ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CITY OF SUNNY ISLES BEACH, FLORIDA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by the
Finance Department

The Height of Living

CITY OF SUNNY ISLES BEACH, FLORIDA

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INTRODUCTORY SECTION

City Commission

Larisa Svechin
Mayor

Jeniffer Viscarra
Vice Mayor

Jerry Joseph
Commissioner

Alex Lama
Commissioner

Fabiola Stuyvesant
Commissioner

Stan Morris
City Manager

Mauricio Betancur
City Clerk, CMC

March 27, 2026

Honorable Mayor
Members of the City Commission
Citizens of the City of Sunny Isles Beach, Florida

We are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Sunny Isles Beach, Florida (the "City"), for the fiscal year ended September 30, 2025. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. These financial statements are presented in conformity with generally accepted accounting principles in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by an external auditing firm. We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure and transparency. This philosophy is reflected in the informative financial analysis provided by the City's Finance Department and the statistical tables included herein.

The ACFR's role is to assist in making good decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial conditions and results of operations;
- Assisting in determining compliance with finance-related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

Responsibility for both the accuracy and the completeness of the data presented, including all disclosures, rests with the management of the City.

We believe the data is accurate in all material respects; that it is presented in a manner designed to fairly reflect the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

City Commission

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CBIZ CPAs P.C., our independent audit firm, has issued unmodified opinions on the City's financial statements for the fiscal year ended September 30, 2025. The independent auditors' report is located at the front of the financial section of this report.

An unmodified opinion is issued when an auditor believes that the financial statements are free from material misstatement. Information is considered material if the omission or misstatement can influence the economic decision of users of the financial statements.

The City's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standards. Management's Discussion and Analysis (MD&A), immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the letter of transmittal and should be read in conjunction with it.

THE CITY OF SUNNY ISLES BEACH

Profile

The City occupies 1.78 square miles in the northeastern corner of Miami-Dade County, the most populated county in the State of Florida. With an estimated population of 22,801 people, the City ranks 15th in population amongst the 34 municipalities in the County (*Source: Bureau of Economic and Business Research, University of Florida Estimates*). The City is located on a barrier island bound by the Atlantic Ocean on the east and the Atlantic Intracoastal Waterways on the west. The City has been developed primarily for residential purposes.

The City was incorporated in 1997 and operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the governing commission, which consists of a Mayor and four Commissioners. The City Commission is vested with policy-setting authority, adopting the annual budget, approving general purchases and services of the governmental operations, appointing committees, and hiring the City Manager, City Clerk and City Attorney.

City Commission

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The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the directors of the City's departments, hiring staff, submitting a proposed annual budget, advising the Commission as to the financial condition of the City, and overseeing the day-to-day operations of the City.

The City is divided into four districts with one Commissioner required to reside in each district. Each Commissioner is elected "at large" and is elected for a four-year term. The Mayor is elected "at large" and is elected for a four-year term.

Services Provided

The City of Sunny Isles Beach provides a full range of municipal services: police and public safety, ocean rescue, building, planning and zoning, code compliance, transportation, maintenance of roads and parking facilities, stormwater, parks, recreation and cultural programs, general government and administrative services. Fulfilling all municipal services with over 300 employees, most of which are assigned to Public Safety.

Fire protection, water and sewer utilities, education and welfare services are provided by other units of government whose activities are not included in the accompanying financial statements.

Accounting and Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure and oversight designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that the objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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Single Audit

As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is subject to periodic evaluation by management.

The City is required to undergo a Single Audit performed under the provisions 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 Auditor General*, State of Florida, if the City incurs aggregate expenditures of at least $1,000,000 in federal awards or $750,000 of state financial assistance. The information related to the Single Audit, including the Schedule of Expenditures of Federal Awards and State Financial Assistance (as applicable), Findings and Questioned Costs, and auditors' reports on internal control and compliance with applicable laws and regulations are included in the compliance section of this report, when applicable. For the fiscal year ended September 30, 2025, the City did not meet the requirements to undergo a Federal or State Single Audit.

Budgetary Controls

In addition, the City maintains strict budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual budget appropriations approved by the City's governing body. In accordance with state laws, the Adopted Budget is posted on the City's website within 30 days of adoption. The activities of the General Fund, Special Revenue Funds, and Capital Project Funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are re-appropriated as part of the following year's budget.

All expenditures other than personnel services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

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As permitted by the City's Code of Ordinances, transfers between line items or departmental accounts within the departmental budget or decreases in line items or departmental accounts not amounting to more than 20% of the total budget of each department may be made by the City Manager. All budgetary transfers between departments shall be approved by resolution of the City Commission; however, it is our practice, in full transparency, to bring all transfers to the City Commission for approval through the budget amendment process.

Budget amendments are submitted, as needed, to the City Commission for their consideration and approval by ordinance.

LOCAL ECONOMY

Since its origin, the City has been developed mostly for residential aspirations. Today, the luxury residential component is one of the main economic engines of our City. After the City's incorporation and the adoption of its Comprehensive Plan, allowing for a strategic revitalization of its greater assets – the waterfront residences and the beach - the City experienced significant growth in its tax base. This is mostly attributable to the replacement of old motels with the redevelopment of luxurious high-rise residential condominiums. During the 2008 housing collapse, the City experienced a moderate downturn in construction and tax base. However, in 2011, the City rebounded with its approval of high-end luxury residential condominiums. The 2011 fiscal year ended with taxable value at its lowest point in years. During the years of adjustment, the City experienced new construction which helped minimize the impact of the devaluation of the property values. Property values started to appreciate again in 2012, and the continuing increase in property values in 2013 through 2015 is primarily attributed to the turnover of long-term owned properties to new buyers and as mentioned, the rebound of new construction of residential projects. This allowed for the property taxable valuation to "reset" to the current fair market value, compared to the long-term owned property that was protected at the fair market value at time of purchase, with annual increases equal to the lesser of CPI or 3%. Beginning with the year 2016, we began seeing significant new construction added to our tax rolls. With over 1,800 housing and hotel units added during this period, which brings our projected 2025 taxable value, for fiscal year 2025-26, to over $19.1 billion.

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Due to this growth, the millage rate was reduced to 2.5 mils in fiscal year 2016, and by 1/10 of a mil each year through 2023 to 2.0 mils. Property tax values were projected to increase again for fiscal year 2025 and the millage rate was reduced to 1.8 mils, with a projected collection of $30.5 million in ad valorem revenues.

	2026	2025	2024	2023	2022
Current Year Adjusted Values	$ 18,972,386,195	$ 17,219,358,170	$ 15,312,131,485	$ 13,584,165,132	$ 11,338,676,927
Plus New Contruction	142,039,173	612,659,031	656,276,116	197,629,908	1,297,165,759
Total Estimated Taxable Values	**19,114,425,368**	**17,832,017,201**	**15,968,407,601**	**13,781,795,040**	**12,635,842,686**
Adjustments	-	(186,307,315)	(205,007,378)	(162,266,551)	(255,253,007)
Total Final Taxable Values	**$ 19,114,425,368**	**$ 17,645,709,886**	**$ 15,763,400,223**	**$ 13,619,528,489**	**$ 12,380,589,679**
Change from Prior Year	**8.32%**	**11.94%**	**15.74%**	**10.01%**	**7.45%**

	2021	2020	2019	2018	2017
Current Year Adjusted Values	$ 10,971,897,147	$ 10,648,993,425	$ 11,089,118,428	$ 10,299,485,811	$ 9,513,872,268
Plus New Contruction	943,614,945	919,592,238	31,417,157	798,407,488	597,556,627
Total Estimated Taxable Values	**11,915,512,092**	**11,568,585,663**	**11,120,535,585**	**11,097,893,299**	**10,111,428,895**
Adjustments	(392,793,020)	(371,480,554)	(231,735,785)	(177,678,121)	(142,553,112)
Total Final Taxable Values	**$ 11,522,719,072**	**$ 11,197,105,109**	**$ 10,888,799,800**	**$ 10,920,215,178**	**$ 9,968,875,783**
Change from Prior Year	**2.91%**	**2.83%**	**-0.29%**	**9.54%**	**14.67%**

MAJOR INITIATIVES

For the Year

In our 29th year of incorporation, after almost three decades of growth, the city is feeling the growing pains of its success. With the addition of over 1,800 new housing units within the last decade, key concerns are pedestrian safety, aging infrastructure and inadequate public spaces to keep up with demand. Through continued good governance and fiscal responsibility, the city has the resources to address these issues. This year our budget continued to provide for the major infrastructure repairs to drainage with the Golden Shores Pump Station project, continuing with the undergrounding of utility lines, the full replacement of elevators at the Gateway Pedestrian Bridge, major repairs to the very popular pedestrian bridge at North Bay Road and repairs and renovations to our Government Center that were necessary after twenty years,

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Challenges regarding hiring frontline employees continue while our determination to hire only the best remains. Continuing our commitment to be the best, the Building Department started the accreditation process with the expectation of being fully accredited early next year. Construction and repair costs have increased while the demand for those resources in our region continues to exceed supply resulting in difficulty securing those contractors. We perform many of these projects in-house to save money while ensuring the highest standards of work.

Our commitment to high-quality services and safety for residents is unwavering. We maintain a fully staffed Police Department and expanded our use of technology in keeping our city safe with the addition of three drones for added protection and quick response, even in heavy traffic. We are using technology to improve efficiency and to meet the high volume of workload that continues to grow. We are nearing completion of the Intracoastal Sports Park to add active outdoor recreation to our parks portfolio. The Government Center Annex is in the construction phase and slated to be ready next fiscal year with a fully leased space to gain revenue, and the staff recruitment to meet the new state legislative requirements is underway.

For the Future

Long-term projects are required to address the key concerns mentioned above.

Through the Sunny Isles Beach Vision: Planning for Tomorrow project, we are updating the Comprehensive Plan and Zoning Code for future redevelopment. Although the state legislature limited our ability to make certain changes to the Comprehensive Plan, we continue the visioning process to ensure we are ready to propose changes that are meaningful to our residents when the opportunity arises. We are also using this project to address public spaces in both short-term and long-term projects recognizing the role that private property owners play in these solutions.

To be fiscally responsible, we are planning pedestrian safety improvements in the Central Island area to coincide with the drainage improvements for that neighborhood. This will include a proposed solution to address scooter safety around the school.

We have budgeted to renovate the much-used Town Center Park and an expansion of Pelican Community Park with the purchase of an adjacent property in 2024. With the final phases of the Collins Avenue Undergrounding nearing an end, we can proceed with upgrading the restoration of our streetscape, including landscaping and, where possible, wider decorative sidewalks along Collins Avenue.

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The following development projects were completed during 2025:

- The Estates of Acqualina off-site parking garage is located at 17941 Atlantic Blvd. and is a 10-story parking garage with approximately 432 parking spaces. A Temporary Certificate of Occupancy (TCO) for the project was obtained in March of 2024 and the final Certificate of Occupancy (CO) was obtained in March of 2025.

- The Estates at Acqualina, located at 17901 Collins Avenue, encompasses two residential towers with a total of 234 dwelling units and approximately 1,190,676 square feet of floor area. The first TCOs for the two towers were obtained in 2022, including many residential units and restaurant space. The project will continue to obtain TCOs for residential units and amenity spaces in both towers throughout 2026.

- The Chabad Lubavitch Russian Center of South Florida is a new community center located at 488 Sunny Isles Boulevard. The community center will have a Chabad learning facility and a social hall. A partial Temporary Certificate of Occupancy (TCO) for the project was obtained in October of 2023 and the project is working towards the final Certificate of Occupancy (CO).

The following development projects are currently underway during 2026:

- The Bentley Residences is a single, 62-story tower located at 18401 Collins Avenue that is approved for 216 residential condominium units with a floor area of 616,185 square feet. Site preparation began in April of 2024 and construction will continue through 2026.

- The St. Regis Residences (formally known as La Playa Varadero) is located at 18801 Collins Avenue and is approved for two mixed-use towers, standing 62 stories each, with 361 residential units and approximately 1,228,435 square feet of floor area. The sales center is currently operating at this location. Construction of Phase I (the south tower) is anticipated to begin in 2026.

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Projects previously approved with the potential to start in the 2025-26 fiscal year and beyond include the following:

- Hotel Monaco is located at 17501 Collins Avenue and is approved for 113 hotel units with a floor area of 50,784 square feet and will be three stories tall.

The City anticipates a modest steady growth in the tax base to continue for the next several years resulting from reassessments of existing property that turnover to new buyers and also a steady growth in new construction additions for fiscal year 2026 through fiscal year 2030, as highlighted above. However, based on potential state legislative actions, ad valorem revenues related to this growth may not be commensurate. It is imperative that we continue to be conservative in our spending while providing the highest level of quality our community expects.

In addition to the potential reduction of ad valorem revenue to the City, the state legislature is looking at other revenue sources that would negatively impact our ability to maintain our standard level of service. The City will continue to closely monitor state legislative proposals and their potential impacts and limitations to Florida municipalities.

LONG-RANGE FINANCIAL PLANNING

The City Commission has adopted financial policies for operating, capital, investments, and debt management. Annually, the City Manager has budget meetings with the elected officials and individual departments that are used as a guide in the preparation and development of the annual budget. The budget is presented to the City Commission in a workshop that is open to the public.

The Capital Improvements Program (CIP) is prepared and presented to the City Commission, as a five-year plan, as part of the annual budget process. The projects represent the City's long-range plan for facilities expansions and upgrades, infrastructure improvements, traffic circulation and pedestrian safety improvements, as well as park acquisition and development. It is important to note that the Capital Improvements Program is funded through the revenues generated from Transfer of Development Rights (TDR's) and Development Bonus payments.

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OTHER INFORMATION

Independent Audit

The City Charter, Section 4.10, requires an annual audit of the City's financial statements by independent auditors selected by the City Commission. This requirement has been complied with, and the independent auditors' report is included in the financial section of this report.

Awards and Acknowledgements

The Government 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 ACFR for the fiscal year ended September 30, 2024. This was the 15th consecutive year the City received the award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded the Distinguished Budget Presentation Award for the annual budget document for the October 1, 2025 – September 30, 2026 budget. This was the 18th consecutive year the City received this award. This award is the highest form of recognition in governmental budgeting and represents a significant achievement by the City. It reflects the commitment of the governing body and staff to meet the highest principles of governmental budgeting. To receive the award, the City satisfied nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

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Our Finance team continues to lead us to the success of our financial well-being. It is the hard work and commitment to fiscal responsibility of the members of the Finance Department and our department heads that make this report possible. We would like to express our appreciation to the finance team for the preparation of this report. Our finance team proudly employs three CPA's with government experience, serving a significant achievement in financial accounting and credibility. We are grateful for the support of the Mayor and Commission for maintaining the highest standards of professionalism in the management of the City.

Respectfully submitted,

Stan Morris
City Manager

Tiffany D. Neely
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sunny Isles Beach
Florida

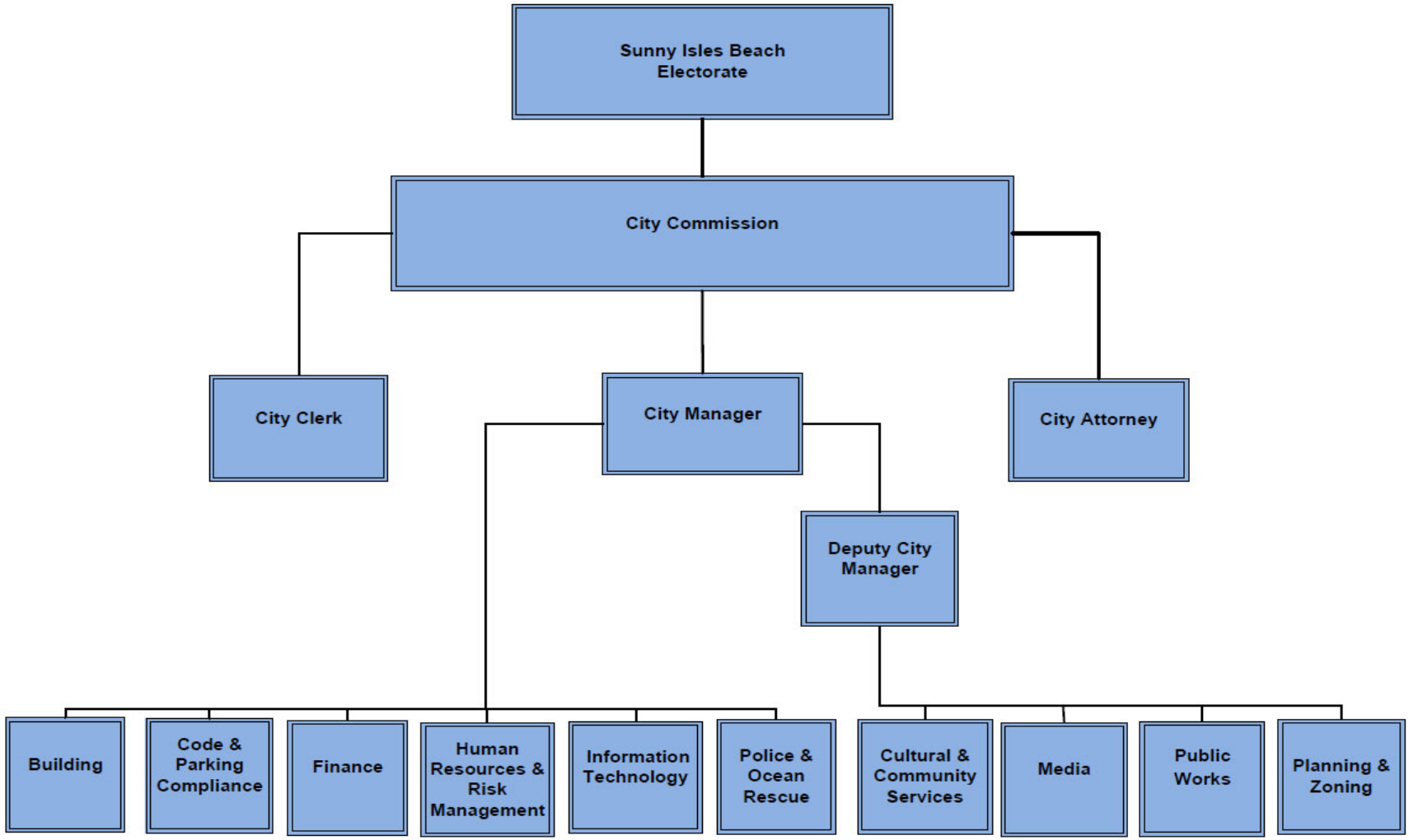
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Sunny Isles Beach Government Structure



City of Sunny Isles Beach, Florida
CITY OFFICIALS

CITY COMMISSION

Larisa Svechin - Mayor
Jeniffer Viscarra - Vice Mayor
Alex Lama
Jerry Joseph
Fabiola Stuyvesant

CITY MANAGER

Stan Morris

CITY ATTORNEY

Alain Boileau for
Nabors Giblin & Nickerson P.A.

CITY CLERK

Mauricio Betancur

FINANCE DIRECTOR

Tiffany D. Neely

CITY AUDITORS

CBIZ CPAs P.C.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

CBIZ CPAs P.C.

One Southeast Third Avenue
Suite 1100
Miami, FL 33131

P: 305.995.9600

Independent Auditors' Report

The Honorable Mayor, the City Commission and City Manager
City of Sunny Isles Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sunny Isles Beach, Florida (the "City"), as of and for the fiscal 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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, the budgetary comparison schedules, as listed in the table of contents, the schedule of changes in the Total OPEB Liabilities and related ratios, and the pension schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 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.

CBIZ CPAs P.C.

Miami, Florida
March 27, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As the management of the City of Sunny Isles Beach (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i through xi of this report. All amounts in this section, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $345.2 (net position). Of this amount, $61.6 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $7.4 during the current fiscal year. Net position of our governmental and business-type activities increased by $7.0 and $0.4, respectively.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $107.0, a decrease of $0.4 in comparison to the prior year. Approximately 60.3% of this balance or $64.5 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, the fund balance for the General Fund was $92.2 or 168.9% of total General Fund expenditures and other financing sources (uses). Of this balance, $10.0 has been committed to the Hurricane/Emergency and Disaster Recovery Operating Reserves, $13.0 has been assigned to the Fiscal Stability Reserve, $1.0 for prepaid assets, $3.7 for the difference between the lease receivable and lease deferred inflows of resources that are not available resources, and $64.5 was unassigned and available for new spending.

- The City's governmental funds had no deferred outflows of resources, and its deferred inflows of resources were $48.4. The $1.0 decrease was primarily due to the expiration or termination of lease agreements accounted for under the Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases* ("GASB 87").

- Investment income decreased by $1.6 during the current fiscal year. This was driven by the Federal Reserve's interest rate reductions, which lowered the average yield from 4.2% in the prior year to 3.65%.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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's finances, in a manner similar to a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities.

The *Statement of Net Position* presents information on the assets held, liabilities owed by the City and any deferred inflows and outflows of resources that pertain to a future reporting period. Assets are reported when the City acquires ownership over the assets, they represent current resources that are controlled by the City, and liabilities are reported when they are incurred, they represent current and long-term obligations.

The deferred outflows of resources are the consumption of net assets applicable to a future reporting period, and they increase net position like assets. The deferred inflows of resources are the acquisition of net assets applicable to a future period, and they decrease net position like liabilities.

The difference between the City's total assets, total liabilities and deferred inflows and outflows of resources is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. In general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents revenues and expenses of the City. The items presented in the statement of activities are measured in a manner like the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both government-wide financial statements distinguish the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) 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 governmental activities of the City include general government, public safety, physical environment, cultural and human services, and transportation. The business-type activities of the City are the Stormwater operations.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements: Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from those used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year. The difference between a fund's total assets and total liabilities (and deferred inflows/outflows as applicable) is labeled as the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities' columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of the net position presented in the governmental activities' column on the statement of net position.

Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities' column in the statement of activities.

The City maintains six 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, the General Capital Projects Fund, and the Law Enforcement Trust Fund which are major funds. Please note that the American Rescue Plan Act Fund (ARPA), which was previously a major fund upon its creation has been closed as of this report. The City presents data from all other non-major funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary Funds: Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is like the basis used to prepare government-wide financial statements. The City maintains one type of proprietary fund known as an enterprise fund.

The City uses enterprise funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statement. The City uses an enterprise fund to account for its stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The basic proprietary fund financial statements can be found on page 22 through 24 of this report.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 65 of this report.

Required supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund budgetary comparison schedule to demonstrate compliance with the budget as well as required Pension and OPEB schedules. Required supplementary information can be found on pages 66 through 73 of this report.

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 needs will increase current assets and long-term debt.

3) Spending borrowed proceeds on new capital reduces current assets and increases capital assets. Additionally, the corresponding rise in both invested capital assets and related debt results in no change to the net investment in capital assets.

4) Spending of non-borrowed current assets on new capital will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.

5) Principal payment on debt will reduce current assets, reduce long-term debt, reduce unrestricted net position, and increase net investment in capital assets.

6) Reduction of capital assets through depreciation will reduce capital assets and net investment in capital assets.

The following schedule is a summary of the fiscal year 2025 statement of net position found on page 16 with comparative information for fiscal year 2024.

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	$ 165,011	$ 165,172	$ 4,327	$ 3,593	$ 169,338	$ 168,765
Capital assets, net	264,086	260,253	13,975	14,171	278,061	274,424
Total Assets	429,097	425,425	18,302	17,764	447,399	443,189
Total Deferred Outflows of Resources	9,506	9,817	96	100	9,602	9,917
Liabilities						
Long-term liabilities	45,479	51,133	357	394	45,836	51,527
Other liabilities	9,731	8,490	224	29	9,955	8,519
Total Liabilities	55,210	59,623	581	423	55,791	60,046
Total Deferred Inflows of Resources	55,931	55,161	79	61	56,010	55,222
Net Position						
Net investment in capital assets	256,379	250,222	13,975	14,171	270,354	264,393
Restricted	13,274	12,466	--	--	13,274	12,466
Unrestricted	57,809	57,770	3,763	3,209	61,572	60,979
Total Net Position	$ 327,462	$ 320,458	$ 17,738	$ 17,380	$ 345,200	$ 337,838

The overall position of the City improved in both the 2025 and 2024 fiscal years. Changes in net position over time can be one of the best and most useful indicators of the financial position. The total net position of the City increased by $7.4 or approximately 2.2% from $337.8 in 2024 to $345.2 in 2025. The increase in net position was primarily a result of an increase in charges for services and property taxes.

At the end of the fiscal year, the City reported positive balances in all categories of net position for both governmental and business-type activities.

By far, the largest portion of the City's net position (78.3%) is reflected in its net investment in capital assets (such as land, building, machinery, and equipment), less any related outstanding debt and retainage/accounts payable used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.8%) represent resources that are subject to external restrictions on how they may be used. The balance in restricted net position reflects a net increase of $0.8 from $12.5 in 2024 to $13.3 in 2025.

The fiscal year 2025 balance in unrestricted net position of $61.6 (17.9%) increased by $0.6 or 1.0% from the prior year. This increase is primarily due to the increase in property taxes and charges for services. The balance in the unrestricted net position represents resources that may be used to meet the City's ongoing obligations to its citizens and creditors.

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

1) ***Economic Condition*** can reflect a declining, stable, or growing environment and has an impact on property taxes, non-ad valorem assessments and sales, gas, or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.

2) The City Commission has authority to set ***increases or decreases in City rates*** (millage, stormwater, permitting, impact fees, user fees, etc.).

3) ***Changing patterns in intergovernmental and grant revenues*** (both recurring and non-recurring) can change and impact the annual comparisons.

4) ***Market impacts on investment income*** may cause investment revenues recorded to fluctuate from the prior year.

Basic impacts on revenues/expenses are outlined below:

1) ***Introduction of new programs*** can have an impact on property taxes, non-ad valorem assessments and sales, gas, or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.

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 pension contributions can impact personnel service costs.

4) ***While overall inflation*** has moderated and remains relatively modest, the City continues to be a major consumer of key commodities such as chemicals, supplies, fuels, parts, and materials. Certain functional expenses may still face commodity-specific increases, for example, gasoline, supplies, and construction materials. In addition, ongoing supply chain challenges, elevated demand driven by product delays, and the impact of tariffs on imported goods may result in substantial price increases in some areas.

The following schedule is a summary of the fiscal year 2025 statement of activities found on page 17 with comparative information for fiscal year 2024.

City of Sunny Isles Beach, Florida
Statement of Activities
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenue:						
Charges for services	$ 14,551	$ 12,524	$ 1,332	$ 1,409	$ 15,883	$ 13,933
Operating grants and contributions	3,746	2,614	--	--	3,746	2,614
General revenues:						
Property taxes	30,985	28,883	--	--	30,985	28,883
Utility taxes	6,306	6,103	--	--	6,306	6,103
Franchise taxes	3,807	3,737	--	--	3,807	3,737
Intergovernmental	3,253	3,604	86	86	3,339	3,690
Investment income	4,612	6,223	150	167	4,762	6,390
Impact fees	--	--	--	--	--	--
Gain on sale of capital assets	--	--	--	--	--	--
Miscellaneous	1,350	1,559	2	--	1,352	1,559
Total Revenues	68,610	65,247	1,570	1,662	70,180	66,909
Expenses:						
General government	14,203	14,136	--	--	14,203	14,136
Public safety	20,891	19,930	--	--	20,891	19,930
Physical environment	11,976	10,514	--	--	11,976	10,514
Culture and human services	10,316	9,478	--	--	10,316	9,478
Transportation	3,913	2,747	--	--	3,913	2,747
Interest on long-term debt	307	384	--	--	307	384
Stormwater	--	--	1,212	1,154	1,212	1,154
Total Expenses	61,606	57,189	1,212	1,154	62,818	58,343
Change in Net Position	7,004	8,058	358	508	7,362	8,566
Net Position - Beginning	320,458	312,400	17,380	16,872	337,838	329,272
Net Position - Ending	$ 327,462	$ 320,458	$ 17,738	$ 17,380	$ 345,200	$ 337,838

Governmental activities: Governmental activities increased the City's net position by $7.0 in 2025 thereby accounting for 95.1% of the total growth in the net position of the City. Total governmental revenues increased by 5.2% or $3.4 from the prior year and total governmental expenses increased by 7.7% or $4.4 from the prior year. Key elements of the change in the net position increase from prior year are as follows:

- Property Taxes, Charges for services and Operating grants and contributions increased by $2.1, $2.0, and $1.1, respectively. These increases were driven primarily by higher taxable values resulting from new residential construction, as well as increased parking revenues from higher hourly fee rates, the red light camera program and expanded participation in programs such as afterschool and athletic activities. Additionally, operating grants and contributions grew due to asset forfeiture proceeds.

- Investment income and Miscellaneous decreased by $1.6 and $0.2, respectively. These decreases were primarily driven by falling interest rates and a lower average yield on investments along with several minor reductions in miscellaneous revenues.

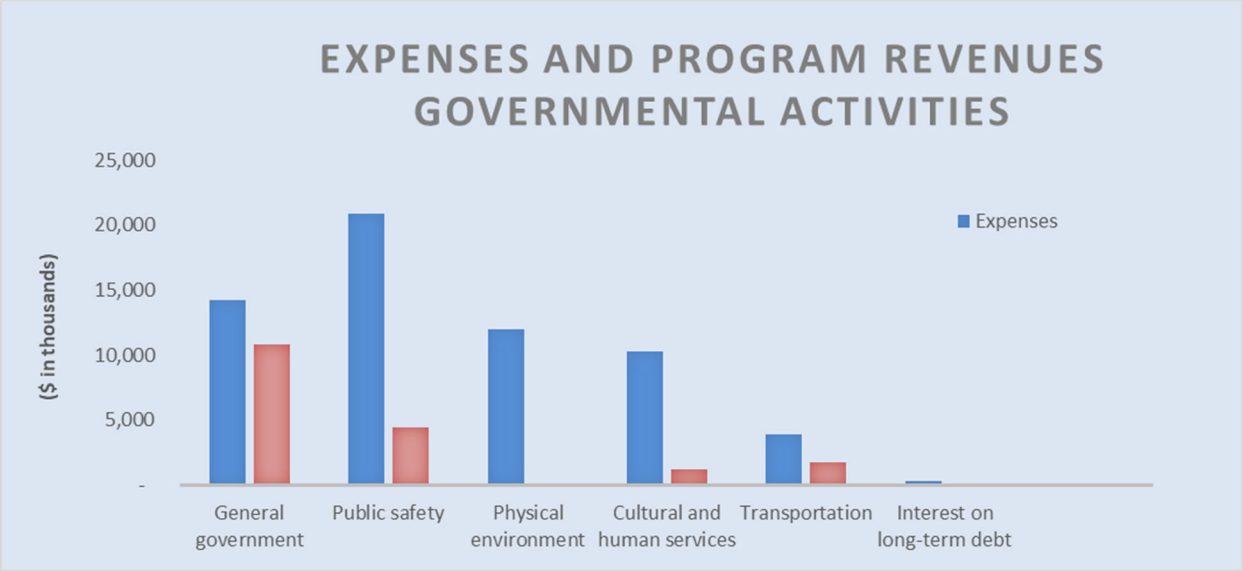
- Public safety, Physical environment, Culture and human services and Transportation increased by $1.0, $1.5, $0.8 and $1.2, respectively. Public safety expenses increased due to several initiatives, including the launch of the drone program, expanded police presence supported by additional staffing, and enhanced parking and code enforcement activities.

Governmental revenues increased from $65.2 to $68.6. 45.2% of these revenues received come from property taxes, 21.2% from charges for services, 14.7% from utility and franchise taxes, 6.7% from investment income, 5.5% from operating grants & contributions, 4.7% from intergovernmental, and 2.0% from miscellaneous. Chart 1 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was $61.6. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services ($14.6), and

- Other governments and organizations that subsidized certain programs through operating grants and contributions ($3.7)

The City financed the remaining $43.3 "public benefit" portion of governmental activities with taxes (property taxes, utility taxes, and franchise fees), investment income and intergovernmental revenues.



Business-type activities: Business-type activities increased the City's net position by $0.4 thereby accounting for 4.9% of the total increase in the government's net position. Revenues of the City's business-type activities decreased by 5.5% from the previous year; $1.66 to $1.57, and expenses increased by 5.0% from the previous year; $1.15 to $1.21. Factors contributing to these results included:

- Stormwater fees and investment income decreased by $0.07 and $0.02, respectively.

- Stormwater operating expenses increased by $0.06.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 18 through 21. The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The major funds are explained below.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $64.5. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and other financing sources (uses). Unassigned fund balance represents 118.2% of total General Fund expenditures and other financing sources (uses), while total fund balance represents 168.9% of the same amount.

The fund balance of the City's General Fund increased by $4.4 during the current fiscal year. This represents a $7.0 smaller increase compared to the prior year's $11.4 growth in fund balance. The reduced increase resulted from a $3.1 rise in total revenues and other financing sources, offset by a $10.1 increase in total expenditures and other financing uses. Contributing factors to the increase in revenues include $2.1 for property taxes due to an increase in the tax base from new residential developments and real estate values, $1.2 for fines & forfeitures due to the red-light camera program and $0.7 for Charges for services due to increased parking revenues. The increase in total expenditures is the result of an increase in public safety of $1.5 due to increased personnel and public safety initiatives, physical environment of $2.6 due to aging buildings and other infrastructure requiring substantial repairs and maintenance, $2.6 for transfers out to the Street maintenance and construction fund, capital outlay of $1.6, culture and human services of $1.1 due to the addition of events and enhanced programs, general government of $0.4 due to insurance and other personnel costs, and $0.3 for debt service principal and interest.

The General Capital Projects Fund had a decrease of $5.5 in the fund balance. When comparing this to the previous year's fund balance decrease of $8.2, this was attributed to a decrease of $0.9 in revenues and financing sources due to investment income and no transfers in offset by a decrease of $3.6 in capital expenditures due to the timing of projects.

The Law Enforcement Fund has a total fund balance of $4.4 in which most of it is held in cash and investments. The increase in the fund balance of $1.3 is primarily due to asset forfeiture proceeds.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the City's proprietary fund as of the fiscal year end is $3.8. The total increase in net position was $0.4. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year, there were no changes to revenues between the original and final amended budget. For expenditures, there was a $5.9 increase between the original and final amended budget. This was due to an increase in general government of $0.3, public safety of $0.4, physical environment of $2.2, and capital outlay of $3.1 offset by a decrease in cultural and human services of $0.1. For other financing sources (uses), there was a $5.8 increase between the original and final amended budget due to an increase in transfers out of $1.6 offset by appropriations of prior year reserves of $7.4.

Capital Asset and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $ 278.1 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, improvements, leases, and subscriptions (right-of-use assets). There was an increase of $3.6 in the City's investment in capital assets for the current fiscal year (a 1.5% increase in governmental activities and a 1.4% decrease in business-type activities).

City of Sunny Isles Beach
Capital Assets, Net of Depreciation/Amortization
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 102,567	$ 102,567	$ --	$ --	$ 102,567	$ 102,567
Easements	488	488	--	--	488	488
Buildings	33,318	34,407	--	--	33,318	34,407
Improvements	2,832	2,661	--	--	2,832	2,661
Machinery and Equipment	7,012	5,433	186	44	7,198	5,477
Infrastructure	66,570	69,580	12,943	13,365	79,513	82,945
Lease (right-to-use asset)	34	34	--	--	34	34
Subscription (right-to-use asset)	700	881	--	--	700	881
Construction in progress	50,565	44,202	846	762	51,411	44,964
Totals	$ 264,086	$ 260,253	$ 13,975	$ 14,171	$ 278,061	$ 274,424

For governmental activities, this year's major capital asset additions before depreciation and amortization totaled $9.5 and include the following:

- $6.4 in new construction in progress, which relates to projects started in the City, but not yet completed, such as the City-wide utility undergrounding, City annex, intracoastal sports park, drainage projects and park improvements.
- $1.7 in equipment, which relates to $0.6 for the City-wide license plate readers, security cameras, drone and other public safety equipment, $1.0 for the purchase of 59 city vehicles, which includes 8 utility vehicles, 1 golf cart and 2 buses, and $0.1 for computer and other equipment.
- $1.5 in buildings, other improvements and infrastructure, which relates to the modular building for the Building department, three new lifeguard towers and the Town Center Park Meditation Garden.

For governmental activities, this year's major capital asset disposals consisted of vehicles and equipment that were removed or replaced that have a minimal carrying value.

For business-type activities, this year's major capital asset additions before depreciation totaled $0.3 and include the following:

- $0.1 in new construction in progress, which relates to the Golden Shores Utility Undergrounding and Drainage project and $0.2 for a crane equipment purchase.

Additional information on the City's capital assets can be found in Note 4 on pages 42 and 43 of this report.

Long-Term Debt: At the end of the current fiscal year, the City had bonded debt outstanding of $1.5, notes payable in the amount of $5.4, and combined lease and subscription (right-of-use assets) related debt of $0.5, for a total long-term debt of $7.4.

City of Sunny Isles Beach
Revenue Notes and Other Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenue notes (backed by specific tax and fee revenues)	$ 1,545	$ 2,291	$ --	$ --	$ 1,545	$ 2,291
Notes payable	5,410	6,630	--	--	5,410	6,630
Lease (right-to-use asset)	35	35	--	--	35	35
Subscriptions (right-to-use asset)	448	806	--	--	448	806
Totals	$ 7,438	$ 9,762	$ --	$ --	$ 7,438	$ 9,762

The City's total debt decreased by $2.3 (23.8%) during the current fiscal year. The decrease resulted from routine debt service payments and the expiration of certain subscriptions, both of which reduced the outstanding liability.

Additional information on the City's long-term debt can be found in Note 6 on pages 44 through 47 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, communication, gasoline, utilities services, etc.) and fees (franchise, building permits, recreation, 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 the business-type and certain governmental activities (stormwater fees, building inspections, recreation programs, etc.) the user pays a related fee or charge associated with the service. The related fees for these activities remain the same for fiscal year 2026.

The unassigned fund balance in the General Fund totals $64.5. In addition, $13.0 has been assigned for a Contingency/Fiscal stability reserve which reflects the City's planned goal of 25% of General Fund operating expenditures as of September 30, 2017.

Reappropriations will occur for those purchase orders issued in fiscal year 2025 for which no delivery or payment occurred by September 30, 2025.

In fiscal year 2026, the City decreased its property tax millage rate to 1.700 mills. This rate is 1.55% higher than the 2025 rollback millage rate of 1.6741 mills and is still expected to generate additional property tax revenue due to rising property values.

The City continually monitors current and emerging legislative actions to mitigate potential fiscal impacts. In recent years, the Florida Legislature has increasingly pursued measures that would significantly reduce local government revenues while simultaneously enacting laws that often function as unfunded mandates for municipalities.

All these factors were considered in preparing the City's budget for the 2026 fiscal year.

As of this report, the Legislature is actively advancing several initiatives aimed at reducing or eliminating homestead property taxes. Recent proposals include multiple constitutional amendments that would cut or phase out non-school homestead property taxes, expand homestead exemptions, or otherwise limit local governments' ability to generate property tax revenue. These measures have raised concerns among local governments, as they could result in substantial losses—potentially billions statewide—thereby requiring cities to reduce services or identify alternative revenue sources.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Sunny Isles Beach, 18070 Collins Avenue, Sunny Isles Beach, Florida 33160. Information is also available on the City's website at www.sibfl.gov.

BASIC FINANCIAL STATEMENTS

CITY OF SUNNY ISLES BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 59,095,271	$ 2,192,108	$ 61,287,379
Investments	49,825,883	1,889,091	51,714,974
Receivables, net	2,855,281	231,367	3,086,648
Lease receivable	51,886,847	--	51,886,847
Interest receivable	381,594	14,155	395,749
Inventory	2,893	--	2,893
Prepaids	963,459	--	963,459
Capital assets not being depreciated	153,620,275	845,613	154,465,888
Capital assets being depreciated/amortized, net	110,466,037	13,129,211	123,595,248
Total Assets	429,097,540	18,301,545	447,399,085
Deferred Outflows of Resources:			
Deferred outflows related to pensions	7,291,349	73,650	7,364,999
Deferred outflows related to OPEB	2,214,643	22,707	2,237,350
Total Deferred Outflows of Resources	9,505,992	96,357	9,602,349
Liabilities:			
Accounts payable	4,232,752	204,199	4,436,951
Accrued liabilities	2,600,262	20,244	2,620,506
Accrued interest payable	74,750	--	74,750
Unearned revenue	2,823,429	--	2,823,429
Noncurrent liabilities:			
Due within one year:			
Compensated absences	570,019	2,922	572,941
Bonds and notes	2,034,364	--	2,034,364
Leases (right-to-use assets)	18,822	--	18,822
Subscriptions (right-to-use assets)	358,755	--	358,755
Due in more than one year:			
Compensated absences	5,130,170	26,295	5,156,465
Bonds and notes	4,920,618	--	4,920,618
Leases (right-to-use assets)	15,983	--	15,983
Subscriptions (right-to-use assets)	89,437	--	89,437
Net pension liability	26,733,272	270,033	27,003,305
Total OPEB liability	5,607,963	57,499	5,665,462
Total Liabilities	55,210,596	581,192	55,791,788
Deferred Inflows of Resources:			
Deferred inflows related to pensions	5,273,019	53,263	5,326,282
Deferred inflows related to OPEB	2,470,234	25,327	2,495,561
Deferred inflows related to lease	48,187,560	--	48,187,560
Total Deferred Inflows of Resources	55,930,813	78,590	56,009,403
Net Position:			
Net investment in capital assets	256,378,648	13,974,824	270,353,472
Restricted for:			
Law enforcement	4,368,968	--	4,368,968
Building	4,656,424	--	4,656,424
Public art	1,681,560	--	1,681,560
Transportation	2,567,368	--	2,567,368
Unrestricted	57,809,155	3,763,296	61,572,451
Total Net Position	$ 327,462,123	$ 17,738,120	$ 345,200,243

CITY OF SUNNY ISLES BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-Type Activities	Total
Governmental Activities:						
General government	$ 14,203,287	$ 10,815,346	$ --	$ (3,387,941)	$ --	$ (3,387,941)
Public safety	20,891,414	2,483,631	2,003,750	(16,404,033)	--	(16,404,033)
Physical environment	11,975,881	--	--	(11,975,881)	--	(11,975,881)
Cultural and human services	10,316,217	1,252,377	--	(9,063,840)	--	(9,063,840)
Transportation	3,912,517	--	1,742,031	(2,170,486)	--	(2,170,486)
Interest on long-term debt	307,298					
Total Governmental Activities	61,606,614	14,551,354	3,745,781	(43,309,479)	--	
Business-type Activities:						
Stormwater	1,212,070	1,332,692	--			120,622
Total Business-type Activities	1,212,070	1,332,692	--			120,622
Total Primary Government	$ 62,818,684	$	$	--	120,622	(43,188,857)
		General revenues:				
		Property taxes		30,984,999	--	30,984,999
		Utility taxes		6,306,656	--	6,306,656
		Franchise taxes on gross receipts		3,806,950	--	3,806,950
	15,884,046	Intergovernmental, unrestricted		3,253,173	85,823	3,338,996
		Investment income		4,612,666	150,018	4,762,684
		Miscellaneous		1,349,726		
		Total General Revenues		50,314,170	237,583	
		Change in Net Position		7,004,691	358,205	7,362,896
		Net Position - Beginning		320,457,432	17,379,915	337,837,347
		Net Position - Ending		$ 327,462,123	$ 50,551,753	$

CITY OF SUNNY ISLES BEACH, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General Fund	General Capital Projects Fund	Law Enforcement Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 48,423,754	$ 1,580,958	$ 2,401,621	$ 6,688,938	$ 59,095,271
Investments	41,449,257	762,620	1,950,924	5,663,082	49,825,883
Inventory	--	--	--	2,893	2,893
Receivables, net	2,203,402	261,858	5,113	384,908	2,855,281
Lease receivable	51,886,847	--	--	--	51,886,847
Interest receivable	312,684	10,209	15,508	43,193	381,594
Prepaids	962,174	--	--	1,285	963,459
Total Assets	$ 145,238,118	$ 2,615,645	$ 4,373,166	$ 12,784,299	$ 165,011,228
Liabilities:					
Accounts payable	$ 2,550,148	$ 852,936	$ 4,198	$ 825,470	$ 4,232,752
Accrued liabilities	2,300,110	9,429	--	290,723	2,600,262
Unearned revenue	3,901	230,952	--	2,588,576	2,823,429
Total Liabilities	4,854,159	1,093,317	4,198	3,704,769	9,656,443
Deferred Inflows of Resources:					
Leases	48,187,560	--	--	--	48,187,560
Unavailable revenue - taxes	--	--	--	170,000	170,000
Total Deferred Inflows of Resources	48,187,560	--	--	170,000	48,357,560
Fund Balances:					
Nonspendable:					
Inventory	--	--	--	2,893	2,893
Prepaids	962,174	--	--	1,285	963,459
Leases	3,699,287	--	--	--	3,699,287
Restricted for:					
Law enforcement	--	--	4,368,968	--	4,368,968
Building	--	--	--	4,656,424	4,656,424
Public art	--	--	--	1,681,560	1,681,560
Transportation	--	--	--	2,567,368	2,567,368
Committed to:					
Hurricane/emergency and disaster recovery operating reserves	10,000,000	--	--	--	10,000,000
Assigned to:					
Capital projects	--	1,522,328	--	--	1,522,328
Fiscal stability reserve	13,001,195	--	--	--	13,001,195
Unassigned:					
General Fund	64,533,743	--	--	--	64,533,743
Total Fund Balances	92,196,399	1,522,328	4,368,968	8,909,530	106,997,225
Total Liabilities and Fund Balances	$ 145,238,118	$ 2,615,645	$ 4,373,166	$ 12,784,299	$ 165,011,228

CITY OF SUNNY ISLES BEACH, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Fund Balances - Total Governmental Funds		$ 106,997,225
Amounts reported for governmental activities in the statement of net position are different as a result of:		
Capital assets used in governmental activities are not available, spendable resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	$ 335,438,954	
Less accumulated depreciation/amortization	(71,352,642)	264,086,312
Deferred outflows/inflows of resources related to defined benefit pension and OPEB plan are reported in the statement of net position but are not reported in the governmental funds:		
Deferred outflows related to OPEB	2,214,643	
Deferred inflows related to OPEB	(2,470,234)	
Deferred outflows related to pension	7,291,349	
Deferred inflows related to pension	(5,273,019)	1,762,739
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds and notes	(6,954,982)	
Accrued interest payable on long-term debt	(74,750)	
Total OPEB liability	(5,607,963)	
Net pension liability	(26,733,272)	
Leases (Right-of-use assets) acquired	(34,805)	
Subscriptions (Right-of-use assets) acquired	(448,192)	
Compensated absences	(5,700,189)	(45,554,153)
Certain revenues are considered deferred inflows in the governmental funds due to the availability of the funds; under full accrual accounting they are considered revenues.		170,000
Net Position of Governmental Activities		$ 327,462,123

CITY OF SUNNY ISLES BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	General Capital Projects Fund	Law Enforcement Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Real and personal property taxes	$ 30,984,999	$ --	$ --	$ --	$ 30,984,999
Utility taxes	6,306,656	--	--	--	6,306,656
Franchise fees	3,806,950	--	--	--	3,806,950
Intergovernmental	3,091,551	--	--	1,895,653	4,987,204
Licenses and permits	681,642	--	--	4,672,516	5,354,158
Charges for services	8,079,554	168,096	--	975	8,248,625
Fines and forfeitures	1,952,881	--	2,003,750	--	3,956,631
Investment income	3,782,165	200,960	142,772	486,769	4,612,666
Miscellaneous	258,046	20,000	372	759	279,177
Total Revenues	58,944,444	389,056	2,146,894	7,056,672	68,537,066
Expenditures:					
Current:					
General government	8,725,913	--	--	5,105,892	13,831,805
Public safety	19,623,017	--	346,580	--	19,969,597
Physical environment	7,912,384	--	--	--	7,912,384
Cultural and human services	8,947,311	--	--	58,840	9,006,151
Transportation	--	--	--	3,538,405	3,538,405
Capital outlay	3,847,424	5,920,194	503,180	2,073,645	12,344,443
Debt service:					
Principal	2,619,679	--	--	--	2,619,679
Interest	329,053	--	--	--	329,053
Total Expenditures	52,004,781	5,920,194	849,760	10,776,782	69,551,517
Excess (Deficiency) of Revenues Over Expenditures	6,939,663	(5,531,138)	1,297,134	(3,720,110)	(1,014,451)
Other Financing Sources (Uses):					
Proceeds from sale of capital assets	167,136	--	29,754	93,673	290,563
Insurance recoveries	57,291	--	9,707	--	66,998
Lease (right-of-use asset) acquired	24,052	--	--	--	24,052
Subscription acquired	272,341	--	--	--	272,341
Transfers in	--	--	--	3,094,117	3,094,117
Transfers out	(3,094,117)	--	--	--	(3,094,117)
Total Other Financing Sources (Uses)	(2,573,297)	--	39,461	3,187,790	653,954
Net Change in Fund Balances	4,366,366	(5,531,138)	1,336,595	(532,320)	(360,497)
Fund Balances - Beginning	87,830,033	7,053,466	3,032,373	9,441,850	107,357,722
Fund Balances - Ending	$ 92,196,399	$ 1,522,328	$ 4,368,968	$ 8,909,530	$ 106,997,225

CITY OF SUNNY ISLES BEACH, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net Change in Governmental Funds			$ (360,497)
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/amortized over their estimated useful lives.			
Capital outlay	$ 12,344,443		
Capital outlay which did not meet the threshold for capitalization	(736,950)		
Loss on disposal of capital assets	(316,215)		
Less depreciation/amortization expense	(7,457,617)		3,833,661
The issuance of long-term debt (e.g., bonds and notes, leases, etc.) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.			
Principal payments	1,965,997		
Leases (Right-of-use assets) payments	23,849		
Subscriptions (Right-of-use assets)	(272,341)		
Subscriptions (Right-of-use assets) initiated	(24,052)		
Subscriptions (Right-of-use assets) payments	629,833		2,323,286
Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.			
Accrued interest payable	21,755		
Net pension liability	1,715,896		
Total OPEB liability	(167,443)		
Compensated absences	(369,967)		1,200,241
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			8,000
Change in Net Position of Governmental Activities			$ 7,004,691

CITY OF SUNNY ISLES BEACH, FLORIDA

STATEMENT OF NET POSITION - PROPRIETARY FUND

SEPTEMBER 30, 2025

	Stormwater Fund
Assets:	
Current assets:	
Cash and cash equivalents	$ 2,192,108
Investments	1,889,091
Accounts receivable, net	231,367
Interest receivable	14,155
Total Current Assets	4,326,721
Noncurrent assets:	
Capital assets not being depreciated	845,613
Capital assets, net of accumulated depreciation	13,129,211
Total Noncurrent Assets	13,974,824
Total Assets	18,301,545
Deferred Outflows of Resources:	
Deferred outflows related to pensions	73,650
Deferred outflows related to OPEB	22,707
Total Deferred Outflows of Resources	96,357
Liabilities:	
Current liabilities:	
Accounts payable	204,199
Accrued liabilities	20,244
Compensated absences, current portion	2,922
Total Current Liabilities	227,365
Noncurrent liabilities:	
Compensated absences	26,295
Total OPEB Liability	57,499
Net pension liability	270,033
Total Noncurrent Liabilities	353,827
Total Liabilities	581,192
Deferred Inflows of Resources:	
Deferred inflows related to pensions	53,263
Deferred inflows related to OPEB	25,327
Total Deferred Inflows of Resources	78,590
Net Position:	
Net investment in capital assets	13,974,824
Unrestricted	3,763,296
Total Net Position	$ 17,738,120

CITY OF SUNNY ISLES BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Stormwater Fund
Operating revenues:	
Charges for services	$ 1,332,692
Total Operating Revenues	1,332,692
Operating expenses:	
Personnel services	323,493
Operating expenses	426,778
Depreciation	461,799
Total Operating Expenses	1,212,070
Operating Income	120,622
Non-Operating Revenues (Expenses):	
Intergovernmental	85,823
Investment income	150,018
Miscellaneous	1,742
Total Non-Operating Revenues (Expenses)	237,583
Change in Net Position	358,205
Net position - Beginning	17,379,915
Net position - Ending	$ 17,738,120

CITY OF SUNNY ISLES BEACH, FLORIDA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Stormwater Fund
Cash Flows from Operating Activities:	
Cash received from customers and users	$ 1,216,266
Cash paid to suppliers for goods and services	(234,995)
Cash paid to employees for services	(336,477)
Net Cash Provided by Operating Activities	644,794
Cash Flows from Noncapital Financing Activities:	
Intergovernmental	85,823
Net Cash Provided by Noncapital Financing Activities	85,823
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(265,405)
Net Cash (Used in) Capital and Related Financing Activities	(265,405)
Cash Flows from Investing Activities:	
Interest income	151,760
Purchase of investments	(87,501)
Net Cash Provided by Investing Activities	64,259
Net Increase in Cash and Cash Equivalents	529,471
Cash and Cash Equivalents - Beginning	1,662,637
Cash and Cash Equivalents - Ending	$ 2,192,108
Cash Flows from Operating Activities	
Operating income	$ 120,622
Adjustments to Reconcile Operating Income to Net Cash Provided by (used in) Operating Activities:	
Depreciation	461,799
Changes in operating assets and liabilities and deferred inflows/outflows:	
(Increase) decrease in:	
Accounts receivable	(111,798)
Interest receivable	(4,628)
Deferred outflows related to pension	15,968
Deferred outflows related to OPEB	(12,643)
Increase (decrease) in:	
Accounts payable	191,783
Accrued liabilities	3,698
Compensated absences	1,226
Net pension liability	(55,436)
Deferred inflows related to pension	22,135
Deferred inflows related to OPEB	(4,730)
Total OPEB liability	16,798
Net Cash Provided by Operating Activities	$ 644,794
Supplemental Disclosure of Noncash Investing Activities	
Unrealized gain on investments	$ 4,042

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sunny Isles Beach, Florida (the "City") was incorporated on June 16, 1997. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture and recreation, public works and stormwater management. The basic financial statements of the City have been prepared in accordance 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 governmental accounting and financial reporting. The following is a summary of the City's more significant policies.

A. FINANCIAL REPORTING ENTITY

The financial statements were prepared in accordance with Government Accounting Standards, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting City's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Based upon the application of these criteria, there were no organizations that met the criteria described above.

B. 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 activities of the City. The effect of 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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. 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 the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. 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 is used for the proprietary 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the current fiscal period end. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Revenues for expenditure-driven grants are recognized when all eligibility requirements have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Revenues for building permits are recognized as the required inspections are completed, or after the permit expires. Issued building permits requiring an inspection expire after 180 days of inactivity. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

- The General Capital Projects Fund accounts for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds.

- The Law Enforcement Trust Fund is used to account for revenues received from federal, state and local law enforcement forfeitures and seizures, which are restricted for use for law enforcement purposes with no adopted budget.

The City reports the following major proprietary fund:

- The Stormwater Fund is used to account for the provision of stormwater maintenance and capital improvements to the residents and commerce of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utilities function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Stormwater Fund are charges to business and residential customers for stormwater system maintenance. Operating expenses report on the costs to maintain the stormwater system, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the Miami-Dade County Property Appraiser and Miami-Dade County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide.

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 millage rate assessed by the City for the fiscal year ended September 30, 2025 was 1.8000 mills.

The tax levy of the City is established by the City Commission prior to October 1 each year, and the County Property Appraiser incorporates the millage into the tax levy, which includes Miami-Dade County, Miami-Dade County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. PROPERTY TAXES (CONTINUED)

All real and tangible personal property taxes become payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due, and Miami-Dade County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. 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 at September 30, 2025.

E. DEPOSITS AND INVESTMENTS

Cash and cash equivalents include cash on hand, certificate of deposits and investments in U.S. Government Agencies. Income from investments is recorded as earned.

The City considers all highly liquid investments with a maturity of three months or less when purchased, to be cash and cash equivalents.

All investments are reported at fair value, which is based on quoted market prices.

F. RECEIVABLES

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund. There were no allowances for uncollectible receivables.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

H. PREPAIDS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

I. INVENTORY

All inventories, which represent supplies to be used in operations, are valued at cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

J. INTERFUND RECEIVABLES AND PAYABLES

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portions of interfund loans). Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances."

K. CAPITAL ASSETS

Capital assets, which include property, land, equipment, infrastructure assets (e.g., roads, bridges, sidewalks and similar items), intangible assets such as right-to-use assets (leases) and subscription arrangements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. CAPITAL ASSETS (CONTINUED)

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Capital Asset Classes	Years
Buildings	15 - 50 years
Improvements	10 - 20 years
Machinery and equipment	3 - 20 years
Infrastructure	15 - 100 years
Leases (right-to-use assets)	Through lease maturity
Subscription (right-to-use assets)	Through subscription maturity

The City reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during the current fiscal year.

L. LEASE (RIGHT-TO-USE ASSETS)

The leases (right-to-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-to-use assets) are amortized on a straight-line basis over the life of the related lease.

M. SUBSCRIPTION (RIGHT-TO-USE ASSETS)

The subscription (right-to-use assets) are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, less subscription incentives, plus any ancillary charges necessary to place the subscription into service. The subscription (right-to-use assets) are amortized on a straight-line basis over the life of the related contract.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. COMPENSATED ABSENCES

The City's policy is to permit employees to accumulate earned but unused sick, as well as vacation pay benefits, limited to certain maximums, based on length of service. For certain employees, the City also grants compensatory time. All vacation, sick and compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which doesn't significantly differ from the effective interest method. Discounts and premiums on bonds payable are presented as an adjustment of the face amount of bonds payable. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Bond issuance costs are reported as expenditures at issuance.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category as deferred outflow of resources. An item related to the Employment Retirement System (Note 7) and an item related to the Other Post-Employment Benefits (Note 8).

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources.* This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has four types of items that qualify for reporting in this category.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

The first type arises only under a modified accrual basis of accounting. Accordingly, this item, *unavailable revenues,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from taxes.

These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is an item related to leases where the City is a lessor. The third and fourth item are items related to the Employment Retirement System (Note 7) and the Other Post-Employment Benefits (Note 8), respectively.

Q. NET POSITION

Net position in the government-wide and the proprietary fund are categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, excluding unexpended proceeds, plus the net effect of capital asset related deferred outflow/inflow of resources.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. FUND BALANCE

The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are 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 to cash (such as inventory and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

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

Committed
The committed fund balance 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 authority. The City Commission is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned
Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Commission has, by resolution, authorized the City Manager 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 appropriated budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. FUND BALANCE (CONTINUED)

Assigned (continued)

Unlike commitments, assignments generally 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.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

T. MINIMUM FUND BALANCE POLICY

The City's policy is to maintain an adequate General Fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. The City Commission has adopted a financial policy to maintain a Hurricane/Emergency and Disaster Recovery Operating Reserve at a minimum level of $10,000,000 and a Fiscal Stability Reserve of 25% of the General Fund operating expenditures which was implemented as of September 30, 2017.

U. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP 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. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

GASB Statement No. 101, *Compensated Absences*, establishes recognition and measurement requirements for compensated absences, including sick leave, vacation leave, and other paid leave benefits, to improve the consistency and comparability of such reporting among governments. This Statement was implemented by the City for the fiscal year ended September 30, 2025; however, there was no significant impact to the City.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months on the date the financial statements are issued. This Statement was implemented by the City for the fiscal year ended September 30, 2025; however, there was no impact to the City.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes, Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are issued or collateralized with securities held by the entity or its agent in the entity's name.

INVESTMENTS

As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City. Investments are made in accordance with provisions of the Florida Statutes and the City's by-laws. The City is authorized to invest in U.S. Government Securities, U.S. Government Agencies, interest-bearing time deposits or savings accounts, the Florida Local Government Surplus Funds Trust Fund, intergovernmental investment pools authorized by Florida Statutes, registered money market mutual funds, and Israel bonds. Investments are carried at fair value, as determined by quoted market prices.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2025, the City had the following investments:

		Investment Maturities	
	Fair Value	Less Than One Year	1 to 5 Years
Investment Type			
U.S. Government Securities			
U.S. Government Agencies	$ 46,044,951	$ 5,898,495	$ 40,146,456
Treasuries	3,670,083	--	3,670,083
Foreign Investments/Bonds			
Israel Bonds	1,999,940	--	1,999,940
Total	$ 51,714,974	$ 5,898,495	$ 45,816,479

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. The City's investment policy minimizes interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing funds only in authorized securities. In addition, the City limits the length to maturity of any U.S. Government Security, U.S. Government Agency, or certificate of deposit to a maximum of 10 years.

CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In accordance with the City's investment policy, the City minimizes credit risk by limiting investments to authorized securities and diversifying the portfolio on any investment below a AAA rating so that potential losses on individual securities will be minimized.

All U.S. Government Securities are explicitly guaranteed by the U.S. government and are not subject to credit risk. The U.S. Government Agency investments are rated AA+ by Standard and Poor's. Investments in certificates of deposit are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, *Florida Security for Public Deposits Act.* Under the Act, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION CREDIT RISK

The City's investment policy does not limit its investments in any one issuer for U.S. Government Securities or Agencies, or registered money market mutual funds, except for Treasury Strips, which are limited to 10% of available funds. The City's investment policy does limit its investments in certificates of deposit, the Florida Local Government Surplus Funds Trust Fund and intergovernmental investment pools to 50% in any one issuer. The City's investment policy allows for investments in Israel bonds, but limited to a maximum of 3%.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), requires disclosure when the investment percent is 5% or more in any one issuer. Given the City's restrictions, the following concentrations are not viewed to be an additional risk to the City:

Investment Issuer	Fair Value	Issuer Percentage
U.S. Government Securities:		
Federal Home Loan Bank	$ 19,930,888	38.54%
Federal Home Loan Mortgage Corp	2,853,697	5.52%
Federal Agricultural Mortgage Corp	2,010,452	3.89%
Federal National Mortgage Association	9,327,682	18.04%
Federal Farm Credit Bank	11,922,232	23.05%
US Treasury Note	3,670,083	7.10%
Israel Bonds	1,999,940	3.87%
Total	$ 51,714,974	100.00%

CUSTODIAL CREDIT RISK

GASB 40 requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy requires all securities, with the exception of certificates of deposit, to be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. Certificates of deposit issued by a local bank or savings and loan association may be held in safekeeping at that institution.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE MEASUREMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value as follows:

Level 1 - Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.

Level 3 - Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

At September 30, 2025, the City had the following investments:

		Fair Value Measurements Using		
Investment by Level	Fair Value	Level 1	Level 2	Level 3
Debt Securities				
U.S. Government Securities	$ 49,715,034	$ --	$ 49,715,034	$ --
Israel Bonds	1,999,940	--	1,999,940	--
Total Debt Securities	51,714,974	--	51,714,974	--
Total Investments	$ 51,714,974			

The City's U.S. Government Agencies and Israel Bonds are valued using the matrix pricing model (Level 2).

NOTE 3 – RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

RECEIVABLES

Receivables at September 30, 2025, were as follows:

	Taxes	Accounts	Grants	Other	Total
General Fund	$ 1,734,343	$ --	$ --	$ 469,059	$ 2,203,402
Street Maintenance and Construction Fund	379,081	--	--	--	379,081
Building Fund	--	5,827	--	--	5,827
Capital	--	--	30,906	--	30,906
Special Assessments	--	230,952	--	--	230,952
Stormwater Fund	231,367	--	--	--	231,367
Law Enforcement Trust Fund	--	--	--	5,113	5,113
Total	$ 2,344,791	$ 236,779	$ 30,906	$ 474,172	$ 3,086,648

LEASE RECEIVABLE

The City, as a lessor, has entered into 8 lease agreements which, as of September 30, 2025, have a remaining period that range from 15 months to 960 months. Interest rates for the leases range from 0.736% to 3.712%. As of September 30, 2025, the amount of the lease receivable is $51,886,847. Required monthly fixed payments, from the lessees, range from $2,383 to $38,000. The value of the deferred inflow of resources as of September 30, 2025 was $48,187,560 and the City recognized lease revenue of $1,198,627 during the fiscal year. All lessees have extension options which range from 56 months to 480 months.

NOTE 3 – RECEIVABLES AND DUE FROM OTHER GOVERNMENTS (CONTINUED)

LEASE RECEIVABLE (CONTINUED)

The following schedule represents the future principal and interest revenue to be received:

For the Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 304,606	$ 988,121	$ 1,292,727
2027	180,492	983,237	1,163,729
2028	127,100	978,952	1,106,052
2029	150,619	974,402	1,125,021
2030	142,163	969,303	1,111,466
2031 - 2035	274,211	4,784,204	5,058,415
2036 - 2040	235,682	4,761,220	4,996,902
2041 - 2045	875,581	4,699,969	5,575,550
2046 - 2050	1,610,873	4,572,056	6,182,929
2051 - 2055	2,122,779	4,382,075	6,504,854
2056 - 2060	2,677,645	4,144,002	6,821,647
Thereafter	43,185,096	18,373,534	61,558,630
Total	$ 51,886,847	$ 50,611,075	$ 102,497,922

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 102,567,423	$ --	$ --	$ 102,567,423
Easements	488,130	--	--	488,130
Construction in progress	44,201,689	7,660,934	(1,297,901)	50,564,722
Total Capital Assets Not Being Depreciated	147,257,242	7,660,934	(1,297,901)	153,620,275
Capital assets being depreciated/amortized:				
Buildings	45,811,363	304,597	(4,755)	46,111,205
Improvements	9,147,552	473,498	--	9,621,050
Machinery and equipment	18,561,307	3,418,449	(1,733,643)	20,246,113
Infrastructure	103,637,850	751,522	--	104,389,372
Leases (right-to-use asset)	95,115	24,052	--	119,167
Subscriptions (right-to-use asset)	1,464,416	272,342	(404,986)	1,331,772
Total Capital Assets Being Depreciated/Amortized	178,717,603	5,244,460	(2,143,384)	181,818,679
Less accumulated depreciation/amortization:				
Buildings	(11,404,447)	(1,388,582)	--	(12,793,029)
Improvements	(6,486,761)	(302,489)	--	(6,789,250)
Machinery and equipment	(13,128,796)	(1,746,794)	1,641,460	(13,234,130)
Infrastructure	(34,057,324)	(3,762,344)	--	(37,819,668)
Leases (Right-of-use asset)	(61,101)	(24,106)	--	(85,207)
Subscriptions (Right-of-use asset)	(583,765)	(233,302)	185,709	(631,358)
Total Accumulated Depreciation/Amortization	(65,722,194)	(7,457,617)	1,827,169	(71,352,642)
Total Capital Assets Being Depreciated/Amortized, Net	112,995,409	(2,213,157)	(316,215)	110,466,037
Governmental Activities Capital Assets, Net	$ 260,252,651	$ 5,447,777	$ (1,614,116)	$ 264,086,312
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	$ 762,338	$ 83,275	$ --	$ 845,613
Total Capital Assets Not Being Depreciated	762,338	83,275	--	845,613
Capital assets being depreciated:				
Infrastructure	19,179,916	--	--	19,179,916
Machinery and equipment	540,532	182,130	--	722,662
Total Capital Assets Being Depreciated	19,720,448	182,130	--	19,902,578
Less Accumulated Depreciation for:				
Infrastructure	(5,814,495)	(422,149)	--	(6,236,644)
Machinery and equipment	(497,072)	(39,650)	--	(536,722)
Total Accumulated Depreciation	(6,311,568)	(461,799)	--	(6,773,367)
Total Capital Assets Being Depreciated, Net	13,408,880	(279,669)	--	13,129,211
Business-Type Activities Capital Assets, Net	$ 14,171,218	$ (196,394)	$ --	$ 13,974,824

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to functions/programs of the City as follows at September 30, 2025:

Governmental activities:	
General government	$ 498,890
Public safety	872,258
Physical environment	4,205,587
Culture and human services	1,452,606
Transportation	428,276
Total Depreciation/Amortization Expense - Governmental Activities	$ 7,457,617
Business-type activities:	
Stormwater	$ 461,797
Total Depreciation Expense - Business-Type Activities	$ 461,797

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers at September 30, 2025 consisted of the following:

Transfer Out	Transfer In	Amount
General Fund	Street Maintenance and Construction Fund	$ 3,094,117

The transfer out from the General Fund to the Streets Maintenance and Construction fund is to cover fund expenditures and increased costs for streets and transportation initiatives throughout the City.

NOTE 6 – LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in the long-term liabilities for the fiscal year ended September 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue bonds	$ 2,291,178	$ --	$ (745,864)	$ 1,545,314	$ 763,617
Note payable	6,629,801	--	(1,220,133)	5,409,668	1,270,747
Total Bonds and Note Payable	$ 8,920,979	$ --	$ (1,965,997)	$ 6,954,982	$ 2,034,364
Total OPEB liability	$ 3,819,777	$ 5,607,963	$ (3,819,777)	$ 5,607,963	$ --
Net pension liability	32,221,414	11,493,792	(16,981,934)	26,733,272	--
Compensated absences	5,330,222	5,700,189	(5,330,222)	5,700,189	570,019
Lease (right-to-use asset)	34,602	24,052	(23,849)	34,805	18,822
Subscriptions (right-to-use asset)	805,684	272,341	(629,833)	448,192	358,755
Total Long-Term Liabilities	$ 51,132,678	$ 23,098,337	$ (28,751,612)	$ 45,479,403	$ 2,981,960
Business-Type Activities:					
Net pension liability	$ 325,469	$ 270,033	$ (325,469)	$ 270,033	$ --
Total OPEB liability	40,701	57,499	(40,701)	57,499	--
Compensated absences	27,991	29,217	(27,991)	29,217	2,922
Total Long-Term Liabilities	$ 394,161	$ 356,749	$ (394,161)	$ 356,749	$ 2,922

The liability for compensated absences, net pension liability and other postemployment benefit ("OPEB") are liquidated by the General Fund.

GOVERNMENTAL ACTIVITIES

Bank of America Promissory Note (Note Payable)

On June 8, 2009, the City entered into a $20,000,000 promissory note agreement with Bank of America to finance the purchase of land located within the City limits to convert the land into public parks. Principal and interest payments are due in equal quarterly installments of $368,145 through July 1, 2029. The promissory note bears interest at a rate of 4.03%. The City covenants to budget and appropriate non-ad valorem revenues in amounts sufficient to pay the principal of and interest on the note.

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Bank of America Promissory Note (Note Payable)(Continued)

The note contains provisions in the event of default of any payment due to the lender, written admission or inability to pay or filing a petition of bankruptcy, judgment of insolvency, or other similar events by the City, the lender may declare all obligations under this bond immediately due and payable.

2011 Series Capital Improvement Revenue and Revenue Refunding Bonds (Revenue Bonds)

On November 10, 2011, the City issued the Capital Improvement Revenue and Revenue Refunding Bonds, Series 2011, in the amount of $10,000,000. The bonds bear interest at 2.38% and mature in November 2026. Interest is payable semiannually on the first day of May and November. The bonds were issued to (1) finance a portion of the costs of development of City parklands, municipal garage and improvements to existing parks, (2) refund $7,575,000 of outstanding 2001A Series Florida Municipal Loan Council Revenue, and (3) pay costs of issuance of the bonds. The City covenants to budget and appropriate non-ad valorem revenues in amounts sufficient to pay the principal of and interest on the bonds, and the bonds are further secured by a pledge of the half-cent sales tax. The Bond Indenture also requires the maintenance of a minimum debt service coverage ratio of 1.50:1.00.

The bond contains provisions in the event of default of any payment due to the lender, written admission or inability to pay or filing a petition of bankruptcy, judgment of insolvency, or other similar events by the City, the lender may declare all obligations under this bond immediately due and payable.

Annual debt service requirements to maturity for revenue bonds and note payable are as follows:

For the Fiscal Year Ending September 30,	Governmental Activities	
	Principal	Interest
2026	$ 2,034,364	$ 236,044
2027	2,104,968	160,666
2028	1,378,140	94,442
2029	1,437,510	37,022
Total	$ 6,954,982	$ 528,174

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

PLEDGED REVENUES

The City's debt is collateralized by multiple sources. The following table provides the revenue pledged for each debt issuance, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2025:

Debt Issue	Pledged Revenue	Revenue Received	Principal and Interest Paid	Future Maturities Principal and Interest	Pledged Through
Governmental activities:					
Bank of America Promissory note	Legally available non-ad valorem revenues	$ 35,599,483	$ 1,472,583	$ 5,892,280	2029
2011 Series Capital Improvement Revenue Refunding Bonds	Half-cent sales tax	$ 2,310,145	$ 802,206	$ 1,590,876	2027

LEASES (RIGHT-TO-USE ASSETS)

The City, as a lessee, has entered into multiple lease agreements which, as of September 30, 2025, have a remaining period that range from 1 month to 48 months. The lease agreements qualify as other than a short-term lease under GASB 87 and; therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. As of September 30, 2025, the value of the lease liability is $34,805. Principal and interest payments made during the fiscal year totaled $24,855. Required annual fixed payments range from approximately $1,500 to $6,700. The value of the leases (right-to-use assets) as of September 30, 2025 is $119,167 with accumulated amortization of $85,207.

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

LEASES (RIGHT-TO-USE ASSETS) (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, are as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 18,822	$ 686	$ 19,508
2027	9,006	324	9,330
2028	6,250	122	6,372
2029	727	4	731
Total	$ 34,805	$ 1,136	$ 35,941

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The City entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term subscription arrangements under GASB 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception. As of September 30, 2025, the value of the subscription (right-to-use asset) liability is $448,192. Principal and interest payments made during the fiscal year totaled $447,211. Required annual fixed payments range from approximately $54 to $58,360. The value of the subscription arrangements as of September 30, 2025 is $1,331,772 with accumulated amortization of $631,358.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of September 30, 2025, are as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 358,755	$ 13,204	$ 371,959
2027	86,296	2,848	89,144
2028	3,141	82	3,223
Total	$ 448,192	$ 16,134	$ 464,326

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM

All regular, full-time employees are covered by: (1) the City's 401(a) Plan, a defined contribution pension plan, administered by an independent agent, MissionSquare Retirement (formerly known as ICMA Retirement Corporation), and authorized by resolution, or (2) the Florida Retirement System ("FRS"), a cost-sharing, multiple-employer, public employee retirement system, through a defined benefit pension plan administered by the Department of Management Services Division of Retirement. All part-time employees and elected officials are also covered by the FRS Pension Plan. The City's policy is to fund the annual pension costs in the annual budget. The City has no fiduciary responsibility for the plans.

401(A)

Under the City's 401(a) Plan, City contributions and mandatory employee contributions, as a percentage of employee gross wages, were as follows for each employee group: General Employees - 11% and 4% and Management Officers - 11% and 6%, respectively. Vesting schedules for each employee group range from immediate vesting (100%) for Management Officers to full vesting over various periods of time through 3 years for general employees. Under the 401(a) Plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The total number of employees for each employee group under the 401(a) Plan as of September 30, 2025 was as follows: General Employees – 1 and Management Officers - 1.

FLORIDA RETIREMENT SYSTEM

On September 29, 2002, the City joined the FRS to provide retirement and survivor benefits to all eligible City employees. On this date, the employees had the option of making a one-time election of remaining in the 401(a) Plan or choosing the FRS. All eligible employees hired on or after September 30, 2002 were included in the FRS.

As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan"), FRS Investment Plan ("Investment Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121 of the Florida Statutes. Amendments to the law can be made only by an act of the Florida Legislature.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

FLORIDA RETIREMENT SYSTEM (CONTINUED)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, by calling (877) 377-1737, or by visiting:

https://www.dms.myflorida.com/workforce_operations/retirement/publications.

Net Pension Liability and deferred outflows/inflows of resources for both the FRS and the HIS plan are listed below:

	FRS	HIS	Total
Net Pension Liability	$ 20,353,774	$ 6,649,531	$ 27,003,305
Deferred Outflows of Resources	$ 6,688,630	$ 676,369	$ 7,364,999
Deferred Inflows of Resources	$ 3,564,013	$ 1,762,269	$ 5,326,282

The City's aggregate pension expense was $1,733,229 for the fiscal year ended September 30, 2025.

PENSION PLAN - FRS

Plan Description

The Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% up to 1.68% of their final average compensation, based on the five highest years of salary for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service, or 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% up to 1.68% of their final average compensation based on the five highest years of salary, for each year of credited service.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

PENSION PLAN – FRS (CONTINUED)

Benefits Provided (continued)

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation, based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation, based on the five highest years of salary for each year of credited service.

Elected Officers' class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation, based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65, or 33 years of service regardless of age, for Regular, Senior Management Service, and Elected Officers' class members, and to age 60, or 30 years of service regardless of age, for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

PENSION PLAN – FRS (CONTINUED)

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates established by the Florida Legislature. These rates are updated as of July 1 each year. The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular – 13.63% and 14.03%; Special Risk Administrative Support – 39.82% and 39.48%; Special Risk – 32.79% and 35.19%; Senior Management Service – 34.52% and 33.24%; Elected Officers' – 45.45% and 46.14%; Retirees – 6.84% and 6.87%; and DROP participants – 21.13% and 22.02%. These employer contribution rates include 2.00% HIS Plan subsidy for the periods October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled $5,768,475 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the City reported a liability of $20,353,774 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on a projection of the City's 2024-25 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2025, the City's proportion was .065583012%, which was an increase of .001203511% from its proportion measured as of June 30, 2024.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

PENSION PLAN – FRS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended September 30, 2025, the City recognized pension expense (income) of ($1,529,961). At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,173,997	$ --
Change of assumption	2,363,602	--
Net difference between projected and actual on pension plan investments		3,398,268
Changes in proportion and differences between City contributions and proportionate share of	1,218,229	165,745
City contributions subsequent to the measurement	932,802	--
Total	$ 6,688,630	$ 3,564,013

Deferred outflows of resources related to FRS of $932,802 resulting from City contributions subsequent to the measurement date of June 30, 2025 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income), as follows:

For the Fiscal Year Ended September 30,	Amount
2026	$ 3,618,486
2027	(137,922)
2028	(658,969)
2029	(629,780)
Total	$ 2,191,815

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

PENSION PLAN – FRS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The most recent experience study for the FRS Pension Plan was completed as of June 30, 2024 for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but, instead, was based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.8%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100%			
Assumed Inflation - Mean			2.4%	1.5%

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

PENSION PLAN – FRS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability	$ 39,943,967	$ 20,353,774	$ 3,929,639

HIS PLAN

Plan Description

The HIS Plan is a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of eligible health insurance coverage, which may include Medicare.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

HIS PLAN (CONTINUED)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution for the period October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025 was 2.00%. The City contributed 100% of its statutorily required contributions for the current and preceding four years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled $100,667 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the City reported a liability of $6,649,531 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's 2024-25 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2025, the City's proportionate share was .051878759%, which was an increase of .0000936315% from its proportionate share measured as of June 30, 2024.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

HIS PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the fiscal year ended September 30, 2025, the City recognized pension expense of ($203,268). In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 39,693	$ 10,548
Change of assumption	58,856	1,608,351
Net difference between projected and actual earnings on HIS Plan investments	--	5,535
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	468,868	137,835
City HIS Plan contributions subsequent to the measurement date	108,952	--
Total	$ 676,369	$ 1,762,269

Deferred outflows of resources related to HIS of $108,952 resulting from City contributions subsequent to the measurement date of June 30, 2025 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income), as follows:

For the Fiscal Year Ended September 30,	Amount
2026	$ (222,417)
2027	(306,482)
2028	(251,943)
2029	(250,529)
2030	(163,481)
Total	$ (1,194,852)

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

HIS PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Municipal bond rate	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021 tables.

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was increased from 3.93% to 5.20%.

Discount Rate

The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's proportionate share of the net pension liability	$ 7,498,417	$ 6,649,531	$ 5,937,586

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides a single-employer, defined benefit, postemployment health insurance plan for employees and sworn officers. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and vision insurance benefits upon retirement. In addition, retired sworn police officers with 20 or more years of service with the City receive a $500 a month stipend reduced to $250 a month for two years once the retired sworn police officer reaches age 65. If the employee has other health insurance coverage, they are not eligible. The benefits of the plan conform with Florida Statutes, which is the legal authority for the plan. The plan has no assets and does not issue a separate financial report. The Plan operates on a pay-as-you-go basis.

FUNDING POLICY AND ANNUAL OPEB COST

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City for its active employees for coverage of the retirees and their dependents for the year, net of the retiree's own payments for the year.

The annual OPEB cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 15 years.

As of October 1, 2023, the City had 251 covered employees.

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Active Plan Members	243
	251

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

FUNDED STATUS AND FUNDING PROGRESS

The actuarial valuation for 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. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time.

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the 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. Significant methods and assumptions were as follows:

Actuarial valuation date	October 1, 2023
Inflation rate	2.50%
Salary increase rate	3.00%
Discount rate	4.06%
Initial trend rate	7.00%
Ultimate trend rate	4.00%
Years to ultimate	51

All mortality rates were based on the PUB-2010 mortality tables. All mortality rates are those outlined in the July 1, 2023 FRS valuation reports. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2021.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN TOTAL OPEB LIABILITY

The City's changes in Total OPEB liability for the fiscal year ended September 30, 2025 (measurement date was September 30, 2024), were as follows:

Service cost	$ 231,291
Interest	205,941
Difference between expected and actual experience of the Total OPEB liability	230,765
Changes of assumptions and other inputs	1,326,820
Benefit payments	(189,833)
Net change in Total OPEB liability	1,804,984
Total OPEB Liability - Beginning	3,860,478
Total OPEB Liability - Ending	$ 5,665,462

Total OPEB Liability, Expense (Income) and Deferred Outflow/Inflow of Resources:
For the fiscal year ended September 30, 2025, the City recognized a Total OPEB liability of $5,665,462. The City has decided not to reclassify any long-term amounts that are considered to be due within one year in relation to the total OPEB liability as the amounts are not considered material. Since these amounts are not material, the City will not present them in the financial statements or footnotes. For the fiscal year ended September 30, 2025, the City recognized an OPEB expense of $361,551. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	$ 231,508	$ 358,509
Change of assumption	2,005,842	2,137,052
Total	$ 2,237,350	$ 2,495,561

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN TOTAL OPEB LIABILITY (CONTINUED)

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

For the Fiscal Year Ended September 30,	Amount
2026	$ (80,531)
2027	(80,531)
2028	(80,531)
2029	(88,391)
2030	(68,801)
Thereafter	140,574
Total	$ (258,211)

Discount Rate: All future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used. The discount rate decreased from 4.87% from the previous fiscal year.

Discount Rate Sensitivity: The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability for the fiscal year ended September 30, 2025:

1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
$ 6,211,873	$ 5,665,462	$ 5,175,083

Healthcare Cost Trend Sensitivity: The following table illustrates the impact of healthcare cost trend sensitivity on the Total OPEB Liability for the fiscal year ended September 30, 2025:

1% Decrease 3.00% - 6.00%	Current Trend 4.00% - 7.00%	1% Increase 5.00% - 8.00%
$ 5,192,277	$ 5,665,462	$ 6,298,667

NOTE 9 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code ("IRC"), Section 457. The plan, administered by the MissionSquare Retirement (formerly known as ICMA Retirement Corporation), available to all City employees, permits them to defer a portion of their salaries until future years. Participation in the plan is optional. The deferred compensation is generally not available to employees until termination, retirement, death or under the hardship distribution criteria, as defined in IRC Section 457. The assets of the plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the basic financial statements.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in various lawsuits, including personal injury, property damage and other miscellaneous claims. These legal proceedings are incidental to the City's operations, the outcome of which, in the opinion of management and legal counsel, would not have a material adverse effect on the financial condition of the City.

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover the various risks. There were no reductions in insurance coverages from coverages in the prior year. There were no settled claims that have exceeded insurance coverage for each of the past three years.

CONSTRUCTION COMMITMENTS

The City has various pending, ongoing and future capital improvement projects. These projects primarily consist of the Government Center Annex, Intracoastal Sports Park, Other Park Improvements, Government Center Improvements, Golden Shores Pump Station and Other Improvements. The remaining commitments on these projects are estimated to be $2,691,000, $1,768,000, $1,553,000, $1,105,000, $844,000, and $241,000, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

GRANTS

Grant monies received and disbursed by the City are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other action by grantor agencies. The City does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the City.

NOTE 11 – PUBLIC PRIVATE PARTNERSHIP

On or about November 25, 2008, the City entered into a public/private partnership agreement with Dr. Robert Cornfeld, the owner of the Newport Hotel, to share design and construction costs to rebuild the entire Historic Newport Pier (the "Pier"), which was severely damaged by Hurricane Wilma in 2005. In accordance with the agreement, the City accepted ownership of the Pier by entering into the submerged land lease with the State of Florida to facilitate the construction of the Pier. The partnership agreement further provided that Dr. Cornfeld was required to contribute $2 million for the design and construction costs of the Pier. Similarly, the City was required to contribute $2 million for the design and construction costs of the Pier. Further, the agreement provides that the City would be responsible for any cost overruns that exceed the total contribution of $4 million from both parties. The City and Dr. Cornfeld also agreed to split revenues on a 50/50 basis from leasing the restaurant to be constructed on the Pier. The 50/50 split would occur after the City was able to deduct operational expenses from the revenues.

On or about July 26, 2013, the City entered into a management agreement with American Federated Title Corp. (the "Corp"), a corporate entity affiliated with Dr. Cornfeld, to manage the Pier as it relates to admission of residents and visitors to the Pier. The management agreement provided the City with the right to determine Pier admission fees. The agreement was for five (5) years, with the option to renew the agreement for three (3) additional five (5) year terms, provided the Corp is not in default at the time of the renewal of the terms. The City has the right to terminate the management agreement at will. During fiscal year ended September 30, 2022, the management agreement with the Corp, described above, was amended. The City and the Corp agreed that any funds received from admission to the Pier would not be used to cover expenses, but would simply be split 50/50 between the parties. Each entity would be responsible for their own operational expenses. The City approved an amendment to the management agreement on November 16, 2023 to revise the Pier admission fees only, all other terms and conditions were kept the same.

NOTE 11 – PUBLIC PRIVATE PARTNERSHIP (CONTINUED)

During the fiscal year ended September 30, 2014, the City entered into a sublease agreement with the Corp and Beach Bar @ Newport Pier, LLC ("Beach Bar") whereby Beach Bar will sublease the entire leased premises consisting of the restaurant facility, bait shop, second floor of restaurant facility, and additional outdoor dining area on the premises. The initial term of the sublease is a ten (10) year term, with Beach Bar reserving the right to renew for four (4) additional terms of five (5) years. Beach Bar shall pay the City a base monthly rent of $15,000, plus all applicable sales tax, with the base rent being subject to increase based on the Consumer Price Index. In addition to the base monthly rent, Beach Bar shall pay to Corp for each year of the sublease terms, as a percentage of rent, an amount equal to the amount of annual gross sales times the applicable percentages dictated in the agreement.

The sublease agreement with the Corp and Beach Bar expired and was not renewed as of July 31, 2023.

On or about August 17, 2023, a new sublease agreement was entered into between the Corp (sublessor) and PRA Hospitality, LLC ("PRA") (subtenant). The initial term of the sublease is a five (5) year term. PRA shall pay the City a base monthly rent of $16,050, plus applicable sales tax with the base rent subject to increases based upon the Consumer Price Index. In addition to the base monthly rent, PRA shall pay to Corp for each year of the sublease terms, as a percentage of rent, an amount equal to 5% of all annual gross sales. The agreement allows for parties to cancel the agreement upon written notice, with no financial consequence. Under GASB Statement No. 87, *Leases*, the agreement is considered short-term.

The foregoing agreements may be modified by the parties based on changes in circumstances.

NOTE 12 – SUBSEQUENT EVENT

On November 10, 2025, the City of Sunny Isles Beach received an executed Promissory Note from 18401 Developers LLC in the principal amount of approximately $29,600,000. The promissory note pertains to Resolution No. 21-Z-182, which obligates the developer to pay amounts associated with required Floor Area Ratio (FAR) bonuses for the development, as well as the acquisition of Transferable Development Rights (TDRs). The note calls for principal and interest due and payable to the City sixty (60) days following the issuance of a Temporary Certificate of Occupancy ("TCO") for the proposed project located at 18401 Collins Avenue.

The promissory note also establishes a 5% late charge on any payments not received within five (5) days after its due date and obligates 18401 Developers LLC to pay the City's reasonable attorney's fees in the event of collection. This transaction represents a non-adjusting subsequent event, as it occurred after the reporting period and does not provide evidence of conditions that existed at the financial statement date.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUNNY ISLES BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Taxes:				
Real and personal property	$ 30,492,749	$ 30,492,749	$ 30,984,999	$ 492,250
Utility taxes:				
Electric	3,800,000	3,800,000	4,175,142	375,142
Telecommunication	840,113	840,113	874,990	34,877
Water	1,100,000	1,100,000	1,222,960	122,960
Gas	31,000	31,000	33,564	2,564
Total Utility Taxes	5,771,113	5,771,113	6,306,656	535,543
Total Taxes	36,263,862	36,263,862	37,291,655	1,027,793
Franchise Fees	3,528,000	3,528,000	3,806,950	278,950
Intergovernmental:				
State revenue sharing	681,433	681,433	757,876	76,443
Other state taxes	25,000	25,000	23,530	(1,470)
Half cent sales tax	2,325,534	2,325,534	2,310,145	(15,389)
Total Intergovernmental	3,031,967	3,031,967	3,091,551	59,584
Licenses and Permits	795,120	795,120	681,642	(113,478)
Charges for Services	7,903,567	7,903,567	8,079,554	175,987
Fines and Forfeitures	1,102,000	1,102,000	1,952,881	850,881
Investment Income	1,900,000	1,900,000	3,782,165	1,882,165
Miscellaneous	230,600	230,600	258,046	27,446
Total Revenues	$ 54,755,116	$ 54,755,116	$ 58,944,444	$ 4,189,328

(continued)

CITY OF SUNNY ISLES BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Expenditures				
Current:				
General government:				
City commission	$ 540,272	$ 569,772	$ 336,473	$ 233,299
City manager	890,816	916,227	781,399	134,828
Finance	1,398,921	1,155,214	456,037	699,177
Legal	500,000	500,000	243,183	256,817
City clerk	590,562	655,062	618,135	36,927
Human resources	1,078,074	1,078,074	1,046,367	31,707
Information technology	2,775,495	2,752,816	2,342,788	410,028
Media	1,165,102	1,181,757	828,245	353,512
Procurement	--	424,747	359,760	64,987
Risk management	2,056,150	2,056,150	1,713,526	342,624
Total General Government	10,995,392	11,289,819	8,725,913	2,563,906
Public safety:				
Police	15,420,166	15,456,838	14,494,807	962,031
Ocean Rescue	3,089,140	3,293,020	2,967,521	325,499
Community development	2,706,997	2,839,623	2,160,689	678,934
Total Public Safety	21,216,303	21,589,481	19,623,017	1,966,464
Community services:				
Physical environment	7,861,223	10,074,575	7,912,384	2,162,191
Cultural and human services	10,537,623	10,457,583	8,947,311	1,510,272
Total Community Services	18,398,846	20,532,158	16,859,695	3,672,463
Debt service:				
Principal	2,371,000	2,371,000	2,619,679	(248,679)
Interest and fiscal charges	476,000	476,000	329,053	146,947
Total Debt Service	2,847,000	2,847,000	2,948,732	(101,732)
Capital outlay	2,366,271	5,431,044	3,847,424	1,583,620
Total Expenditures	55,823,812	61,689,502	52,004,781	9,684,721
Excess (Deficiency) of Revenues Over Expenditures	(1,068,696)	(6,934,386)	6,939,663	13,874,049
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	40,000	40,000	167,136	127,136
Insurance recoveries	30,000	30,000	57,291	27,291
Lease (right-of-use asset) acquired	25,000	25,000	24,052	(948)
Subscriptions acquired	200,000	200,000	272,341	72,341
Appropriations of prior year reserves	34,514,691	41,974,498	--	(41,974,498)
Transfers out	(33,740,995)	(35,335,112)	(3,094,117)	32,240,995
Total Other Financing Sources (Uses)	1,068,696	6,934,386	(2,573,297)	(9,507,683)
Net Change in Fund Balance	$ --	$ --	4,366,366	$ 4,366,366
Fund Balance - Beginning of Year			87,830,033	
Fund Balance - End of Year			$ 92,196,399	

CITY OF SUNNY ISLES BEACH, FLORIDA

NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted for the General Fund, Street Maintenance and Construction Fund, Building Fund, General Capital Projects Fund, and the Public Art Trust Fund on a basis consistent with accounting principles generally accepted in the United States. The City follows these procedures in establishing the budgetary data reflected in the basic financial statements.

a) The City Manager submits to the City Commission a proposed operating and capital budget for the ensuing fiscal year. The 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 passage of an ordinance.

d) The City Commission, by ordinance, may make supplemental appropriations for the year.

e) Formal budgetary integration is employed as a management control device during the period for the General Fund.

f) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance within departments within a fund not amounting to more than 20% of departmental expenditures; however, any revisions that alter the total appropriations of any department of a fund must be approved by the City Commission. The legal level of control at which expenditures may not legally exceed appropriations is at the department level.

g) Encumbered appropriations lapse at fiscal year-end. Encumbered amounts are re-appropriated in the following year’s budget.

h) Budgeted amounts are as originally adopted or as amended.

i) The net change in fund balance for actual amounts, represents the appropriations of prior year's fund balance that was utilized.

CITY OF SUNNY ISLES BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 231,291	$ 174,974	$ 309,363	$ 388,259	$ 484,690	$ 470,573	$ 337,550	$ 355,675
Interest	205,941	182,378	128,858	123,397	226,854	176,645	165,013	138,224
Differences Between Expected and Actual Experience	230,765	--	(19,208)	--	491,056	(634,900)	--	--
Benefits Payments	(189,833)	(216,701)	(176,557)	(169,735)	(125,741)	(117,515)	(78,469)	(58,820)
Assumption Changes	1,326,820	(35,728)	(1,587,248)	(703,944)	(1,368,823)	1,497,648	(136,879)	--
Other Changes	--	--	--	(160,002)	--	--	--	--
Net Change in Total OPEB Liability	1,804,984	104,923	(1,344,792)	(522,025)	(291,964)	1,392,451	287,215	435,079
Total OPEB Liability (Beginning)	3,860,478	3,755,555	5,100,347	5,622,372	5,914,336	4,521,885	4,234,670	3,799,591
Total OPEB Liability (Ending)	$ 5,665,462	$ 3,860,478	$ 3,755,555	$ 5,100,347	$ 5,622,372	$ 5,914,336	$ 4,521,885	$ 4,234,670
Covered-Employee Payroll at Measurement Period	$ 18,790,029	$ 17,080,241	$ 16,582,758	$ 15,390,628	$ 14,507,143	$ 12,157,999	$ 11,749,281	$ 11,749,281
Total OPEB Liability as a Percentage of Covered-Employee Payroll	30.15%	22.60%	22.65%	33.14%	38.76%	48.65%	38.49%	36.04%

Notes to Schedule:
Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB liability, the discount rate is based on the S&P 20-year municipal bond rate published as of September 30, 2024.

Changes in Assumptions
A change in the discount rate from 4.87% in the prior reporting period to 4.06% for the current reporting period. Also reflected as assumption changes are updated health care costs and premiums.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

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

CITY OF SUNNY ISLES BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

(UNAUDITED)

June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Sunny Isles Beach's proportion of the net pension liability	0.065583012%	0.064379502%	0.063891151%	0.057256101%	0.058011151%	0.060856890%	0.059267773%	0.059740238%	0.057945094%	0.058090248%
City of Sunny Isles Beach's proportionate share of the net pension liability	$ 20,353,774	$ 24,905,019	$ 25,458,602	$ 21,303,871	$ 4,382,083	$ 26,376,273	$ 20,410,996	$ 17,994,069	$ 17,139,770	$ 14,667,833
City of Sunny Isles Beach's covered payroll	$ 22,080,647	$ 20,646,103	$ 19,622,351	$ 16,898,383	$ 15,810,486	$ 15,348,814	$ 15,161,383	$ 14,745,632	$ 13,987,180	$ 13,608,825
City of Sunny Isles Beach's proportionate share of the net pension liability as a percentage of its covered payroll	92.18%	120.63%	129.74%	126.07%	27.72%	171.85%	134.62%	122.03%	122.54%	107.78%
Plan fiduciary net position as a percentage of total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	92.00%

This schedule is presented as required by accounting principles generally accepted in the United States of America.

CITY OF SUNNY ISLES BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

(UNAUDITED)

June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Sunny Isles Beach's proportion of the net pension liability	0.051878759%	0.050942444%	0.052156298%	0.047159501%	0.046730414%	0.046462988%	0.045544109%	0.044162719%	0.042122000%	0.041674824%
City of Sunny Isles Beach's proportionate share of the net pension liability	$ 6,649,531	$ 7,641,864	$ 8,283,116	$ 4,994,944	$ 5,732,188	$ 5,673,055	$ 5,059,930	$ 4,674,232	$ 4,503,879	$ 4,857,028
City of Sunny Isles Beach's covered payroll	$ 22,080,647	$ 20,646,103	$ 19,622,351	$ 16,898,383	$ 15,810,486	$ 15,348,814	$ 15,161,383	$ 14,745,632	$ 13,987,180	$ 13,608,825
City of Sunny Isles Beach's proportionate share of the net pension liability as a percentage of its covered payroll	30.1%	37.0%	42.2%	29.6%	36.3%	37.0%	33.4%	31.7%	32.2%	35.7%
Plan fiduciary net position as a percentage of total pension liability	6.36%	4.80%	4.12.%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

This schedule is presented as required by accounting principles generally accepted in the United States of America.

CITY OF SUNNY ISLES BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM PENSION PLAN

(UNAUDITED)

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required City contribution	$ 5,033,346	$ 4,652,499	$ 3,881,336	$ 3,014,996	$ 3,275,920	$ 3,069,901	$ 2,838,225	$ 2,683,987	$ 1,870,647	$ 1,416,623
Contributions in relation to the contractually required contribution	5,033,346	4,652,499	3,881,336	3,014,996	3,275,920	3,069,901				
Contribution deficiency (excess)	$ --	$	$	$	$	$	$	$	$	$
City of Sunny Isles Beach's covered payroll	$ 22,301,293	$ 21,182,533	$ 19,562,807	$ 17,415,941	$ 15,996,014	$ 15,723,425	$ 15,063,697	$ 14,745,632	$ 13,987,180	$ 13,608,825
						2,838,225	2,683,987	1,870,647	1,416,623	
Contributions as a percentage of covered payroll	22.57%	21.96%	19.84%	17.31%	20.48%	19.52%	18.84%	18.20%	13.37%	10.41%
	--	--	--	--	--	--	--	--	--	

This schedule is presented as required by accounting principles generally accepted in the United States of America.

CITY OF SUNNY ISLES BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

(UNAUDITED)

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required City contribution	$ 100,667	$ 93,050	$ 67,797	$ 50,049	$ 44,977	$ 41,507	$ 37,808	$ 34,351	$ 31,053	$ 30,016
Contributions in relation to the contractually required contribution	100,667	93,050	67,797	44,977	41,507	37,808				
Contribution deficiency (excess)	$ --	$	$	$	$	$	$	$	$	$
City of Sunny Isles Beach's covered payroll	$ 22,301,293	$ 21,182,533	$ 19,562,807	$ 17,415,941	$ 15,996,014	$ 15,723,425	$ 15,063,697	$ 14,745,632	$ 13,987,180	$ 13,608,825
						34,351	31,053	30,016	21,543	
Contributions as a percentage of covered payroll	0.45%	0.44%	0.35% 5,072	0.26%	0.26%	0.24%	0.23%	0.21%	0.21%	0.16%
	--	--		3,470	3,699	3,457	3,298	1,037	8,473	

This schedule is presented as required by accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

CITY OF SUNNY ISLES BEACH, FLORIDA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Street Maintenance and Construction Fund	Building Fund	Public Art Trust Fund	Total
Assets:				
Cash and cash equivalents	$ 1,405,342	$ 4,375,633	$ 907,963	$ 6,688,938
Investments	1,196,882	3,698,466	767,734	5,663,082
Receivables, net	379,081	5,827	--	384,908
Interest receivable	9,075	28,255	5,863	43,193
Inventory	2,893	--	--	2,893
Prepaids	--	1,285	--	1,285
Total Assets	$ 2,993,273	$ 8,109,466	$ 1,681,560	$ 12,784,299
Liabilities:				
Accounts payable	$ 206,100	$ 619,370	--	$ 825,470
Accrued liabilities	46,912	243,811	--	290,723
Unearned revenue	--	2,588,576	--	2,588,576
Total Liabilities	253,012	3,451,757	--	3,704,769
Deferred Inflows of Resources:				
Unavailable revenue - taxes	170,000	--	--	170,000
Total Deferred Inflows of Resources	170,000	--	--	170,000
Fund Balances:				
Nonspendable:				
Inventory	2,893	--	--	2,893
Prepaids	--	1,285	--	1,285
Restricted for:				
Building	--	4,656,424	--	4,656,424
Public art	--	--	1,681,560	1,681,560
Transportation	2,567,368	--	--	2,567,368
Total Fund Balances	2,570,261	4,657,709	1,681,560	8,909,530
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 2,993,273	$ 8,109,466	$ 1,681,560	$ 12,784,299

CITY OF SUNNY ISLES BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Street Maintenance and Construction Fund	Building Fund	Public Art Trust Fund	Total
Revenues:				
Intergovernmental	$ 1,895,653	$ --	$ --	$ 1,895,653
Licenses and permits	1,320	4,671,196	--	4,672,516
Charges for services	--	975	--	975
Investment income	77,149	345,695	63,925	486,769
Miscellaneous	426	333	--	759
Total Revenues	1,974,548	5,018,199	63,925	7,056,672
Expenditures:				
Current:				
General government	--	5,105,892	--	5,105,892
Cultural and human services	--	--	58,840	58,840
Transportation	3,538,405	--	--	3,538,405
Capital outlay	457,725	1,613,695	2,225	2,073,645
Total Expenditures	3,996,130	6,719,587	61,065	10,776,782
Excess (Deficiency) of Revenues Over Expenditures	(2,021,582)	(1,701,388)	2,860	(3,720,110)
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	34,100	59,573	--	93,673
Transfers in	3,094,117	--	--	3,094,117
Total Other Financing Sources (Uses)	3,128,217	59,573	--	3,187,790
Net Change in Fund Balances	1,106,635	(1,641,815)	2,860	(532,320)
Fund Balances - Beginning	1,463,626	6,299,524	1,678,700	9,441,850
Fund Balances - Ending	$ 2,570,261	$ 4,657,709	$ 1,681,560	$ 8,909,530

CITY OF SUNNY ISLES BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STREET MAINTENANCE AND CONSTRUCTION FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Intergovernmental	$ 1,833,988	$ 1,833,988	$ 1,895,653	$ 61,665
Licenses and permits	5,000	5,000	1,320	(3,680)
Investment income	43,000	43,000	77,149	34,149
Miscellaneous	--	--	426	426
Total Revenues	1,881,988	1,881,988	1,974,548	92,560
Expenditures:				
Transportation	4,292,344	5,314,698	3,538,405	1,776,293
Capital outlay	619,099	1,057,688	457,725	599,963
Total Expenditures	4,911,443	6,372,386	3,996,130	2,376,256
Excess (Deficiency) of Revenues Over Expenditures	(3,029,455)	(4,490,398)	(2,021,582)	2,468,816
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	--	--	34,100	34,100
Transfers in	1,500,000	3,094,117	3,094,117	--
Appropriations of prior year's fund balance	1,529,455	1,396,281	--	(1,396,281)
Total Other Financing Sources (Uses)	3,029,455	4,490,398	3,128,217	(1,362,181)
Net Change in Fund Balance	$ --	$ --	$ 1,106,635	$ 1,106,635

CITY OF SUNNY ISLES BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - BUILDING FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Licenses and permits	$ 7,661,500	$ 7,661,500	$ 4,671,196	$ (2,990,304)
Charges for services	25,000	25,000	975	(24,025)
Investment income	275,000	275,000	345,695	70,695
Miscellaneous revenue	--	--	333	333
Total Revenues	7,961,500	7,961,500	5,018,199	(2,943,301)
Expenditures:				
General government	6,676,864	6,595,804	5,105,892	1,489,912
Capital outlay	2,464,500	5,072,736	1,613,695	3,459,041
Debt service:				
Principal	5,000	5,000	--	5,000
Interest	500	500	--	500
Total Expenditures	9,146,864	11,674,040	6,719,587	4,954,453
Excess (Deficiency) of Revenues Over Expenditures	(1,185,364)	(3,712,540)	(1,701,388)	2,011,152
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	--	32,973	59,573	26,600
Appropriations of prior year's fund balance	1,185,364	3,679,567	--	(3,679,567)
Total Other Financing Sources (Uses)	1,185,364	3,712,540	59,573	(3,652,967)
Net Change in Fund Balance	$ --	$ --	$ (1,641,815)	$ (1,641,815)

CITY OF SUNNY ISLES BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Intergovernmental	$ 21,400,000	$ 21,400,000	$ --	$ (21,400,000)
Charges for services	128,330	128,330	168,096	39,766
Investment income (loss)	307,000	307,000	200,960	(106,040)
Miscellaneous	24,000	24,000	20,000	(4,000)
Total Revenues	21,859,330	21,859,330	389,056	(21,470,274)
Expenditures:				
Capital outlay	53,346,684	61,143,178	5,920,194	55,222,984
Total Expenditures	53,346,684	61,143,178	5,920,194	55,222,984
Excess (Deficiency) of Revenues Over Expenditures	(31,487,354)	(39,283,848)	(5,531,138)	33,752,710
Other Financing Sources (Uses):				
Transfers in	32,240,995	32,240,996	--	(32,240,996)
Appropriations of prior year's fund balance	(753,641)	7,042,852	--	(7,042,852)
Total Other Financing Sources (Uses)	31,487,354	39,283,848	--	(39,283,848)
Net Change in Fund Balance	$ --	$ --	$ (5,531,138)	$ (5,531,138)

CITY OF SUNNY ISLES BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC ART TRUST FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Charges for services	$ 2,000	$ 2,000	$ --	$ (2,000)
Investment income (loss)	42,000	42,000	63,925	21,925
Total Revenues	44,000	44,000	63,925	19,925
Expenditures:				
Culture and human services	55,000	73,950	58,840	15,110
Capital outlay	1,350,444	1,353,043	2,225	1,350,818
Total Expenditures	1,405,444	1,426,993	61,065	1,365,928
Excess (Deficiency) of Revenues Over Expenditures	(1,361,444)	(1,382,993)	2,860	1,385,853
Other Financing Sources (Uses):				
Appropriations of prior year's fund balance	1,361,444	1,382,993	--	(1,382,993)
Total Other Financing Sources (Uses)	1,361,444	1,382,993	--	(1,382,993)
Net Change in Fund Balance	$ --	$ --	$ 2,860	$ 2,860

STATISTICAL SECTION

CITY OF SUNNY ISLES BEACH, FLORIDA

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

This part of the City's ACFR 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

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.

Net Position by Component
Changes in Net Position
Fund Balances of Governmental Funds
Changes in Fund Balances of Governmental Funds
General Governmental Tax Revenues by Source

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

Assessed Value and Estimated Actual Value of Taxable Property
Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections

Debt Capacity: These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type
Direct and Overlapping Governmental Activities Debt
Legal Debt Margin Information
Pledged Revenue Coverage

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.

Demographic and Economic Statistics
Principal Employers

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.
Full-Time Equivalent City Government Employees by Function
Operating Indicators by Function
Capital Asset Statistics by Function

City of Sunny Isles Beach, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$ 167,505	$ 199,469	$ 205,859	$ 209,918
Restricted	13,006	13,425	14,091	15,220
Unrestricted	32,269	33,175	31,328	32,808
Total governmental activities, net position	$ 212,780	$ 246,069	$ 251,278	$ 257,946
Business-type activities:				
Net investment in capital assets	$ 13,994	$ 14,013	$ 13,985	$ 13,960
Restricted	-	-	-	-
Unrestricted	735	825	928	1,227
Total business-type activities, net position	$ 14,729	$ 14,838	$ 14,913	$ 15,187
Primary government:				
Net investment in capital assets	$ 181,499	$ 213,482	$ 219,844	$ 223,878
Restricted	13,006	13,425	14,091	15,220
Unrestricted	33,004	34,000	32,256	34,035
Total primary government, net position	$ 227,509	$ 260,907	$ 266,191	$ 273,133

Table 1

2020	2021	2022	2023	2024	2025
$ 219,796	$ 221,698	$ 237,385	$ 242,686	$ 250,222	$ 256,379
15,886	16,922	17,563	14,474	12,466	13,274
22,384	58,032	51,725	55,240	57,770	57,809
$ 258,066	$ 296,652	$ 306,673	$ 312,400	$ 320,458	$ 327,462
$ 14,261	$ 14,451	$ 14,552	$ 14,530	$ 14,171	$ 13,975
-	-	-	-	-	-
1,532	1,693	1,907	2,342	3,209	3,763
$ 15,793	$ 16,144	$ 16,459	$ 16,872	$ 17,380	$ 17,738
$ 234,057	$ 236,149	$ 251,937	$ 257,216	$ 264,393	$ 270,354
15,886	16,922	17,563	14,474	12,466	13,274
23,916	59,725	53,632	57,582	60,979	61,572
$ 273,859	$ 312,796	$ 323,132	$ 329,272	$ 337,838	$ 345,200

City of Sunny Isles Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	$ 8,747	$ 9,684	$ 10,332	$ 10,358
Public safety	13,564	14,504	14,287	15,012
Physical Environment	3,168	4,038	5,574	5,414
Culture and human services	5,491	6,452	7,915	8,985
Transportation	2,201	1,796	1,729	2,112
Interest on long-term debt	1,301	1,165	819	726
Total governmental activities expenses	$ 34,472	$ 37,639	$ 40,656	$ 42,607
Business-type activities:				
Stormwater Management	$ 883	$ 989	$ 1,021	$ 978
Total business-type activities expenses	883	989	1,021	978
Total primary government expenses	$ 35,355	$ 38,628	$ 41,677	$ 43,585
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	$ 29,578	$ 34,255	$ 8,534	$ 9,172
Public Safety	975	1,004	1,047	1,207
Culture and human services	1,224	1,235	1,533	1,380
Operating grants and contributions	1,062	1,099	1,411	1,440
Capital grants and contributions	203	449	1,067	97
Total governmental activities program revenues	$ 33,042	$ 38,042	$ 13,592	$ 13,296
Business-type activities:				
Charges for services:				
Stormwater	$ 969	$ 1,005	$ 1,004	$ 1,032
Operating grants and contributions	85	88	86	86
Capital grants and contributions	179	-	-	-
Total business-type activities program revenues	1,233	1,093	1,090	1,118
Total primary government program revenues	$ 34,275	$ 39,135	$ 14,682	$ 14,414

Table 2

2020	2021	2022	2023	2024	2025
$ 10,709	$ 9,430	$ 11,475	$ 13,833	$ 14,136	$ 14,203
16,066	13,795	15,377	20,977	19,929	20,891
6,692	5,671	8,379	8,379	10,514	11,976
9,081	7,034	10,420	10,419	9,478	10,316
2,524	2,353	2,372	2,835	2,747	3,913
644	554	529	451	384	307
$ 45,716	$ 38,837	$ 48,552	$ 56,894	$ 57,188	$ 61,606
$ 922	$ 850	$ 917	$ 1,044	$ 1,154	$ 1,212
922	850	917	1,044	1,154	1,212
$ 46,638	$ 39,687	$ 49,469	$ 57,938	$ 58,342	$ 62,818
$ 7,742	$ 33,959	$ 12,427	$ 9,774	$ 9,319	$ 10,815
1,550	1,593	1,829	1,977	1,619	2,484
834	302	807	1,071	1,586	1,252
1,106	1,241	7,219	6,241	2,614	3,746
-	1,233	-	-	-	-
$ 11,232	$ 38,328	$ 22,282	$ 19,063	$ 15,138	$ 18,297
$ 1,043	$ 1,085	$ 1,176	$ 1,308	$ 1,409	$ 1,333
75	78	-	-	-	-
265	35	-	-	-	-
1,383	1,198	1,176	1,308	1,409	1,333
$ 12,615	$ 39,526	$ 23,458	$ 20,371	$ 16,547	$ 19,630

City of Sunny Isles Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2016	2017	2018	2019
Net (expense)/revenue				
Governmental activities	$ (1,430)	$ (24,993)	$ (27,908)	$ (28,890)
Business-type activities	350	105	69	140
Total primary government net expenses	$ (1,080)	$ (24,888)	$ (27,839)	$ (28,750)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 20,789	$ 23,082	$ 24,292	$ 23,438
Utility taxes	4,462	4,490	4,569	4,550
Franchise taxes	1,364	1,260	1,545	1,480
Impact fees	888	809	5	421
Intergovernmental	2,239	2,265	2,395	2,722
Investment income (loss)	1,047	658	590	3,073
Miscellaneous	336	277	528	301
Gain on disposal of capital assets	76	46	37	95
Transfers	(300)	-	-	(100)
Total governmental activities	$ 30,901	$ 32,887	$ 33,961	$ 35,980
Business-type activities:				
Intergovernmental	$ -	$ -	$ -	$ -
Investment income (loss)	5	5	7	33
Miscellaneous	-	-	-	-
Transfers	300	-	-	100
Total business-type activities	305	5	7	133
Total primary government	$ 31,206	$ 32,892	$ 33,968	$ 36,113
Change in Net Position				
Governmental activities	$ 29,471	$ 33,290	$ 6,897	$ 6,669
Business-type activities	655	109	76	273
Total primary government	$ 30,126	$ 33,399	$ 6,973	$ 6,942

Table 2
(continued)

2020	2021	2022	2023	2024	2025
$ (33,922)	$ (375)	$ (26,269)	$ (37,831)	$ (42,051)	$ (43,310)
461	350	259	264	255	121
$ (33,461)	$ (25)	$ (26,010)	$ (37,567)	$ (41,796)	$ (43,189)
$ 23,878	$ 24,875	$ 25,100	$ 26,376	$ 28,883	$ 30,985
4,469	5,262	5,403	6,054	6,103	6,307
1,295	2,774	3,340	3,780	3,737	3,807
563	134	12	13	-	-
2,373	4,817	3,622	3,606	3,604	3,253
1,782	660	(1,745)	3,295	6,223	4,612
316	510	544	406	1,559	1,350
57	63	15	27	-	-
(128)	-	-	-	-	-
$ 34,605	$ 39,095	$ 36,291	$ 43,557	$ 50,109	$ 50,314
$ -	$ -	$ 86	$ 88	$ 86	$ 86
17	1	(30)	61	167	150
-	-	-	-	-	2
128	-	-	-	-	-
145	1	56	149	253	238
$ 34,750	$ 39,096	$ 36,347	$ 43,706	$ 50,362	$ 50,552
$ 119	$ 38,586	$ 10,021	$ 5,726	$ 8,058	$ 7,004
607	351	315	412	508	359
$ 726	$ 38,937	$ 10,336	$ 6,138	$ 8,566	$ 7,363

City of Sunny Isles Beach, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2016	2017	2018	2019
General Fund				
Committed to:				
Hurricane/Emergency and Disaster recovery operating reserves	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Assigned to:				
Fiscal stability reserve	-	-	-	-
Non-spendable:				
Prepaids	1,120	869	580	664
Leases	-	-	-	-
Unassigned	17,867	8,354	16,599	24,024
Total General Fund	$ 28,987	$ 19,223	$ 27,179	$ 34,688
All other governmental funds				
Restricted for:				
Law enforcement	$ 8,081	$ 6,979	$ 6,704	$ 6,470
American Rescue Plan	-	-	-	-
Building	3,648	5,231	5,861	6,821
Public art	66	78	345	338
Transportation	1,210	1,137	1,181	1,591
Assigned to:				
Capital projects	19,018	33,012	27,570	24,872
Non-spendable:				
Inventory	1	4	4	3
Prepaids	-	-	-	-
Long-term receivables	438	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	$ 32,462	$ 46,441	$ 41,665	$ 40,095

Table 3

2020	2021	2022	2023	2024	2025
$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
-	-	7,944	9,436	11,120	13,001
648	739	1,235	1,323	1,136	962
-	-	-	-	2,655	3,699
29,325	39,565	42,412	55,648	62,919	64,534
$ 39,973	$ 50,304	$ 61,591	$ 76,407	$ 87,830	$ 92,196
$ 6,267	$ 6,176	$ 5,443	$ 4,046	$ 3,032	$ 4,369
-	-	-	15	-	-
7,436	8,433	8,257	7,286	6,300	4,657
1,647	1,534	1,415	1,377	1,675	1,682
536	779	2,448	1,750	1,459	2,567
14,586	38,056	20,988	15,275	7,053	1,522
2	17	6	7	4	3
-	-	2	2	4	1
-	-	-	-	-	-
-	-	-	-	-	-
$ 30,474	$ 54,995	$ 38,559	$ 29,757	$ 19,527	$ 14,801

City of Sunny Isles Beach, Florida
Changes in Fund Balances of Governmental
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2016	2017	2018	2019
Revenues				
Real and personal property taxes	$ 20,792	$ 23,064	$ 24,281	$ 23,512
Utility taxes	4,462	4,490	4,569	4,550
Franchise fees	1,364	1,260	1,545	1,480
Impact fees	22,204	26,375	762	-
Intergovernmental revenues	3,507	3,829	4,605	4,059
Licenses and permits	5,244	5,250	4,556	5,194
Charges for services	4,419	4,754	4,586	5,850
Fines and forfeitures	466	334	705	634
Investment income (loss)	1,167	658	590	3,073
Miscellaneous revenues	870	987	1,132	1,033
Total revenues	64,495	71,001	47,331	49,385
Expenditures				
General government	8,183	9,070	9,046	9,491
Public safety	11,402	11,713	12,236	12,661
Physical environment	1,304	1,910	2,067	2,185
Culture and human services	4,884	5,690	6,677	7,155
Transportation	1,570	1,492	1,542	1,633
Capital outlay	23,812	23,024	9,136	6,936
Debt service				
Principal	3,324	12,622	2,539	2,607
Interest and fiscal charges	1,433	1,345	850	811
Total expenditures	55,912	66,866	44,093	43,479
Excess (deficiency) of revenues over expenditures	8,583	4,135	3,238	5,906
Other financing sources (uses)				
Proceeds from sale of capital assets	55	46	37	96
Insurance recoveries	46	35	107	36
Contributions	-	-	(200)	-
Lease (right-of-use asset) acquired	-	-	-	-
Subscriptions acquired	-	-	-	-
Transfers in	843	8,271	601	1,144
Transfers out	(1,143)	(8,271)	(601)	(1,244)
Total other financing sources (uses)	(199)	81	(56)	32
Net change in fund balance	$ 8,384	$ 4,216	$ 3,182	$ 5,938
Debt service as a percentage of noncapital expenditures	14.8%	31.9%	9.7%	9.4%

(1) Impact Fees starting with fiscal year 2019 are classified under Charges for Services.

(2) The following calculation excludes capital outlay that was not capitalized.

Table 4

2020	2021	2022	2023	2024	2025	
$ 23,881	$ 24,775	$ 25,100	$ 26,376	$ 28,883	$ 30,985	
4,469	5,262	5,404	6,054	6,103	6,307	
1,295	2,774	3,340	3,780	3,737	3,807	
-	-	-	-	-	-	(1)
3,416	7,208	10,576	9,633	5,992	4,987	
4,977	5,180	4,720	3,955	5,075	5,354	
4,736	29,653	9,975	8,092	7,823	8,249	(1)
588	687	1,145	983	805	3,956	
1,782	660	(1,745)	3,295	6,223	4,613	
691	1,009	496	239	254	279	
45,835	77,208	59,011	62,407	64,895	68,537	
9,319	9,591	11,165	11,942	13,171	13,832	
12,992	13,458	14,281	16,997	18,717	19,970	
2,363	2,521	3,260	4,409	5,295	7,912	
6,764	6,284	7,430	7,203	7,871	9,006	
1,847	1,753	2,074	2,346	2,329	3,538	
13,480	5,457	22,708	11,355	14,207	12,344	
2,681	2,765	2,863	3,351	2,290	2,620	
729	641	552	482	406	329	
50,175	42,470	64,333	58,085	64,286	69,551	
(4,340)	34,738	(5,322)	4,322	609	(1,014)	
57	63	62	65	112	291	
75	51	39	159	64	67	
-	-	-	-	-	-	
-	-	72	23	-	24	
-	-	-	1,446	408	272	
1,212	1,270	1,579	608	1,110	3,094	
(1,340)	(1,270)	(1,579)	(608)	(1,110)	(3,094)	
4	114	173	1,693	584	654	
$ (4,336)	$ 34,852	$ (5,149)	$ 6,015	$ 1,193	$ (360)	
9.3%	9.1%	8.1%	8.1%	5.3%	5.1%	**(2)**

City of Sunny Isles Beach, Florida **Table 5**
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Fiscal Year Ended September 30,	Property Taxes	Local Option Gas Tax	Utility Taxes	Franchise Fees	Total
2016	$ 20,792	$ 220	$ 4,462	$ 1,364	$ 26,838
2017	23,064	228	4,490	1,260	29,042
2018	24,281	223	4,569	1,545	30,618
2019	23,512	225	4,550	1,480	29,767
2020	23,881	199	4,469	1,295	29,844
2021	24,775	209	5,262	2,774	33,020
2022	25,100	227	5,404	3,340	34,071
2023	26,376	232	6,054	3,780	36,442
2024	28,883	236	6,103	3,737	38,959
2024	28,883	236	6,103	3,737	38,959
2025	30,985	227	6,307	3,807	41,326

City of Sunny Isles Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Estimated Actual Value			Assessment Reductions
	Real Property	Personal Property	Total	
2016	$ 11,199,576,151	$ 70,606,300	$ 11,270,182,451	$ 2,098,347,422
2017	12,233,962,798	75,870,088	12,309,832,886	1,995,380,305
2018	12,800,344,529	79,644,983	12,879,989,512	1,410,925,588
2019	12,132,420,239	94,330,403	12,226,750,642	965,610,914
2020	12,765,117,248	98,161,781	12,863,279,029	938,304,561
2021	12,367,495,507	105,954,121	12,473,449,628	581,417,469
2022	13,509,761,737	104,607,977	13,614,369,714	592,936,803
2023	15,354,036,419	109,142,506	15,463,178,925	1,443,401,963
2024	19,633,833,591	124,112,534	19,757,946,125	3,582,779,367
2025	21,384,995,191	128,910,781	21,513,905,972	3,423,957,395

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the values are equal to actual values. Tax rates are per $1,000 of assessed value.

Source: Miami-Dade County Property Appraiser's Office.

Table 6

Assessed Valuation	Less: Tax Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Taxable Value as a Percentage of Estimated Actual Value
$ 9,171,835,029	$ 332,464,180	$ 8,839,370,849	2.5000	78.43%
10,314,452,581	345,576,798	9,968,875,783	2.4000	80.98%
11,469,063,924	356,429,493	11,112,634,431	2.3000	86.28%
11,261,139,728	372,339,928	10,888,799,800	2.2000	89.06%
11,924,974,468	364,654,289	11,560,320,179	2.2000	89.87%
11,892,032,159	369,313,087	11,522,719,072	2.2000	92.38%
13,021,432,911	377,797,353	12,643,635,558	2.1000	92.87%
14,019,776,962	400,248,473	13,619,528,489	2.0000	88.08%
16,175,166,758	411,766,535	15,763,400,223	1.9000	79.78%
18,089,948,577	444,238,691	17,645,709,886	1.8000	82.02%

City of Sunny Isles Beach, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

		City of Sunny Isles Beach			Miami-Dade County			School District		
Fiscal Year	Tax Roll Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage
2016	2015	2.5000	-	2.5000	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120
2017	2016	2.4000	-	2.4000	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220
2018	2017	2.3000	-	2.3000	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940
2019	2018	2.2000	-	2.2000	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330
2020	2019	2.2000	-	2.2000	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480
2021	2020	2.2000	-	2.2000	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290
2022	2021	2.1000	-	2.1000	4.6669	0.5075	5.1744	6.8290	0.1800	7.0090
2023	2022	2.0000	-	2.0000	4.6202	0.4853	5.1055	6.4240	0.1650	6.5890
2024	2023	1.9000	-	1.9000	4.5740	0.4355	5.0095	6.5660	0.1330	6.6990
2025	2024	1.8000	-	1.8000	4.5740	0.4271	5.0011	6.4680	0.1340	6.6020

Source: Miami-Dade County Property Appraiser's Office.

Overlapping Rates

State					Special Districts					
Everglades Project	South Florida Water Management District	Florida Inland Navigation District	Okeechobee Basin	Total State Millage	Children's Trust	Fire and Rescue	Fire Debt	Library	Total District's Millage	Total Direct and Overlapping Rates
0.0506	0.1459	0.0320	0.1586	0.3871	0.5000	2.4207	0.0086	0.2840	3.2133	18.8293
0.0471	0.1359	0.0320	0.1477	0.3627	0.5000	2.4207	0.0075	0.2840	3.2122	18.3638
0.0441	0.1275	0.0320	0.1384	0.3420	0.4673	2.4207	0.0075	0.2840	3.1795	17.8824
0.0417	0.1209	0.0320	0.1310	0.3256	0.4415	2.4207	-	0.2840	3.1462	17.5361
0.0397	0.1152	0.0320	0.1246	0.3115	0.4680	2.4207	-	0.2840	3.1727	17.9771
0.0380	0.1103	0.0320	0.1192	0.2995	0.4507	2.4207	-	0.2840	3.1554	17.9288
0.0365	0.1061	0.0320	0.1146	0.2892	0.5000	2.4207	-	0.2840	3.2047	17.7773
0.0327	0.0948	0.0320	0.1026	0.2621	0.5000	2.3965	-	0.2812	3.1777	17.1343
0.0327	0.0948	0.0288	0.1026	0.2589	0.5000	2.3965	-	0.2812	3.1777	17.0451
0.0327	0.0948	0.0288	0.1026	0.2589	0.5000	2.3965	-	0.2812	3.1777	16.8397

City of Sunny Isles Beach, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago
(Amounts Expressed in Thousands)

	2025		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Intercoastal Yacht Club LLC	$ 160,379	1	0.9%
La Playa Beach Associates LLC	145,914	2	0.8%
Century Towers Assoc	108,900	3	0.6%
Beach Place Lincoln Spe LLC	81,900	4	0.5%
18401 Developers LLC	55,898	5	0.3%
Dezer Blue Grass LLC	52,800	6	0.3%
Century Towers Assoc	48,873	7	0.3%
Gables Investors Inc	42,352	8	0.2%
Publix Super Mkts Inc	35,404	9	0.2%
A3 Development LLC	33,000	10	0.2%
Totals	$ 765,419		4.4%

Source: Miami-Dade County, Tax Collector's Office.

Table 8

Taxpayer	2016 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Intercoastal Yacht Club LLC	$ 88,700	1	1.0%
La Playa Beach Associates LLC	84,269	2	1.0%
Beach Club Acquisition LLC	67,019	3	0.8%
Sunny Isles Property Venture LLC	64,589	4	0.7%
RDR Seashore LLC ET AL	63,450	5	0.7%
JTC15 Sunny Isles LP	33,220	6	0.4%
Century Towers Association	32,557	7	0.4%
Regalia Beach Developers LLC	30,000	8	0.3%
Gilco Realty LC & M&R LLC	29,255	9	0.3%
Dezer Hotel Management Ltd	27,541	10	0.3%
	$ 520,600		5.9%

City of Sunny Isles Beach, Florida **Table 9**
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Taxes Collections	Percentage Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy
2016	$ 21,733,646	$ 20,583,693	94.71%	$ 208,208	$ 20,791,901	95.67%
2017	23,925,302	22,428,777	93.75%	635,194	23,063,971	96.40%
2018	24,248,897	23,416,494	96.57%	864,296	24,280,789	100.13%
2019	23,241,919	22,281,198	95.87%	1,230,586	23,511,784	101.16%
2020	24,178,156	22,592,546	93.44%	1,288,730	23,881,276	98.77%
2021	24,903,420	23,561,147	94.61%	1,213,506	24,774,653	99.48%
2022	25,208,506	24,088,320	95.56%	1,011,882	25,100,202	99.57%
2023	26,185,411	25,393,282	96.97%	982,222	26,375,504	100.73%
2024	28,822,975	27,757,531	96.30%	1,125,579	28,883,110	100.21%
2025	30,492,749	29,791,934	97.70%	1,193,065	30,984,999	101.61%

Source: Miami-Dade County, Tax Collector's Office and the City of Sunny Isles Beach.
(1) Tax levy, net of discount

City of Sunny Isles Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Amounts expressed in thousands, except per capita amount)

	Governmental Activities			
Fiscal Year	General Obligation Bonds	Revenue Bonds	Promissory Note	Leases (Right-to-use Assets)
2016	$ -	$ 25,028	$ 14,793	$ -
2017	-	13,287	13,911	-
2018	-	11,666	12,993	-
2019	-	10,015	12,037	-
2020	-	8,327	11,043	-
2021	-	6,600	10,005	-
2022	-	4,832	8,925	59
2023	-	3,020	7,801	60
2024	-	2,291	6,630	35
2025	-	1,545	5,410	35

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 10

Subscriptions (Right-to-Use Assets)	Business-Type Activities: Outstanding Bonds	Business-Type Activities: Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita (1)
$ -	$ 2,971	$ -	$ 42,792	4.48%	$ 1,940
-	2,537	-	29,735	2.94%	1,337
-	2,094	-	26,753	2.58%	1,189
-	1,643	-	23,695	2.04%	1,019
-	1,185	-	20,555	1.57%	861
-	717	-	17,322	1.34%	765
-	241	-	14,057	1.08%	620
1,054	-	-	11,934	0.76%	524
806	-	-	9,762	0.57%	428
448	-	-	7,438	0.42%	326

City of Sunny Isles Beach, Florida **Table 11**
Direct and Overlapping Governmental Activities Debt
As of September 30, 2025
(Amounts Expressed in Thousands)

Jurisdiction	Net Debt Outstanding (1)	Percentage Applicable to City of Sunny Isles Beach (2)	Amount Applicable to City of Sunny Isles Beach
Debt repaid with property taxes:			
Miami-Dade County	$ 2,326,740	3.73%	$ 86,787
Miami-Dade School District Board	2,721	3.73%	102
Subtotal, overlapping debt			86,889
City of Sunny Isles Beach	$ 7,438	100%	7,438
Total direct and overlapping debt			$ 94,327

Source: Miami-Dade County, Florida, Accounting Division and the School Board of Miami-Dade County.

(1) Debt outstanding for Miami-Dade County is unaudited.

(2) Based on ratio of assessed taxable value.

City of Sunny Isles Beach, Florida **Table 12**
Legal Debt Margin Information
September 30, 2025

The City Charter allows revenue bonds to be issued when authorized by the City Commission. The City Charter and Florida Statute provide no limit on the amount of the general obligation debt attainable.

City of Sunny Isles Beach, Florida **Table 13**
Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Revenue Bonds and Notes Payable			
	Total Revenue	Debt Service		Coverage
		Principal	Interest	
2016	$ 1,662	$ 604	$ 193	2.09
2017	1,655	618	178	2.08
2018	1,740	633	173	2.16
2019	1,767	648	178	2.14
2020	1,538	663	160	1.87
2021	1,909	679	140	2.33
2022	2,377	695	120	2.92
2023	2,417	729	78	3.00
2024	2,346	746	56	2.92
2025	2,310	764	34	2.90

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

City of Sunny Isles Beach, Florida **Table 14**
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2016	22,063	$ 954,843	$ 43,278	39	2,217	5.2%
2017	22,233	1,010,268	45,440	39	2,162	4.0%
2018	22,505	1,036,310	46,048	40	2,122	3.6%
2019	23,253	1,163,162	50,022	40	2,091	2.3%
2020	23,869	1,310,456	54,902	41	2,100	12.6%
2021	22,655	1,296,161	57,213	40	2,100	4.5%
2022	22,756	1,475,704	64,849	41	2,303	2.6%
2023	22,783	1,560,203	68,481	41	1,394	1.8%
2024	22,788	1,713,247	75,182	41	1,741	2.1%
2025	22,801	1,791,406	78,567	41	1,608	3.0%

(1) Furnished by Bureau of Economic and Business Research, University of Florida. Population estimates as of April 1st of each year.
(2) Represents per capita for Miami-Dade County as provided by the U.S. Bureau of Economic Analysis.
(3) Represents median age for Miami-Dade County as provided by the U.S. Census Bureau's most recent published update.
(4) Furnished by the School Board of Miami-Dade County.
(5) Furnished by the Bureau of Labor Statistics for Miami-Dade County. High unemployment rate for 2020 due to the COVID-19 pandemic.

City of Sunny Isles Beach, Florida **Table 15**
Principal Employers
Current Year and Nine Years Ago

	2025				2016		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Rank**	**Percentage of Total City Employment**
Acqualina Management, LLC	390	1	15.6%	Trump International Resort	350	1	14.0%
City of Sunny Isles Beach	318	2	12.7%	City of Sunny Isles Beach	287	2	11.5%
Trump International Resort	249	3	10.0%	Newport Beachside Resort	275	3	11.0%
Publix	206	4	8.2%	Acqualina Resort & Spa	264	4	10.6%
Newport Beachside Resort	148	5	5.9%	Marenas Resort (Le Meridien)	130	5	5.2%
Double Tree Ocean Point Beach Club	120	6	4.8%	Publix	114	6	4.6%
Residence Inn by Marriott	61	7	2.4%	Marco Polo (Aventura Beach Assoc.)	110	7	4.4%
Ritz Residences	60	8	2.4%	Double Tree Ocean Point Resort	100	8	4.0%
Il Mulino New York	57	9	2.3%	Marshalls	86	9	3.4%
Marenas Resort (Le Meridien)	47	10	1.9%	McDonald's	55	10	2.2%
Totals	1,656		66.2%		1,771		70.8%

Source: City of Sunny Isles Beach, Code Compliance

City of Sunny Isles Beach, Florida **Table 16**
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
General Government:											
Commission	5	5	5	5	5	4	5	5	5	5	
City Manager	5	4	4	4	3	4	3	3	3	3	
City Clerk	3	2	2	2	3	3	3	3	3	3	
City Attorney	4	4	5	-	-	-	-	-	-	-	
Media	-	-	-	-	-	-	-	6	7	7	(1)
Finance	6	7	7	8	8	7	10	10	9	8	
Procurement	-	-	-	-	-	-	-	-	-	3	(2)
Human Resources	3	3	3	3	4	4	5	4	5	4	
Information Technology	6	6	7	6	9	6	6	8	8	6	
Building	18	19	20	21	21	18	20	19	23	25	
Public Safety:											
Police:											
Sworn Officers	55	51	50	52	53	51	58	61	62	63	
Non-Sworn Officers-Police	11	12	13	13	12	10	13	12	13	14	
Non-Sworn Officers-Ocean Rescue	34	22	30	31	29	29	32	31	33	33	
Physical Environment:											
Community Development	12	12	13	14	16	16	19	18	16	19	
Public Works	13	12	14	15	17	17	23	26	27	28	
Stormwater	2	2	2	1	1	1	3	3	3	3	
Transportation	6	6	8	7	7	7	8	9	7	7	
Cultural and Human Services	36	40	59	68	62	64	57	53	60	67	
Total	219	207	242	249	248	240	263	269	284	297	

(1) For prior years, Media was included in the Cultural and Human Services function.
(2) For prior years, Procurement was included in the Finance department.
Source: City of Sunny Isles Beach, Florida.

City of Sunny Isles Beach, **Table 17**
Operating Indicators by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Physical arrests	332	255	275	247	160	177	214	256	340	385
Parking violations	10,530	8,636	11,929	10,579	8,818	10,309	17,607	15,257	11,811	13,157
Community development:										
Film permits issued	4	8	23	26	1	2	-	3	7	6
Highways and streets:										
Street resurfacing (miles)	-	0.8	-	0.2	0.6	0.4	0.2	2.5	0.2	0.3
Potholes repaired	9	11	15	56	47	18	11	20	14	25
Culture and recreation:										
Athletic field permit issued	31	32	28	32	20	12	46	57	41	50
Summer camp enrollment	561	519	555	556	-	151	464	402	445	428

Source: City of Sunny Isles Beach, Florida.

City of Sunny Isles Beach, Florida **Table 18**
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	59	58	59	52	54	56	59	66	74	68
Motorcycles	6	8	8	8	8	8	8	8	8	8
Marine patrol boats	-	-	-	-	-	-	-	-	-	2
Streets:										
City maintained (miles)	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
FDOT maintained (miles)	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Privately maintained (miles)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streetlights:										
City maintained (each)	365	365	365	365	365	365	365	365	365	369
FPL maintained (each)	223	223	223	223	223	223	223	223	223	223
Culture and recreation:										
Parks acreage	20.2	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.6	21.6
Parks	10	11	11	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	2	2	2	3	3
Storm Drain Pipes:										
City maintained (miles)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
FDOT maintained (miles)	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86

Source: City of Sunny Isles Beach, Florida.

REPORTING SECTION

CBIZ CPAs P.C.

One Southeast Third Avenue
Suite 1100
Miami, FL 33131

P: 305.995.9600

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor, the City Commission and City Manager
City of Sunny Isles Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sunny Isles Beach, Florida (the "City"), as of and for the fiscal 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 27, 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

CBIZ CPAs P.C.

Miami, Florida
March 27, 2026

CBIZ CPAs P.C.

One Southeast Third Avenue
Suite 1100
Miami, FL 33131

P: 305.995.9600

Management Letter In Accordance With The Rules of The Auditor General of The State of Florida

To the Honorable Mayor, City Commission and City Manager
City of Sunny Isles Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Sunny Isles Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 27, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the financial statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires 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. During the fiscal year ended September 30, 2025, the PACE program did not operate within the City's geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statute.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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.

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

CBIZ CPAs P.C.

Miami, Florida
March 27, 2026

CBIZ CPAs P.C.

One Southeast Third Avenue
Suite 1100
Miami, FL 33131

P: 305.995.9600

Independent Accountants' Report On Compliance
Pursuant to Section 218.415, Florida Statutes

To the Honorable Mayor, City Commission and City Manager
City of Sunny Isles Beach, Florida

We have examined the City of Sunny Isles Beach, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

We are required to be independent and to meet our other 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 specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2025.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

CBIZ CPAs P.C.

Miami, Florida
March 27, 2026

City Commission

Larisa Svechin
Mayor

Alex Lama
Vice Mayor

Jerry Joseph
Commissioner

Fabiola Stuyvesant
Commissioner

Jeniffer Viscarra
Commissioner

Stan Morris
City Manager

Mauricio Betancur
City Clerk, CMC

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Tiffany D. Neely, Finance Director, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of City of Sunny Isles Beach, Florida, which is a local governmental of the State of Florida;

2. The governing body of City of Sunny Isles Beach, Florida, adopted Ordinance No. **2001-133, 2001-134 and 2001-135** implementing an impact fee or authorized the City of Sunny Isles Beach, Florida, to receive and expend proceeds of an impact fee implemented by City of Sunny Isles Beach, Florida; and

3. City of Sunny Isles Beach, Florida, has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Tiffany D. Neely, Finance Director

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 10th day of December 2025.

ANGEL COLLINS
Notary Public - State of Florida
Commission # HH 440134
My Comm. Expires Sep 4, 2027
Bonded through National Notary Assn.

NOTARY PUBLIC

Print Name ANGEL COLLINS

Personally known __X__ or produced identification _____

Type of identification produced: _____

My Commission Expires:

September 4, 2027