The City of South Miami, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2025

Prepared By:
The Finance Department

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

City of South Miami, Florida

Table of Contents

Introductory Section:

Letter of Transmittal	i-ix
Government Finance Officers Association Certificate of Achievement	x
City Governmental Structure	xi
List of Principal Officials	xii

Financial Section:

Independent Auditor's Report	1-3
Management's Discussion and Analysis (Not Covered by The Independent Auditors' Report)	4-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Funds Balances of Governmental Funds to the Statement of Activities	21
Statement of Fiduciary Net Position – Fiduciary Funds	22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	23
Notes to Basic Financial Statements	24-54

City of South Miami, Florida

Table of Contents

Required Supplementary Information (Unaudited):

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 55-56

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – American Rescue Plan Act Fund 57

Notes to Budgetary Comparison Schedules 58

Retirement System and Other Post Employment Benefit Schedules:

- Schedule of Changes in Net Pension (Asset) Liability and Related Ratios (Unaudited) 59
- Schedule of Contributions (Unaudited) 60
- Schedule of Investment Returns (Unaudited) 61
- Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited) 62

Supplementary Information:

Combining and Individual Financial Statements:

Combining Balance Sheet - Nonmajor Governmental Funds 63

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 64

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Nonmajor Funds 65-77

Combining Statement of Fiduciary Net Position – Fiduciary Funds 78

Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds 79

City of South Miami, Florida

Table of Contents

Statistical Section (Unaudited):

Financial Trends:

Table 1 - Net Position by Component 80

Table 2 - Changes in Net Position 81

Table 3 - Fund Balances of Governmental Funds 82

Table 4 - Changes in Fund Balances of Governmental Funds 83

Revenue Capacity:

Table 5 - Assessed Value and Estimated Value of Taxable Property 84

Table 6 - Direct and Overlapping Property Tax Rates 85

Table 7 - Principal Property Taxpayers 86

Table 8 - Property Tax Levies and Collections 87

Debt Capacity:

Table 9 - Ratios of Outstanding Debt by Type 88

Table 10 - Ratios of General Bonded Debt Outstanding 89

Table 11 - Direct and Overlapping Governmental Activities Debt 90

Table 12 - Legal Debt Margin Information 91

Demographics and Economics Information:

Table 13 - Demographic and Economic Statistics 92

Table 14 - Principal Employers 93

Operating Information:

Table 15 – Full-Time Equivalent City Government Employees by Function 94

Table 16 - Operating Indicators by Function 95

Table 17 - Capital Asset Statistics by Function/Program 96

City of South Miami, Florida

Table of Contents

Compliance Section:

Independent Auditor's 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*	97-98
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General	99-101
Schedule of Expenditures of Federal Awards and State Financial Assistance	102-103
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	104
Schedule of Findings and Questioned Costs	105-106
Management Letter Required by Chapter 10.550 of the *Rules of Auditor General* of the State of Florida	107-109
Independent Accountant's Report on Compliance with Section 218.415 Florida Statutes	110

INTRODUCTORY SECTION

March 30, 2026

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, 2025, 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 Governmental 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 12,386 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 sits in the heart of metropolitan Miami-Dade County and borders several neighboring municipalities. It is close to many of the area's major attractions, and like much of the County, local businesses benefit from strong tourist activity.

The City owns a multi-use public parking garage that was completed in November 2007 and continues to support downtown activity. Adjacent to the South Miami Metrorail Station, Red Road Commons is a major mixed-use development with more than 400 residential units. In late 2025, AvalonBay opened a 10-story mixed use residential development featuring 290 luxury rental apartments above a new Fresh Market grocery store, adding further vitality to the area.

MAJOR INITIATIVES

The City of South Miami kept its property tax millage rate unchanged for Fiscal Year 2025. By holding the line at the same rate adopted for Fiscal Year 2024, the City Commission reaffirmed its commitment to fiscal discipline while remaining mindful of residents and businesses.

The City also received an unmodified opinion on its Fiscal Year 2024 Financial Statements from its independent auditors. That is the highest level of assurance an organization can earn and confirms that the financial statements fairly present the City's financial position in accordance with applicable standards. It reflects steady oversight, careful management, and a finance team that takes its responsibilities seriously.

Public safety reached an important milestone. The South Miami Police Department achieved full sworn staffing for the first time in recent memory, including sponsoring four cadets through the police academy. This level of investment in personnel has not been seen in roughly two decades. The department strengthened officer safety and modernized equipment with the transition to Glock 47 Modular Optic System service weapons and the addition of 40mm less lethal launchers. Officers completed ICAT and de-escalation training across the department, and wellness programming was expanded. The Motorcycle Patrol Unit was reinstated, Axon Body 4 cameras with automated sidearm activation were deployed, and the Fiscal Year 2026 budget includes implementation of SmartCOP's SmartCAD and SmartRMS systems to modernize dispatch and records management.

The Finance Department continued its strong performance by preparing a balanced Fiscal Year 2026 budget and issuing timely financial reports, including the Annual Comprehensive Financial

Report and the Popular Annual Financial Report. The department is also transitioning to the Central Square cloud-based accounting system that will provide greater operational flexibility and reduce reliance on onsite infrastructure.

Public Works and Engineering advanced several infrastructure priorities. Construction began on traffic circles at key intersections, and design moved forward on seven crosswalk improvement projects citywide. Drainage upgrades were completed at SW 76th Terrace, also known as Mango Terrace, with additional work progressing on SW 65th Avenue. The Linking Ludlam study was launched to better connect neighborhood bicycle infrastructure with the Ludlam Trail. Road resurfacing addressed 36% of the needs identified in the Pavement Management Plan, with full completion targeted over the next five years. Facility improvements included waterproofing, elevator repairs, and replacement of aging fleet vehicles to support reliable service delivery before the close of Fiscal Year 2025.

Parks and Recreation completed major capital improvements, including new picnic shelters, LED lighting, and artificial turf soccer fields at South Miami Park. Palmer Park received infield and lighting upgrades, and Marshall Williamson Park added two new pickleball courts. A new restroom and concession facility was under construction at South Miami Park and opened in the beginning of FY 2026. Programming continued to expand with the introduction of a Teen Enrichment Program, a Women's Self-Defense class, and a new Junior Lifeguard Camp. Youth sports participation reached record levels in basketball, volleyball, baseball, soccer, and football. The department also provided sensory friendly programming, senior services, summer camps, and afterschool activities that served families across the community.

The City hosted well-attended community events throughout the year, including the Fourth of July Celebration, Santa's Parade of the Elves, Safe Streets Halloween, the MLK Freedom Breakfast, and the Senior Games. The Second Saturdays in SoMi Night Market drew strong crowds, supported local vendors, and strengthened civic pride. More than 1,500 residents attended the July 4 festivities, and hundreds of families received support through Thanksgiving meals, toy distributions, and back to school supply giveaways.

Communications and Community Affairs led several new engagement efforts, including rebranding Downtown as the SoMi District, launching the Shop SoMi campaign, and rolling out the SoMi Connect mobile app. The team supported outreach for major infrastructure and development projects, produced safety messaging and recruitment materials, and introduced a SoMi District Ambassador to enhance business and visitor relations. New digital tools such as Bludot and Local Intel were deployed to support economic development initiatives.

Looking ahead, the City is finalizing a new strategic plan that aligns departmental goals with measurable outcomes and further embeds the Community of Excellence framework. The accomplishments of Fiscal Year 2025 reflect the dedication of City staff and the steady leadership

of the Mayor and City Commission in strengthening public safety, infrastructure, and quality of life.

South Miami continues to build on its reputation as one of South Florida's most desirable communities. Through disciplined financial management, targeted investment in infrastructure and technology, and a clear focus on residents, the City remains committed to preserving its character and ensuring a vibrant future for years to come.

MAJOR INDUSTRIES AND 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
Agriculture, forestry, fishing and hunting, and mining	10
Construction	355
Manufacturing	154
Wholesale trade	154
Retail trade	529
Transportation and warehousing, and utilities	274
Information	134
Finance and insurance, and real estate and rental and leasing	591
Professional, scientific, and management, and administrative and waste management	1,413
Educational services, and health care and social assistance	1,770
Arts, entertainment, and recreation, and accommodation and food services	774
Other services, except public administration	347
Public administration	179
TOTAL FOR ALL SECTORS	**6,684**

Source: U.S. Census Bureau 2024 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 generally accepted accounting principles ("GAAP") for state and local governments as set forth by the GASB 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 Citrin Cooperman, licensed Certified Public Accountants, audited the City's financial statements and issued their report dated March 30, 2026. 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, 2025, 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, 2025, 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, Citrin Cooperman gained an understanding on the City's comprehensive framework.

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 one defined benefit pension plan, the General Employees' Pension Fund and one defined contribution plan, 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' Defined Benefit 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 defined benefit or defined contribution plan. Also, these new tiers provide for employees hired prior to October 1, 2016, and not already pension member under tier 1, 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, 2024. 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, 2024. 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, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

ACKNOWLEDGEMENTS

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

We express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report, as well as to the various Departments that provided the necessary statistical data. Our thanks and appreciation are also extended to the accounting firm of Citrin Cooperman for their professional approach and high standards in conducting their independent audit of the City's financial records and transactions. As this marks the auditing firm's first year, we extend our gratitude for their dedicated service and commitment to excellence.

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,

Dr. Genaro "Chip" Iglesias, Ed.D., MBA, ICMA-CM
City Manager

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Miami Florida

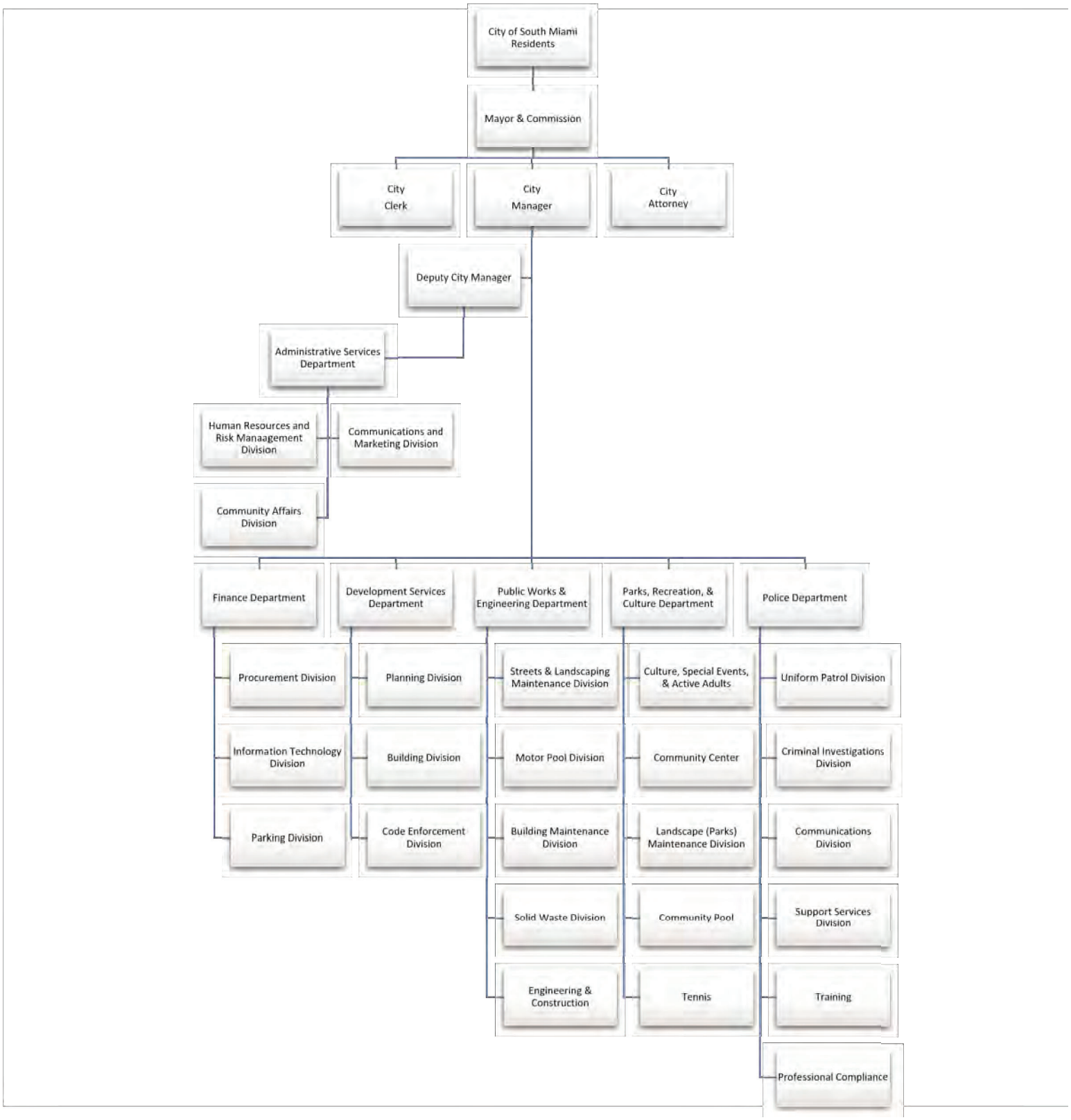
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024



Executive Director/CEO

City of South Miami
City Governmental Structure
September 30, 2025



COMMISSION – MANAGER FORM OF GOVERNMENT

LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS



Mayor
Javier Fernandez



Vice Mayor
Brian Corey



Commissioner
Steve Calle



Commissioner
Lisa Bonich



Commissioner
Daniel Rodriguez

CHARTERED OFFICIALS



City Clerk
Nkenga Payne, CMC



City Manager
Genaro "Chip" Iglesias





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

FINANCIAL SECTION

CITRINCOOPERMAN®

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
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 year ended September 30, 2025, 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, 2025, and the respective changes in its financial position, for the 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 Auditor's 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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Auditor's 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 auditor's 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 the schedules related to pensions and other post-employment benefits, and the budgetary comparison schedules, as listed in the table of contents, 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.

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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 fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Florida Auditor General*, are presented for purposes of additional analysis and are also 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 supplementary information is 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 auditor's 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 30, 2026, 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 the City's internal control over financial reporting and compliance.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
March 30, 2026

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MANAGEMENT DISCUSSION AND ANALYSIS

(NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT)

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"). 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, 2025. 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 highlights of financial activity for the fiscal year ending September 30, 2025:

- The assets of the City are $91,998,212; and the deferred outflows of resources of the City are $3,259,082.
- The liabilities of the City are $12,488,294; and the deferred inflows of resources of the City are $6,384,091.
- The assets and deferred outflows of resources of the City of South Miami exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $76,384,909 (net position). Of this amount, $22,556,884 is unrestricted.
- The City's $38,185,550 in revenues exceeded the $31,116,734 in expenses, providing a $7,068,816 increase in total net position.
- At the end of the current year, fund balance for the General Fund was $16,507,673, or 55% of total general fund operating revenues. Of this amount, $7,243,164 is committed for the Emergency Reserve Fund.
- The current year's unassigned fund balance for the General Fund is $9,264,509, or 31% of total general fund operating revenues.
- The General Fund's fund balance decreased by $3,061,089 for the year ended September 30, 2025.
- The City's total debt, excluding compensated absences, increased by $85,863 and we continue to actuarially fund our defined benefit pension plan.

Overview of 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 nonmajor 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 nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of South Miami's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows or resources, with the difference reported as net position. Over time, increases or decreases in net position 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 a city sponsored single employer defined benefit pension plan, a defined contribution plan under the provision of Chapter 185 of the Florida Statutes and a 401(a) plan for all new general employees who choose to opt-out of the City's defined benefit pension plan. Furthermore, the City provides two voluntary defined contribution plans for all interested employees, a Section 457(b) and Roth IRA plan, which the City does not contribute to. The defined benefit pension plan and the Chapter 185 plan are reported as Fiduciary Funds in the fund financial statements of this report, but is not included in the government-wide statements.

The government-wide financial statements can be found on pages 16 and 17 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 American Rescue Plan Fund, and the Capital Improvements Program 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 schedules are provided for the General Fund, American Rescue Plan Fund and Capital Improvement Program Fund, to demonstrate compliance with the budget. The basic governmental funds financial statements can be found on pages 18 to 21 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 statements 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 full accrual. The basic fiduciary fund financial statements can be found on pages 22 to 23 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 starting on pages 24 to 54 of this report.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report presents required supplementary information, including schedules related to the City of South Miami's pension plans and other post-employment benefits to its employees' pension, and budgetary comparison schedules to the General Fund and American Rescue Plan 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 63 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 financial net position of the City.

Government-Wide Financial Analysis

Summary 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 $76,384,909 in fiscal year 2025 (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 70% of total net position. The largest portion of net position (59%) is net 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 (12%) is restricted for community service, public safety or capital projects. The remaining balance of unrestricted net position ($22,556,884) may be used to meet government's ongoing obligations to citizens and creditors.

Table 1
City of South Miami
Net Position

	Governmental Activities	
	2025	2024
Current and other assets	$ 41,378,095	$ 40,750,713
Capital assets (net)	50,620,117	43,778,598
Total assets	91,998,212	84,529,311
Deferred outflows of resources	3,259,082	5,393,821
Other liabilities	4,435,131	9,164,774
Long term liabilities	8,053,163	8,508,340
Total liabilities	12,488,294	17,673,114
Deferred inflows of resources	6,384,091	2,933,925
Net position:		
Net investment in capital assets	44,770,248	38,141,178
Restricted	9,057,777	5,699,592
Unrestricted	22,556,884	25,475,323
Total net position	$ 76,384,909	$ 69,316,093

At the end of the current fiscal year, the City of South Miami is able to report positive balances in all components of net position. The restricted net position increased in 2025 by $3,358,185, and the unrestricted net position decreased by $2,918,439, due to increase in spending to meet the constituency needs. Capital assets increased by $6,841,519 for the fiscal year. The decrease in current liabilities is due to the recognition of unearned revenue following the completion of several projects and improvements funded through the Coronavirus Aid, Relief, and Economic Security Act. The reduction in long term liabilities is primarily related to changes in the net pension liability.

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 nonrecurring) 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.

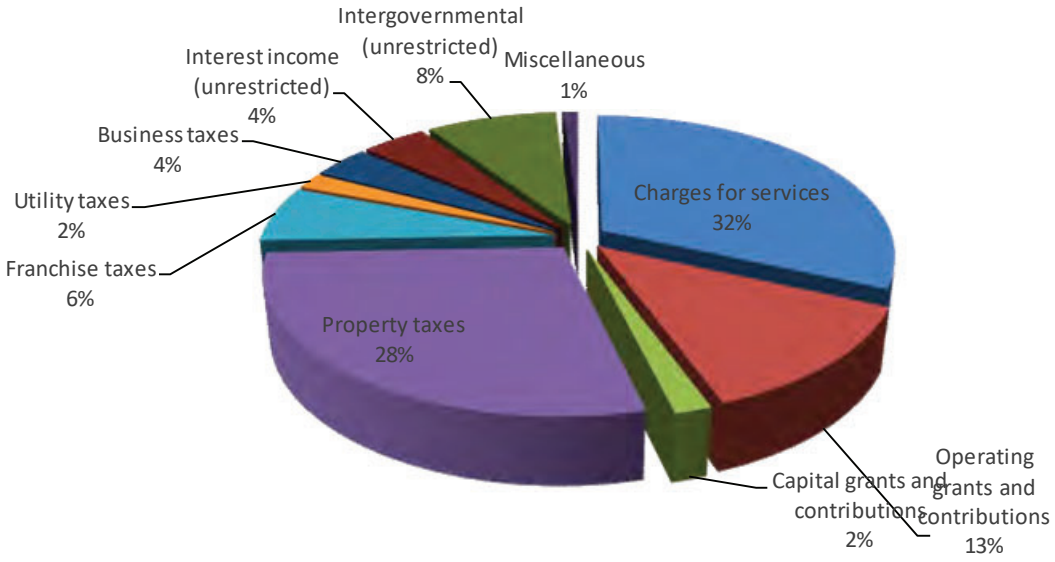
Summary of changes in net position

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 2025 compared to 2024 with the resulting change in net position:

Table 2
City of South Miami
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 12,091,328	$ 10,973,293
Operating grants and contributions	4,865,323	1,080,447
Capital grants and contributions	655,886	49,021
General revenues:		
Property taxes	10,802,911	9,940,743
Utility taxes	2,430,118	2,450,228
Business taxes	691,984	716,795
Franchise fees	1,417,455	1,423,576
Interest income (unrestricted)	1,598,665	2,016,943
Intergovernmental (unrestricted)	3,243,028	3,301,717
Miscellaneous	388,852	632,098
Total revenues	38,185,550	32,584,861
Expenses:		
General government	$ 6,612,769	$ 6,997,422
Public safety	12,141,558	10,410,294
Public works	6,035,084	6,175,042
Culture and recreation	6,090,734	4,428,826
Interest on long-term debt	236,589	135,601
Total expenses	31,116,734	28,147,185
Change in net position	7,068,816	4,437,676
Net position, beginning,	69,316,093	64,878,417
Net position, ending	$ 76,384,909	$ 69,316,093

The City's total revenues increased by 17.2%, to $38,185,550 (see Table 2), mainly due to the increase in Charges for Services, recording of American Rescue Plan Act monies and property taxes, which increased in FY 2025, hence the significant increase. Approximately 28% of the City's revenues come from property taxes, another 8% comes from intergovernmental, 14% from grants and contributions, and 32% from charges for services (see chart that follows). The City's management took major actions in 2025 to improve City revenues and to control expenses.

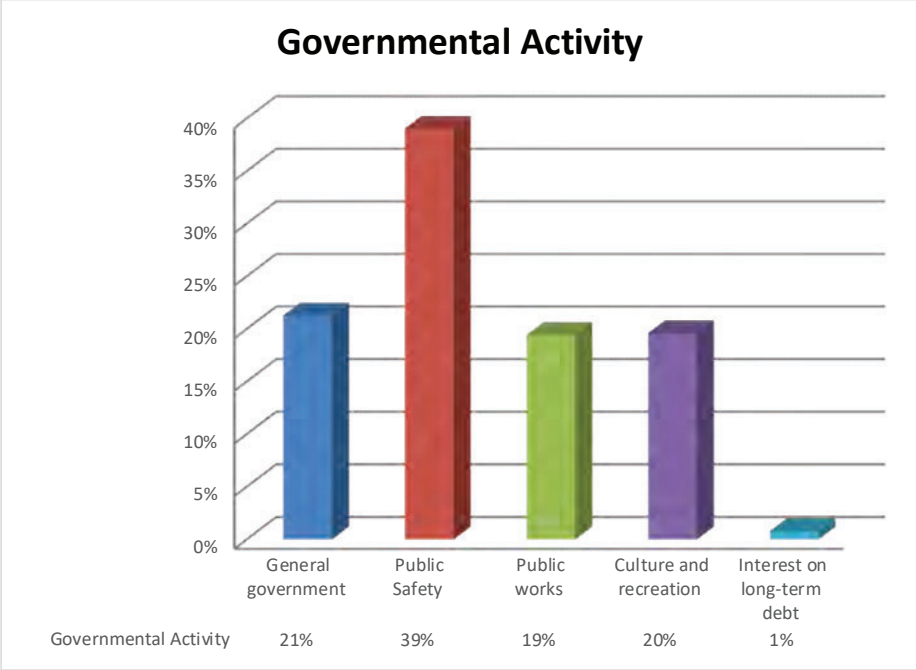


The total cost of all programs and services increased by $2,969,549 or 11% (see Table 2), due to a year of increased government services and capital projects. The City's expenses cover a range of services. As shown in Table 2 above, governmental expenses are largely weighted in three functions, namely the public safety, general government, and Culture & Recreation. At $12,141,558, public safety expense represents 39% of the statement of activities' total expenses for the City in 2025. General government category expense total for 2025 was $6,612,769, or 21% of total expenses. The General government category includes all other City departments except public safety, culture and recreation, public works, and non-departmental. Lastly, Culture & Recreation expended $6,090,734, or 20% of expenses.

The increase in public safety expenses is primarily attributable to the hiring of police officers and increased training. The increase in culture and recreation expenses is due to increased capital projects activity.

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:



The cost of all governmental activities this year, including $236,589 in interest expense on long-term debt, was $31,116,734. Some of that cost was financed by those who directly benefited from the programs through charges for services ($12,091,328) or grants ($5,521,209).

The City financed the remaining $13,504,197 "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 $30,507,545, with the general fund representing $16,507,673. Of the total governmental fund balances, $4,887,224 is restricted, $7,474,811 is committed, $8,881,001 is assigned and $9,264,509 is unassigned fund balance.

The General Fund's fund balance decreased by $3,061,089 after transfers of a net -$6,554,033, of which a great majority went to the Capital Improvements Program Fund, which reflected a $3,718,350 fund balance increase. General fund revenues for 2025 increased substantially due to the increase in the building permit revenue from a large development, favorable investment interest revenue, and property values when compared to 2024. Please refer to the table below and the General Fund Budget Highlights section below for further information.

REVENUES	2025	2024
TAXES		
PROPERTY TAXES	10,802,911	9,940,743
UTILITY TAXES	2,429,542	2,450,228
BUSINESS TAXES	691,984	716,795
FRANCHISE TAXES	1,417,455	1,423,576
LICENSES & PERMITS	2,382,993	3,174,643
INTERGOVERNMENTAL	1,972,487	2,000,530
CHARGES FOR SERVICES	6,315,439	5,593,990
FINES AND FORFEITURES	1,961,874	1,160,601
RENTS & ROYALTIES	293,182	223,432
GRANTS, CONTRIB., & DONATIONS	17,000	338,063
INTEREST INCOME	1,056,613	1,581,083
MISCELLANEOUS	371,607	257,105
TOTAL	**29,713,087**	**28,860,789**

In fiscal year 2025, the City's General Fund had a decrease in fund balance due to the $7,229,866 transfer to the Capital Improvement Program Fund to help complete critical capital improvement projects in the City.

During the current year, the City's debt balance increased. There was approximately $1,287,000 in principal and interest expenditures. Total Debt Service Fund expenditures were financed with payments in lieu of taxes (PILOT), rent and royalties revenues, and General Fund transfers.

The American Rescue Plan Act Fund's reported a $62,558 increase in fund balance for the fiscal year ended September 30, 2025, resulting in an ending fund balance of $537,323, compared to $474,765 at the end of fiscal year 2024. During fiscal year 2025, the Fund recognized $3,663,670 in revenues, consisting primarily of federal intergovernmental revenues and interest earnings, while incurring $3,601,112 in expenditures, largely related to capital outlay and eligible project costs. No operating transfers in or out of the American Rescue Plan Act Fund occurred during fiscal year 2025.

General Fund Budgetary Highlights

The base revenue budget for fiscal year 2025 was $27,459,946. Actual General Fund revenues exceeded the forecast by $2,253,141. There were three primary reasons for this increase. First, building permit revenue rose significantly due to a large scale project that was submitted for permitting, which generated a substantial permit fee. Second, the City earned strong returns on its idle cash as a result of prudent investment of available funds. Third, several revenues classified under charges for services came in above projections, with parking revenues in particular exceeding the forecast.

Actual revenues, at $29,713,087 came in above the final budget of $27,459,946.

Comparing the final budget to the actual expenditure amount for fiscal year 2025; the final expenditure budget of $27,744,088 with actual expenditures being $26,505,762, were below the final amended budget by $1,238,326. All expenditures were in line with the projected expectations. Please refer to page 55 and 56 for further details.

Debt service requirements for fiscal year 2025 were adequately funded and remained consistent with long-term financial planning assumptions. During the year, the General Fund transferred $720,079 to the Debt Service Fund to provide sufficient resources for scheduled principal and interest payments on outstanding obligations. Total debt service expenditures for the year were financed through a combination of payments in lieu of taxes, rents and royalties revenues, and General Fund transfers. The City continued to meet all debt service obligations timely and remained in compliance with applicable debt covenants, while maintaining reserve levels within the General Fund.

Capital Assets and Debt Administration

The City of South Miami's investment in capital assets for its governmental activities as of September 30, 2025, and 2024, is detailed below:

	Governmental Activities	
	2025	2024
Land	$ 13,649,168	$ 13,649,168
Construction in progress	3,914,443	3,311,975
Building and improvements	13,361,712	13,846,832
Machinery and equipment	4,044,865	2,637,077
Land improvements	8,601,202	4,073,758
Infrastructure	5,995,680	6,244,147
Intangible Right-of-Use Software Agreement	1,053,047	15,641
	$ 50,620,117	$ 43,778,598

For fiscal year 2025, the City invested more than $3 million in the redevelopment of South Miami Park. The project included the installation of artificial turf and new field lighting, transforming the park into a premier soccer facility within the City. In addition, new sports lighting was installed at Palmer Park at a cost of $764K. The capital program also included the acquisition of a garbage truck and a crane for the Public Works Department, as well as new police radios. Additional information on the City's capital assets can be found in Note 7 on page 37 of this report.

Debt Administration: At year-end, the City had approximately $5,870,863 in outstanding debt, as noted below:

	Governmental Activities	
	2025	2024
Taxable Revenue Note, Series 2011	$ 1,330,000	$ 1,950,000
Chase 2020	3,532,000	3,835,000
Subscription	1,008,863	-
	$ 5,870,863	$ 5,785,000

Additional information on the City's outstanding debt can be found in Note 9 on pages 39 through 41 of this report.

Economic Factors and Next Year's Budgets and Rates

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.

During the 2026 Florida Legislative Session, property tax reform emerged as a major policy issue at the state level. The Florida House of Representatives approved legislation proposing significant changes to the state's property tax structure, including a proposal that could gradually eliminate certain non-school property taxes on homesteaded properties through a constitutional amendment. The measure must still be considered by the Florida Senate and, if ultimately adopted by the Legislature, would likely require approval by Florida voters in a statewide referendum, potentially appearing on the November ballot. Because property taxes represent a significant revenue source for local governments that fund essential services, the outcome of this legislative process remains uncertain and will continue to be monitored closely as the City prepares future budgets and evaluates potential fiscal impacts.

Estimated revenues and transfers in fiscal year 2026 General Fund budget are $29,500,032, a decrease of $648,674 from actual revenues and transfers of $30,148,706 for fiscal year 2025, if forecasts are realized. Should revenues exceed expectations in fiscal year 2026, 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, 2025

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 14,864,296
Investments	18,724,971
Receivables	1,818,490
Accrued interest receivable	39,175
Notes receivable	1,760,610
Net pension asset	4,170,553
Capital assets:	
Capital assets not being depreciated nor amortized	17,563,611
Capital assets, net of accumulated depreciation and amortization	33,056,506
Total assets	91,998,212
Deferred outflows of resources:	
Deferred loss on bond refunding	20,994
Pension related	3,195,701
OPEB related	42,387
Total deferred outflows of resources	3,259,082
Liabilities:	
Accounts payable	1,713,759
Accrued liabilities	2,070,655
Unearned revenue	319,711
Other liabilities	277,040
Accrued interest payable	53,966
Due within one year:	
Compensated absences	538,249
Debt, including bonds and notes payable	957,000
Subscriptions	228,898
Due in more than one year:	
Compensated absences	1,311,094
Debt, including bonds and notes payable	3,905,000
Subscriptions	779,965
Total other post employment benefits (OPEB) liability	332,957
Total liabilities	12,488,294
Deferred inflows of resources:	
Notes receivable	1,760,610
Local business taxes	439,323
Pension related	3,945,901
OPEB related	238,257
Total deferred inflows of resources	6,384,091
Net position:	
Net investment in capital assets	44,770,248
Restricted for:	
Park improvements	1,028,682
Grant projects	661,422
Stormwater management	140,681
Transportation projects	1,101,945
Law enforcement	502,507
Debt service	539
Public art program	914,125
American rescue plan	537,323
Pensions	4,170,553
Unrestricted	22,556,884
Total net position	$ 76,384,909

See accompanying notes to financial statements.

City of South Miami, Florida
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Change in Net Position: Total Governmental Activities
Primary Government					
Governmental Activities:					
General government	$ 6,612,769	$ 4,719,656	$ 3,555,544	$ -	$ 1,662,431
Public safety	12,141,558	4,145,398	383,733	-	(7,612,427)
Public works	6,035,084	985,026	730,369	515,888	(3,803,801)
Culture and recreation	6,090,734	2,241,248	195,677	139,998	(3,513,811)
Interest on long-term debt	236,589	-	-	-	(236,589)
Total governmental activities	$ 31,116,734	$ 12,091,328	$ 4,865,323	$ 655,886	(13,504,197)
General revenues:					
Property taxes					10,802,911
Utility taxes					2,430,118
Business taxes					691,984
Franchise taxes					1,417,455
Interest income (unrestricted)					1,598,665
Intergovernmental (unrestricted)					3,243,028
Miscellaneous					388,852
Total general revenues					20,573,013
Change in net position					7,068,816
Net position, beginning					69,316,093
Net position, ending					$ 76,384,909

See accompanying notes to financial statements.

City of South Miami, Florida
Balance Sheet
Governmental Funds
September 30, 2025

	Major Funds				
	General Fund	American Rescue Plan Fund	Capital Improvements Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 187,759	$ 985,909	$ 9,484,868	$ 4,205,760	$ 14,864,296
Investments	18,724,971	-	-	-	18,724,971
Receivables	527,380	-	-	1,291,110	1,818,490
Due from other funds	2,230	-	-	32,010	34,240
Total assets	$ 19,442,340	$ 985,909	$ 9,484,868	$ 5,528,880	$ 35,441,997
Liabilities:					
Accounts payable and accrued liabilities	$ 2,347,695	$ 448,586	$ 603,867	$ 661,306	$ 4,061,454
Due to other funds	32,010	-	-	2,230	34,240
Unearned revenue	115,639	-	-	204,072	319,711
Total liabilities	2,495,344	448,586	603,867	867,608	4,415,405
Deferred Inflows of Resources:					
Local business taxes	439,323	-	-	-	439,323
Unavailable revenues	-	-	-	79,724	79,724
Total deferred inflows of resources	439,323	-	-	79,724	519,047
Fund balances:					
Restricted for:					
Park improvements	-	-	-	1,028,682	1,028,682
Grant projects	-	-	-	661,422	661,422
Stormwater management	-	-	-	140,681	140,681
Transportation projects	-	-	-	1,101,945	1,101,945
Law enforcement	-	-	-	502,507	502,507
Debt service	-	-	-	539	539
Public art program	-	-	-	914,125	914,125
American rescue plan	-	537,323	-	-	537,323
Committed to:					
Emergency and disaster recovery operating reserve	7,243,164	-	-	-	7,243,164
Tree projects	-	-	-	231,647	231,647
Assigned for:					
Capital projects	-	-	8,881,001	-	8,881,001
Unassigned	9,264,509	-	-	-	9,264,509
Total fund balances	16,507,673	537,323	8,881,001	4,581,548	30,507,545
Total liabilities, deferred inflows of resources, and fund balances	$ 19,442,340	$ 985,909	$ 9,484,868	$ 5,528,880	$ 35,441,997

See accompanying notes to financial statements.

City of South Miami, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2025

Fund Balances - Total Governmental Funds	$	30,507,545
Amounts reported for governmental activities in the statement of net position are different because:		
Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Notes receivable		1,760,610
Accrued interest receivable		39,175
Net pension asset		4,170,553
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets		73,924,395
Less accumulated depreciation		(23,304,278)
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		20,994
Deferred outflows relating to pensions		3,195,701
Deferred outflows relating to other post employment benefits (OPEB)		42,387
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		(4,862,000)
Accrued interest payable		(53,966)
Deferred inflows relating to pensions		(3,945,901)
Deferred inflows from note receivable		(1,760,610)
Total other post employment benefits (OPEB) obligation		(332,957)
Deferred inflows relating to other post employment benefits (OPEB)		(238,257)
Subscriptions		(1,008,863)
Compensated absences payable		(1,849,343)
Revenue collected outside of the period of availability is not available to pay for current period expenditures and therefore, not included in fund balance.		79,724
Net Position of Governmental Activities	$	76,384,909

See accompanying notes to financial statements.

City of South Miami, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	Major Funds				
	General Fund	American Rescue Plan Fund	Capital Improvements Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property taxes	$ 10,802,911	$ -	$ -	$ -	$ 10,802,911
Utility taxes	2,429,542	-	-	576	2,430,118
Business taxes	691,984	-	-	-	691,984
Franchise taxes	1,417,455	-	-	-	1,417,455
Licenses and permits	2,382,993	-	-	263,589	2,646,582
Intergovernmental	1,972,487	3,555,544	-	1,252,452	6,780,483
Charges for services	6,315,439	-	-	876,495	7,191,934
Fines and forfeitures	1,961,874	-	-	-	1,961,874
Rents and royalties	293,182	-	-	-	293,182
Grants, contributions and donations	17,000	-	-	1,793,500	1,810,500
Interest income	1,342,232	108,126	-	148,307	1,598,665
Miscellaneous	371,607	-	-	189,410	561,017
Total revenues	29,998,706	3,663,670	-	4,524,329	38,186,705
Expenditures:					
Current:					
General government	5,982,263	212,837	-	52,040	6,247,140
Public safety	10,763,529	291,946	-	355,422	11,410,897
Public works	4,749,894	65,718	-	166,062	4,981,674
Highway and roads	-	-	-	413,298	413,298
Culture and recreation	3,517,631	-	-	560,164	4,077,795
Debt service:					
Principal	237,049	-	-	923,000	1,160,049
Interest and fiscal charges	-	-	-	126,586	126,586
Capital outlay	1,255,396	3,030,611	3,511,516	3,317,422	11,114,945
Total expenditures	26,505,762	3,601,112	3,511,516	5,913,994	39,532,384
Excess (deficiency) of revenues over (under) expenditures	3,492,944	62,558	(3,511,516)	(1,389,665)	(1,345,679)
Other Financing Sources (Uses):					
Subscription acquired	1,245,912	-	-	-	1,245,912
Transfers in	150,000	-	7,229,866	720,079	8,099,945
Transfers out	(7,949,945)	-	-	(150,000)	(8,099,945)
Total other financing sources (uses)	(6,554,033)	-	7,229,866	570,079	1,245,912
Net change in fund balances	(3,061,089)	62,558	3,718,350	(819,586)	(99,767)
Fund balances - beginning	19,568,762	474,765	5,162,651	5,401,134	30,607,312
Fund balances - ending	$ 16,507,673	$ 537,323	$ 8,881,001	$ 4,581,548	$ 30,507,545

See accompanying notes to 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 Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$	(99,767)
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		11,114,945
Current year provision for depreciation		(1,981,375)
Amounts reported as capital outlay not included in capital assets (not capitalized)		(2,280,786)
Loss on disposal of capital assets		(11,265)
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 a reduction of assets in the statement of net position.		(108,818)
Certain revenues do not provide current financial resources and, therefore, are not reported in the governmental funds:		
Change in accrued interest receivable		(2,244)
Unavailable revenues		1,089
Note receivable		108,818
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 of payments		923,000
Subscription payments		237,049
Issuance of debt - SBITA		(1,245,912)
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 relating to pensions		(2,018,490)
Change in deferred outflows relating to OPEB		10,337
Change in deferred inflows relating to pensions		(3,632,152)
Change in deferred inflows relating to OPEB		90,383
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		16,583
Amortization of deferred loss on bond refunding		(126,586)
Change in net OPEB obligation		(47,120)
Change in net pension asset		6,241,399
Change in compensated absences payable		(120,272)
Change in Net Position of Governmental Activities	$	7,068,816

See accompanying notes to financial statements.

City of South Miami, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2025

	Pension Trust Funds
Assets:	
Cash and cash equivalents	$ 2,822,116
Receivables:	
Employee contribution	20,277
Interest and dividends	94,504
Other receivables	21,323
Total receivables	136,104
Investments, at fair value:	
Real estate holdings	5,444,847
U.S. Government and agency securities	6,448,363
Corporate obligations	5,952,233
Mutual funds:	
Equity	49,540,439
Fixed income	284,055
Total investments	67,669,937
Other assets:	
Prepaid expenses	4,278
Total assets	70,632,435
Liabilities:	
Accounts payable	466,516
Prepaid employer contributions	24,469
Pending trades payable	566
Total liabilities	491,551
Net Position:	
Restricted for pension benefits	$ 70,140,884

See accompanying notes to financial statements.

City of South Miami, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2025

	Pension Trust Funds
Additions	
Contributions:	
Employer	$ 985,652
Employees	551,477
Section 185 contributions	251,393
Total contributions	1,788,522
Investments earnings:	
Net appreciation in fair value of investments	6,171,610
Interest and dividends	1,429,359
Total investment income	7,600,969
Less: investment expenses	183,632
Net investment income	7,417,337
Transfer from 185 Section Plan	172,273
Total additions	9,378,132
Deductions	
Participant benefit payments	2,373,811
Refund of contributions	1,827
Minimum benefit funding	103,697
DROP distributions	796,906
Administrative expenses	208,790
Transfer to 185 section plan	172,273
Total deductions	3,657,304
Net increase in net position	5,720,828
Net position restricted for pension benefits, beginning	64,420,056
Net position restricted for pension benefits, ending	$ 70,140,884

See accompanying notes to financial statements.

Note 1 – General Description of the City

The following is a summary of the more significant accounting policies relied upon for this report. 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. Based upon the application of these criteria, there were no organizations that met the criteria for component units described above.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Measurement focus, basis of accounting and financial statement presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and charges for services are considered available when collected in the current year or within sixty days subsequent to year end; provided that amounts received pertain to billings through the fiscal year just ended. Intergovernmental revenues, franchise fees/taxes and utility service taxes are recorded in accordance with their legal or contractual requirements if collected in the current period or within sixty days after year end. Revenues derived from rents and royalties and investment income are recorded when earned. Permits, fines and forfeitures, and other 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. General capital asset acquisitions, including entering into contracts giving the City the right to use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology arrangements are reported as other financing sources.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within the availability period described earlier. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period of availability.

The City reports the following major governmental funds:

General Fund - 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.

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

American Rescue Plan Fund - This special revenue 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Cash and cash equivalents: 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: 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, 2025, 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, 2025.

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, 2025 was 3.9500 mills ($ 3.9500 mills per $1,000 of the taxable value).

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:

Buildings and improvements	$	100,000
Machinery and equipment	$	5,000
Land improvements	$	100,000
Infrastructure	$	250,000
Intangibles	$	100,000

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:

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

Right-to-use subscription assets are amortized over the life of the associated agreement.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Sick Leave:

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

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

Deferred Outflows of Resources 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 four items that meet this criterion; an unamortized loss on a bond refunding (a deferred outflow of resources), revenue deferrals/note receivable, 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 outflows of resources or inflows of resources 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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.

The governmental funds 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.

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 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 ($ 7,243,164 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Subscription-Based Information Technology Arrangements: The City of South Miami reports a subscription liability and an intangible right-to-use capital asset (known as the subscription asset) on the government-wide financial statements for a subscription-based information technology arrangement (SBITA). The City of South Miami's policy is to recognize subscription liabilities with an initial, individual value of $10,000 or more.

Adoption of new standard: During the year ended September 30, 2025, the City implemented GASB Statement No. 101, Compensated Absences, which revisits the definition and recognition parameters of accrued employee paid time off. The City also implemented GASB Statement No. 102, Certain Risk Disclosures, which addresses obligations for government entities to disclose a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. There were no changes required to the financials of the City as a result of the adoption of these standards.

Subsequent events: The City's management has evaluated subsequent events through March 30, 2026, which is the date the financial statements were available to be issued.

Note 3 - Stewardship, Compliance and Accountability

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

Note 4 - Deposits and Investments

Deposits: 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.

Note 4 - Deposits and Investments (continued)

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, 2025, the City's deposits in excess of FDIC insurance of $250,000 totaled $14,245,576 and were collateralized pursuant to the Florida Security for Public Deposits Act. The collateral is held in a pooled arrangement by the State Treasurer or its agent and is not held in the City's name.

As of September 30, 2025, the carrying amount of the City's book balance for deposits held with financial institutions totaled $ 14,862,794 and the bank balance was $ 14,745,576.

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.

The City's investments are reported at fair value in accordance with Governmental Accounting Standards Board (GASB) pronouncements. At September 30, 2025, the City held investments totaling $18,724,971, consisting of deposits in the State Board of Administration of Florida's Florida PRIME, Florida SAFE, and Florida STAR investment pools. These pools are measured at fair value and have underlying maturities of less than one year. Accordingly, the City classifies these investments as cash and cash equivalents in the statement of net position.

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.

Note 4 - Deposits and Investments (continued)

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

Credit risk: Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Plan and Fund have an investment policy that targets investments of the safest types of securities. This policy requires a diversified portfolio to minimize the potential loss on individual securities. The Plan and Fund's investment policy utilizes portfolio diversification in order to control the risk. The Florida PRIME, SAFE and STAR funds are rated AAAm by Standard and Poor's.

As of September 30, 2025, 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
Quality rating of credit risk debt securities	
AAA/Aaa	$ 568,300
AA/Aa	3,503,477
A/A	2,133,495
BBB/Baa	2,618,375
Not rated	3,576,949
Total fixed income securities	$ 12,400,596

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 weighted average days to maturity for the Florida PRIME, SAFE and STAR funds at September 30, 2025 is 47, 38, and 39 days, respectively.

Note 4 - Deposits and Investments (continued)

The Plan'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	$ 5,952,233	$ 75,017	$ 4,367,909	$ 995,090	$ 514,217
U.S. Government and agency securities	6,448,363	-	588,047	1,917,107	3,943,209
Totals	$ 12,400,596	$ 75,017	$ 4,955,956	$ 2,912,197	$ 4,457,426

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

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan and Fund will not be able to recover their investments or collateral securities that are in possession of an outside party. At September 30, 2025, and consistent with their investment policies, the Plan and Fund's securities were registered in their name, nominee registration.

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.

Note 4 - Deposits and Investments (continued)

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, 2025:

Investments Measured at Fair Value	Totals at September 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 49,824,494	$ 49,824,494	$ -	$ -
U.S. government agencies	6,448,363	-	6,448,363	-
Corporate obligations	5,952,233	-	5,952,233	-
Total investments measured at fair value	62,225,090	$ 49,824,494	$ 12,400,596	$ -
Investments measured at net asset value (NAV):				
Real estate funds	5,444,847			
Total investments measured at NAV	5,444,847			
Total investments	$ 67,669,937			

The following summarizes the investments by major class where NAV or its equivalent is used to measure fair value as of September 30:

	General Employees and Police Officers Pension Plan	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real estate funds (1)	$ 5,444,847	$ 202,500	N/A	N/A

(1) Real estate and direct lending funds: The portfolios hold investments in commingled funds. Limited partner interests in commingled funds are valued using NAV or its equivalent of the partnership provided by the general partner. The most significant input into the fair value of such entities is the fair value of its investment holdings. These holdings are valued by the general partners on a continuous basis, may be subject to annual audits and be periodically appraised by an independent third party as directed by the governing document for each fund investment. The valuation assumptions use both market and property specific input.

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.

Note 5 - Receivables

Receivables at September 30, 2025 were as follows:

	Major Fund		
	General Fund	Nonmajor Governmental Funds	Total
Receivable type:			
Intergovernmental	$ 106,643	$ 1,291,110	$ 1,397,753
Franchise fees	143,274	-	143,274
Utility taxes	189,182	-	189,182
Accounts	88,281	-	88,281
Total	$ 527,380	$ 1,291,110	$ 1,818,490

Note 6 - Interfund Balances and Transfers

Interfund balances at September 30, 2025 and the amount of interfund transfers for the fiscal year ended are summarized as follows:

	Payable Fund		
	Major Fund		
	General Fund	Nonmajor Governmental Funds	Total
Receivable fund:			
General Fund	$ -	$ 2,230	$ 2,230
Nonmajor Governmental Funds	32,010	-	$ 32,010
Total	$ 32,010	$ 2,230	$ 34,240

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

During the year, transfer for $7,229,866 was made from the General Fund to the Capital Improvement Program Fund. This transfer was established by the Commission and was based on projected capital projects for the upcoming fiscal year and the prior year's ending fund balance. In addition, $720,079 was transferred from the General Fund to the Debt Service Fund to provide sufficient resources to satisfy debt service obligations for the fiscal year. The General Fund also received a transfer of $150,000 from the Stormwater Drain Trust Fund during fiscal year 2025. This transfer was made to recover costs associated with general government services that support stormwater operations and represents reimbursement for administrative, operational, and support services provided by the City, including indirect and overhead expenses necessary for the management of the stormwater program.

Note 7 – Capital Assets

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Increases	Decreases/ Transfers	Balance September 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 13,649,168	$ -	$ -	$ 13,649,168
Construction in progress	3,311,975	3,693,150	3,090,682	3,914,443
Total capital assets, not being depreciated	16,961,143	3,693,150	3,090,682	17,563,611
Capital assets, being depreciated:				
Buildings and improvements	21,531,786		-	21,531,786
Machinery and equipment	9,210,184	2,109,877	597,233	10,722,828
Land improvements	5,863,952	4,866,418	-	10,730,370
Infrastructure	11,531,382		-	11,531,382
Intangible right-of-use software agreements	140,765	1,255,396	-	1,396,161
Intangible assets	448,257	-	-	448,257
Total capital assets, being depreciated	48,726,326	8,231,691	597,233	56,360,784
Less accumulated depreciation for:				
Buildings and improvements	7,684,954	485,120	-	8,170,074
Machinery and equipment	6,573,107	690,824	585,968	6,677,963
Land improvements	1,790,194	338,974	-	2,129,168
Infrastructure	5,287,235	248,467	-	5,535,702
Intangible right-of-use software agreements	125,124	217,990		343,114
Intangible assets	448,257	-	-	448,257
Total accumulated depreciation	21,908,871	1,981,375	585,968	23,304,278
Total capital assets, being depreciated, net	26,817,455	6,250,316	11,265	33,056,506
Governmental activities capital assets, net	$ 43,778,598	$ 9,943,466	$ 3,101,947	$ 50,620,117

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

General government	$ 281,101
Public safety	358,210
Public works	320,942
Culture and recreation	1,021,122
Total depreciation expense - governmental activities	$ 1,981,375

Note 8 – 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 $1,760,610. Additionally, $1,760,610 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, 2025, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 114,398	$ 75,989	$ 190,387
2027	119,978	71,155	191,133
2028	122,768	65,918	188,687
2029	128,349	60,268	188,617
2030	136,719	54,304	191,023
2031-2035	775,673	172,015	947,688
2036-2037	362,725	16,448	379,173
	$ 1,760,610	$ 516,098	$ 2,276,708

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, 2025:

Governmental Activities:	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025	Due Within One Year
Taxable Revenue Note, Series 2011	$ 1,950,000	$ -	$ (620,000)	$ 1,330,000	$ 645,000
Capital Improvement Revenue Refunding Note, Series 2020	3,835,000	-	(303,000)	3,532,000	312,000
Subscriptions	-	1,245,912	(237,049)	1,008,863	228,898
Compensated absences	1,729,071	120,272	* -	1,849,343	538,249
Totals	$ 7,514,071	$ 1,366,184	$ (1,160,049)	$ 7,720,206	$ 1,724,147

* The change in compensated absences is a net change for the year.

The City does not currently have an 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.

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

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.

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

Year	Series 2011		Series 2020		
Ending September 30,	Principal	Interest	Principal	Interest	Total
2026	$ 645,000	$ 46,519	$ 312,000	$ 46,870	$ 1,050,389
2027	685,000	15,843	316,000	42,729	1,059,572
2028	-	-	566,000	38,536	604,536
2029	-	-	573,000	31,025	604,025
2030	-	-	581,000	23,422	604,422
2031-2032	-	-	1,184,000	23,620	1,207,620
Total	$ 1,330,000	$ 62,362	$ 3,532,000	$ 206,202	$ 5,130,564

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

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, 2025, the outstanding principal amount payable was $ 688,830,000.

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: The City has subscriptions for the use of software that expires in the fiscal year ending September 30, 2029. An initial subscription liability was recorded in the amount of $1,245,912. As of September 30, 2025, the value of the subscription liability was $1,008,863. The City is required to make annual payments ranging from $285,470 to $305,834. The subscriptions have an interest rate of 7.25%. The value of the right to use asset as of September 30, 2025 is $1,396,161 with accumulated amortization of $343,114.

The future minimum payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	$ 228,898	$ 56,572	$ 285,470
2027	235,444	56,548	291,992
2028	259,361	39,478	298,839
2029	285,160	20,674	305,834
Total	$ 1,008,863	$ 173,272	$ 1,182,135

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.

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

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.

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

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	120
Total plan members	121

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.

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

The total OPEB liability at September 30, 2025 was measured as of October 1, 2024 and was determined to be based on an actuarial valuation performed as of October 1, 2023:

Actuarial cost method	Entry age, level percent of pay
Inflation	2.50%
Discount rate	4.06%
Projected salary increases	3.50% - 7.50%
Healthcare cost trend rates:	Based on the Getzen Model starting at 6.1% gradually decreasing to an ultimate rate of 4% in 2042 and thereafter.
Retirees' share of benefit -related costs	100% of blended health insurance premium rates except where 0% is required by law for certain Police Officer death and disability provisions.
Mortality:	Healthy members based on various RP-2010 base table, generational mortality using gender-specific MP-2018 mortality improvement projection scale. Disabled Employees based on various PUB-2010 Disabled mortality tables and no projected improvements.

Changes in assumptions and other inputs include the following for as of the beginning of the measurement period, October 1, 2024: the discount rate decreased from 4.63% to 4.06%. 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, 2024 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, 2024 was 4.06%. 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 4.06% 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, 2025, are as follows:

Total OPEB liability	$	332,957
OPEB Plan fiduciary net position		-
City's net OPEB liability	$	332,957
OPEB Plan fiduciary net position as a percentage of total OPEB liability		0.00%

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

Schedule of Changes in Total OPEB Liability

Total OPEB liability:		
Service cost	$	23,823
Interest on total OPEB liability		14,117
Difference between actual and expected experience		-
Assumption changes		18,779
Benefit payments		(9,599)
Net change in total OPEB liability		47,120
Total OPEB liability, beginning		285,837
Total OPEB liability, ending	$	332,957

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 4.06%, 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 (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB liability	$ 367,627	$ 332,957	$ 303,363

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 (3.0% to 5.3%)	Current Trend Rates (4.0% to 6.3%)	1% Trend Increase (5.0% to 7.3%)
Total OPEB liability	$ 292,727	$ 332,957	$ 382,724

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, 2025 the City recognized OPEB expense of $ (42,395). At September 30, 2025, 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	$ -	$ 147,533
Changes in assumptions and other inputs	29,183	90,724
Contributions subsequent to the measurement date	13,204	-
Total	$ 42,387	$ 238,257

The deferred outflow of resources related to OPEB totaling $ 13,204 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 outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Deferred Inflows of Resources
2026	$ (63,421)
2027	(40,941)
2028	(33,191)
2029	(25,561)
2030	(24,748)
Thereafter	(21,212)
	$ (209,074)

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.

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

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

Benefits:

Normal Retirement:

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

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

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.

Note 11 – Defined Benefit Pension Plan (continued)

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

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

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

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

- A cost-of-living supplemental benefit based upon the consumer price index, limited to 3%, upon retirement on the entire accrued benefit for General Employees (Tier 1 and 2), AMSC Employees and Police Officers.

- For Tier 1 General Employees who retired or entered the DROP prior to October 1, 2019, no cost-of-living supplemental benefit is provided on the portion of the benefit accrued after September 30, 2011 including increases in the accrued benefit due to increases in final average compensation. For Tier 2 General Employees and AMSC Employees who retired or entered the DROP prior to October 1, 2019, no cost-of-living supplemental benefit is provided.

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.

Note 11 – Defined Benefit Pension Plan (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 fulltime 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, 2024:

	General and AMSC Employees	Police Officers
Active plan members	44	36
Terminated vested	3	7
Receiving benefits	6	22
	53	65

Note 11 – Defined Benefit Pension Plan (continued)

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 $ 275,970.

The Police Officers Pension Plan also receives contributions from the State of Florida. During the fiscal year ended September 30, 2025, the City received $ 172,165 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. The City contributed $985,652 to the plan during the fiscal year ended September 30, 2025.

Net Pension Liability:

The City's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation date as of October 1, 2023.

Note 11 – Defined Benefit Pension Plan (continued)

Actuarial Assumptions:

The total pension liability in the October 1, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	10/1/2023
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of payroll, closed
Amortization period	25 years for general employees and AMSC; 30 years for Police Officers
Asset valuation method	5-year smoothed
Actuarial assumptions:	
Investment rate of return	7.375%
Projected salary increases	3.75% - 5.25%
Includes inflation at	2.75%
Cost-of-living adjustment	3% / 0.0%

Mortality rates for general employees and AMSC members were based on the PUB2010 Headcount Weighted General Below Median Employee Mortality Table, separate for males and females. Mortality rates for police officers were based on PUB2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table. Mortality rates for disabled members were based on PUB2010 Headcount Weighted General Disabled Retiree Mortality Table, separate for males and females. These tables provide fully generational mortality improvements projected to each future payment date with Scale MP2018.

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.

Note 11 – Defined Benefit Pension Plan (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap	35%	7.6%
Smaller Mid Cap	15%	7.1%
Foreign Equity	10%	3.7%
Real estate	20%	2.3%
Fixed Income	20%	-1.3%
	100%	

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)
Balances as of September 30, 2024	$ 55,024,434	$ 52,953,588	$ 2,070,846
Service cost	919,146	-	919,146
Interest	4,168,969	-	4,168,969
Benefit changes	58	-	58
Differences between expected and actual experience	1,303,721	-	1,303,721
Assumption changes	496,692	-	496,692
Contributions - employer and state	-	702,810	(702,810)
Contributions - employees	-	507,481	(507,481)
Net investment income	-	12,087,676	(12,087,676)
Benefits payments, including refunds	(2,621,081)	(2,622,718)	1,637
Administrative expenses	-	(166,345)	166,345
Net changes	4,267,505	10,508,904	(6,241,399)
Balances as of September 30, 2025	$ 59,291,939	$ 63,462,492	$ (4,170,553)

Note 11 – Defined Benefit Pension Plan (continued)

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

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

	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
City's net pension liability (asset)	$ 3,287,972	$ (4,170,553)	$ (10,617,660)

Pension Plan Fiduciary Net Position:

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Relating to Pensions: For the year ended September 30, 2025, the City recognized pension expense of $670,865. At September 30, 2025, 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	$ 372,519	$ 21,760
Net difference between projected and actual earnings on Plan investments	-	3,924,141
Differences between expected and actual experience on liabilities	1,561,560	-
Contributions subsequent to the measurement date	1,261,622	-
	$ 3,195,701	$ 3,945,901

Note 11 – Defined Benefit Pension Plan (continued)

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 $ 1,261,622, 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:

Year Ending September 30,	
2026	$ (88,760)
2027	1,193,376
2028	(1,468,325)
2029	(1,648,113)
	$ (2,011,822)

Note 12 – Defined Contribution Plan

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 $275,970 is paid from the Fund to the City of South Miami Police Officers Pension Plan each year, regardless of the growth or diminution in future Chapter 185 funds, to partially fund additional benefits. 401(a) and 457(b) Deferred Compensation Plans: The City is a single employer that contributes to one (1) defined contribution pension plan.

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, 2025 was approximately $ 105,212.

The City previously contributed to a pension plan established under the Internal Revenue Code Section 401(a) that was available to all employees with designated contributions of up to 7% of earnings. However, starting in 2024, there are no longer contributions being made to this plan. Additionally, the City had been contributing to a 401(a) plan as a matching contribution to an existing employer-elected 457(b) plan for eligible employees. These contributions ended in September 2023.

Note 12 – Defined Contribution Plan (continued)

Furthermore, the City provides two voluntary defined contribution plans for all interested employees, a Section 457(b) and Roth IRA plan, which the City does not contribute to.

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

Note 13 – Commitments and Contingencies

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

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

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

Note 14 – Subsequent Events

On January 30, 2026, the City entered into a Line of Credit Agreement pursuant to Ordinance No. 04-26-2547 and Resolution No. 005-26-16419, both adopted on January 20, 2026. Under the agreement, the City issued a General Obligation Note, Series 2026, in a principal amount not to exceed $6,700,000, to finance a portion of voter-approved capital improvement projects, including infrastructure improvements and park-related land acquisition.

REQUIRED SUPPLEMENTARY INFORMATION

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes:				
Ad valorem	$ 10,693,492	$ 10,693,492	$ 10,802,911	$ 109,419
Utility taxes	2,362,265	2,362,265	2,429,542	67,277
Business taxes	702,500	702,500	691,984	(10,516)
Franchise taxes	1,460,500	1,460,500	1,417,455	(43,045)
Licenses and permits	1,525,200	1,525,200	2,382,993	857,793
Intergovernmental	1,952,154	1,952,154	1,972,487	20,333
Grants, Contributions and Donations	-	-	17,000	17,000
Charges for services	5,381,165	5,381,165	6,315,439	934,274
Fines and forfeitures	1,970,000	1,970,000	1,961,874	(8,126)
Rents and royalties	198,687	198,687	293,182	94,495
Interest income	975,000	975,000	1,056,613	81,613
Miscellaneous	238,983	238,983	371,607	132,624
Total revenues	27,459,946	27,459,946	29,713,087	2,253,141
Expenditures:				
Current:				
General government:				
City commission	146,786	146,786	129,744	17,042
City manager	2,649,122	2,665,435	2,416,160	249,275
City clerk	577,910	647,820	549,047	98,773
Legal	481,640	481,640	468,839	12,801
Finance	2,572,243	2,589,442	2,418,473	170,969
Total general government	6,427,701	6,531,123	5,982,263	548,860
Public safety:				
Police	9,943,772	9,599,524	8,996,852	602,672
Building, zoning and community development	1,770,966	1,969,126	1,766,677	202,449
Total public safety	11,714,738	11,568,650	10,763,529	805,121
Public works	5,350,339	5,813,839	4,749,894	1,063,945
Culture and recreation	3,771,678	3,830,476	3,517,631	312,845
Debt Service:				
Principal	-	-	237,049	(237,049)
Capital outlay	-	-	1,255,396	(1,255,396)
Total expenditures	27,264,456	27,744,088	26,505,762	1,238,326
Excess (deficiency) of revenues over (under) expenditures	195,490	(284,142)	3,207,325	3,491,467
Other Financing Sources (Uses):				
Subscription acquired	-	-	1,245,912	1,245,912
Transfers in	150,000	150,000	150,000	-
Transfers out	(7,949,945)	(7,949,945)	(7,949,945)	-
Total other financing sources (uses)	(7,799,945)	(7,799,945)	(6,554,033)	1,245,912
Net change in fund balance	$ (7,604,455)	$ (8,084,087)	(3,346,708)	$ 4,737,379
Fund Balance, Beginning of Year			19,568,762	
Fund Balance, End of Year			$ 16,222,054	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund (continued)
For the Year Ended September 30, 2025

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	$	(3,346,708)
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)]		285,619
General Fund - net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$	(3,061,089)

(1) See budget to actual comparison schedule on page 72.

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - American Rescue Plan Act
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	$ -	$ -	$ 3,555,544	$ 3,555,544
Interest income	-	-	108,126	108,126
Total revenues	-	-	3,663,670	3,663,670
Expenditures:				
Current:				
General government	-	-	212,837	(212,837)
Public safety	-	429,646	291,946	137,700
Public works	-	82,356	65,718	16,638
Capital outlay	-	3,337,489	3,030,611	306,878
Total expenditures	-	3,337,489	3,601,112	248,379
Excess (deficiency) of revenues over (under) expenditures	-	(3,337,489)	62,558	3,912,049
Net change in fund balance	$ -	$ (3,337,489)	62,558	$ 3,912,049
Fund Balance, Beginning of Year			474,765	
Fund Balance, End of Year			$ 537,323	

Note 1 – Budget 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
Last Ten Fiscal Years
(Unaudited)

Reporting period ending Measurement Date	9/30/2025 9/30/2024	9/30/2024 9/30/2023	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
Total Pension Liability:										
Service cost	$ 919,146	$ 775,791	$ 815,886	$ 897,075	$ 852,115	$ 842,564	$ 796,141	$ 846,884	$ 697,537	$ 686,435
Interest	4,168,969	3,859,126	3,666,476	3,387,205	3,164,443	2,889,649	2,834,288	2,630,646	2,460,415	2,381,731
Benefit changes	58	-	-	266,306	2,209,880	-	-	(20,122)	-	-
Differences between expected and actual experience	1,303,721	147,586	1,407,429	339,164	502,197	(1,314,061)	901,489	(112,807)	(656,677)	(502,259)
Assumption changes	496,692	-	-	-	(1,109,800)	-	-	566,118	-	-
Benefit payments, including refunds of employee contributions	(2,621,081)	(2,156,794)	(1,934,558)	(1,721,259)	(1,584,681)	(1,660,970)	(1,563,305)	(1,570,751)	(1,293,782)	(1,417,586)
Net change in total pension liability	4,267,505	2,625,709	3,955,233	3,168,491	4,034,154	757,182	2,968,613	2,339,968	1,207,493	1,148,321
Total pension liability - beginning	55,024,434	52,398,725	48,443,492	45,275,001	41,240,847	40,483,665	37,515,052	35,175,084	33,967,591	32,819,270
Total pension liability - ending (a)	$ 59,291,939	55,024,434	$ 52,398,725	$ 48,443,492	$ 45,275,001	$ 41,240,847	40,483,665	37,515,052	35,175,084	33,967,591
Plan Fiduciary Net Position:										
Contributions - employer and state	$ 702,810	731,246	$ 693,865	$ 631,728	$ 2,215,515	$ 704,929	690,632	681,713	570,154	834,251
Contributions - employees	507,481	429,588	418,549	437,988	459,625	594,753	536,473	910,127	490,452	562,835
Net investment income	12,087,676	4,953,336	(8,235,320)	11,083,408	3,177,042	868,406	3,984,542	4,542,693	3,306,002	16,750
Benefit payments, including refunds of employee contributions	(2,622,718)	(2,156,794)	(1,934,558)	(1,721,259)	(1,584,681)	(1,660,970)	(1,563,305)	(1,570,751)	(1,293,782)	(1,417,586)
Administrative expenses	(166,345)	(190,550)	(169,500)	(148,804)	(143,452)	(129,072)	(139,324)	(163,555)	(129,291)	(135,093)
Other	-	-	-	-	359,949	49,243	260,999	-	2,835	4,454
Net change in plan fiduciary net position	10,508,904	3,766,826	(9,226,964)	10,283,061	4,483,998	427,289	3,770,017	4,400,227	2,946,370	(134,389)
Plan fiduciary net position - beginning	52,953,588	49,186,762	58,413,726	48,130,665	43,646,667	43,219,378	39,449,361	35,049,134	32,102,764	32,237,153
Plan fiduciary net position - ending (b)	$ 63,462,492	52,953,588	$ 49,186,762	$ 58,413,726	$ 48,130,665	$ 43,646,667	43,219,378	39,449,361	35,049,134	32,102,764
Net pension (asset) liability - ending (a) -(b)	$ (4,170,553)	2,070,846	$ 3,211,963	$ (9,970,234)	$ (2,855,664)	$ (2,405,820)	(2,735,713)	(1,934,309)	125,950	1,864,827
Plan fiduciary net position as a percentage of total pension liability	107.03%	96.24%	93.87%	120.58%	106.31%	105.83%	106.76%	105.16%	99.64%	94.51%
Covered payroll	$ 8,199,070	6,710,974	$ 6,372,829	$ 6,668,442	$ 7,013,961	$ 6,840,856	6,447,564	6,368,739	4,861,991	4,086,300
Net pension liability as a percentage of covered payroll	-50.87%	30.86%	50.40%	-149.51%	-40.71%	-35.17%	-42.43%	-30.37%	2.59%	45.64%

City of South Miami, Florida
Required Supplementary Information
Schedule of Contributions
General Employees and Police Officers Pension Plan - Pension Trust Fund
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended 9/30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2016	$ 570,154	$ 570,154	$ -	$ 4,086,300	13.95%
2017	$ 680,568	$ 681,713	$ (1,145)	$ 4,861,991	14.02%
2018	$ 690,632	$ 690,632	$ -	$ 6,368,739	18.64%
2019	$ 704,929	$ 704,929	$ -	$ 6,447,564	10.93%
2020	$ 677,223	$ 2,215,515	$ (1,538,292)	$ 6,840,856	32.39%
2021	$ 631,727	$ 631,728	$ (1)	$ 7,013,961	9.01%
2022	$ 730,415	$ 693,865	$ 36,550	$ 6,668,442	10.41%
2023	$ 697,404	$ 731,246	$ (33,842)	$ 6,377,456	11.47%
2024	$ 702,810	$ 702,809	$ 1	$ 6,710,974	10.47%
2025	$ 1,064,880	$ 1,064,880	$ -	$ 8,199,070	12.99%

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
Amortization period:	25 years for general employees and AMSC; 30 years for police officers
Asset valuation method:	5-year smoothed
Inflation:	2.75%
Salary increases:	3.75% - 5.25%
Investment rate of return:	7.375%, net of investment expenses
Payroll growth assumption:	4.0% per year, but limited to average annual increase over most recent ten years (0.7%) for Police Officers. None for general employees or AMSC.
Retirement age:	Experience - based tables of rates that are specific to the type of eligibility condition.
Mortality:	PUB-2010 Headcount Weighted General Below Median Mortality Table PUB-2010 Headcount Weighted Safety Employee Below Median Mortality Table PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table
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
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense - General Employees and Police Officers Pension Plan	11.59%	23.26%	10.21%	-14.18%	23.27%	7.24%	2.11%	10.3%	13.1%	10.4%
Annual money-weighted rate of return, net of investment expense - Pension Trust Fund	7.49%	-1.72%	-2.36%	-27.37%	2.39%	3.54%	-3.80%	4.45%	6.71%	3.07%

City of South Miami, Florida
Required Supplementary Information
Schedule of Changes in Total OPEB Liability
and Related Ratios
Last Eight Fiscal Year *
(Unaudited)

Fiscal Year:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	10/1/2024	10/1/2023	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017
Total OPEB liability								
Service cost	$ 23,823	$ 32,940	$ 48,807	$ 50,882	$ 45,290	$ 48,125	$ 46,640	$ 48,182
Interest	14,117	17,265	10,311	10,553	10,532	17,764	15,206	22,481
Benefit changes	-	-	-	(2,174)	-	2,672	-	(10,435)
Difference between actual and expected experience	-	(94,517)	-	(12,862)	-	(165,990)	-	(337,400)
Assumption changes	18,779	(22,563)	(110,191)	4,531	1,206	33,961	(20,628)	(1,025)
Benefits payments	(9,599)	(13,319)	(9,951)	(14,484)	(10,977)	(15,199)	(11,537)	(10,446)
Net change in total OPEB liability	47,120	(80,194)	(61,024)	36,446	46,051	(78,667)	29,681	(288,643)
Total OPEB liability - beginning	285,837	366,031	427,055	390,609	344,558	423,225	393,544	682,187
Total OPEB liability - ending	$ 332,957	$ 285,837	$ 366,031	$ 427,055	$ 390,609	$ 344,558	$ 423,225	$ 393,544
Covered-employee payroll	$ 9,216,739	$ 9,053,771	$ 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	3.61%	3.16%	4.77%	5.58%	4.92%	4.24%	5.97%	5.51%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

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.

Art in Public Places Trust Fund – This fund is used to set aside and administer dedicated funds for the acquisition, commissioning, installation, maintenance, and conservation of artworks placed in public spaces.

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
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds											
	Local Option Gas Tax	Peoples Transportation Tax	Peoples Transportation Tax, Direct Transit	State Forfeiture Fund	Federal Forfeiture Fund	Art in Public Places Trust	Tree Trust Fund	Grants Fund	Parks Impact Fees Fund	Stormwater Drain Trust Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets:												
Cash and cash equivalents	$ 37,505	$ 896,265	$ 208,347	$ 33,457	$ 492,516	$ 916,450	$ 246,351	$ (67,367)	$ 1,096,675	$ 191,450	$ 154,111	$ 4,205,760
Receivables	-	143,796	35,949	-	-	-	-	1,107,302	-	4,063	-	1,291,110
Due from other funds	-	32,010	-	-	-	-	-	-	-	-	-	32,010
Total assets	$ 37,505	$ 1,072,071	$ 244,296	$ 33,457	$ 492,516	$ 916,450	$ 246,351	$ 1,039,935	$ 1,096,675	$ 195,513	$ 154,111	$ 5,528,880
Liabilities, Deferred Inflows of Resources, and Fund Balances:												
Liabilities:												
Accounts payable	$ 6,542	$ 135,815	$ 29,846	$ -	$ 21,839	$ 2,325	$ 14,704	$ 328,013	$ 67,993	$ 54,229	$ -	$ 661,306
Due to other funds	-	-	-	-	1,627	-	-	-	-	603	-	2,230
Unearned revenue	-	-	-	-	-	-	-	50,500	-	-	153,572	204,072
Total liabilities	6,542	135,815	29,846	-	23,466	2,325	14,704	378,513	67,993	54,832	153,572	867,608
Deferred inflows of resources:												
Unavailable revenues	-	63,779	15,945	-	-	-	-	-	-	-	-	79,724
Total deferred inflows of resources	-	63,779	15,945	-	-	-	-	-	-	-	-	79,724
Fund Balances:												
Restricted for:												
Park improvements	-	-	-	-	-	-	-	-	1,028,682	-	-	1,028,682
Grant projects	-	-	-	-	-	-	-	661,422	-	-	-	661,422
Stormwater management	-	-	-	-	-	-	-	-	-	140,681	-	140,681
Transportation projects	30,963	872,477	198,505	-	-	-	-	-	-	-	-	1,101,945
Law enforcement	-	-	-	33,457	469,050	-	-	-	-	-	-	502,507
Debt service	-	-	-	-	-	-	-	-	-	-	539	539
Public art program	-	-	-	-	-	914,125	-	-	-	-	-	914,125
Committed for:												
Tree projects	-	-	-	-	-	-	231,647	-	-	-	-	231,647
Total fund balances (deficit)	30,963	872,477	198,505	33,457	469,050	914,125	231,647	661,422	1,028,682	140,681	539	4,581,548
Total liabilities, deferred inflows of resources, and fund balances	$ 37,505	$ 1,072,071	$ 244,296	$ 33,457	$ 492,516	$ 916,450	$ 246,351	$ 1,039,935	$ 1,096,675	$ 195,513	$ 154,111	$ 5,528,880

City of South Miami, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue Funds											
	Local Option Gas Tax	Peoples Transportation Tax	Peoples Transportation Tax, Direct Transit	State Forfeiture Fund	Federal Forfeiture Fund	Art in Public Places Trust	Tree Trust Fund	Grants Fund	Parks Impact Fees Fund	Stormwater Drain Trust Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:												
Utility taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 576	$ -	$ 576
Licenses and permits	-	-	-	-	-	-	107,380	-	156,209	-	-	263,589
Intergovernmental	69,786	634,447	158,612	-	-	-	-	-	-	389,607	-	1,252,452
Charges for services	-	-	-	-		876,495	-	-	-	-	-	876,495
Grants, contributions and donations	-	-	-	-	-	-	-	1,653,502	-	-	139,998	1,793,500
Interest income	10,653	43,229	-	1,670	21,786	-	-	-	57,333	13,636	-	148,307
Miscellaneous	-	-	-	-	-	-	-	-	-	-	189,410	189,410
Total revenues	80,439	677,676	158,612	1,670	21,786	876,495	107,380	1,653,502	213,542	403,819	329,408	4,524,329
Expenditures:												
Current:												
General government	-	-	-	-	-	-	52,040	-	-	-	-	52,040
Public safety	-	-	-	13,150	124,633	-	-	217,639	-	-	-	355,422
Public works	-	-	-	-	-	2,325	-	163,737				166,062
Highway and roads	-	-	198,490	-	-	-	-	-	-	214,808	-	413,298
Culture and recreation	-	-	-	-	-	-	-	195,677	364,487	-	-	560,164
Capital outlay	538,020	1,103,830	-	-	-	-	-	1,076,450	454,566	144,556	-	3,317,422
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	923,000	923,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	126,586	126,586
Total expenditures	538,020	1,103,830	198,490	13,150	124,633	2,325	52,040	1,653,503	819,053	359,364	1,049,586	5,913,994
Excess (deficiency) of revenues over (under) expenditures	(457,581)	(426,154)	(39,878)	(11,480)	(102,847)	874,170	55,340	(1)	(605,511)	44,455	(720,178)	(1,389,665)
Other Financing Sources (Uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	720,079	720,079
Transfers out	-	-	-	-	-	-	-	-	-	(150,000)	-	(150,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(150,000)	720,079	570,079
Net changes in fund balances	(457,581)	(426,154)	(39,878)	(11,480)	(102,847)	874,170	55,340	(1)	(605,511)	(105,545)	(99)	(819,586)
Fund balances, beginning	488,544	1,298,631	238,383	44,937	571,897	39,955	176,307	661,423	1,634,193	246,226	638	5,401,134
Fund balances, ending	$ 30,963	$ 872,477	$ 198,505	$ 33,457	$ 469,050	$ 914,125	$ 231,647	$ 661,422	$ 1,028,682	$ 140,681	$ 539	$ 4,581,548

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Special Revenue Fund - Local Option Gas Tax
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Intergovernmental	$ 67,592	$ 67,592	$ 69,786	$ 2,194
Interest income	5,000	5,000	10,653	5,653
Total revenues	72,592	72,592	80,439	7,847
Expenditures:				
Capital outlay	500,000	603,555	538,020	65,535
Total expenditures	500,000	603,555	538,020	65,535
Excess (deficiency) of revenues over (under) expenditures	(427,408)	(530,963)	(457,581)	73,382
Net change in fund balance	$ (427,408)	$ (530,963)	(457,581)	$ 73,382
Fund Balance, Beginning of Year			488,544	
Fund Balance, End of Year			$ 30,963	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - People Transportation Tax
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	$ 580,000	$ 580,000	$ 634,447	$ 54,447
Interest income	25,000	25,000	43,229	18,229
Total revenues	605,000	605,000	677,676	72,676
Expenditures:				
Capital outlay	1,857,000	1,940,758	1,103,830	836,928
Total expenditures	1,857,000	1,940,758	1,103,830	836,928
Excess (deficiency) of revenues over (under) expenditures	(1,252,000)	(1,335,758)	(426,154)	909,604
Net change in fund balance	$ (1,252,000)	$ (1,335,758)	(426,154)	$ 909,604
Fund Balance, Beginning of Year			1,298,631	
Fund Balance, End of Year			$ 872,477	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Special Revenue Fund - People Transportation Tax, Direct Transit
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Intergovernmental	$ 135,000	$ 135,000	$ 158,612	$ 23,612
Total revenues	135,000	135,000	158,612	23,612
Expenditures:				
Highway and roads	360,000	360,000	198,490	161,510
Total expenditures	360,000	360,000	198,490	161,510
Excess (deficiency) of revenues over (under) expenditures	(225,000)	(225,000)	(39,878)	185,122
Net change in fund balance	$ (225,000)	$ (225,000)	(39,878)	$ 185,122
Fund Balance, Beginning of Year			238,383	
Fund Balance, End of Year			$ 198,505	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Project Fund - Capital Improvement Program Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:	$ -	$ -	$ -	$ -
Expenditures:				
Capital Outlay	10,293,294	13,381,032	3,511,516	9,869,516
Total expenditures	10,293,294	13,381,032	3,511,516	9,869,516
Excess (deficiency) of revenues over (under) expenditures	(10,293,294)	(13,381,032)	(3,511,516)	(9,869,516)
Other Financing Sources:				
Transfers in	7,229,866	7,229,866	7,229,866	-
Total other financing sources	7,229,866	7,229,866	7,229,866	-
Net change in fund balance	$ 4,166,438	$ 1,078,700	3,718,350	$ (9,869,516)
Fund Balance, Beginning of Year			5,162,651	
Fund Balance, End of Year			$ 8,881,001	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - State Forfeiture Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	$ 1,000	$ 1,000	$ 1,670	$ 670
Total revenues	1,000	1,000	1,670	670
Expenditures:				
Public Safety	45,000	45,000	13,150	31,850
Total expenditures	45,000	45,000	13,150	31,850
Excess (deficiency) of revenues over (under) expenditures	(44,000)	(44,000)	(11,480)	32,520
Net change in fund balance	$ (44,000)	$ (44,000)	(11,480)	$ 32,520
Fund Balance, Beginning of Year			44,937	
Fund Balance, End of Year			$ 33,457	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Federal Forfeiture Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	$ 7,500	$ 7,500	$ 21,786	$ 14,286
Total revenues	7,500	7,500	21,786	14,286
Expenditures:				
Public Safety	440,000	444,807	124,633	320,174
Total expenditures	440,000	444,807	124,633	320,174
Excess (deficiency) of revenues over (under) expenditures	(432,500)	(437,307)	(102,847)	334,460
Net change in fund balance	$ (432,500)	$ (437,307)	(102,847)	$ 334,460
Fund Balance, Beginning of Year			571,897	
Fund Balance, End of Year			$ 469,050	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Tree Trust Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	$ -	$ -	$ 107,380	$ 107,380
Total revenues	-	-	107,380	107,380
Expenditures:				
General government	160,000	198,075	52,040	146,035
Total expenditures	160,000	198,075	52,040	146,035
Excess (deficiency) of revenues over (under) expenditures	(160,000)	(198,075)	55,340	253,415
Net change in fund balance	$ (160,000)	$ (198,075)	55,340	$ 253,415
Fund Balance, Beginning of Year			176,307	
Fund Balance, End of Year			$ 231,647	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Grants Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Grants, contributions and donations	$ -	$ 3,159,030	$ 1,653,502	$ (1,505,528)
Total revenues	-	3,159,030	1,653,502	(1,505,528)
Expenditures:				
Current:				
Public safety	-	210,993	217,639	(6,646)
Public works	-	212,287	163,737	48,550
Culture and recreation	-	198,114	195,677	2,437
Capital outlay	-	2,537,636	1,076,450	1,461,186
Total expenditures	-	3,159,030	1,653,503	1,505,527
Excess (deficiency) of revenues over (under) expenditures	-	-	(1)	(1)
Net change in fund balance	$ -	$ -	(1)	$ (1)
Fund Balance, Beginning of Year			661,423	
Fund Balance, End of Year			$ 661,422	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Park Impact Fees Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	$ 125,000	$ 125,000	$ 156,209	$ 31,209
Interest income	15,000	15,000	57,333	-
Total revenues	140,000	140,000	213,542	31,209
Expenditures:				
Current:				
Culture and recreation	1,125,000	1,125,000	364,487	760,513
Capital outlay	185,000	538,979	454,566	84,413
Total expenditures	1,310,000	1,663,979	819,053	844,926
Excess (deficiency) of revenues over (under) expenditures	(1,170,000)	(1,523,979)	(605,511)	876,135
Net change in fund balance	$ (1,170,000)	$ (1,523,979)	(605,511)	$ 876,135
Fund Balance, Beginning of Year			1,634,193	
Fund Balance, End of Year			$ 1,028,682	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Stormwater Drain Trust Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Utility taxes	$ -	$ -	$ 576	$ 576
Intergovernmental	380,000	380,000	389,607	9,607
Interest income	5,000	5,000	13,636	8,636
Total revenues	385,000	385,000	403,819	18,819
Expenditures:				
Current:				
Highway and roads	223,398	267,674	214,808	52,866
Capital outlay	565,000	604,737	144,556	460,181
Total expenditures	788,398	872,411	359,364	513,047
Excess (deficiency) of revenues over (under) expenditures	(403,398)	(487,411)	44,455	531,866
Other Financing Sources (Uses):				
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	(150,000)	(150,000)	(150,000)	-
Net change in fund balance	$ (553,398)	$ (637,411)	(105,545)	$ 531,866
Fund Balance, Beginning of Year			246,226	
Fund Balance, End of Year			$ 140,681	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Art and Public Places Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for Services	$ -	$ -	$ 876,495	$ 876,495
Total revenues	-	-	876,495	876,495
Expenditures:				
Public works	39,955	139,955	2,325	137,630
Excess (deficiency) of revenues over (under) expenditures	(39,955)	(139,955)	874,170	738,865
Net change in fund balance	$ (39,955)	$ (139,955)	874,170	$ 738,865
Fund Balance, Beginning of Year			39,955	
Fund Balance, End of Year			$ 914,125	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Debt Service Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Grants, contributions and donations	$ 139,998	$ 139,998	$ 139,998	$ -
Miscellaneous	189,410	189,410	189,410	-
Total revenues	329,408	329,408	329,408	-
Expenditures:				
Debt Service:				
Principal	923,000	923,000	923,000	-
Interest	126,125	126,125	126,586	(461)
Total expenditures	1,049,125	1,049,125	1,049,586	(461)
Excess (deficiency) of revenues over (under) expenditures	(719,717)	(719,717)	(720,178)	(461)
Other Financing Sources:				
Transfers in	720,079	720,079	720,079	-
Total other financing sources	720,079	720,079	720,079	-
Net change in fund balance	$ 362	$ 362	(99)	$ (461)
Fund Balance, Beginning of Year			638	
Fund Balance, End of Year			$ 539	

City of South Miami, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - Emergency Reserve Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	$ 200,000	$ 200,000	$ 285,619	$ 85,619
Total revenues	200,000	200,000	285,619	85,619
Expenditures:	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	200,000	200,000	285,619	85,619
Net change in fund balance	$ 200,000	$ 200,000	285,619	$ 85,619
Fund Balance, Beginning of Year			6,957,545	
Fund Balance, End of Year			$ 7,243,164	

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, 2025

	Pension Trust Funds		
	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
Assets:			
Cash and cash equivalents	$ 2,815,201	$ 6,915	$ 2,822,116
Receivables:			
Employee contribution	20,277	-	20,277
Dividends and interest	94,504	-	94,504
Other receivables	21,323	-	21,323
Total receivables	136,104	-	136,104
Investments, at fair value:			
Real estate holdings	5,444,847	-	5,444,847
U.S. Government and agency securities	6,448,363	-	6,448,363
Corporate obligations	5,952,233	-	5,952,233
Mutual funds:			
Equity	49,058,418	482,021	49,540,439
Fixed income	-	284,055	284,055
Total investments	66,903,861	766,076	67,669,937
Other assets:			
Prepaid expenses	4,278	-	4,278
Total assets	69,859,444	772,991	70,632,435
Liabilities:			
Accounts payable	466,516	-	466,516
Prepaid employer contributions	24,469	-	24,469
Pending trades payable	-	566	566
Total liabilities	490,985	566	491,551
Net Position:			
Restricted for pension benefits	$ 69,368,459	772,425	70,140,884

City of South Miami, Florida
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2025

	Pension Trust Funds		
	General Employees and Police Officers Pension Plan	Section 185 Police Officers Pension Trust Fund	Total
Additions:			
Contributions:			
Employer	$ 985,652	$ -	$ 985,652
Employees	551,477	-	551,477
Section 185 contributions	79,228	172,165	251,393
Total contributions	1,616,357	172,165	1,788,522
Investment income:			
Net appreciation in fair value of investments	6,107,472	64,138	6,171,610
Interest and dividends	1,399,856	29,503	1,429,359
Total investment income	7,507,328	93,641	7,600,969
Less investment expenses	179,544	4,088	183,632
Net investment income	7,327,784	89,553	7,417,337
Transfer from 185 Section Plan	172,273	-	172,273
Total additions	9,116,414	261,718	9,378,132
Deductions:			
Participant benefit payments	2,226,733	147,078	2,373,811
Refund of contributions	1,827	-	1,827
Minimum benefit funding	-	103,697	103,697
DROP distributions	796,906	-	796,906
Administrative expenses	184,981	23,809	208,790
Transfer to 185 section plan	-	172,273	172,273
Total deductions	3,210,447	446,857	3,657,304
Change in net position	5,905,967	(185,139)	5,720,828
Net position restricted for pension benefits, beginning	63,462,492	957,564	64,420,056
Net position restricted for pension benefits, ending	$ 69,368,459	772,425	70,140,884

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

City of South Miami, Florida
Statistical Section
For the Year Ended September 30, 2025

This part of the City of South Miami'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. 80-83

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 84-87

Debt Capacity
These schedules contain 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. 88-91

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. 92-93

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. 94-96

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

Table 1

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(amount expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	$ 27,343	$ 28,360	$ 29,407	$ 29,928	$ 29,893	$ 31,413	$ 32,405	$ 33,966	$ 38,141	$ 44,770
Restricted	5,208	5,424	6,174	6,060	3,947	4,556	4,042	8,021	5,700	9,058
Unrestricted	11,529	11,486	11,836	12,454	17,317	19,251	23,574	29,315	25,475	22,557
Total governmental activities net position	$ 44,080	$ 45,270	$ 47,417	$ 48,442	$ 51,157	$ 55,220	$ 60,020	$ 71,302	$ 69,316	$ 76,385

CITY OF SOUTH MIAMI, FLORIDA

Table 2

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(amount expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES:										
Governmental activities:										
General government	$ 4,373	$ 5,029	$ 4,683	$ 6,071	$ 4,956	$ 5,372	$ 5,610	$ 4,777	$ 6,997	$ 6,613
Public safety	7,613	7,746	7,148	7,327	10,097	8,077	7,525	6,122	10,410	12,142
Public works	4,166	3,420	4,651	4,371	3,729	4,350	4,880	4,717	6,175	6,035
Community services	985	948	635	1,221	1,475	-	-	-	-	-
Culture and recreation	2,082	2,135	2,336	2,587	2,301	2,335	2,671	3,392	4,429	6,091
Interest on long-term debt	531	494	464	447	544	137	253	194	136	237
Total governmental activities expenses	19,750	19,772	19,917	22,024	23,102	20,271	20,939	19,201	28,147	31,117
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	1,210	949	966	766	1,324	1,160	1,633	3,186	4,758	4,720
Public safety	3,808	3,544	3,686	3,468	2,643	3,317	4,217	5,694	5,174	4,145
Public works	32	30	29	4	-	-	-	-	-	985
Community services	35	40	36	26	11	-	-	-	-	-
Culture and recreation	210	241	185	223	154	180	239	247	1,042	2,241
Interest on long-term debt	284	294	346	431	-	-	-	-	-	-
Operating and capital grants and contributions	492	272	283	593	3,923	2,380	1,697	1,156	1,129	5,521
Total governmental activities program revenues	6,071	5,370	5,531	5,511	8,055	7,038	7,786	10,282	12,103	17,613
Net (expense)/revenue:										
Governmental activities	(13,679)	(14,402)	(14,386)	(16,513)	(15,047)	(13,232)	(13,153)	(8,919)	(16,044)	(13,504)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes:										
Property taxes	6,989	7,643	8,090	8,650	8,999	8,392	8,711	8,968	9,941	10,803
Utility taxes	2,112	2,111	2,180	2,170	2,089	2,110	2,204	2,424	2,450	2,430
Business taxes	705	679	667	657	677	646	671	676	717	692
Franchise taxes	1,951	2,174	2,156	2,177	2,116	2,309	2,661	2,950	1,424	1,417
Service concession arrangement	405	419	439	324	708	660	311	190	-	-
Interest income (unrestricted)	162	183	273	329	312	314	278	1,403	2,017	1,599
Intergovernmental (unrestricted)	2,710	2,743	2,666	2,688	2,387	2,682	3,197	3,388	3,302	3,243
Other	338	665	439	543	474	212	263	203	632	389
Extraordinary item- Judgment	-	(1,025)	-	-						
Total governmental activities	15,372	15,592	16,910	17,538	17,762	17,324	18,297	20,201	20,482	20,573
CHANGES IN NET POSITION:										
Governmental activities	$ 1,693	$ 1,190	$ 2,524	$ 1,025	$ 2,715	$ 4,092	$ 5,143	$ 11,282	$ 4,438	$ 7,069

CITY OF SOUTH MIAMI, FLORIDA

Table 3

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	$ 248	$ 294	$ 277	$ 284	$ -	$ -	$ -	$ -	$ -	$ -
Committed	4,893	4,809	4,072	4,167	6,327	6,531	7,866	8,028	6,958	7,243
Assigned	2,361	4,158	1,871	-	-	-	-	-	-	-
Unassigned	5,644	3,730	4,551	7,035	8,608	10,443	10,959	13,617	12,611	9,265
Total General Fund	$ 13,146	$ 12,991	$ 10,771	$ 11,486	$ 14,935	$ 16,974	$ 18,825	$ 21,645	$ 19,569	$ 16,508
All other governmental funds:										
Unreserved, reported in:										
Nonspendable	$ 75	$ 74	$ 73	$ 73	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	5,208	5,425	5,932	6,060	3,947	4,556	4,073	5,076	5,700	4,581
Committed	48	60	77	51	60	79	105	152	176	232
Assigned	816	1,587	-	1,044	1,452	791	1,830	2,634	5,163	8,881
Unassigned	(134)	(132)	(67)	(61)	22	-	-	-	-	-
Total all other governmental funds	$ 6,013	$ 7,014	$ 6,015	$ 7,167	$ 5,481	$ 5,426	$ 6,007	$ 7,862	$ 11,039	$ 13,694

CITY OF SOUTH MIAMI, FLORIDA Table 4

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amount expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES:										
Taxes and franchise fees	$ 9,645	$ 10,496	$ 9,820	$ 10,419	$ 10,749	$ 10,053	$ 10,695	$ 11,132	$ 12,081	$ 12,912
Charges for services	2,809	2,536	3,464	3,437	2,647	3,610	4,135	5,610	5,616	7,192
Utility taxes	2,112	2,111	2,180	2,170	2,089	2,110	2,204	2,424	2,450	2,430
Intergovernmental	3,069	2,972	2,809	3,142	6,195	4,699	4,777	4,304	4,520	8,451
Licenses and permits	1,194	927	939	732	1,288	1,132	1,618	3,131	3,972	2,647
Fines and forfeitures	1,076	1,104	1,403	1,169	1,084	1,283	1,449	1,621	1,162	1,962
Interest income	162	183	273	329	312	314	278	1,403	2,017	1,599
Rents and royalties	1,057	1,000	1,013	1,008	881	210	247	225	223	293
Other	386	665	549	651	613	959	774	663	594	701
Total revenues	21,510	21,994	22,450	23,057	25,858	24,370	26,177	30,514	32,635	38,187
EXPENDITURES:										
General government	3,720	4,316	4,614	3,961	4,185	6,005	5,124	4,942	5,681	6,247
Public safety	7,089	7,548	8,407	7,784	10,009	7,822	8,224	8,950	9,493	11,411
Public works	3,318	3,211	3,682	3,661	3,206	2,744	3,777	4,206	4,697	5,395
Community services	636	594	615	577	1,322	-	-	-	-	-
Culture and recreation	1,973	2,027	2,118	2,256	1,996	1,680	2,326	2,617	3,023	4,078
Debt service:										
Principal	853	742	836	774	5,658	784	832	896	951	1,160
Interest and fiscal charges	485	458	430	398	495	216	218	189	163	127
Capital outlay:										
Capital outlay (capitalized)	1,072	1,513	1,469	2,620	1,239	2,161	1,600	2,377	4,845	8,834
Capital outlay (not capitalized)	1,221	739	965	1,692	973	974	1,642	1,788	2,681	2,281
Total expenditures	20,368	21,148	23,136	23,723	29,083	22,386	23,744	25,964	31,535	39,532
Excess (deficiency) of revenues over expenditures	1,142	846	(686)	(666)	(3,225)	1,984	2,433	4,550	1,100	(1,346)
OTHER FINANCING SOURCES (USES):										
Transfers in	1,800	2,629	3,172	2,157	4,645	2,543	3,443	4,026	9,041	8,100
Transfers out	(1,800)	(2,629)	(3,172)	(2,157)	(4,645)	(2,543)	(3,443)	(4,026)	(9,041)	(8,100)
Issuance of debt	-	-	-	-	4,988	-	-	-	-	-
Subscription Acquired	-	-	-	-	-	-	-	125	-	1,246
Proceeds from refunding debt	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	4,988	-	-	125	-	1,246
Net change in fund balances	$ 1,142	$ 846	$ (686)	$ (666)	$ 1,763	$ 1,984	$ 2,433	$ 4,675	$ 1,100	$ (100)
Debt service as a percentage of noncapital expenditures	7.40%	6.35%	6.12%	6.04%	22.90%	5.19%	5.12%	4.98%	4.64%	4.53%

CITY OF SOUTH MIAMI, FLORIDA Table 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

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)
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%
2024	$ 2,746,530	$ 93,841	$ 2,840,371	3.9500	$ 2,840,371	100.00%
2025	$ 3,010,990	$ 106,757	$ 3,117,747	3.9500	$ 3,117,747	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

Table 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

	City of South Miami		Overlapping Rates (1)											
			School Millages		Regional Millages			County Wide Millages					Other	
Fiscal Year (2)	Basic Direct Rate	Debt Service Rate	MDC School Board - Operating	MDC School Board - Debt Service	Everglades Project	South Florida Water Management District	Florida Inland Navigation District	County Wide - Operating	County Wide - Debt Service	Fire & Rescue - Operating	Fire & Rescue - Debt Service	MDC Library District	Childrens Trust Authority	Total City-Wide
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
2024	3.9500	-	6.4680	0.1330	0.0327	0.1974	0.0288	4.5740	0.4271	2.3965	0.0000	0.2812	0.5000	18.9887
2025	3.9500	-	6.4990	0.1340	0.0327	0.1974	0.0270	4.5740	0.4171	2.3965	0.0000	0.2812	0.4638	18.9727

(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

2025				2016			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
SCG Atlas Red Road Commons LLC	$ 95,375	1	3.06%	Bakery Associates, Ltd.	$ 88,800	1	5.25%
Sunset Opportunities B1 LLC	66,463	2	2.13%	RRC 57th Avenue LLC	53,130	2	3.14%
ASF LP 6262 Sunset Drive LLC	28,658	3	0.92%	Larkin Community Hospital	25,403	3	1.50%
Florida Power & Light Company	28,568	4	0.92%	S Miami Hospital Dev Fund Inc.	19,960	4	1.18%
HR Acquisition I Corporation	27,757	5	0.89%	JW Advance LLC	17,760	5	1.05%
TSS Phase I LLC	26,500	6	0.85%	KIMCO South Miami	16,111	6	0.95%
Larkin Community Hospital Inc	25,260	7	0.81%	South Miami Corp	15,066	7	0.89%
S Miami Hospital Dev Fund Inc	23,759	8	0.76%	Florida Power & Light Company	14,039	8	0.83%
6001 SW 70th St LLC	23,679	9	0.76%	Capstone Capital Trust INC	13,730	9	0.81%
Kimco South Miami 634 Inc	21,103	10	0.68%	HTA Sunset LLC	11,390	10	0.67%
	$ 367,123		11.78%		$ 275,389		16.27%

Source: Miami-Dade County Tax Assessors' Office 2025 & 2016 Tax Rolls

CITY OF SOUTH MIAMI, FLORIDA Table 8

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total Taxes Levied For Fiscal Year (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections	
		Amount (2)	Percent of Levy		Amount (2)	Percent of Levy
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%
2024	$ 11,219	$ 9,764	87.0%	$ 177	$ 9,941	88.6%
2025	$ 12,315	$ 10,581	85.9%	$ 222	$ 10,803	87.7%

(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 Table 9

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Notes Payable	Leases	Subscriptions			
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	$ -	$ -	$ 60	$ 6,736	3.68%	$ 0.5622
2024	$ 5,785	$ -	$ -	$ -	$ 5,785	2.86%	$ 0.4814
2025	$ 4,862	$ -	$ -	$ 1,009	$ 5,871	2.63%	$ 0.4740

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 Table 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

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)
2016	$ 12,087	$ -	$ 12,087	0.71%	$ 0.936
2017	$ 11,365	$ -	$ 11,365	0.63%	$ 0.899
2018	$ 10,597	$ -	$ 10,597	0.55%	$ 0.837
2019	$ 9,823	$ -	$ 9,823	0.49%	$ 0.758
2020	$ 9,153	$ -	$ 9,153	0.44%	$ 0.710
2021	$ 8,369	$ -	$ 8,369	0.40%	$ 0.696
2022	$ 7,537	$ -	$ 7,537	0.32%	$ 0.623
2023	$ 6,676	$ -	$ 6,676	0.26%	$ 0.557
2024	$ 5,785	$ -	$ 5,785	0.20%	$ 0.481
2025	$ 4,862	$ -	$ 4,862	0.16%	$ 0.393

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

Table 11

Direct and Overlapping Governmental Activities Debt
For the Fiscal Year Ended September 30, 2025
(amounts expressed in thousands)

Government Unit		Net Debt Outstanding	Estimated Percentage Applicable (1)		Amount Applicable to South Miami
Miami-Dade Board of County Commissioner (2)	$	5,132,956	0.608%	$	31,199
Miami-Dade County School Board (3)		2,721,181	0.608%		16,540
Subtotal overlapping debt		7,854,137			47,739
City of South Miami direct debt (4)		4,862	100.00%		4,862
Total direct and overlapping debt	$	7,858,999		$	52,601

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, Finance Department; includes General Obligation and Special Obligation Bonds.

(3) Miami-Dade County Schools, General Finance Department.

(4) South Miami Debt Fund Schedule Ending Balance

CITY OF SOUTH MIAMI, FLORIDA

Table 12

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 253,862	$ 268,982	$ 287,725	$ 298,061	$ 310,970	$ 316,271	$ 354,447	$ 392,441	$ 426,056	$ 467,662
Total net debt applicable to limit	12,087	11,365	10,597	9,823	9,153	8,369	7,537	6,676	5,785	4,862
Legal debt margin	$ 241,775	$ 257,617	$ 277,128	$ 288,238	$ 301,817	$ 307,902	$ 346,910	$ 385,765	$ 420,271	$ 462,800
Total net debt applicable to the limit as a percentage of debt limit	4.76%	4.23%	3.68%	3.30%	2.94%	2.65%	2.13%	1.70%	1.36%	1.04%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed valuation of taxable real and personal property		$ 3,117,747
Bonded debt limit - 15% of assessed value		$ 467,662
Total ad valorem debt - Revenue Bonds	$ 4,862	
Amount of debt applicable		4,862
Legal debt margin		$ 462,800

CITY OF SOUTH MIAMI, FLORIDA Table 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
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
2024	12,018	$ 202,003	$ 75,182	39.9	2,197	2.2
2025	12,386	$ 223,010	$ 78,567	39.9	2,145	2.7

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, Most Recent Data By County (2024)
(3) United States Census Bureau/Census.gov
(4) National Center for Education Statistics/CCD Public school data 2024-2025 school year
(5) Miami Dade County Labor Market Report/Federal Reserve Bank of St. Louis Economic Data

CITY OF SOUTH MIAMI, FLORIDA Table 14

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

	2024[1]			2015		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	35,497	1	2.55 %	31,000	1	2.35 %
Miami-Dade County	29,495	2	2.12 %	24,692	2	1.87 %
University of Miami	22,566	3	1.62 %	13,864	5	1.05 %
Jackson Health System	14,249	4	1.02 %	8,163	8	0.62 %
Publix Super Markets	14,146	5	1.01 %	-	-	- %
American Airlines	11,297	6	0.81 %	11,773	7	0.89 %
Amazon	7,383	7	0.53 %	-	-	- %
Walmart	7,373	8	0.53 %	-	-	- %
Florida International University	6,597	9	0.47 %	4,951	9	0.37 %
Miami-Dade College	5,958	10	0.43 %	2,572	15	0.19 %
U.S. Postal Services	5,843	11	0.42 %	-	-	- %
Baptist Hospital of Miami	5,469	12	0.39 %	-	-	- %
Department of Homeland Security	5,356	13	0.38 %	-	-	- %
City of Miami	5,000	14	0.36 %	3,820	10	0.29 %
Baptist Health South Florida	4,919	15	0.35 %	13,369	6	1.01 %
U.S. Federal Government	-	-	- %	19,300	3	1.46 %
Florida State Government	-	-	- %	19,200	4	1.45 %
Miami Children's Hospital	-	-	- %	2,991	13	0.23 %
Mount Sinai Medical Center	-	-	- %	3,402	11	0.26 %
Homestead AFB	-	-	- %	2,810	14	0.21 %
Florida Power & Light Company	-	-	- %	3,011	12	0.23 %
	181,148		12.99 %	164,918		12.48 %

Source: [1]Miami-Dade County Annual Comprehensive Financial Report FY 2024. Information is based on data from year 2024. The data for 2025 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 Table 15

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FUNCTION:										
General government	31	31	27	28	25	21	22	20	23	25
Public safety:										
Police:										
Officers	54	52	52	52	52	49	49	50	48	51
Civilians	7	7	8	7	7	5	5	7	9	8
Building and zoning	4	4	4	4	4	6	3	4	6	6
Public works	19	20	17	16	14	13	13	14	15	16
Recreation and social services	18	13	14	14	13	13	13	14	15	18
Sanitation	10	10	10	9	8	8	8	9	9	9
Total	143	137	132	130	123	115	113	118	125	133

Source: City of South Miami Personnel Division

CITY OF SOUTH MIAMI, FLORIDA

Table 16

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Number of calls answered	12,964	13,265	15,259	16,315	13,650	13,218	12,138	12,871	13,169	12,380
Number of arrests	419	352	293	265	477	269	338	230	287	278
Number of law enforcement officers	52	52	52	52	52	48.5	42.5	46.0	46.0	47.0
Building and zoning:										
Residential Building Permits			1,081	1,053	845	1,022	1,050	1,001	1,019	992
Non-Residential Building Permits			407	417	278	345	328	312	391	346
Total Building Permits Issued	1,550	1,440	1,488	1,470	1,123	1,367	1,378	1,313	1,410	1,338
License/permit revenue generated	$ 1,898,843	$ 1,605,602	$ 1,605,559	$ 1,389,198	$ 1,964,509	$ 1,777,095	$ 2,304,425	$ 3,835,154	$ 4,688,567	$ 3,338,564
Occupational licenses issued	3,301	3,201	3,255	3,211	3,232	3,300	3,275	3,285	3,236	3,255
Culture and recreation:										
Number of senior meals served	25,109	26,432	27,024	27,216	27,630	24,740	24,740	21,006	18,124	21,108
Recreation revenues collected	$ 488,976	$ 548,961	$ 597,131	$ 609,187	$ 535,819	$ 736,292	$ 852,365	$ 910,469	$ 1,035,905	$ 1,052,821
Sanitation:										
Refuse collected (tons per month)	914	945	984	1,020	1,038	1,190	1,020	1,248	850	838

Sources: Various City departments

Note: Indicators are not available for the general government function

The number of residential versus non-residential building permits was not being tracked until the end of 2017

CITY OF SOUTH MIAMI, FLORIDA Table 17

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FUNCTION/PROGRAM:										
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	65	68	62	64	66	66	60	65	66	70
Public works:										
Streets (miles-paved)	46.8	46.8	46.8	46.8	46.8	46.8	46.8	46.8	46.8	46.8
Culture and recreation:										
Parks	15	15	15	16	17	17	17	17	17	17
Tennis courts	10	10	10	10	10	10	10	10	10	10
Pickleball courts										5
Baseball/football fields	7	7	7	7	7	7	7	7	6	6
Multi-purpose grass fields									3	3
Soccer/Flag Football Fields									4	4
Soccer Turf Fields									2	2
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

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INDEPENDENT AUDITOR'S 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 City Commissioners
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 the City of South Miami, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
March 30, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE FLORIDA AUDITOR GENERAL*

To the Honorable Mayor and City Commissioners
City of South Miami, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of South Miami, Florida's (the "City"), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each major federal program and major state project for the year ended September 30, 2025. The City's major federal program and major state project are identified in the summary of auditor's 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 and major state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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; 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* (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, 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 and major state project. 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 requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

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Auditor's 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*, the Uniform Guidance, and Chapter 10.550, 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 and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, 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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
March 30, 2026

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City of South Miami, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2025

Federal Grantor/State Agency Pass-through Grantor Program or Cluster Title	Federal Assistance Listing/CSFA Number	Pass-Through Entity Identifying Number		Total Federal/State Expenditures	Provided to Subrecipients
Federal Awards:					
U.S. Department of Agriculture					
Passed through Florida Department of Agriculture & Consumer Services					
Cooperative Forestry Assistance	10.664	32110		$ 6,564	$ -
Total U.S. Department of Agriculture				6,564	
U.S. Department of Housing and Urban Development					
CDBG-Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants	14.218	N/A		14,114	-
Total U.S. Department of Housing and Urban Development				14,114	
U.S. Department of Justice					
Public Safety Partnership and Community Policing Grants	16.710	N/A		39,950	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		2,270	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		1,933	-
			Total 16.738	4,203	
Equitable Sharing Program	16.922	N/A		124,632	-
Total U.S. Department of Justice				168,785	
U.S. Department of Transportation					
Highway Safety Cluster:					
State & Community Highway Traffic Safety	20.600	N/A		25,290	-
Total Highway Safety Cluster				25,290	
Safe Streets & Roads for All	20.939	N/A		37,840	-
Total U.S. Department of Transportation				88,420	
U.S. Department of Treasury					
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A		3,555,544	-
Total U.S. Department of Treasury				3,555,544	
Total Expenditures of Federal Awards				$ 3,808,137	$ -

See notes to schedule of expenditures of federal awards and state financial assistance.

City of South Miami, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2025

Federal Grantor/State Agency Pass-through Grantor Program or Cluster Title	Federal Assistance Listing/CSFA Number	Pass-Through Entity Identifying Number	Total Federal/State Expenditures	Provided to Subrecipients
State Financial Assistance:				
Florida Department of Environmental Protection				
Statewide Water Quality Restoration Projects	37.039	LPA0683	$ 509,818	$ -
Florida Recreation Development Assistance Program	37.017	P5094	50,000	-
Florida Recreation Development Assistance Program	37.017	P5099	50,000	-
		Total 37.017	100,000	
Resilient Florida Program	37.098	24PLN20	137,200	-
Total Florida Department of Environmental Protection			747,018	
Florida Department of Transportation				
Public Transit Service Development Program	55.012	G3156	132,287	-
Pedestrian & Bicycle Safety High Visibility Enforcement & Support Program	*	G3E95	4,926	-
Total Florida Department of Environmental Protection			137,213	
Florida Department of Law Enforcement				
Drone Replacement Program	71.092	3X084	74,999	-
Total Expenditures of State Financial Assistance			$ 959,230	$ -

* - see Notes

See notes to schedule of expenditures of federal awards and state financial assistance.

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the award activity of all federal awards and state financial assistance of the City for the year ended September 30, 2025. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the financial statements. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, change in net position, or cash flows of the City.

Note 2 – Summary of Significant Account Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as applicable.

A Catalog of State Financial Assistance identifying number for the contract G3E95 in the schedule of expenditures of federal awards and state financial assistance has not been assigned.

Note 3 – Indirect Costs Rate

The City did not elect to use the de minimis indirect cost rate.

City of South Miami, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	*Unmodified Opinion*		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	X no	
Significant deficiency(ies) identified?	_____ yes	X none reported	
Noncompliance material to financial statements noted?	_____ yes	X no	

Federal Programs and State Projects

Internal control over major federal programs and state projects:			
Material weakness(es) identified?	_____ yes	X no	
Significant deficiency(ies) identified?	_____ yes	X none reported	
Type of auditor's report issued on compliance for major federal programs and state projects?	*Unmodified Opinion*		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.550, *Rules of the Florida Auditor General* ?	_____ yes	X no	

Identification of major federal programs and state projects:

Federal Programs or Cluster
Assistance Listing No.

21.027 U.S. Department of Treasury -
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds

State Projects
CSFA No.

37.039 Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B Programs/Projects:	
Federal	$ 1,000,000
State	$ 300,000

Auditee qualified as low-risk auditee?	_____ yes	X no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None reported.

CITRINCOOPERMAN®

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MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and City Commissioners
City of South Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Miami, Florida (the "City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 30, 2026.

Auditor's 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States; the auditor requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings, and Independent Accountant's 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 Florida Auditor General*. Disclosures in those reports, which are dated March 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Florida 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 has made these disclosures in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Florida 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 the specific conditions 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Florida 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.

Section 10.554(1)(i)2., *Rules of the Florida Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Florida Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit.

The City did not operate a PACE program within its geographical boundaries during the fiscal year under audit.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Florida Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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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, the 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.

Citrin Cooperman & Company, LLP
Fort Lauderdale, Florida
March 30, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor and City Commissioners
City of South Miami, Florida

We have examined the City of South Miami, Florida's (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* (the "specified requirements"), during the year ended September 30, 2025. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements for the year ended September 30, 2025.

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

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
March 30, 2026

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South Miami
THE CITY OF PLEASANT LIVING

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 27th day of February, 2026.

Notary Public State of Florida
Jaclyn C Barzola
My Commission HH 612228
Expires 12/29/2028

NOTARY PUBLIC
Print Name Jaclyn C. Barzola

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires:
12/29/2028