



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF SOUTH MIAMI, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2023



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF SOUTH MIAMI, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**



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

CITY OF SOUTH MIAMI, FLORIDA
TABLE OF CONTENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Page
Introductory Section	
Letter of Transmittal	i-ix
Organizational Chart	x
List of Principal Officials and Management Team	xi
Certificate of Achievement for Excellence in Financial Reporting	xii
Financial Section	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Net Position – Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	22
Notes to the Basic Financial Statements	23-44
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	45-46
American Rescue Plan Act	47
Notes to Budgetary Comparison Schedules	48
Retirement System and Other Post Employment Benefit Schedules:	
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios	49
Schedule of Contributions	50-51
Schedule of Investment Returns	52
Schedule of Changes in Total Other Post Employment Benefits (OPEB) Liability and Related Ratios	53
Combining Financial Statements:	
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	54-55
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	56-57
Budgetary Comparison Schedules	58-70
Combining Statement of Fiduciary Net Position – Fiduciary Funds	71
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	72
Statistical Section	
Table 1 – Net Position by Component	73
Table 2 – Changes in Net Position	74
Table 3 – Fund Balances of Governmental Funds	75
Table 4 – Changes in Fund Balances of Governmental Funds	76
Table 5 – Assessed Value and Estimated Actual Value of Taxable Property	77
Table 6 – Property Tax Rates – Direct and Overlapping Governments	78
Table 7 – Principal Property Taxpayers	79
Table 8 – Property Tax Levies and Collections	80
Table 9 – Ratios of Outstanding Debt by Type	81
Table 10 – Ratios of General Bonded Debt Outstanding	82
Table 11 – Direct and Overlapping Governmental Activities Debt	83
Table 12 – Legal Debt Margin Information	84
Table 13 – Demographic and Economic Statistics	85
Table 14 – Principal Employers – Miami-Dade County, Florida	86

CITY OF SOUTH MIAMI, FLORIDA
TABLE OF CONTENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Statistical Section (Continued)

Table 15 – Full-Time Equivalent City Government Employees by Function	87
Table 16 – Operating Indicators by Function	88
Table 17 – Capital Asset Statistics by Function/Program	89

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 <i>Government Auditing Standards</i>	90
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	91-92
Schedule of Expenditures of Federal Awards	93
Notes to the Schedule of Expenditures of Federal Awards	94
Schedule of Findings and Questioned Costs	95-96
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	97-98
Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes	99
Impact Fee Affidavit	100

INTRODUCTORY SECTION



March 26, 2024

To the Honorable Mayor, Members of the City Commission, Citizens of the 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, 2023, 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 full-service, 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 12,090 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, Miami-Dade County's Metro-Rail system also provides mass transit for the City with a station located off Sunset Drive and U.S. 1. Miami International Airport is within 30 minutes from downtown South Miami.

The City is located in the center of Metropolitan Miami-Dade County and abuts 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

For fiscal year 2023, the City Commission voted to decrease the property tax millage rate by 7% from the previously adopted 2022 fiscal year millage rate.

The City received an unmodified opinion, for the Financial Statements presented for FY 2022, which is expressed when the auditor concludes that the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework from the City's independent accounting firm. This type of opinion is what an entity strives for when obtaining the audit.

The City was appropriated \$1.8 for a portion of Area K, septic to sewer project through the 2023 Florida legislative session. The City recently completed the design and is in the process of presenting a contractor to the Mayor and Commission for their consideration so the City may begin the construction of the new sewer line. This new sewer will allow the proposed Dante Fascell Park Building, which is anticipated to begin construction sometime in the next calendar year, to connect to the sewer system and abandon the septic system which exists in an extremely low-lying area.

The City's Finance Department has implemented the convenience of online payment options. Online Payment is a free, easy, convenient, and secure method for paying for City services. City Residents and businesses can now pay for solid waste charges, local background checks, residential parking permits, police extra duty services, and lien search requests online. Online payment options are also available to renew local business tax, permitting, and security alarm registration and fees.



The Planning and Zoning Department is continuing work that is expected to lead to an improvement in the City's score in the Community Rating System program, which is anticipated to result in savings for property owners on their insurance premiums. The Department also revisited the proposed annexation of properties adjacent to Fuchs Park. Staff has also been coordinating with a contracted consultant on Large Scale Developments requiring Special Exceptions as well as with The Corradino Group – Planning Consultants, on the completion of a Study of the Hometown District Overlay, concentrating on the commercial zoning districts to propose changes that will make them compatible with the community's vision and enhance the economy.

The South Miami Police Department (SMPD) continues to work in partnership with both community groups and organizations to ensure and enhance public safety in our City. The SMPD is living up to the Mission Statement in 2023 which states, "To deliver professional police service in partnership with the people we serve, in order to provide a safe and secure environment for all." The SMPD will always be on the frontline increasing safety for our residents and visitors.

The SMPD continues to have an approximate five percent decrease in overall crimes year to year.

One of the ongoing issues based on citizen complaints and our observations in the City is that of traffic, mostly due to congestion based on our geographic location. Whether speeding motorists cutting through neighborhoods to avert traffic jams, or speeders in school zones, SMPD has a mandate that all officers must conduct traffic enforcement during their tour of duty.

The SMPD Homeless Outreach Unit continued to assist the homeless through different agencies obtaining beds and other assistance.

SMPD created and awarded the Dan Schulz Memorial academic scholarship to a local youth attending college this past fall. SMPD also continues mentoring dozens of South Miami youth, through our Police Athletic League and Community Policing programs.

SMPD upgraded their technology by outfitting all our patrol officers with the latest Body Worn Cameras (BWC). Furthermore, the officers were provided with less lethal weapons such as the Current Emitting Weapon (CEW), which are integrated with their BWCs.

In 2014, the SMPD we received for the first time in our history accreditation status by the Commission on Florida Law Enforcement Accreditation (CFA), and we have successfully achieved two re-accreditations in 2017 and 2020. In December of 2023, SMPD received a perfect score in the re-accreditation process. Only a third of all police departments in the State of Florida receive this prestigious designation.



The Procurement Division attained its re-certification of NIGP, The Institute for Public Procurement's Outstanding Agency Accreditation Award. This award formally recognizes excellence in public procurement by establishing a body of standards that should be in place for a solid operation. The division responded to the rigorous challenge of a detailed application that required substantial documentation and a demonstration of best practices. The Procurement Division initially achieved accreditation in 2012 and must re-certify every three years. The current certificate expires June 2025. While NIGP membership represents over 3,000 government agencies throughout the United States and Canada, only 160 governments have attained this distinction.

To maintain great service to our residents, the Solid Waste staff has been cross trained in the use of a garbage truck, crane, and sweeper to serve as backup and assist in the event of an emergency or natural disaster. As part of preventative maintenance activities, the Solid Waste department also continues repairing trash pits twice per week and continues tree pruning projects throughout the City in response to residents' concerns, addressing safety issues, and in preparation for the storm season. Other accomplishments include assisting Code Enforcement with reducing illegal dumping throughout the city and replacing damaged garbage bins.

Public Works is also responsible for many of the improvements throughout the City. Some of the notable improvements made to City Hall and the Police Department included painting, installation of tiles, and new lighting in the Police Station.

The City of South Miami launched SoMi Connect. SoMi Connect is an easy way for anyone to report non-emergency issues such as potholes, graffiti, damaged street signs, street maintenance, damaged trees, park maintenance, abandoned vehicles, and more, to the City of South Miami while on-the-go. SoMi Connect uses GPS to recognize your location and gives you a menu of common quality-of-life conditions to select from.

In 2022 the City successfully purchased the rights to control the parking operations and all parking revenue at the South Miami Municipal Parking Garage. The parking garage has undergone several improvements including lighting, striping, painting, and pressure cleaning. In fiscal year 2023 the City installed a new state of the art security cameras for the safety of users of the garage and 3 new level 2 ChargePoint electric vehicle charging stations. The City continues working with Tesla and Florida Power and Light on the installation of electric vehicle charging stations in the garage.

We will continue to take advantage of available grants and funding for the improvement and beautification of South Miami. The City received all the funding provided by the American Rescue Plan Act and staff put together an updated plan, approved by the Mayor and Commission, regarding the use of approximately \$5 million dollars in FY 23 and 24.



The South Florida Business Journal published an article naming the City of South Miami as one of the 25 best South Florida neighborhoods in 2021 and we strive to maintain that reputation for years to come.

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 health care industry professional services, restaurant, 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	347
Manufacturing	159
Wholesale trade	119
Retail trade	361
Transportation and warehousing, and utilities	263
Information	108
Finance and insurance, and real estate and rental and leasing	664
Professional, scientific, and mgmt, and admin and waste mngt services	1,296
Educational services, and health care and social assistance	1,481
Arts, entertainment, and recreation, and accommodation and food services	781
Other services, except public administration	441
Public administration	213
TOTAL FOR ALL SECTORS	6,233

Source: U.S. Census Bureau 2021 Form S2407 - Industry by Class of Work for the Civilian Employed Population 16-Years and Over

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 an accrual basis. A 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 26, 2024. 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, 2023, 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 that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ending September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' 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.

Pursuant to the City's Charter, expenditures may not legally exceed appropriations at the departmental level, hence providing that as the legal level of budget control. The annual budget provides details of the approved appropriation by specific purpose within each object of expense and for which department and division.

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 were required to 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 allow 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 already pension 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, at their discretion. The City does not contribute to this plan for any employees.

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

AWARDS



The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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, 2022. 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, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular 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.

City of South Miami | 6130 Sunset Drive | South Miami, FL 33143-5093
305.663.6343 | southmiamifl.gov



ACKNOWLEDGEMENTS,

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

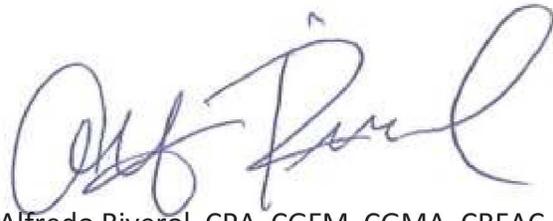
We express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report, and to the various Departments who contributed the necessary statistical data. Our thanks and appreciation are also extended to the accounting firm of Caballero Fierman 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 responsibly conducting the financial affairs of the city.

Respectfully submitted,

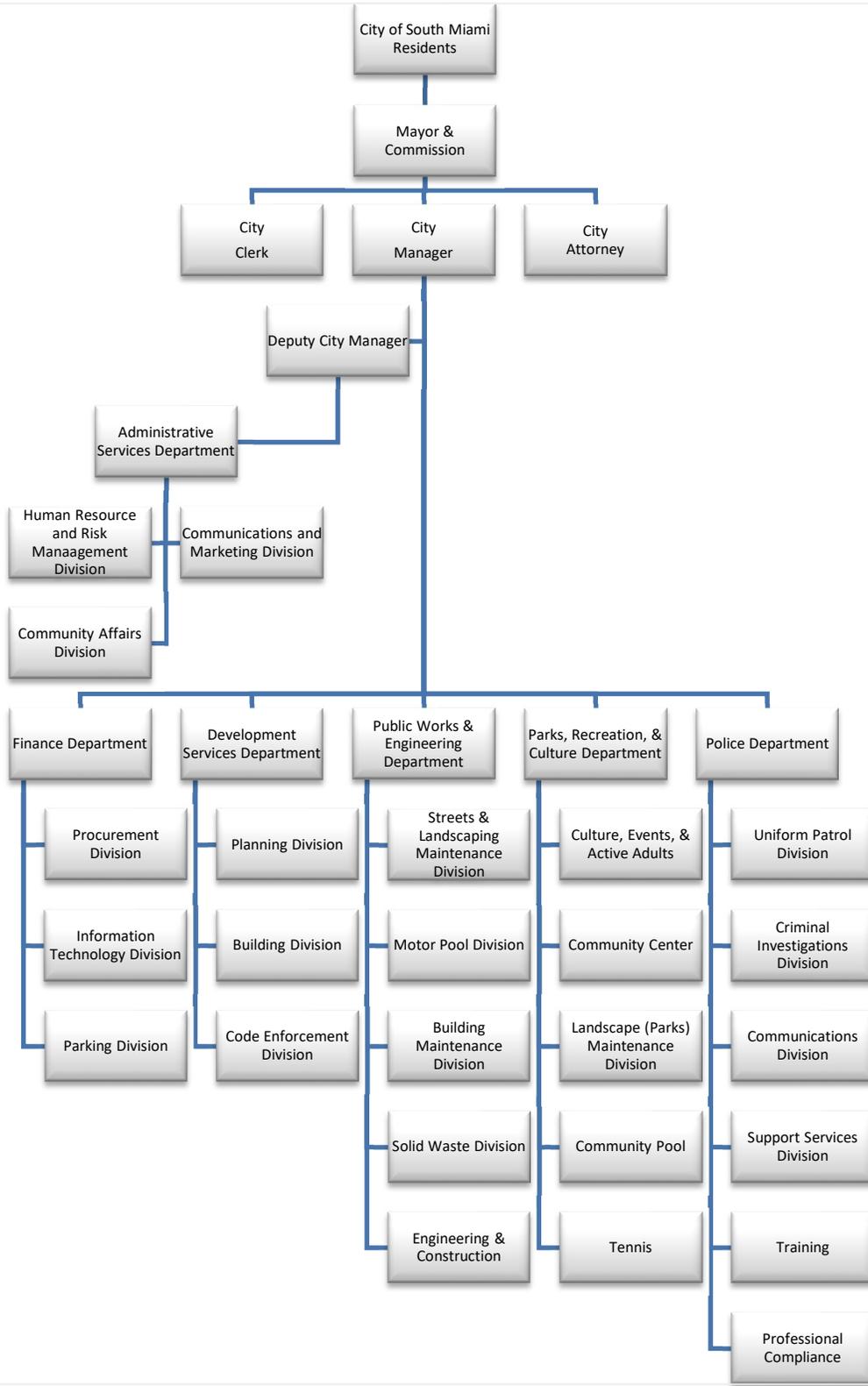


Genaro "Chip" Iglesias
City Manager



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
Javier Fernandez



Vice Mayor
Lisa Bonich



Commissioner
Steve Calle



Commissioner
Josh Liebman



Commissioner
Brian Corey

CHARTERED OFFICIALS



City Clerk
Nkenga Payne, CMC



City Manager
Genaro "Chip" Iglesias



Anthony L. Recio & Lillian M. Arango
Weiss Serota Helfman Cole & Bierman



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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



Accountants
Advisors

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of September 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–14 and 45-48, respectively, as well as the pension schedules and OPEB schedule on pages 49-52 and 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
 Miami, Florida
 March 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

City of South Miami, Florida
Management's Discussion and Analysis
September 30, 2023

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, 2023. 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, 2023:

- The assets of the City are \$82,328,769; and the deferred outflow of resources of the City are \$7,741,490.
- The liabilities of the City are \$15,250,038; and the deferred inflow of resources of the City are \$3,517,878.
- The assets and deferred outflows of the City of South Miami exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$71,302,343 (net position). Of this amount, \$29,315,391 is unrestricted.
- The City's \$30,483,084 in revenues exceeded the \$19,201,071 in expenses for governmental activities, providing a \$11,282,013 increase in total net position.
- At the end of the current year, fund balance for the General Fund was \$21,645,041, or 82% of total general fund operating revenues. Of this amount, \$1,400,072 is reserved for prepaid expenditures and \$6,627,623 is reserved for the Emergency Reserve Fund.
- The current year's unassigned fund balance for the General Fund is \$13,617,346, or 51% of total general fund operating revenues.
- The General Fund's fund balance increased by \$2,819,826 for the year ended September 30, 2023.
- The City's total debt, excluding compensated absences, decreased by \$785,579 and we continue to actuarially fund our defined benefit pension plan.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

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

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

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

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

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

Additionally, the City currently has three city sponsored single employer defined contribution pension plans; a 401(a) plan for all new general employees, a 401(a) plan for senior level staff, and a combination 401(a), 457(b) plan. Both the senior level staff and combination 401(a), 457(b) plans are no longer offered to new employees and will be terminated once the existing members separate from the City. Additionally, the City provides two voluntary defined contribution plans for all interested employees, a Section 457(b) and Roth IRA plan. 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 page 15 and 16 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 17 to 20 of this report.

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 21 to 22 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 23 to 44 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 54 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 investment in capital assets and an increase in related net debt which will not change the net investment 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 investment 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 investment in capital assets.
- 6) **Reduction of capital assets through depreciation** will reduce the net investment in capital assets.

The City's net position was \$71,302,343 in fiscal year 2023 (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 59% of total net position. The largest portion of net position (48%) is investment 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 (11%) is restricted for community service, public safety or capital projects. The remaining balance of unrestricted net position (\$29,315,391) 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, 2023

Table 1
City of South Miami
Net Position

	Governmental Activities	
	2023	2022
Current and other assets	41,823,216	44,475,283
Capital assets (net)	40,505,553	39,696,103
Total Assets	82,328,769	84,171,386
Deferred outflow of resources	7,741,490	1,773,117
Current and other liabilities	7,972,626	8,868,761
Long term liabilities	7,277,412	8,165,874
Total liabilities	15,250,038	17,034,635
Deferred inflow of resources	3,517,878	8,889,538
Net position:		
Net investment in capital assets	33,965,864	32,405,071
Restricted	8,021,088	4,041,679
Unrestricted	29,315,391	23,573,580
Total net assets	71,302,343	60,020,330

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 2023 by \$3,979,409, and the unrestricted governmental activities net position increased by \$5,741,811, due to good fiscal control. Capital assets increased by \$1,560,793 for the fiscal year. The decrease in current liabilities is attributed to ARPA, in which the City continues to have unearned revenue, and the decrease in long-term liabilities is mainly due to the refinancing of long-term debt in the prior fiscal year and the City paying off the debt in a much faster rate.

City of South Miami, Florida
Management's Discussion and Analysis
September 30, 2023

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

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

Some other basic impacts on expenses are reflected below:

- 1) Introduction of new programs can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) Changes in service demand levels can cause the City to increase or decrease authorized staffing.
- 3) Salary increases such as cost of living, performance increases, and market adjustments can impact personal service costs.
- 4) 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, 2023

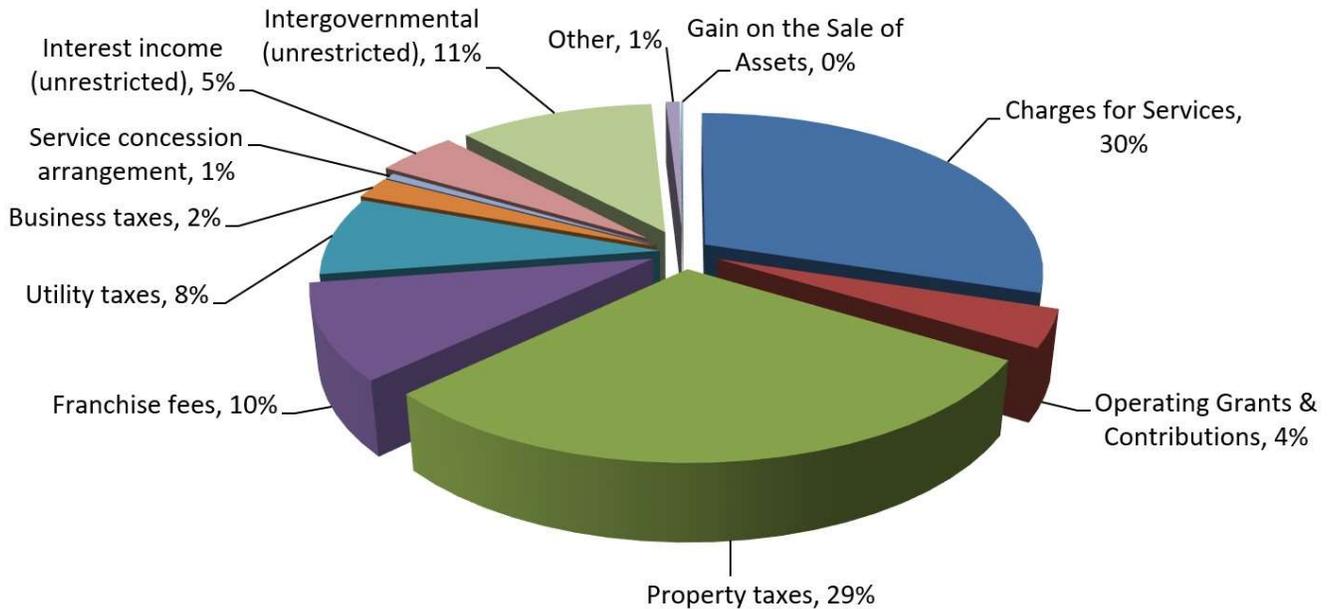
Statement of Activities: As noted earlier, the statement of activities presents information showing how the City's net position changed during the most recent fiscal year. The following table reflects the City's revenues and expenses for fiscal year 2023 compared to 2022 with the resulting change in net position:

Table 2
City of South Miami
Changes in Net Position

	Government Activities	
	<u>2023</u>	<u>2022</u>
Revenues:		
Charges for Services	9,126,302	6,088,651
Operating Grants & Contributions	1,155,917	1,459,416
Capital Grants & Contributions	-	237,955
General revenues:		
Property taxes	8,967,689	8,711,314
Utility taxes	2,424,099	2,203,769
Business taxes	675,832	671,460
Franchise fees	2,950,132	2,661,197
Service concession arrangement	189,771	311,016
Interest income (unrestricted)	1,402,606	277,784
Intergovernmental (unrestricted)	3,388,153	3,196,872
Miscellaneous	241,643	230,740
Gain on the Sale of Assets	(39,060)	32,400
Total Revenues	<u>30,483,084</u>	<u>26,082,574</u>
Expenses:		
General Government	4,776,590	5,609,775
Police Safety	6,121,850	7,524,765
Public Works	4,716,633	4,879,925
Culture & Recreation	3,391,827	2,671,400
Interest on Long-Term Debt	194,171	253,245
Total Expenses	<u>19,201,071</u>	<u>20,939,110</u>
Change in net asset	11,282,013	5,143,464
Net position, October 1	60,020,330	55,170,478
Prior period adjustment	-	(293,612)
Net position, October 1-beginning as restated	60,020,330	54,876,866
Net position, September 30	<u>71,302,343</u>	<u>60,020,330</u>

City of South Miami, Florida
Management’s Discussion and Analysis
September 30, 2023

The City's total revenues increased by 16.9%, to \$30,483,084 (see Table 2), mainly due to the increase in charges for services, which includes hourly parking rates, which increased in FY 2022, hence the significant increase. Approximately 29% of the City's revenues come from property taxes, another 11% comes from intergovernmental, 4% from grants and contributions, and 30% from charges for services (see chart that follows). The City's management took major actions in 2023 to improve City revenues and to control expenses.

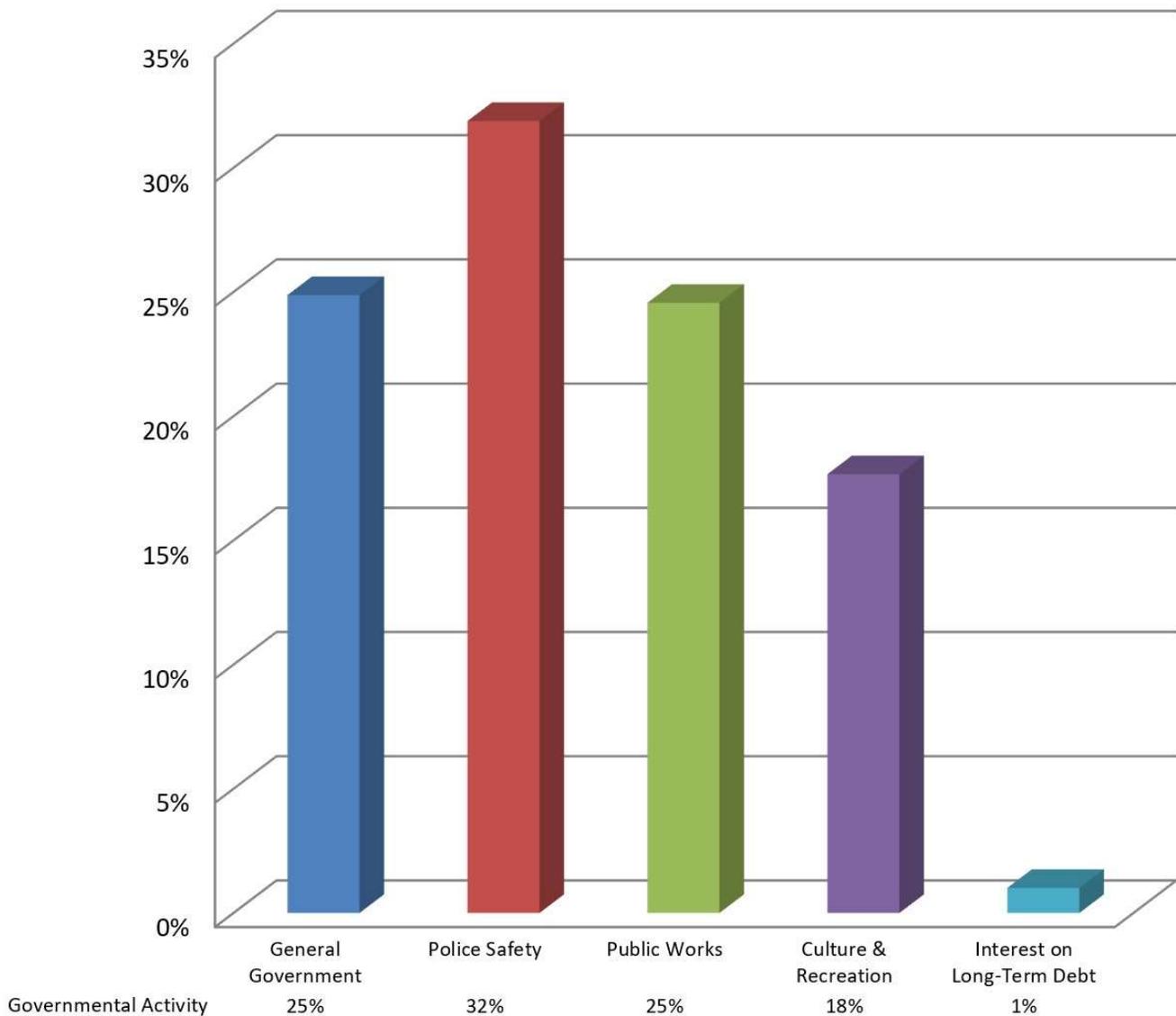


The total cost of all programs and services decreased by \$1,738,039 or 8.3% (see Table 2), due to a year of increased pension investment returns. The City's expenses cover a range of services. As shown in Table 2 above, governmental expenses are largely weighted in three functions, namely the public safety, general government, and public works. At \$6,121,850, public safety expense represents 32% of the statement of activities' total expenses for the City in 2023. General government category expense total for 2023 was \$4,776,590, or 25% 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 \$4,716,633, or 25% 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



The cost of all governmental activities this year, including \$194,171 in interest expense on long-term debt, was \$19,201,071. Some of that cost was financed by those who directly benefited from the programs through charges for services (\$9,126,302) or grants (\$1,155,917).

The City financed the remaining \$8,918,852 "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 \$29,506,878, with the general fund representing \$21,645,041. Of the total governmental fund balances, \$5,076,387 is restricted, \$8,179,416 is committed, \$2,633,729 is assigned and \$13,617,346 is unassigned fund balance.

The General Fund's fund balance increased by \$2,819,826 after transfers of a net -\$3,669,783. General fund revenues for 2023 increased substantially due to the increase rate for parking and property values when compared to 2022. Please refer to the General Fund Budget Highlights section below for further information.

In fiscal year 2023, the City's General Fund had an increase change in fund balance due to the efficient and effective operation of the City's operations.

In March of 2021, the United States Congress passed, and President Biden signed into law, the American Rescue Plan Act of 2021 (ARPA). Section 9901 of the American Rescue Plan Act of 2021 added section 603(a) to the Social Security Act ("ARPA"), which created the Coronavirus Local Fiscal Recovery Fund for the purpose of providing funds to local governments in order to facilitate the ongoing recovery from the COVID-19 pandemic. The City of South Miami was allocated \$5.96 million from the Coronavirus Local Fiscal Recovery Fund in which the City received \$2.98 million in October of 2021 and the remaining balance \$2.98 million in August 2022.

The City of South Miami Capital Improvement Fund saw a substantial fund balance increase mostly due to capital projects earmarked using the \$5.96 million received in FY 2022 from the American Rescue Plan Act of 2021 (ARPA). The City has designated most of those monies to capital projects to help fund many park and street improvements. As part of the agreement, it is required that the monies be encumbered on or before December 31, 2024, hence many of the projects within the Capital Improvement Fund will come to fruition within FY 2024.

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 \$1,050,056 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 2023 was \$21,248,972. The difference between the estimated revenues, and the actual revenues, in the General Fund was \$4,985,758 for fiscal year 2023. There were three major reasons why actual general fund revenues substantially exceeded the forecasted amount. First was inflation, some revenues which are associated with sales tax sharing or based on a percentage of sales, far exceeded the forecasted amount, mostly because things are costing more, hence the share of sales tax increases. The second large increase was building permit revenue; a large-scale project submitted for permitting, which garnished a large permit cost. Lastly, the City increasing the hourly parking rate in June, from \$1.50 to \$3 an hour, in almost the entire City, helping revenues far exceed the forecasted parking revenue for FY 2023.

Actual revenues, at \$26,234,730 came in above the final budget of \$21,248,972.

Comparing the final budget to the actual expenditure amount for fiscal year 2023; the final expenditure budget of \$21,845,778 with actual expenditures being \$19,906,572, were below the final amended budget by \$1,939,206. All expenditures were in line with the projected expectations. Please refer to page 45 and 46 for further details.

City of South Miami, Florida
Management’s Discussion and Analysis
September 30, 2023

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, 2023 and 2022, is detailed below:

	Government Activities	
	2023	2022
Land	13,649,168	13,649,168
Construction in progress	30,277	1,046,419
Building & improvements	14,326,707	14,373,085
Machinery	1,938,004	1,905,405
Land improvements	3,995,541	2,327,812
Infrastructure	6,487,653	6,394,214
Intangible Right-of-Use Software Agreement	78,203	-
	<u>40,505,553</u>	<u>39,696,103</u>

For fiscal year 2023 the City spent approximately \$417,760 on the development of Vice Mayor Robert C. Welsh Jr. Park and completed the Pavilion and Light Improvements at Fuchs Park totaling approximately \$730,000. Furthermore, the capital program also consisted of an acquisition of a new bucket truck for the Public Works Department. Additional information on the City's capital assets can be found in Note 7 on page 32 of this report.

Debt Administration: At year-end, the City had approximately \$6.6 million in outstanding debt, as noted below:

	Government Activities	
	2023	2022
Taxable Revenue Note, Series 2011	2,540,000	3,105,000
Chase 2020	4,136,000	4,432,000
	<u>6,676,000</u>	<u>7,537,000</u>

Additional information on the City’s outstanding debt can be found in Note 9 on pages 34 to 35 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 2024 General Fund budget are \$24,707,560, an decrease of \$1,527,170 from actual revenues and transfers of \$26,234,730 for fiscal year 2023, if forecasts are realized. Should revenues exceed expectations in fiscal year 2024, the revenues will be able to fund current services and any unexpected impact of inflation on fuel, salaries, and benefits.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 26,507,611
Investments	9,126,170
Receivables	956,298
Accrued interest receivable	45,719
Notes receivable	1,975,455
Net pension asset	3,211,963
Capital assets:	
Capital assets not being depreciated nor amortized	13,679,445
Capital assets, net of accumulated depreciation and amortization	26,826,108
Total assets	82,328,769
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on bond refunding	196,774
Deferred outflows of resources relating to pensions	7,504,245
Deferred outflows of resources relating to other post employment benefits (OPEB)	40,471
Total deferred outflows of resources	7,741,490
LIABILITIES	
Accounts payable	1,106,831
Accrued liabilities	599,916
Unearned revenue	4,657,233
Other liabilities	183,330
Accrued interest payable	86,192
Due within one year:	
Compensated absences	378,510
Subscription	60,463
Debt, including bonds and notes payable	891,000
Total other post employment benefits (OPEB) liability	9,151
Due in more than one year:	
Compensated absences	1,135,532
Debt, including bonds and notes payable	5,785,000
Total other post employment benefits (OPEB) liability	356,880
Total liabilities	15,250,038
DEFERRED INFLOWS OF RESOURCES	
Service concession arrangement	1,975,455
Local business taxes	461,187
Deferred inflows of resources relating to pensions	779,293
Deferred inflows of resources relating to other post employment benefits (OPEB)	301,943
Total deferred inflows of resources	3,517,878
NET POSITION	
Net investment in capital assets	33,965,864
Restricted for:	
Park improvements	1,154,843
Grant projects	661,423
Stormwater management	478,375
Transportation projects	2,095,880
Law enforcement	418,062
Debt service	542
Art in public places program	18,000
Public art program	249,262
Pension benefits	3,211,963
Unrestricted	29,048,129
Total net position	\$ 71,302,343

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, 2023

<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	\$ 4,776,590	\$ 3,185,954	\$ 851,753	\$ -	\$ (738,883)
Public safety	6,121,850	5,693,792	165,196	-	(262,862)
Public works	4,716,633	-	106,220	-	(4,610,413)
Culture and recreation	3,391,827	246,556	32,748	-	(3,112,523)
Interest on long-term debt	194,171	-	-	-	(194,171)
Total governmental activities	<u>\$ 19,201,071</u>	<u>\$ 9,126,302</u>	<u>\$ 1,155,917</u>	<u>\$ -</u>	<u>(8,918,852)</u>
General revenues:					
Taxes:					
Property taxes					8,967,689
Utility taxes					2,424,099
Business taxes					675,832
Franchise taxes					2,950,132
Service concession arrangement					189,771
Interest income (unrestricted)					1,402,606
Intergovernmental (unrestricted)					3,388,153
Miscellaneous					241,643
Loss on sale of assets					(39,060)
Total general revenues					<u>20,200,865</u>
Change in net position					11,282,013
Net position - beginning					<u>60,020,330</u>
Net position - ending					<u>\$ 71,302,343</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, 2023

	<u>Major Funds</u>			<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>American Rescue Plan Fund</u>	<u>Capital Improvements Program Fund</u>		
ASSETS					
Cash and cash equivalents	\$ 13,698,429	\$ 4,775,542	\$ 2,883,015	\$ 5,150,625	\$ 26,507,611
Investments	9,126,170	-	-	-	9,126,170
Receivables	545,426	-	-	410,872	956,298
Total assets	<u>\$ 23,370,025</u>	<u>\$ 4,775,542</u>	<u>\$ 2,883,015</u>	<u>\$ 5,561,497</u>	<u>\$ 36,590,079</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,237,846	\$ 75,534	\$ 249,286	\$ 327,411	\$ 1,890,077
Unearned revenue	25,951	4,450,746	-	180,536	4,657,233
Total liabilities	<u>1,263,797</u>	<u>4,526,280</u>	<u>249,286</u>	<u>507,947</u>	<u>6,547,310</u>
Deferred inflows of resources:					
Local business taxes	461,187	-	-	-	461,187
Unavailable revenues	-	-	-	74,704	74,704
Total deferred inflows of resources	<u>461,187</u>	<u>-</u>	<u>-</u>	<u>74,704</u>	<u>535,891</u>
Fund balances:					
Restricted for:					
Park improvements	-	-	-	1,154,843	1,154,843
Grant projects	-	-	-	661,423	661,423
Stormwater management	-	-	-	478,375	478,375
Transportation projects	-	-	-	2,095,880	2,095,880
Law enforcement	-	-	-	418,062	418,062
Debt service	-	-	-	542	542
Public art program	-	-	-	18,000	18,000
American rescue plan	-	249,262	-	-	249,262
Committed for:					
Emergency and disaster recovery operating reserve	6,627,623	-	-	-	6,627,623
Pedestrian crossing	-	-	-	-	-
Police Headquarters and Emergency Operations Center	1,400,072	-	-	-	1,400,072
Tree projects	-	-	-	151,721	151,721
Assigned for:					
Capital projects	-	-	2,633,729	-	2,633,729
Unassigned	13,617,346	-	-	-	13,617,346
Total fund balances	<u>21,645,041</u>	<u>249,262</u>	<u>2,633,729</u>	<u>4,978,846</u>	<u>29,506,878</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,370,025</u>	<u>\$ 4,775,542</u>	<u>\$ 2,883,015</u>	<u>\$ 5,561,497</u>	<u>\$ 36,590,079</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, 2023

Fund balances - total governmental funds (see page 17) \$ 29,506,878

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	1,975,455
Accrued interest receivable	45,719
Net pension assets	3,211,963

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

Cost of capital assets	61,540,172
Less accumulated depreciation	(21,034,619)

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	196,774
Deferred outflows of resources relating to pensions	7,504,245
Deferred outflows of resources relating to other post employment benefits (OPEB)	40,471

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	(6,676,000)
Subscription	(60,463)
Accrued interest payable	(86,192)
Deferred inflows of resources relating to pensions	(779,293)
Deferred inflows of resources from service concession arrangement	(1,975,455)
Net other post employment benefits (OPEB) obligation	(366,031)
Deferred inflows of resources relating to other post employment benefits (OPEB)	(301,943)
Compensated absences payable	(1,514,042)

Revenue collected outside of the period of availability is not available to pay for current period expenditures and therefore, is a deferred inflow in the funds.

74,704

Net position of governmental activities (see page 15) **\$ 71,302,343**

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	American Rescue Plan Fund	Capital Improvements Program Fund		
REVENUES					
Taxes:					
Property taxes	\$ 8,967,689	\$ -	\$ -	\$ -	\$ 8,967,689
Utility taxes	2,423,047	-	-	1,052	2,424,099
Business taxes	703,738	-	-	-	703,738
Franchise taxes	1,460,890	-	-	-	1,460,890
Licenses and permits	2,047,034	-	-	1,084,381	3,131,415
Intergovernmental	2,127,483	844,172	-	1,300,893	4,272,548
Charges for services	5,592,125	-	-	18,000	5,610,125
Fines and forfeitures	1,597,011	-	-	24,131	1,621,142
Rents and royalties	224,956	-	-	-	224,956
Grants, contributions and donations	16,772	-	-	14,850	31,622
Interest income	1,042,367	218,023	-	142,216	1,402,606
Miscellaneous	328,773	-	-	333,933	662,706
Total revenues	<u>26,531,885</u>	<u>1,062,195</u>	<u>-</u>	<u>2,919,456</u>	<u>30,513,536</u>
EXPENDITURES					
Current:					
General government	4,689,004	247,135	-	5,405	4,941,544
Public safety	8,844,315	-	-	105,265	8,949,580
Public works	3,861,592	4,974	-	339,434	4,206,000
Culture and recreation	2,583,718	204	-	32,748	2,616,670
Debt Service:					
Principal	-	-	-	896,195	896,195
Interest and other charges	-	-	-	189,056	189,056
Capital outlay	63,647	591,861	2,354,829	1,154,202	4,164,539
Total expenditures	<u>20,042,276</u>	<u>844,174</u>	<u>2,354,829</u>	<u>2,722,305</u>	<u>25,963,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,489,609</u>	<u>218,021</u>	<u>(2,354,829)</u>	<u>197,151</u>	<u>4,549,952</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt - SBITA	56,385	-	-	68,320	124,705
Transfers in	150,000	-	3,158,994	717,174	4,026,168
Transfers out	(3,876,168)	-	-	(150,000)	(4,026,168)
Total other financing sources (uses)	<u>(3,669,783)</u>	<u>-</u>	<u>3,158,994</u>	<u>635,494</u>	<u>124,705</u>
Net change in fund balances	<u>2,819,826</u>	<u>218,021</u>	<u>804,165</u>	<u>832,645</u>	<u>4,674,657</u>
Fund balances - beginning	<u>18,825,215</u>	<u>31,241</u>	<u>1,829,564</u>	<u>4,146,201</u>	<u>24,800,980</u>
Fund balances - ending	<u>\$ 21,645,041</u>	<u>\$ 249,262</u>	<u>\$ 2,633,729</u>	<u>\$ 4,978,846</u>	<u>\$ 29,506,878</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, 2023

Net change in fund balances - total government funds (see page 19)	\$ 4,674,657
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	4,164,539
Current year provision for depreciation	(1,460,881)
Amounts reported as capital outlay not included in capital assets (not capitalized)	(1,787,995)
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.	
	(100,447)
Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported when earned.	
Net revenues from service concession arrangement	100,447
Change in accrued interest receivable	1,057
Unavailable revenues	74,704
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	861,000
Issuance of debt - SBITA	(60,463)
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	5,765,982
Change in deferred outflows of resources relating to other post employment benefits (OPEB)	(33,582)
Change in deferred inflows of resources relating to pensions	6,017,746
Change in deferred inflows of resources relating to other post employment benefits (OPEB)	(179)
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	15,032
Amortization of deferred loss on bond refunding	(49,194)
Change in net other post employment benefits (OPEB) obligation	61,024
Change in net pension asset	(6,758,271)
Change in compensated absences payable	(96,950)
Change in net position of governmental activities (see page 16)	\$ 11,282,013

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, 2023

	<u>Employee Retirement Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,531,410
Receivables:	
Employer contribution	33,842
Interest and dividends	95,968
Section 185 contribution	79,228
Pending trades receivable	23,798
Other receivables	12,621
Total receivables	<u>245,457</u>
Investments at fair value:	
Real estate holdings	6,490,660
U.S. Government and agency securities	5,578,569
Corporate obligations	5,386,640
Mutual funds:	
Equity	34,430,506
Fixed income	239,601
Total investments	<u>52,125,976</u>
Other assets:	
Prepaid expenses	4,233
Total assets	<u>\$ 53,907,076</u>
LIABILITIES	
Accounts payable	\$ 53,699
Pending trades payable	65,599
Minimum funding liability	79,228
Total liabilities	<u>198,526</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 53,708,550</u>

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

CITY OF SOUTH MIAMI, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	\$ 652,018
Employees	429,588
Section 185 contributions	244,424
Total contributions	1,326,030
Investment earnings:	
Net appreciation in fair value of investments	3,847,705
Interest and dividends	1,421,536
Total investment earnings	5,269,241
Less: investment expense	225,056
Net investment earnings	5,044,185
Total additions	6,370,215
DEDUCTIONS	
Benefits paid	2,005,570
Refund of contributions	111,406
Minimum benefit funding	79,228
DROP distributions	126,966
Administrative expenses	218,677
Total deductions	2,541,847
Change in net position	3,828,368
Net position, restricted for pension benefits - beginning	49,880,182
Net position, restricted for pension benefits - ending	\$ 53,708,550

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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. The City does not have any component units.

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.

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

The *American Rescue Plan Fund* is used to account for the funds that congress has allocated to state, local, territorial, and Tribal governments, in order to support their response to and recovery from the COVID-19 public health emergency.

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, 2023, 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.

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, 2023.

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 fiscal year ended September 30, 2023 was 3.9999 mills (\$ 3.9999 mills per \$1,000 of the taxable value).

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

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 assets 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 assets that applies to a future period(s) and so will not be recognized as revenue until then. The City has three items that meet this criterion; service concession arrangements, which are discussed further in Note 8, deferrals relating to other post-employment benefits (OPEB), which are discussed further in Note 10, and certain deferrals relating to pensions, which are discussed further in Note 11.

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

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

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

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

Equity Classifications:

Government-wide financial statements:

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

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
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 Chief Financial Officer 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 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 (\$ 6,627,623 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.

Leases: Management has evaluated all leases and has concluded that it is immaterial to the financial statements. Therefore, the Lease and related disclosures have been excluded from these financial statements.

Implementation of New Accounting Principles: The City adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. These effect of the changes incorporated in the City's 2023 financial statements are described in Note 9.

Note 3 - Stewardship, Compliance and Accountability

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

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 4 - Deposits and Investments

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

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

As of September 30, 2023, the carrying amount of the City's book balance for deposits held with financial institutions totaled \$ 26,506,109 and the bank balance was \$ 26,415,389.

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.

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

Category	
Deposits	\$ 26,506,109
Petty cash	1,502
Investments	9,126,170
Total deposits and investments	\$ 35,633,781

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.

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 4 - Deposits and Investments (Continued)

Credit Risk (Continued):

As of September 30, 2023, 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*	\$ 3,377,690	\$ -	\$ 3,377,690
Quality rating of credit risk debt securities			
AAA/Aaa	37,231	-	37,231
AA/Aa	2,432,041	-	2,432,041
A/A	1,872,948	-	1,872,948
BBB/Baa	2,830,211	-	2,830,211
BB/Bb	84,030	-	84,030
Not rated	331,058	238,908	569,966
Total credit risk debt securities	7,587,519	238,908	7,826,427
Total fixed income securities	\$ 10,965,209	\$ 238,908	\$ 11,204,117

*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	\$ 5,386,640	\$ 347,966	\$ 3,049,096	\$ 1,170,864	\$ 818,714
U.S. government and agency securities	5,578,569	663,856	1,660,738	492,204	2,761,771
Mutual fund, fixed income	238,908	-	61,251	177,657	-
Totals	<u>\$ 11,204,117</u>	<u>\$ 1,011,822</u>	<u>\$ 4,771,085</u>	<u>\$ 1,840,725</u>	<u>\$ 3,580,485</u>

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 4 - Deposits and Investments (Continued)

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, 2023, 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.

The Plan and the Fund has the following recurring fair value measurements as of September 30, 2023:

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	\$ 34,669,415	\$ 34,669,415	\$ -	\$ -
Real estate holdings	6,490,660	-	-	6,490,660
Corporate obligations	5,386,639	-	5,386,639	-
U.S. Government and agency securities	5,578,569	3,123,772	2,454,797	-
	<u>\$ 52,125,283</u>	<u>\$ 37,793,187</u>	<u>\$ 7,841,436</u>	<u>\$ 6,490,660</u>

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 4 - Deposits and Investments (Continued)

Fair Value Hierarchy: (continued)

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	\$ 8,999,849
Capital contributed during period	-
Investment income from operations	167,066
Total gains (realized and unrealized)	(1,327,604)
Distributions	(1,544,085)
Management fees and other	195,434
Ending balance, at September 30	\$ 6,490,660

Note 5 - Receivables

Receivables at September 30, 2023 were as follows:

	Major Fund	Nonmajor	Total
	General Fund	Governmental Funds	
Intergovernmental	\$ 137,640	\$ 261,239	\$ 398,879
Franchise fees	146,646	-	146,646
Utility taxes	168,461	-	168,461
Accounts	92,679	149,633	242,312
Total	\$ 545,426	\$ 410,872	\$ 956,298

Note 6 - Interfund Transfers

During the year, \$ 3,158,994 and \$ 717,174 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 \$150,000 transferred in from Stormwater Drain Trust Fund during 2023.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 7 - Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Increases	Decreases/ Transfers	Balance September 30, 2023
Governmental Activities:				
Capital assets, not being depreciated nor amortized:				
Land	\$ 13,649,168	\$ -	\$ -	\$ 13,649,168
Construction in progress	1,046,419	30,276	1,046,418	30,277
Total capital assets, not being depreciated nor amortized	<u>14,695,587</u>	<u>30,276</u>	<u>1,046,418</u>	<u>13,679,445</u>
Capital assets, being depreciated and amortized:				
Buildings and improvements	21,099,677	432,109	-	21,531,786
Machinery and equipment	8,840,277	630,019	831,404	8,638,892
Land improvements	3,721,758	1,847,887	-	5,569,645
Infrastructure	11,189,476	341,906	-	11,531,382
Intangible right-of-use software agreements	-	140,765	-	140,765
Intangible assets	448,257	-	-	448,257
Total capital assets, being depreciated and amortized	<u>45,299,445</u>	<u>3,392,686</u>	<u>831,404</u>	<u>47,860,727</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	6,726,592	478,487	-	7,205,079
Machinery and equipment	6,934,872	491,207	725,191	6,700,888
Land improvements	1,393,946	180,158	-	1,574,104
Infrastructure	4,795,262	248,467	-	5,043,729
Intangible right-of-use software agreements	-	62,562	-	62,562
Intangible assets	448,257	-	-	448,257
Total accumulated depreciation and amortization	<u>20,298,929</u>	<u>1,460,881</u>	<u>725,191</u>	<u>21,034,619</u>
Total capital assets, being depreciated and amortized, net	<u>25,000,516</u>	<u>1,931,805</u>	<u>106,213</u>	<u>26,826,108</u>
Governmental activities capital assets, net	<u><u>\$ 39,696,103</u></u>	<u><u>\$ 1,962,081</u></u>	<u><u>\$ 1,152,631</u></u>	<u><u>\$ 40,505,553</u></u>

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

General government	\$ 60,172
Public safety	301,938
Public works	299,430
Culture and recreation	799,341
Total depreciation and amortization expense - governmental activities	<u><u>\$ 1,460,881</u></u>

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, Mark Richmond Properties (MRP) to operate and maintain the municipal garage for a term of 50 years. In accordance with the Lease, the City approved all services and fees charged to customers. In addition, the City retained 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.

On April 5, 2022, the City and MRP entered into an amendment to the lease agreement, which provides the City with the rights to control and to receive revenue from the Parking Structure. As part of the amendment, MRP relinquished all rights, title and interest in the Parking Structure and abutting parking spaces and its operations, all of which include the parking spaces in and around the Parking Structure and the Retail Space, for reduction of the MRP notes by \$4,000,000. Furthermore, MRP shall no longer pay the City \$6,333 in monthly Base Rent.

The new installment payment due to the City under the amendment to the Lease, is the repayment of principal on remaining 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 \$1,975,455.

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, \$1,975,455 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.

Future principal and interest payments due to the City under the notes receivable, as of September 30, 2023, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 106,027	\$ 85,024	\$ 191,051
2025	108,817	80,593	189,410
2026	114,398	75,989	190,387
2027	119,978	71,155	191,133
2028	122,768	65,918	188,686
2029-2033	708,708	238,812	947,520
2034-2037	694,757	64,223	758,980
Total	<u>\$ 1,975,453</u>	<u>\$ 681,714</u>	<u>\$ 2,657,167</u>

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Due Within One Year
Governmental Activities:					
Taxable Revenue Note, Series 2011	\$ 3,105,000	\$ -	\$ 565,000	\$ 2,540,000	\$ 590,000
Capital Improvement Revenue					
Refunding Note, Series 2020	4,432,000	-	296,000	4,136,000	301,000
Subscription	-	124,705	64,242	60,463	60,463
Compensated absences	1,417,092	971,993	875,043	1,514,042	378,510
Total	<u>\$ 8,954,092</u>	<u>\$ 1,096,698</u>	<u>\$ 1,800,285</u>	<u>\$ 8,250,505</u>	<u>\$ 1,329,973</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.

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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	
2024	\$ 590,000	\$ 103,850	\$ 301,000	\$ 54,885	\$ 1,049,735
2025	620,000	75,696	303,000	50,890	1,049,586
2026	645,000	46,519	312,000	46,870	1,050,388
2027	685,000	15,843	316,000	42,729	1,059,573
2028	-	-	566,000	38,536	604,536
2029-2032	-	-	2,338,000	78,067	2,416,067
Total	<u>\$ 2,540,000</u>	<u>\$ 241,908</u>	<u>\$ 4,136,000</u>	<u>\$ 311,978</u>	<u>\$ 7,229,885</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, 2023, the outstanding principal amount payable was \$ 723,085,000.

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.

Subscription: In on January 7, 2020, the City entered into a five (5) year subscription-based information technology arrangement for a suite of public safety systems. There are no options to extend the 2019 arrangement or purchase the software. The City has used a 6.25% discount to determine the present value of the intangible right-to-use asset and SBITA liability.

\$140,765 has been recorded as intangible right-to-use software arrangement in the General Fund capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for records management software met the criteria of a SBITA; thus, requiring it to be recorded by the City as intangible assets and a SBITA liability. This asset will be amortized over the remaining lease term of two (2) years and three (3) months. There are no residual value guarantees in the arrangement provisions. The public safety software arrangement will end in fiscal year 2025.

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 60,463	\$ 3,779	\$ 64,242
Total	<u>\$ 60,463</u>	<u>\$ 3,779</u>	<u>\$ 64,242</u>

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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.

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	2
Inactive plan members entitled to but not not yet receiving benefits	-
Active plan members	<u>112</u>
Total plan members	<u><u>114</u></u>

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. No assets are accumulated in a trust that meets GASB Statement No. 75, paragraph 4. 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, 2023 was measured as of October 1, 2022 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	2.19%
Projected salary increases	3.75% - 5.25%
Healthcare cost trend rates:	Based on the Getzen Model starting at 6.5% gradually decreasing to an ultimate rate of 4.0% in 2042 and
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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Actuarial Methods and Assumptions (continued):

Changes in assumptions and other inputs include the following for as of the beginning of the measurement period, October 1, 2022: the discount rate increased from 2.19% to 4.40%. 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, 2022 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, 2022 was 4.40%. 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 4.40% as of the beginning of the measurement year.

Total OPEB Liability of the City: The components of the City's net OPEB liability at September 30, 2023, are as follows:

Total OPEB liability	\$ 366,031
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u>\$ 366,031</u>
OPEB Plan fiduciary net position as a percentage of total OPEB	0%

Schedule of Changes in Total OPEB Liability

Measurement year ended September 30, 2023

Total OPEB liability:	
Service cost	\$ 48,807
Interest on total OPEB liability	10,311
Assumption changes	(110,191)
Benefit payments	<u>(9,951)</u>
Net change in total OPEB liability	(61,024)
Total OPEB liability, beginning	<u>427,055</u>
Total OPEB liability, ending	<u>\$ 366,031</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 4.40%, 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	Current Discount Rate	1% Increase
Discount rate	(3.40)%	(4.40)%	(5.40)%
Total OPEB liability	<u>\$ 410,381</u>	<u>\$ 366,031</u>	<u>\$ 328,862</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	Current Trend Rates	1% Trend Increase
Trend rates	(5.5 to 3.0%)	(6.5% to 4.0%)	(7.5% to 5.0%)
Total OPEB liability	<u>\$ 317,636</u>	<u>\$ 366,031</u>	<u>\$ 426,821</u>

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023 the City recognized OPEB expense of \$ (8,945). At September 30, 2023, 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	\$ -	\$ 196,838
Changes in assumptions and other inputs	22,153	105,105
Contributions subsequent to the measurement date	18,318	-
Total	\$ 40,471	\$ 301,943

The deferred outflow of resources related to OPEB totaling \$ 18,318 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 subsequent fiscal period.

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
2024	\$ (71,908)
2025	(71,908)
2026	(51,994)
2027	(29,514)
2028	(21,764)
Thereafter	(32,702)

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, 2023, 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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 11 - Defined Benefit Pension Plan (Continued)

Benefits: (Continued)

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.

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 11 - Defined Benefit Pension Plan (Continued)

Benefits: (Continued)

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

Eligibility:

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

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

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

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

Employees Covered by Benefit Terms:

The Plan has the following classes and number of plan members as of the latest actuarial valuation date of October 1, 2022:

	General and AMSC Employees	Police Officers
Active plan members	48	34
Terminated vested	6	6
Receiving benefits	31	21
DROP participants	3	8
	88	69

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, 2022 and 2021, 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, 2023, the City received \$ 165,196 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 11 - Defined Benefit Pension Plan (Continued)

Net Pension Liability:

The City's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation date as of October 1, 2021.

Actuarial Assumptions:

The total pension liability in the October 1, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	10/1/2021
Actuarial cost method	Entry age normal
Amortization method	Level percentage or payroll, closed
Amortization period	25 years
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:

Asset Class	Long-Term	
	Target Allocation	Expected Real Rate of Return
Large Cap	30.0%	8.1%
Smaller Mid Cap	15.0%	7.7%
Foreign Equity	15.0%	5.2%
Real Estate	20.0%	5.9%
Fixed Income	20.0%	0.4%
	<u>100.0%</u>	

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 11 - Defined Benefit Pension Plan (Continued)

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.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of			
September 30, 2022	\$ 48,443,492	\$ 58,413,726	\$ (9,970,234)
Service cost	815,886	-	815,886
Interest	3,666,476	-	3,666,476
Benefit changes	-	-	-
Difference between expected and actual experience	1,407,429	-	1,407,429
Assumption changes	-	-	-
Contributions - employer and state	-	693,865	(693,865)
Contributions - employees	-	418,549	(418,549)
Net investment income	-	(8,235,320)	8,235,320
Benefit payments, including refunds	(1,934,558)	(1,934,558)	-
Administrative expenses	-	(169,500)	169,500
Other	-	-	-
Net changes	3,955,233	(9,226,964)	13,182,197
Balance as of			
September 30, 2023	\$ 52,398,725	\$ 49,186,762	\$ 3,211,963

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)	\$ 10,080,662	\$ 3,211,963	\$ (2,416,256)

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
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023, the City recognized pension expense of \$ 1,441,147. At September 30, 2023, 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	\$ -	\$ 456,976
Net difference between projected and actual earnings on Plan investments	5,964,032	-
Difference between expected and actual experience on liabilities	1,540,213	322,317
Contributions subsequent to the measurement date	618,176	-
Total	\$ 8,122,421	\$ 779,293

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 \$ 618,176, will be recognized as a reduction of the net pension liability in the subsequent fiscal period. 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 Outflows of Resources
2023	\$ 1,543,256
2024	1,205,228
2025	1,347,166
2026	2,629,302
2027	-
Thereafter	-

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.

CITY OF SOUTH MIAMI
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 12 -Defined Contributions Plans (Continued)

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, 2023 of approximately \$ 10,484.

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, 2023 was approximately \$ 51,392.

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, 2023 were approximately \$ 3,630.

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, 2023.

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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Ad valorem	\$ 9,014,103	\$ 9,014,103	\$ 8,967,689	\$ (46,414)
Utility taxes	2,073,000	2,073,000	2,423,047	350,047
Business taxes	676,800	676,800	703,738	26,938
Franchise taxes	1,094,650	1,094,650	1,460,890	366,240
Licenses and permits	1,030,500	1,030,500	2,047,034	1,016,534
Intergovernmental	1,648,216	1,648,216	2,102,004	453,788
Grants, Contributions and Donations	-	-	16,772	16,772
Charges for services	3,946,165	3,946,165	5,592,125	1,645,960
Fines and forfeitures	1,268,000	1,268,000	1,597,011	329,011
Rents and royalties	205,863	205,863	224,956	19,093
Interest income	150,000	150,000	770,691	620,691
Miscellaneous	141,675	141,675	328,773	187,098
Total revenues	<u>21,248,972</u>	<u>21,248,972</u>	<u>26,234,730</u>	<u>4,985,758</u>
EXPENDITURES				
Current:				
General government:				
City commission	146,285	146,285	133,209	13,076
City manager	2,320,968	2,270,968	2,060,930	210,038
City clerk	504,614	544,614	401,851	142,763
Legal	397,000	447,385	447,174	211
Finance	1,649,162	1,655,961	1,645,840	10,121
Total general government	<u>5,018,029</u>	<u>5,065,213</u>	<u>4,689,004</u>	<u>376,209</u>
Public safety:				
Police	7,929,612	8,110,090	7,406,717	703,373
Building, zoning, and community development	1,443,163	1,603,160	1,437,598	165,562
Total public safety	<u>9,372,775</u>	<u>9,713,250</u>	<u>8,844,315</u>	<u>868,935</u>
Public Works	4,054,548	4,065,696	3,725,888	339,808
Culture and recreation	2,949,801	3,001,619	2,583,718	417,901
Capital outlay	-	-	63,647	(63,647)
Total expenditures	<u>21,395,153</u>	<u>21,845,778</u>	<u>19,906,572</u>	<u>1,939,206</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,181)</u>	<u>(596,806)</u>	<u>6,328,158</u>	<u>6,924,964</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt - SBITA	-	-	56,385	(56,385)
Transfers in	150,000	150,000	150,000	-
Transfers out	(3,876,168)	(3,876,168)	(3,876,168)	-
Appropriation of fund balance	3,872,349	4,322,974	-	4,322,974
Total other financing sources (uses)	<u>146,181</u>	<u>596,806</u>	<u>(3,669,783)</u>	<u>4,266,589</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,658,375</u>	<u>\$ 11,191,553</u>
Fund balances - beginning			<u>12,879,024</u>	
Fund balances - ending			<u>\$ 15,537,399</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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	\$ 2,658,375
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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⁾	297,155
Net change in fund balance - Pedestrian Crossing Acquisition, Development, Operation, & Maintenance Fund ⁽²⁾	<u>(135,704)</u>

General Fund - net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 2,819,826</u>
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⁽¹⁾ See budget to actual comparison schedule on page 69.

⁽²⁾ See budget to actual comparison schedule on page 70.

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - ARPA-AMERICAN RESCUE PLAN ACT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,183,246	\$ 844,172	\$ (339,074)
Investment earnings	-	-	218,023	218,023
Total revenues	-	1,183,246	1,062,195	(121,051)
EXPENDITURES				
Current:				
General government	-	247,135	247,135	-
Public works	-	4,973	4,974	(1)
Culture and recreation	-	-	204	(204)
Capital Outlay	-	931,138	591,861	339,277
Total expenditures	-	1,183,246	844,174	339,072
Excess (deficiency) of revenues over (under) expenditures	-	-	218,021	218,021
Net change in fund balance	-	-	218,021	218,021
Fund balances - beginning			31,241	
Fund balances - ending			<u>\$ 249,262</u>	

CITY OF SOUTH MIAMI, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2023

Note 1 - Budgets and Budgetary Accounting

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). The General Fund balances reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances include amounts promulgated to the General Fund as they lack the authority to be reported as separate special revenue funds. 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
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)

Reporting Period Ending Measurement Date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total Pension Liability:									
Service cost	\$ 815,886	\$ 897,075	\$ 852,115	\$ 842,564	\$ 796,141	\$ 846,884	\$ 697,537	\$ 686,435	\$ 669,181
Interest	3,666,476	3,387,205	3,164,443	2,889,649	2,834,288	2,630,646	2,460,415	2,381,731	2,299,340
Benefit changes	-	266,306	2,209,880	-	-	(20,122)	-	-	-
Difference between expected and actual experience	1,407,429	339,164	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	(1,934,558)	(1,721,259)	(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	3,955,233	3,168,491	4,034,154	757,182	2,968,613	2,339,968	1,207,493	1,148,321	1,055,034
Total pension liability - beginning	48,443,492	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>\$ 52,398,725</u>	<u>\$ 48,443,492</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	\$ 693,865	\$ 631,728	\$ 2,215,515	\$ 704,929	\$ 690,632	\$ 681,713	\$ 570,154	\$ 834,251	\$ 878,217
Contributions - employees	418,549	437,988	459,625	594,753	536,473	910,127	490,452	562,835	593,396
Net investment income	(8,235,320)	11,083,408	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	(1,934,558)	(1,721,259)	(1,584,681)	(1,660,970)	(1,563,305)	(1,570,751)	(1,293,782)	(1,417,586)	(1,315,113)
Administrative expenses	(169,500)	(148,804)	(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	(9,226,964)	10,283,061	4,483,998	427,289	3,770,017	4,400,227	2,946,370	(134,389)	3,116,668
Plan fiduciary net position - beginning	58,413,726	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>\$ 49,186,762</u>	<u>\$ 58,413,726</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>\$ 3,211,963</u>	<u>\$ (9,970,234)</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	93.87%	120.58%	106.31%	105.83%	106.76%	105.16%	99.64%	94.51%	98.23%
Covered payroll	\$ 6,372,829	\$ 6,668,442	\$ 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	50.40%	-149.51%	-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
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	631,728	(1)	6,668,442	9.47%
2022	730,415	693,865	36,550	6,377,456	10.88%
2023	697,404	731,246	(33,842)	6,710,974	10.90%

¹ Projected prior to fiscal year ended September 30, 2014

² Reported payroll on which contributions to the Plan are based as provided under GASB No. 82

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense - General Employees and Police Officers Pension Plan	10.21%	-14.18%	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	-2.36%	-27.37%	2.39%	3.54%	-3.80%	4.45%	6.71%	3.07%	-4.99%	6.04%

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:	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017
Total OPEB Liability:						
Service cost	\$ 48,807	\$ 50,882	\$ 45,290	\$ 48,125	\$ 46,640	\$ 48,182
Interest	10,311	10,553	10,532	17,764	15,206	22,481
Benefit changes	-	(2,174)	-	2,672	-	(10,435)
Difference between expected and actual experience	-	(12,862)	-	(165,990)	-	(337,400)
Assumption changes	(110,191)	4,531	1,206	33,961	(20,628)	(1,025)
Benefit payments	(9,951)	(14,484)	(10,977)	(15,199)	(11,537)	(10,446)
Net change in Total OPEB Liability	(61,024)	36,446	46,051	(78,667)	29,681	(288,643)
Total OPEB liability-beginning	427,055	390,609	344,558	423,225	393,544	682,187
Total OPEB liability-ending	<u>\$ 366,031</u>	<u>\$ 427,055</u>	<u>\$ 390,609</u>	<u>\$ 344,558</u>	<u>\$ 423,225</u>	<u>\$ 393,544</u>
Covered-employee payroll	\$ 7,673,708	\$ 7,659,543	\$ 7,938,499	\$ 8,130,725	\$ 7,091,413	\$ 7,142,019
Total OPEB liability as a percentage of covered-employee payroll	4.77%	5.58%	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.

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

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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, 2023

	Special Revenue Funds					
	Local Option Gas Tax	Peoples Transportation Tax	Peoples Transportation Tax, District Transit	State Forfeiture Fund	Federal Forfeiture Fund	Art in Public Places Trust
ASSETS						
Cash and cash equivalents	\$ 496,715	\$ 1,540,877	\$ 286,175	\$ 42,849	\$ 376,273	\$ 18,000
Receivables	-	158,227	14,941	-	-	-
Total assets	<u>\$ 496,715</u>	<u>\$ 1,699,104</u>	<u>\$ 301,116</u>	<u>\$ 42,849</u>	<u>\$ 376,273</u>	<u>\$ 18,000</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 311,107	\$ 15,244	\$ -	\$ 1,060	\$ -
Total liabilities	<u>-</u>	<u>311,107</u>	<u>15,244</u>	<u>-</u>	<u>1,060</u>	<u>-</u>
Deferred inflows of resources:						
Unavailable revenues	-	59,763	14,941	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>59,763</u>	<u>14,941</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted for:						
Transportation projects	496,715	1,328,234	270,931	-	-	-
Law enforcement	-	-	-	42,849	375,213	-
Public art program	-	-	-	-	-	18,000
Total fund balances	<u>496,715</u>	<u>1,328,234</u>	<u>270,931</u>	<u>42,849</u>	<u>375,213</u>	<u>18,000</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 496,715</u>	<u>\$ 1,699,104</u>	<u>\$ 301,116</u>	<u>\$ 42,849</u>	<u>\$ 376,273</u>	<u>\$ 18,000</u>

CITY OF SOUTH MIAMI, FLORIDA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Tree Trust Fund	Grants Fund	Park Impact Fees Fund	Stormwater Drain Trust Fund	Debt Service Fund	
ASSETS						
Cash and cash equivalents	\$ 151,721	\$ 606,491	\$ 1,154,843	\$ 476,140	\$ 541	\$ 5,150,625
Receivables	-	85,836	-	2,235	149,633	410,872
Total assets	<u>\$ 151,721</u>	<u>\$ 692,327</u>	<u>\$ 1,154,843</u>	<u>\$ 478,375</u>	<u>\$ 150,174</u>	<u>\$ 5,561,497</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,411
Unearned revenue	-	30,904	-	-	149,632	180,536
Total liabilities	<u>-</u>	<u>30,904</u>	<u>-</u>	<u>-</u>	<u>149,632</u>	<u>507,947</u>
Deferred inflows of resources:						
Unavailable revenues	-	-	-	-	-	74,704
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,704</u>
Fund balances:						
Restricted for:						
Park improvements	-	-	1,154,843	-	-	1,154,843
Grant projects	-	661,423	-	-	-	661,423
Stormwater management	-	-	-	478,375	-	478,375
Transportation projects	-	-	-	-	-	2,095,880
Law enforcement	-	-	-	-	-	418,062
Debt service	-	-	-	-	542	542
Public art program	-	-	-	-	-	18,000
Committed for:						
Tree projects	151,721	-	-	-	-	151,721
Total fund balances	<u>151,721</u>	<u>661,423</u>	<u>1,154,843</u>	<u>478,375</u>	<u>542</u>	<u>4,978,846</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 151,721</u>	<u>\$ 692,327</u>	<u>\$ 1,154,843</u>	<u>\$ 478,375</u>	<u>\$ 150,174</u>	<u>\$ 5,561,497</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, 2023

	Special Revenue Funds					
	Local Option Gas Tax	Peoples Transportation Tax	Peoples Transportation Tax, District Transit	State Forfeiture Fund	Federal Forfeiture Fund	Art in Public Places Trust
REVENUES						
Intergovernmental	\$ 71,752	\$ 591,479	\$ 147,870	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	18,000
Fines and forfeitures	-	-	-	-	24,131	-
Interest income	17,765	65,181	-	1,760	17,914	-
Miscellaneous	-	-	-	-	914	-
Total revenues	<u>89,517</u>	<u>656,660</u>	<u>147,870</u>	<u>1,760</u>	<u>42,959</u>	<u>18,000</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	-	105,265	-
Highways and roads	-	-	76,706	-	-	-
Debt Service						
Principal	-	-	-	-	35,195	-
Capital outlay	-	848,060	-	-	77,118	-
Total expenditures	<u>-</u>	<u>848,060</u>	<u>76,706</u>	<u>-</u>	<u>217,578</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>89,517</u>	<u>(191,400)</u>	<u>71,164</u>	<u>1,760</u>	<u>(174,619)</u>	<u>18,000</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt - SBITA	-	-	-	-	68,320	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,320</u>	<u>-</u>
Net change in fund balances	<u>89,517</u>	<u>(191,400)</u>	<u>71,164</u>	<u>1,760</u>	<u>(106,299)</u>	<u>18,000</u>
Fund balances - beginning	<u>407,198</u>	<u>1,519,634</u>	<u>199,767</u>	<u>41,089</u>	<u>481,512</u>	<u>-</u>
Fund balances - ending	<u>\$ 496,715</u>	<u>\$ 1,328,234</u>	<u>\$ 270,931</u>	<u>\$ 42,849</u>	<u>\$ 375,213</u>	<u>\$ 18,000</u>

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Tree Trust Fund	Grants Fund	Park Impact Fees Fund	Stormwater Drain Trust Fund	Debt Service Fund	
REVENUES						
Taxes:						
Utility taxes	\$ -	\$ -	\$ -	\$ 1,052	\$ -	\$ 1,052
Licenses and permits	52,604	-	1,031,777	-	-	1,084,381
Intergovernmental	-	106,220	-	383,572	-	1,300,893
Charges for services	-	-	-	-	-	18,000
Fines and forfeitures	-	-	-	-	-	24,131
Grants, contributions and donations	-	14,850	-	-	-	14,850
Interest income	-	-	19,302	20,294	-	142,216
Miscellaneous	-	-	-	-	333,019	333,933
Total revenues	52,604	121,070	1,051,079	404,918	333,019	2,919,456
EXPENDITURES						
Current:						
General government	5,405	-	-	-	-	5,405
Public safety	-	-	-	-	-	105,265
Highways and roads	-	106,220	-	156,508	-	339,434
Culture and recreation	-	32,748	-	-	-	32,748
Debt Service						
Principal	-	-	-	-	861,000	896,195
Interest and other charges	-	-	-	-	189,056	189,056
Capital outlay	-	(17,898)	246,922	-	-	1,154,202
Total expenditures	5,405	121,070	246,922	156,508	1,050,056	2,722,305
Excess (deficiency) of revenues over (under) expenditures	47,199	-	804,157	248,410	(717,037)	197,151
OTHER FINANCING SOURCES (USES)						
Issuance of debt - SBITA	-	-	-	-	-	68,320
Transfers in	-	-	-	-	717,174	717,174
Transfers out	-	-	-	(150,000)	-	(150,000)
Total other financing sources (uses)	-	-	-	(150,000)	717,174	635,494
Net change in fund balances	47,199	-	804,157	98,410	137	832,645
Fund balances - beginning	104,522	661,423	350,686	379,965	405	4,146,201
Fund balances - ending	\$ 151,721	\$ 661,423	\$ 1,154,843	\$ 478,375	\$ 542	\$ 4,978,846

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - LOCAL OPTION GAS TAX
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 69,248	\$ 69,248	\$ 71,752	\$ 2,504
Investment earnings	-	-	17,765	17,765
Total revenues	<u>69,248</u>	<u>69,248</u>	<u>89,517</u>	<u>20,269</u>
EXPENDITURES				
Capital Outlay	100,000	200,000	-	200,000
Total expenditures	<u>100,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,752)</u>	<u>(130,752)</u>	<u>89,517</u>	<u>220,269</u>
Net change in fund balance	<u>(30,752)</u>	<u>(130,752)</u>	<u>89,517</u>	<u>220,269</u>
Fund balances - beginning			<u>407,198</u>	
Fund balances - ending			<u><u>\$ 496,715</u></u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEOPLES TRANSPORTATION TAX
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 435,000	\$ 435,000	\$ 591,479	\$ 156,479
Investment earnings	-	-	65,181	65,181
Total revenues	<u>435,000</u>	<u>435,000</u>	<u>656,660</u>	<u>221,660</u>
EXPENDITURES				
Capital Outlay	1,195,500	1,830,978	848,060	982,918
Total expenditures	<u>1,195,500</u>	<u>1,830,978</u>	<u>848,060</u>	<u>982,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(760,500)</u>	<u>(1,395,978)</u>	<u>(191,400)</u>	<u>1,204,578</u>
Net change in fund balance	<u>(760,500)</u>	<u>(1,395,978)</u>	<u>(191,400)</u>	<u>1,204,578</u>
Fund balances - beginning			<u>1,519,634</u>	
Fund balances - ending			<u><u>\$ 1,328,234</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 108,000	\$ 108,000	\$ 147,870	\$ 39,870
Total revenues	108,000	108,000	147,870	39,870
EXPENDITURES				
Current:				
Public works	182,926	182,926	76,706	106,220
Total expenditures	182,926	182,926	76,706	106,220
Excess (deficiency) of revenues over (under) expenditures	(74,926)	(74,926)	71,164	146,090
Net change in fund balance	(74,926)	(74,926)	71,164	146,090
Fund balances - beginning			199,767	
Fund balances - ending			<u>\$ 270,931</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT PROGRAM FUND
CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital Outlay	4,470,508	6,582,171	2,354,829	4,227,342
Total expenditures	4,470,508	6,582,171	2,354,829	4,227,342
Excess (deficiency) of revenues over (under) expenditures	(4,470,508)	(6,582,171)	(2,354,829)	4,227,342
OTHER FINANCING SOURCES (USES)				
Transfers in	3,158,994	3,158,994	3,158,994	-
Total other financing sources and uses	3,158,994	3,158,994	3,158,994	-
Net change in fund balance	(1,311,514)	(3,423,177)	804,165	4,227,342
Fund balances - beginning			1,829,564	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - STATE FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,760	\$ 1,760
Total revenues	-	-	1,760	1,760
EXPENDITURES				
Current:				
Public Safety	30,000	30,000	-	30,000
Total expenditures	30,000	30,000	-	30,000
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	1,760	31,760
Net change in fund balance	(30,000)	(30,000)	1,760	31,760
Fund balances - beginning			41,089	
Fund balances - ending			<u>\$ 42,849</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - FEDERAL FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fees and fines	\$ -	\$ -	\$ 24,131	\$ 24,131
Investment earnings	-	-	17,914	17,914
Miscellaneous	-	-	914	914
Total revenues	<u>-</u>	<u>-</u>	<u>42,959</u>	<u>42,959</u>
EXPENDITURES				
Current:				
Public Safety	438,278	438,278	105,265	333,013
Debt Service:				
Principal	-	-	35,195	(35,195)
Capital Outlay	-	-	77,118	(77,118)
Total expenditures	<u>438,278</u>	<u>438,278</u>	<u>217,578</u>	<u>220,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(438,278)</u>	<u>(438,278)</u>	<u>(174,619)</u>	<u>263,659</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt - SBITA	-	-	68,320	(68,320)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>68,320</u>	<u>(68,320)</u>
Net change in fund balance	<u>(438,278)</u>	<u>(438,278)</u>	<u>(106,299)</u>	<u>195,339</u>
Fund balances - beginning			<u>481,512</u>	
Fund balances - ending			<u>\$ 375,213</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - TREE TRUST FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 52,604	\$ 52,604
Total revenues	-	-	52,604	52,604
EXPENDITURES				
Current:				
General government	25,000	50,000	5,405	44,595
Total expenditures	25,000	50,000	5,405	44,595
Excess (deficiency) of revenues over (under) expenditures	(25,000)	(50,000)	47,199	97,199
Net change in fund balance	(25,000)	(50,000)	47,199	97,199
Fund balances - beginning			104,522	
Fund balances - ending			<u>\$ 151,721</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GRANTS FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 106,220	\$ 106,220	\$ 106,220	\$ -
Grants, Contributions and Donations	544,980	554,293	14,850	(539,443)
Total revenues	<u>651,200</u>	<u>660,513</u>	<u>121,070</u>	<u>(539,443)</u>
EXPENDITURES				
Current:				
Public works	127,905	140,308	106,220	34,088
Culture and recreation	-	9,313	32,748	(23,435)
Capital Outlay	459,421	510,892	(17,898)	528,790
Total expenditures	<u>587,326</u>	<u>660,513</u>	<u>121,070</u>	<u>539,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>63,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning			<u>661,423</u>	
Fund balances - ending			<u>\$ 661,423</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PARKS IMPACT FEES FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 1,031,777	\$ 1,031,777
Investment earnings	-	-	19,302	19,302
Total revenues	-	-	1,051,079	1,051,079
EXPENDITURES				
Capital Outlay	-	501,702	246,922	254,780
Total expenditures	-	501,702	246,922	254,780
Excess (deficiency) of revenues over (under) expenditures	-	(501,702)	804,157	1,305,859
Net change in fund balance	-	(501,702)	804,157	1,305,859
Fund balances - beginning			350,686	
Fund balances - ending			<u>\$ 1,154,843</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - STORMWATER DRAIN TRUST FUND
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales and miscellaneous taxes	\$ -	\$ -	\$ 1,052	\$ 1,052
Intergovernmental	365,000	365,000	383,572	18,572
Investment earnings	-	-	20,294	20,294
Total revenues	<u>365,000</u>	<u>365,000</u>	<u>404,918</u>	<u>39,918</u>
EXPENDITURES				
Current:				
Public works	<u>203,513</u>	<u>226,831</u>	<u>156,508</u>	<u>70,323</u>
Total expenditures	<u>203,513</u>	<u>226,831</u>	<u>156,508</u>	<u>70,323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>161,487</u>	<u>138,169</u>	<u>248,410</u>	<u>110,241</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 and uses	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	<u>11,487</u>	<u>(11,831)</u>	<u>98,410</u>	<u>110,241</u>
Fund balances - beginning			<u>379,965</u>	
Fund balances - ending			<u>\$ 478,375</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 333,019	\$ 333,019	\$ 333,019	\$ -
Total revenues	<u>333,019</u>	<u>333,019</u>	<u>333,019</u>	<u>-</u>
EXPENDITURES				
Debt Service:				-
Principal	861,000	861,000	861,000	-
Interest and other charges	189,594	189,594	189,056	538
Total expenditures	<u>1,050,594</u>	<u>1,050,594</u>	<u>1,050,056</u>	<u>538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(717,575)</u>	<u>(717,575)</u>	<u>(717,037)</u>	<u>538</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	717,174	717,174	717,174	-
Total other financing sources and uses	<u>717,174</u>	<u>717,174</u>	<u>717,174</u>	<u>-</u>
Net change in fund balance	<u>(401)</u>	<u>(401)</u>	<u>137</u>	<u>538</u>
Fund balances - beginning			<u>405</u>	
Fund balances - ending			<u>\$ 542</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - EMERGENCY RESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 25,479	\$ 25,479
Investment earnings	-	-	271,676	271,676
Total revenues	-	-	297,155	297,155
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	297,155	297,155
Net change in fund balance	-	-	297,155	297,155
Fund balances - beginning			6,330,468	
Fund balances - ending			<u>\$ 6,627,623</u>	

CITY OF SOUTH MIAMI, FLORIDA
BUDGETARY COMPARISON SCHEDULE - PEDESTRIAN CROSSING ACQUISITION,
DEVELOPMENT, OPERATION, & MAINTENANCE TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<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	-	135,704	135,704	-
Total expenditures	-	135,704	135,704	-
Excess (deficiency) of revenues over (under) expenditures	-	(135,704)	(135,704)	-
Net change in fund balance	-	(135,704)	(135,704)	-
Fund balances - beginning			135,704	
Fund balances - ending			\$ -	

PENSION TRUST FUNDS

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

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

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,365,427	\$ 165,983	\$ 1,531,410
Receivables:			
Employer contribution	33,842	-	33,842
Dividends and interest	95,968	-	95,968
Section 185 contribution	79,228	-	79,228
Pending trades receivable	23,798	-	23,798
Other receivables	12,621	-	12,621
Total receivables	<u>245,457</u>	<u>-</u>	<u>245,457</u>
Investments at fair value:			
Real estate holdings	6,490,660	-	6,490,660
U.S. Government and agency securities	5,578,569	-	5,578,569
Corporate obligations	5,386,640	-	5,386,640
Mutual funds:			
Equity	34,001,207	429,299	34,430,506
Fixed income	-	239,601	239,601
Total investments	<u>51,457,076</u>	<u>668,900</u>	<u>52,125,976</u>
Other assets:			
Prepaid expenses	4,233	-	4,233
Total assets	<u>\$ 53,072,193</u>	<u>\$ 834,883</u>	<u>\$ 53,907,076</u>
LIABILITIES			
Accounts payable	\$ 53,699	\$ -	\$ 53,699
Pending trades payable	64,906	693	65,599
Minimum funding liability	-	79,228	79,228
Total liabilities	<u>118,605</u>	<u>79,921</u>	<u>198,526</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 52,953,588</u>	<u>\$ 754,962</u>	<u>\$ 53,708,550</u>

CITY OF SOUTH MIAMI, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 652,018	\$ -	\$ 652,018
Employees	429,588	-	429,588
Section 185 contributions	79,228	165,196	244,424
Total contributions	<u>1,160,834</u>	<u>165,196</u>	<u>1,326,030</u>
Investment earnings:			
Net appreciation in fair value of investments	3,775,498	72,207	3,847,705
Interest and dividends	1,398,019	23,517	1,421,536
Total investment earnings	<u>5,173,517</u>	<u>95,724</u>	<u>5,269,241</u>
Less: investment expense	<u>220,181</u>	<u>4,875</u>	<u>225,056</u>
Net investment earnings	<u>4,953,336</u>	<u>90,849</u>	<u>5,044,185</u>
Total additions	<u>6,114,170</u>	<u>256,045</u>	<u>6,370,215</u>
DEDUCTIONS			
Participant benefit payments	\$ 1,918,422	\$ 87,148	\$ 2,005,570
Refund of contributions	111,406	-	111,406
Minimum benefit funding	-	79,228	79,228
DROP distributions	126,966	-	126,966
Administrative expenses	190,550	28,127	218,677
Total deductions	<u>2,347,344</u>	<u>194,503</u>	<u>2,541,847</u>
Change in net position	3,766,826	61,542	3,828,368
Net position restricted for pension			
Net position - beginning as previously reported	<u>49,186,762</u>	<u>693,420</u>	<u>49,880,182</u>
Net position - end of year	<u>\$ 52,953,588</u>	<u>\$ 754,962</u>	<u>\$ 53,708,550</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of South Miami, Florida's annual comprehensive 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.

73-76

Revenue Capacity

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

77-80

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.

81-84

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.

85-86

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.

87-89

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 26,306	\$ 26,819	\$ 27,343	\$ 28,360	\$ 29,407	\$ 29,928	\$ 29,893	\$ 31,413	\$ 32,405	\$ 33,966
Restricted	5,963	5,280	5,208	5,424	6,174	6,060	3,947	4,556	4,042	8,288
Unrestricted	<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>19,251</u>	<u>23,574</u>	<u>29,048</u>
Total governmental activities net position	<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>\$ 55,220</u>	<u>\$ 60,020</u>	<u>\$ 71,302</u>

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

Table 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES:										
Governmental activities:										
General government	\$ 4,512	\$ 3,480	\$ 4,373	\$ 5,029	\$ 4,683	\$ 6,071	\$ 4,956	\$ 5,372	\$ 5,610	\$ 4,777
Public safety	6,906	7,362	7,613	7,746	7,148	7,327	10,097	8,077	7,525	6,122
Public works	3,708	4,068	4,166	3,420	4,651	4,371	3,729	4,350	4,880	4,717
Community services	999	712	985	948	635	1,221	1,475	-	-	-
Culture and recreation	1,772	2,096	2,082	2,135	2,336	2,587	2,301	2,335	2,671	3,392
Interest on long-term debt	775	586	531	494	464	447	544	137	253	194
Total governmental activities expenses	18,672	18,304	19,750	19,772	19,917	22,024	23,102	20,271	20,939	19,201
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	1,098	1,176	1,210	949	966	766	1,324	1,160	1,633	3,186
Public safety	3,913	3,882	3,808	3,544	3,686	3,468	2,643	3,317	4,217	5,694
Public works	36	28	32	30	29	4	-	-	-	-
Community services	-	-	35	40	36	26	11	-	-	-
Culture and recreation	-	-	210	241	185	223	154	180	239	247
Interest on long-term debt	406	390	284	294	346	431	-	-	-	-
Operating and capital grants and contributions	631	267	492	272	283	593	3,923	2,380	1,697	1,156
Total governmental activities program revenues	6,084	5,743	6,071	5,370	5,531	5,511	8,055	7,038	7,786	10,282
Net (expense)/revenue: Governmental activities	(12,588)	(12,561)	(13,679)	(14,402)	(14,386)	(16,513)	(15,047)	(13,232)	(13,153)	(8,919)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes:										
Property taxes	6,406	6,598	6,989	7,643	8,090	8,650	8,999	8,392	8,711	8,968
Utility taxes	2,167	2,182	2,112	2,111	2,180	2,170	2,089	2,110	2,204	2,424
Business taxes	613	676	705	679	667	657	677	646	671	676
Franchise taxes	1,641	1,896	1,951	2,174	2,156	2,177	2,116	2,309	2,661	2,950
Service concession arrangement	377	393	405	419	439	324	708	660	311	190
Interest income (unrestricted)	154	149	162	183	273	329	312	314	278	1,403
Intergovernmental (unrestricted)	3,770	2,683	2,710	2,743	2,666	2,688	2,387	2,682	3,197	3,388
Other	427	254	338	665	439	543	474	212	263	203
Extraordinary item- Judgment	-	-	-	(1,025)	-	-	-	-	-	-
Total governmental activities	15,555	14,831	15,372	15,592	16,910	17,538	17,762	17,324	18,297	20,201
CHANGES IN NET POSITION: Governmental activities	\$ 2,967	\$ 2,270	\$ 1,693	\$ 1,190	\$ 2,524	\$ 1,025	\$ 2,715	\$ 4,092	\$ 5,143	\$ 11,282

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund:										
Nonspendable	\$ 242	\$ 251	\$ 248	\$ 294	\$ 277	\$ 284	\$ -	\$ -	\$ -	\$ -
Committed	1,717	4,579	4,893	4,809	4,072	4,167	6,327	6,531	7,866	8,028
Assigned	3,957	1,628	2,361	4,158	1,871	-	-	-	-	-
Unassigned	<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>	<u>10,959</u>	<u>13,617</u>
Total General Fund	<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>	<u>\$ 18,825</u>	<u>\$ 21,645</u>
All other governmental funds:										
Nonspendable	\$ 71	\$ 71	\$ 75	\$ 74	\$ 73	\$ 73	\$ -	\$ -	\$ -	\$ -
Restricted	5,963	5,324	5,208	5,425	5,932	6,060	3,947	4,556	4,073	5,076
Committed	22	28	48	60	77	51	60	79	105	152
Assigned	355	839	816	1,587	-	1,044	1,452	791	1,830	2,634
Unassigned	<u>-</u>	<u>(149)</u>	<u>(134)</u>	<u>(132)</u>	<u>(67)</u>	<u>(61)</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 6,007</u>	<u>\$ 7,862</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES:										
Taxes and franchise fees	\$ 8,660	\$ 9,170	\$ 9,645	\$ 10,496	\$ 9,820	\$ 10,419	\$ 10,749	\$ 10,053	\$ 10,695	\$ 11,132
Charges for services	2,857	2,949	2,809	2,536	3,464	3,437	2,647	3,610	4,135	5,610
Utility taxes	2,167	2,182	2,112	2,111	2,180	2,170	2,089	2,110	2,204	2,424
Intergovernmental	4,309	2,836	3,069	2,972	2,809	3,142	6,195	4,699	4,777	4,304
Licenses and permits	1,099	1,176	1,194	927	939	732	1,288	1,132	1,618	3,131
Fines and forfeitures	849	995	1,076	1,104	1,403	1,169	1,084	1,283	1,449	1,621
Interest income	145	157	162	183	273	329	312	314	278	1,403
Rents and royalties	1,026	768	1,057	1,000	1,013	1,008	881	210	247	225
Other	519	349	386	665	549	651	613	959	774	663
Total revenues	21,631	20,582	21,510	21,994	22,450	23,057	25,858	24,370	26,177	30,514
EXPENDITURES:										
General government	3,684	3,638	3,720	4,316	4,614	3,961	4,185	6,005	5,124	4,942
Public safety	6,564	7,043	7,089	7,548	8,407	7,784	10,009	7,822	8,224	8,950
Public works	3,252	3,242	3,318	3,211	3,682	3,661	3,206	2,744	3,777	4,206
Community services	970	683	636	594	615	577	1,322	-	-	-
Culture and recreation	1,674	1,994	1,973	2,027	2,118	2,256	1,996	1,680	2,326	2,617
Debt service:										
Principal	1,078	6,064	853	742	836	774	5,658	784	832	896
Interest and fiscal charges	695	645	485	458	430	398	495	216	218	189
Capital outlay:										
Capital outlay (capitalized)	2,246	765	1,072	1,513	1,469	2,620	1,239	2,161	1,600	2,377
Capital outlay (not capitalized)	237	636	1,221	739	965	1,692	973	974	1,642	1,788
Total expenditures	20,401	24,710	20,368	21,148	23,136	23,723	29,083	22,386	23,744	25,964
Excess (deficiency) of revenues over expenditures	1,230	(4,128)	1,142	846	(686)	(666)	(3,225)	1,984	2,433	4,550
OTHER FINANCING SOURCES (USES):										
Transfers in	1,008	4,348	1,800	2,629	3,172	2,157	4,645	2,543	3,443	4,026
Transfers out	(1,008)	(4,348)	(1,800)	(2,629)	(3,172)	(2,157)	(4,645)	(2,543)	(3,443)	(4,026)
Issuance of debt	-	-	-	-	-	-	4,988	-	-	125
Payment to bond escrow agent	-	4,948	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	4,948	-	-	-	-	4,988	-	-	125
Net change in fund balances	\$ 1,230	\$ 820	\$ 1,142	\$ 846	\$ (686)	\$ (666)	\$ 1,763	\$ 1,984	\$ 2,433	\$ 4,675
Debt service as a percentage of noncapital expenditures	9.77%	28.02%	6.93%	6.11%	5.84%	5.55%	22.10%	4.94%	4.74%	4.60%

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⁾
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	4.3000	\$ 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%
2022	\$ 2,280,217	\$ 82,764	\$ 2,362,981	3.9999	\$ 2,362,981	100.00%
2023	\$ 2,524,843	\$ 91,432	\$ 2,616,275	3.9500	\$ 2,616,275	100.00%

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

(1) Includes tax exempt property.

(2) Year of levy.

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

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

Table 6

Fiscal Year ⁽²⁾	City of South Miami			Overlapping Rates ⁽¹⁾											Total City-Wide
	Basic Direct Rate	Debt Service Rate	School Millages		Regional Millages			County Wide Millages				Other			
			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	Childrens Trust Authority		
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	
2022	3.9999	-	6.4240	0.1650	0.0327	0.1974	0.0320	4.6202	0.4853	2.3965	0.0000	0.2812	0.5000	19.1342	
2023	3.9500	-	6.5660	0.1330	0.0327	0.1974	0.0288	4.5740	0.4355	2.3965	0.0000	0.2812	0.5000	19.0951	

⁽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
SFWMD*	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

2023 ⁽¹⁾				2014 ⁽¹⁾			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
Scg Atlas Red Road Commons LLC	\$ 78,720	1	3.01%	Bakery Associates, Ltd.	\$ 88,550	1	5.98%
Sunset Opportunities B1 LLC	54,913	2	2.10%	RRC 57th Avenue LLC	43,590	2	2.94%
Asf Ip 6262 Sunset Drive LLC	29,580	3	1.13%	Larkin Community Hospital, Inc.	21,876	3	1.48%
Florida Power & Light Company	27,955	4	1.07%	JW Advance LLC	20,000	4	1.35%
Larkin Community Hospital Inc	237,342	5	9.07%	S. Miami Hospital Dev Fund Inc.	19,800	5	1.34%
Hr Acquisition I Corporation	23,213	6	0.89%	Florida Power & Light Company	15,156	6	1.02%
Tss Phase I LLC	22,760	7	0.87%	South Miami Corp.	15,012	7	1.01%
S Miami Hospital Dev Fund Inc	21,544	8	0.82%	Kimco South Miami	13,315	8	0.90%
Mhs Real Estate Capital LLC	17,976	9	0.69%	Capstone Capital Trust, Inc.	13,200	9	0.89%
Kimco South Miami 634 Inc	17,441	10	0.67%	HTA Sunset LLC	11,293	10	0.76%
	<u>\$ 531,444</u>		<u>20.31%</u>		<u>\$ 261,792</u>		<u>17.68%</u>

Source: ⁽¹⁾ Miami-Dade County Tax Assessors' Office 2023 & 2014 Tax Rolls

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

Table 8

Fiscal Year Ended <u>September 30,</u>	Total Taxes Levied For Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections	
		Amount ⁽²⁾	Percent of Levy		Amount ⁽²⁾	Percent of Levy
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%
2022	\$ 9,452	\$ 8,593	90.9%	\$ 118	\$ 8,711	92.2%
2023	\$ 10,334	\$ 8,833	85.5%	\$ 135	\$ 8,968	86.8%

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

(2) Provided by City of South Miami Finance Dept

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

Table 9

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Revenue Bonds	Notes Payable	Capital Leases			
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
2022	\$ 7,537	\$ -	\$ -	\$ 7,537	4.36%	\$ 0.6234
2023	\$ 6,676	\$ -	\$ -	\$ 6,676	3.65%	\$ 0.5572

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	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
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
2022	\$ 7,537	\$ -	\$ 7,537	0.32%	\$ 0.623
2022	\$ 6,676	\$ -	\$ 6,676	0.26%	\$ 0.557

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, 2023
 (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	\$ 4,909,773	0.625%	\$ 30,672
Miami-Dade County School Board	<u>2,988,205</u>	0.625%	<u>18,668</u>
Subtotal overlapping debt	7,897,978		49,339
City of South Miami direct debt	<u>7,537</u>	100.00%	<u>7,537</u>
Total direct and overlapping debt	\$ <u><u>7,905,515</u></u>		\$ <u><u>56,876</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.
 - 4 2023 Data not available at the time of preparation.

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

Table 12

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 222,090	\$ 235,612	\$ 253,862	\$ 268,982	\$ 287,725	\$ 298,061	\$ 310,970	\$ 316,271	\$ 354,447	\$ 392,441
Total net debt applicable to limit	<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>	<u>7,537</u>	<u>6,676</u>
Legal debt margin	<u>\$ 209,465</u>	<u>\$ 222,797</u>	<u>\$ 241,775</u>	<u>\$ 257,617</u>	<u>\$ 277,128</u>	<u>\$ 288,238</u>	<u>\$ 301,817</u>	<u>\$ 307,902</u>	<u>\$ 346,910</u>	<u>\$ 385,765</u>
Total net debt applicable to the limit as a percentage of debt limit	5.68%	5.44%	4.76%	4.23%	3.68%	3.30%	2.94%	2.65%	2.13%	1.70%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed valuation of taxable real and personal property	\$ <u>2,616,275</u>
Bonded debt limit - 15% of assessed value	\$ 392,441
Total ad valorem debt - Revenue Bonds	<u>\$ 6,676</u>
Amount of debt applicable	<u>6,676</u>
Legal debt margin	<u>\$ 385,765</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 ⁽¹⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
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
2022	12,090	\$ 172,679	\$ 64,849	39.2	2,273	1.9
2023	11,981	\$ 183,106	\$ 68,481	39.6	2,211	1.5

Source: ⁽¹⁾ Bureau of Economic and Business Research - University of Florida & United States Census Bureau

⁽²⁾ U.S. Department of Commerce, Bureau of Economic Analysis

⁽³⁾ National Center for Education Statistics/CCD Public school data 2022-2023 school year

⁽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	2023 ¹			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	39,959	1	2.91%	33,477	1	2.61%
Miami-Dade County, Florida	27,862	2	2.03%	25,502	2	1.99%
University of Miami	19,996	3	1.46%	12,818	5	1.00%
Publix Super Markets	12,524	4	0.91%	4,604	9	0.36%
Jackson Health System	12,173	5	0.89%	9,797	8	0.76%
American Airlines	11,102	6	0.81%	11,031	7	0.86%
Miami-Dade College	7,111	7	0.52%			
Florida International University	6,608	8	0.48%	3,534	11	0.28%
United States Postal Service	5,134	9	0.37%			
Baptist Health South Florida	5,133	10	0.37%	11,353	6	0.88%
Federal Government	-		-	19,200	3	1.50%
Florida State Government	-		-	17,100	4	1.33%
City of Miami	-		-	3,997	10	0.31%
	<u>147,602</u>		<u>10.75%</u>	<u>152,413</u>		<u>11.87%</u>

Source: ¹Miami-Dade County Annual Comprehensive Financial Report FY2023. Information is based on data from year 2021. The data for 2023 is not available as of the date of this report.
 Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research
 The Beacon Council, Miami, Florida.

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

Table 15

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
FUNCTION:										
General government	21	21	31	31	27	28	25	21	22	20
Public safety:										
Police:										
Officers	50	52	54	52	52	52	52	49	49	50
Civilians	9	9	7	7	8	7	7	5	5	7
Building and zoning	4	4	4	4	4	4	4	6	3	4
Public works	17	17	19	20	17	16	14	13	13	14
Recreation and social services	10	10	18	13	14	14	13	13	13	14
Sanitation	11	11	10	10	10	9	8	8	8	9
Total	<u>122</u>	<u>124</u>	<u>143</u>	<u>137</u>	<u>132</u>	<u>130</u>	<u>123</u>	<u>115</u>	<u>113</u>	<u>118</u>

Source: City of South Miami Personnel Division

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

Table 16

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Number of calls answered	10,409	10,416	12,964	13,265	15,259	16,315	13,650	13,218	12,138	12,871
Number of arrests	463	413	419	352	293	265	477	269	338	230
Number of law enforcement officers	50	52	52	52	52	52	52	48.5	42.5	46.0
Building and zoning:										
Number of building permits issued	1,447	1,258	1,610	1,480	1,484	1,469	1,122	1,367	1,378	1,312
License/permit revenue generated	\$ 1,710,597	\$ 1,852,375	\$ 1,898,843	\$ 1,605,602	\$ 1,605,559	\$ 1,389,198	\$ 1,964,509	\$ 1,777,095	\$ 2,304,425	\$ 3,835,154
Occupational licenses issued	3,372	3,381	3,301	3,201	3,255	3,211	3,232	3,300	3,275	3,285
Culture and recreation:										
Number of senior meals served	24,968	25,269	25,109	26,432	27,024	27,216	27,630	24,740	24,740	21,006
Recreation revenues collected	\$ 260,017	\$ 194,363	\$ 488,976	\$ 548,961	\$ 597,131	\$ 609,187	\$ 535,819	\$ 736,292	\$ 852,365	\$ 910,469
Sanitation:										
Refuse collected (tons per month)	840	886	914	945	984	1,020	1,038	1,190	1,020	1,248

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	64	64	65	68	62	64	66	66	60	65
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	14	14	15	15	15	16	17	17	17	17
Tennis courts	10	10	10	10	10	10	10	10	10	10
Baseball/football fields	7	7	7	7	7	7	7	7	7	7
Sanitation:										
Number of collection trucks	14	14	14	14	14	14	14	14	14	14

Sources: Various City departments

Note: Indicators are not available for the general government function

COMPLIANCE SECTION



Accountants
Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Miami, Florida, (the City) as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 26, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of South Miami, Florida's (the "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2023. City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 26, 2024

CITY OF SOUTH MIAMI, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Passthrough Entity Identifying Number	Expenditures
<i>CDBG - Entitlement Grants -Cluster</i>			
<i>U.S. Department of Housing and Urban Development</i>			
Community Development Block Grants/Entitlement Grants	14.218	64-19-15336	9,313
Community Development Block Grants/Entitlement Grants	14.218		\$ 23,434
<i>Total U.S. Department of Housing and Urban Development</i>			<u>32,747</u>
<i>Total CDBG - Entitlement Grants -Cluster</i>			<u>32,747</u>
<i>Other Programs</i>			
<i>U.S. Department of Justice</i>			
Equitable Sharing Program (Non-treasury)	16.922	N/A	149,257
<i>Total U.S. Department of Justice</i>			<u>149,257</u>
<i>U.S. Department of Treasury</i>			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	844,172
<i>Total U.S. Treasury Department</i>			<u>844,172</u>
<i>Total Other Programs</i>			<u>993,429</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,026,176</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, 2023

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, 2023. 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, 2023

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:

<u>Assistance Listing No.</u>	<u>Federal Program or Cluster</u>
21.027	Coronavirus State And Local Fiscal Recovery Funds

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? X Yes _____ No

CITY OF SOUTH MIAMI, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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**

To the 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, 2023 and have issued our report thereon dated March 26, 2024.

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 Accountants' 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 26, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was incorporated on July 10, 1963 under chapter 166 of the Florida Statutes.

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 26, 2024



Accountants

Advisors

**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, 2022 to September 30, 2023. 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, 2022 to September 30, 2023.

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 26, 2024

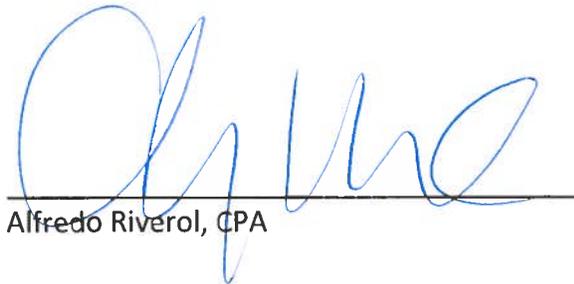


IMPACT FEE AFFIDAVIT

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.

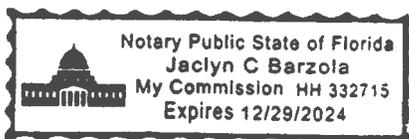
FURTHER AFFIANT SAYETH NAUGHT.

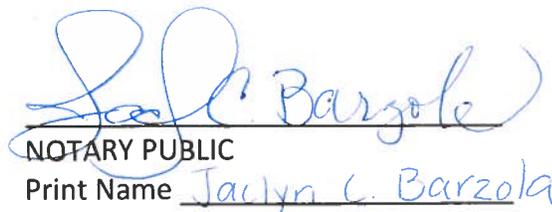


 Alfredo Riverol, CPA

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 12th day of February, 2024.





 NOTARY PUBLIC
 Print Name Jaclyn C. Barzola

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

December 29, 2024