u>\$ 10,783</u>	<u>\$ 11,902</u>	<u>\$ 13,146</u>	<u>\$ 12,991</u>	<u>\$ 10,771</u>	<u>\$ 11,486</u>	<u>\$ 14,935</u>	<u>\$ 16,974</u>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	72	71	71	75	74	73	73	-	-
Restricted	6,720	6,353	5,963	5,324	5,208	5,425	5,932	6,060	3,947	4,556
Committed	9	22	22	28	48	60	77	51	60	79
Assigned	510	180	355	839	816	1,587	-	1,044	1,452	791
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149)</u>	<u>(134)</u>	<u>(132)</u>	<u>(67)</u>	<u>(61)</u>	<u>22</u>	<u>-</u>
Total all other governmental funds	<u>\$ 7,239</u>	<u>\$ 6,627</u>	<u>\$ 6,411</u>	<u>\$ 6,113</u>	<u>\$ 6,013</u>	<u>\$ 7,014</u>	<u>\$ 6,015</u>	<u>\$ 7,167</u>	<u>\$ 5,481</u>	<u>\$ 5,426</u>

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)

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
Taxes and franchise fees	\$ 8,397	\$ 8,316	\$ 8,660	\$ 9,170	\$ 9,645	\$ 10,496	\$ 9,820	\$ 10,419	\$ 10,749	\$ 10,053
Charges for services	4,089	2,918	2,857	2,949	2,809	2,536	3,464	3,437	2,647	3,610
Utility taxes	2,052	2,074	2,167	2,182	2,112	2,111	2,180	2,170	2,089	2,110
Intergovernmental	2,614	2,702	4,309	2,836	3,069	2,972	2,809	3,142	6,195	4,699
Licenses and permits	667	1,047	1,099	1,176	1,194	927	939	732	1,288	1,132
Fines and forfeitures	1,944	926	849	995	1,076	1,104	1,403	1,169	1,084	1,283
Interest income	181	153	145	157	162	183	273	329	312	314
Rents and royalties	1,026	1,072	1,026	768	1,057	1,000	1,013	1,008	881	210
Other	439	397	519	349	386	665	549	651	613	959
Total revenues	21,409	19,605	21,631	20,582	21,510	21,994	22,450	23,057	25,858	24,370
EXPENDITURES:										
General government	2,838	3,250	3,684	3,638	3,720	4,316	4,614	3,961	4,185	6,005
Public safety	7,071	7,532	6,564	7,043	7,089	7,548	8,407	7,784	10,009	7,822
Public works	3,822	3,338	3,252	3,242	3,318	3,211	3,682	3,661	3,206	2,744
Community services	1,232	1,220	970	683	636	594	615	577	1,322	1,322
Culture and recreation	1,034	1,607	1,674	1,994	1,973	2,027	2,118	2,256	1,996	1,680
Debt service:										
Principal	802	1,105	1,078	6,064	853	742	836	774	5,658	784
Interest and fiscal charges	660	750	695	645	485	458	430	398	495	216
Capital outlay	2,241	737	2,484	1,401	2,294	2,252	2,434	4,312	2,212	3,134
Total expenditures	19,700	19,539	20,401	24,710	20,368	21,148	23,136	23,723	29,083	22,386
Excess (deficiency) of revenues over expenditures	1,709	66	1,230	(4,128)	1,142	846	(686)	(666)	(3,225)	1,984
OTHER FINANCING SOURCES (USES):										
Transfers in	2,359	543	1,008	4,348	1,800	2,629	3,172	2,157	4,645	2,543
Transfers out	(2,359)	(543)	(1,008)	(4,348)	(1,800)	(2,629)	(3,172)	(2,157)	(4,645)	(2,543)
Issuance of debt	-	-	-	-	-	-	-	-	4,988	-
Proceeds from refunding debt	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	4,948	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	4,948	-	-	-	-	4,988	-
Net change in fund balances	\$ 1,709	\$ 66	\$ 1,230	\$ 820	\$ 1,142	\$ 846	\$ (686)	\$ (666)	\$ 1,763	\$ 1,984
Debt service as a percentage of noncapital expenditures	8.4%	9.9%	9.9%	28.8%	7.4%	6.4%	5.5%	5.6%	22.1%	4.9%

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)
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%
2021	\$ 2,037,154	\$ 71,322	\$ 2,108,476	4.3000	\$ 2,108,476	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
	School Millages		Regional Millages					County Wide Millages				Other			
	Basic Direct Rate	Debt Service Rate	MDC School Board - Operating	MDC School Board - Debt Service	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	Children's Trust Authority		
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	
2021	4.3000	-	6.8290	0.1800	0.0365	0.2207	0.0320	4.6669	0.5075	2.4207	0.0000	0.2840	0.5000	19.9773	

(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 10.000 mills
- County 10.000 mills 10.000 mills
- SFWMI 10.000 mills 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

2021				2012			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed
			Valuation				Valuation
SCG Atlas Red Road Commons LLC	\$ 77,000	1	3.65%	Bakery Associates, Ltd.	\$ 89,200	1	6.25%
FRIT Shops At Sunset Place	65,205	2	3.09%	RRC 57th Avenue LLC	36,000	2	2.52%
US RV VI Sunset Drive LLC	30,750	3	1.46%	South Miami Corp.	19,585	3	1.37%
Florida Power & Light Company	23,847	4	1.13%	S. Miami Hospital Dev Fund Inc.	18,900	4	1.32%
Larkin Community Hospital Inc	22,102	5	1.05%	JW Advance LLC	17,848	5	1.25%
HR Acquisition I Corporation	22,013	6	1.04%	Capstone Capital Trust, Inc.	14,200	6	1.00%
S Miami Hospital Dev Fund Inc	20,467	7	0.97%	Larkin Community Hospital, Inc.	13,709	7	0.96%
South Miami Corp	19,786	8	0.94%	Kimco South Miami 634 Inc.	13,100	8	0.92%
MHS Real Estate Capital LLC	16,492	9	0.78%	Promed Sunset LLC	12,267	9	0.86%
Kimco South Miami 634 Inc	15,590	10	0.74%	Florida Power & Light Company	12,076	10	0.85%
	<u>\$ 313,251</u>		<u>14.86%</u>		<u>\$ 246,885</u>		<u>17.30%</u>

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			Total Collections		
		Amount (2)	Percent of Levy	Collections in Subsequent Years	Amount (2)	Percent of Levy	
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%	
2021	\$ 9,066	\$ 8,270	91.2%	\$ 122	\$ 8,392	92.6%	

(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			
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
2021	\$ 8,369	\$ -	\$ -	\$ 8,369	5.40%	\$ 0.6959

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)
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	\$ 12,087	\$ -	\$ 12,087	0.67%	\$ 0.956
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
2021	\$ 8,369	\$ -	\$ 8,369	0.40%	\$ 0.696

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
 For the Fiscal Year Ended September 30, 2021
 (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 Commissioner	\$ 4,847,498	0.629%	\$ 30,486
Miami-Dade County School Board	<u>3,151,802</u>	0.629%	<u>19,822</u>
Subtotal overlapping debt	7,999,300		50,308
City of South Miami direct debt	<u>8,369</u>	100.00%	<u>8,369</u>
Total direct and overlapping debt	\$ <u><u>8,007,669</u></u>		\$ <u><u>58,677</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

	<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>	<u>2021</u>
Debt limit	\$ 214,026	\$ 215,001	\$ 222,090	\$ 235,612	\$ 253,862	\$ 268,982	\$ 287,725	\$ 298,061	\$ 310,970	\$ 316,271
Total net debt applicable to limit	<u>14,524</u>	<u>13,767</u>	<u>12,625</u>	<u>12,815</u>	<u>12,087</u>	<u>11,365</u>	<u>10,597</u>	<u>9,823</u>	<u>9,153</u>	<u>8,369</u>
Legal debt margin	\$ 199,502	\$ 201,234	\$ 209,465	\$ 222,797	\$ 241,775	\$ 257,617	\$ 277,128	\$ 288,238	\$ 301,817	\$ 307,902
Total net debt applicable to the limit as a percentage of debt limit	6.79%	6.40%	5.68%	5.44%	4.76%	4.23%	3.68%	3.30%	2.94%	2.65%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed valuation of taxable real and personal property	\$ <u>2,108,476</u>
Bonded debt limit - 15% of assessed value	\$ 316,271
Total ad valorem debt - Revenue Bonds	\$ <u>8,369</u>
Amount of debt applicable	<u>8,369</u>
Legal debt margin	\$ <u><u>307,902</u></u>

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)
2012	13,576	\$ 96,658	\$ 37,834	36.7	2,854	8.8
2013	13,778	\$ 100,689	\$ 38,860	36.7	2,820	6.7
2014	13,623	\$ 104,373	\$ 39,880	37.1	2,799	6.5
2015	13,656	\$ 111,528	\$ 41,883	37.7	2,774	6.3
2016	12,912	\$ 116,553	\$ 43,278	38.3	2,786	5.4
2017	12,645	\$ 123,276	\$ 45,440	39.0	2,787	4.6
2018	12,664	\$ 126,716	\$ 46,048	38.9	2,657	4.6
2019	12,965	\$ 138,139	\$ 50,022	38.9	2,550	4.1
2020	12,900	\$ 149,166	\$ 54,902	36.9	2,524	8.5
2021	12,026	\$ 154,892	\$ 57,213	36.9	2,394	3.8

- 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 Assessment, Research, and Data Analysis (does not include private schools)
(4) Miami Dade County Labor Market Report/Federal Reserve Bank of St. Louis Economic Data

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

Table 14

Employer	2021 ¹		Percentage of Total County Employment	2012		Percentage of Total County Employment
	Employees	Rank		Employees	Rank	
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	2.39%
Federal Government	19,200	3	1.62%	19,500	3	1.61%
Florida State Government	17,100	4	1.45%	17,100	4	1.41%
University of Miami	12,818	5	1.08%	16,000	5	1.32%
Baptist Health South Florida	11,353	6	0.96%	13,376	6	1.10%
American Airlines	11,031	7	0.93%	9,000	9	0.74%
Jackson Health System	9,797	8	0.83%	12,571	7	1.03%
City of Miami	3,997	9	0.34%	-		0.00%
Florida International University	3,534	10	0.30%	8,000	10	0.66%
Publix Super Markets	-	-	0.00%	10,800	8	0.89%
	<u>147,809</u>		<u>12.50%</u>	<u>183,918</u>		<u>15.42%</u>

Source: The Beacon Council, Miami, Florida.

¹Information is based on data from the year 2015. The data for years 2017-2021 is not available as of the

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

Table 15

	<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>	<u>2021</u>
FUNCTION:										
General government	18	21	21	21	31	31	27	28	25	21
Public safety:										
Police:										
Officers	51	48	50	52	54	52	52	52	52	49
Civilians	9	8	9	9	7	7	8	7	7	5
Building and zoning	14	12	4	4	4	4	4	4	4	6
Public works	25	24	17	17	19	20	17	16	14	13
Recreation and social services	10	10	10	10	18	13	14	14	13	13
Sanitation	9	9	11	11	10	10	10	9	8	8
Total	<u><u>136</u></u>	<u><u>132</u></u>	<u><u>122</u></u>	<u><u>124</u></u>	<u><u>143</u></u>	<u><u>137</u></u>	<u><u>132</u></u>	<u><u>130</u></u>	<u><u>123</u></u>	<u><u>115</u></u>

Source: City of South Miami Personnel Division

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

Table 16

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Number of calls answered	11,744	10,409	10,409	10,416	12,964	13,265	15,259	16,315	13,650	7,580
Number of arrests	383	459	463	413	419	352	293	265	477	269
Number of law enforcement officers	50	48	50	52	52	52	52	52	52	49
Building and zoning:										
Number of building permits issued	1,293	1,403	1,447	1,258	1,610	1,480	1,484	1,469	1,122	1,367
License/permit revenue generated	\$ 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	\$ 1,777,095
Occupational licenses issued	3,335	3,356	3,372	3,381	3,301	3,201	3,255	3,211	3,232	3,300
Culture and recreation:										
Number of senior meals served	27,612	27,732	24,968	25,269	25,109	26,432	27,024	27,216	27,630	24,740
Recreation revenues collected	\$ 233,624	\$ 200,700	\$ 260,017	\$ 194,363	\$ 488,976	\$ 548,961	\$ 597,131	\$ 609,187	\$ 535,819	\$ 736,292
Sanitation:										
Refuse collected (tons per month)	798	843	840	886	914	945	984	1,020	1,038	1,190

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

	<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>	<u>2021</u>
FUNCTION/PROGRAM:										
Public safety										
Police:										
Police station:	1	1	1	1	1	1	1	1	1	1
Police vehicle:	64	64	64	64	65	68	62	64	66	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	11	14	14	15	15	15	16	17	17
Tennis courts	10	10	10	10	10	10	10	10	10	10
Baseball/football field	7	7	7	7	7	7	7	7	7	7
Sanitation										
Number of collection truck	14	14	14	14	14	14	14	14	14	14

Sources: Various City departments

Note: Indicators are not available for the general government function

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, 2021, 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, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR ITS 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 Its 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 the City's major federal program for the fiscal year ended September 30, 2021. The City's major federal program is 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 program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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 and the 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Its 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 program for the fiscal year ended September 30, 2021.

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 the 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, 2022

CITY OF SOUTH MIAMI, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Passthrough Entity Identifying Number</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	64-19-15336	\$ 15,655
Community Development Block Grants/Entitlement Grants	14.218		6,551
<i>Indirect Programs-Passed through Miami-Dade County</i>			
Community Development Block Grants/Entitlement Grants	14.218	R-925-15	293,916
<i>Total Department of Housing and Urban Development</i>			<u>316,122</u>
<i>Total CDBG - Entitlement Grants-Cluster</i>			
<i>Highway Planning and Construction Cluster-Cluster</i>			
<i>Department of Transportation</i>			
<i>Indirect Programs-Passed through State of Florida Department of Transportation</i>			
Highway Planning and Construction	20.205	G1129	278,693
<i>Total Department of Transportation</i>			<u>278,693</u>
<i>Total Highway Planning and Construction Cluster-Cluster</i>			
<i>U.S. Treasury Department</i>			
<i>Indirect Programs-Passed through Miami Dade County</i>			
COVID -19 - Coronavirus Relief Fund	21.019	N/A	832,214
<i>Total U.S. Treasury Department</i>			<u>832,214</u>
<i>U.S. Department of Justice</i>			
Equitable Sharing Program (Non-treasury)	16.922	N/A	106,581
<i>Total U.S. Treasury Department</i>			<u>106,581</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,533,610</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, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City for the fiscal year ended September 30, 2021. 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, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

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

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:

Unmodified

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:

Assistance
Listing No.

Federal Program or Cluster

21.019

COVID -19 - 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, 2021

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, 2021 and have issued our report thereon dated March 31, 2022.

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

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*; 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 and schedule, which are dated March 31, 2022, 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 City 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.

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 to identify 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, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
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, 2020 to September 30, 2021. 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, 2020 to September 30, 2021.

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, 2022

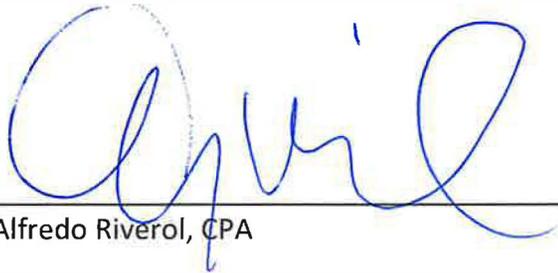


IMPACT FEE AFFIDAVIT

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

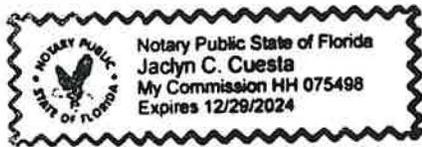
1. I am the Chief Financial Officer of the City of South Miami which is a local governmental entity of the State of Florida;
2. The City of South Miami adopted Ordinance No. **14-14-2192** implementing an impact fee; and
3. The City of South Miami has complied and, as of the date of this Affidavit, remains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

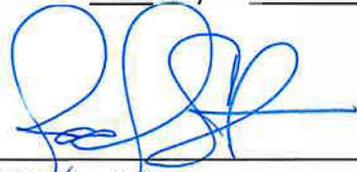
FURTHER AFFIANT SAYETH NAUGHT.


 Alfredo Riverol, CPA

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 30th day of March, 2022.




 NOTARY PUBLIC
 Print Name Jaclyn C. Cuesta

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
12/29/2024