

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2024**



Town of Bay Harbor Islands, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

TOWN OF BAY HARBOR ISLANDS, FLORIDA



For the fiscal year ended September 30, 2024

Prepared by the Finance Department

TOWN OF BAY HARBOR ISLANDS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | <u>PAGES</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| I. INTRODUCTORY SECTION | |
| Letter of Transmittal | i-iii |
| List of Principal Officials | iv |
| Organizational Chart | v |
| GFOA Certificate of Achievement | vi |
| | |
| II. FINANCIAL SECTION | |
| Independent Auditors' Report | 1-3 |
| Management's Discussion and Analysis (Required Supplementary Information) | 4-15 |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 16 |
| Statement of Activities | 17 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 18 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 19 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 20 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities | 21 |
| Statement of Net Position – Proprietary Funds | 22 |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds | 23 |
| Statement of Cash Flows – Proprietary Funds | 24-25 |
| Statement of Fiduciary Net Position – Pension Trust Fund | 26 |
| Statement of Changes in Fiduciary Net Position – Pension Trust Fund | 27 |
| Notes to the Basic Financial Statements | 28-57 |
| | |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| Budgetary Comparison Schedule – General Fund | 58 |
| Note to Budgetary Comparison Schedule | 59 |
| Schedule of Changes in the Town's Net Pension Liability (Asset) and Related Ratios | 60 |
| Schedule of Town Contributions | 61 |
| Schedule of Changes in Total Other Post Employment Benefits (OPEB) Liability and Related Ratios | 62 |
| | |
| SUPPLEMENTARY INFORMATION: | |
| Combining Financial Statements and Schedules | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 63 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | 64 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | | <u>PAGES</u> |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| II. | FINANCIAL SECTION (CONTINUED) | |
| | Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds: | |
| | Park Impact Fees Fund | 65 |
| | Police Forfeitures Fund | 66 |
| | Youth Development Fund | 67 |
| | Capital Projects Fund | 68 |
| III. | STATISTICAL SECTION (UNAUDITED) | |
| | Schedule 1 – Net Position by Component | 69 |
| | Schedule 2 – Changes in Net Position | 70-71 |
| | Schedule 3 – Fund Balances of Governmental Funds | 72 |
| | Schedule 4 – Changes in Fund Balances of Governmental Funds | 73 |
| | Schedule 5 – Program Revenues by Function/Program | 74 |
| | Schedule 6 – Assessed Value of Taxable Property | 75 |
| | Schedule 7 – Property Tax Rates, Direct and Overlapping Governments | 76 |
| | Schedule 8 – Principal Property Taxpayers | 77 |
| | Schedule 9 – Property Tax Levies and Collections | 78 |
| | Schedule 10 – Causeway Toll Revenues | 79 |
| | Schedule 11 – Ratios of Outstanding Debt By Type | 80 |
| | Schedule 12 – Direct and Overlapping Governments | 81 |
| | Schedule 13 – Legal Debt Margin Information | 82 |
| | Schedule 14 – Pledged-Revenue Coverage | 83 |
| | Schedule 15 – Demographic and Economic Statistics | 84 |
| | Schedule 16 – Full-Time Employees by Function | 85 |
| | Schedule 17 – Operating Indicators by Function | 86 |
| | Schedule 18 – Capital Asset Statistics by Function | 87 |
| IV. | COMPLIANCE SECTION | |
| | Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 88-89 |
| | Management Letter in Accordance with the Rules of the Auditor General of the State of Florida | 90-91 |
| | Independent Accountants’ Report on Compliance Pursuant to Section 218.145 Florida Statutes | 92 |
| | Impact Fee Affidavit | 93 |

INTRODUCTORY SECTION



May 29, 2025

Town Council

Isaac Salver
Mayor

Stephanie Bruder
Vice Mayor

Joshua D. Fuller
Council Member

Molly Diallo
Council Member

Teri D'Amico
Council Member

Eric Rappaport
Council Member

Robert Yaffe
Council Member

To the Honorable Mayor Isaac Salver, Vice Mayor Stephanie Bruder, members of the Town Council, and citizens of the Town of Bay Harbor Islands:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by licensed certified public accountants. In addition, Section 31 of the Town Charter requires that qualified public accountants shall make an independent audit of accounts for submission to the Town Council. In fulfillment of these requirements, the Town's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024, is presented for your consideration and review.

Town Officials

Lindsley Noel
Town Manager

Yvonne Hamilton
Town Clerk

Joseph Geller
Town Attorney

Responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with the Town. We believe the information as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain a general understanding of the Town's financial activity have been included. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Bay Harbor Islands' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

CBIZ CPAs P.C, a licensed certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Bay Harbor Islands for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering unmodified opinions that the Town's financial statements for the fiscal year ended September 30, 2024, are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview, and analysis provided by management accompanying the basic financial statements. This letter of transmittal is complementary to the MD&A and should be read in conjunction with it. The Town of Bay Harbor Islands' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Bay Harbor Islands has 5,679 residents according to the latest available estimate in 2023 from the U.S. Census Bureau. Located in northeastern Miami-Dade County, it is comprised of two islands in the Intracoastal Waterway. The Broad Causeway provides access from the Town to the mainland and to the beaches of the barrier island. The Town has a very low crime rate and enjoys moderate subtropical temperatures and weather.

The Town was incorporated in 1947 and operates under a council-manager form of government. The seven-member Town Council establishes policies, enacts legislation, and adopts budgets. The Town provides a full range of services: public safety (police, building and zoning), transportation and the construction and maintenance of roads, infrastructure, and recreation facilities, operation and maintenance of a causeway, water and sewer utilities, sanitation (refuse collection), operation and maintenance of parking facilities, and general government and administrative services. Fire protection, education, and welfare services are provided by units of other local governments whose activities are not included in the accompanying financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. The Town Manager presents a proposed budget to the Town Council, after having reviewed and revised budget requests from all departments. The Council holds two public hearings to receive public comment prior to adopting the final budget and tax millage rate. The budget must be adopted prior to September 30th. The department is the legal level of budgetary control. The Town Council must approve all supplemental appropriations and any transfers of appropriations between departments. Budget-to-actual comparisons are provided for the General Fund in the Required Supplementary Information section following the notes to the financial statements.

Information Relevant to an Assessment of Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Town of Bay Harbor Islands operates.

The Town has a convenient location within easy driving distance of the cities of Miami, Miami Beach, and Fort Lauderdale, with all their commercial and employment opportunities and cultural, recreational, and other amenities. The Miami and Fort Lauderdale airports, Port Everglades, and the Port of Miami are all easily accessible.

Based on 2024 estimates from the U.S. Census Bureau, the median age for Town residents is 36.6, and the median household income is \$84,750.

Property values have increased in the last ten years. However, according to the Miami-Dade County property appraiser, existing property values increased 9.6% as of January 1, 2024. However, redevelopment of older properties is continuing to give a more modern look to the Town and to strengthen the tax base. Continuing improvement in property values and in the economy is expected to have a positive impact on the Town's ability to generate revenues.

Long-term Financial Planning

Redevelopment of commercial and residential properties continues to enhance the Town's taxbase, and several significant multi-family projects should be added to the Town's tax rolls for upcoming fiscal years. Sales of transferable development rights needed for the development of larger multi-family projects have continued, but since those receipts are from the sales of limited assets, they are not budgeted nor used to support ongoing operations.

Acknowledgements

As always, we would like to thank the Mayor, Vice Mayor, and members of the Town Council for their support and endorsement of sound accounting, financial management, and financial reporting practices and to express our appreciation to our independent certified public accountants, CBIZ CPAs P.C, for their cooperation, assistance, and professionalism. We would also like to express our appreciation to everyone on the Finance Department team for their dedication and hard work.

Respectfully submitted,



Lindsley Noel, Town Manager

TOWN OF BAY HARBOR ISLANDS, FLORIDA
LIST OF TOWN OFFICIALS
SEPTEMBER 30, 2024

COUNCIL-MANAGER FORM OF GOVERNMENT

TOWN COUNCIL

Isaac Salver, Mayor

Stephanie Bruder, Vice Mayor

Teri D'Amico
Joshua D. Fuller
Molly Diallo
Eric Rappaport
Robert H. Yaffe

TOWN MANAGER

Lindsley Noel

TOWN CLERK

Yvonne Hamilton

TOWN ATTORNEY

Greenspoon Marder LLP, Joseph Geller

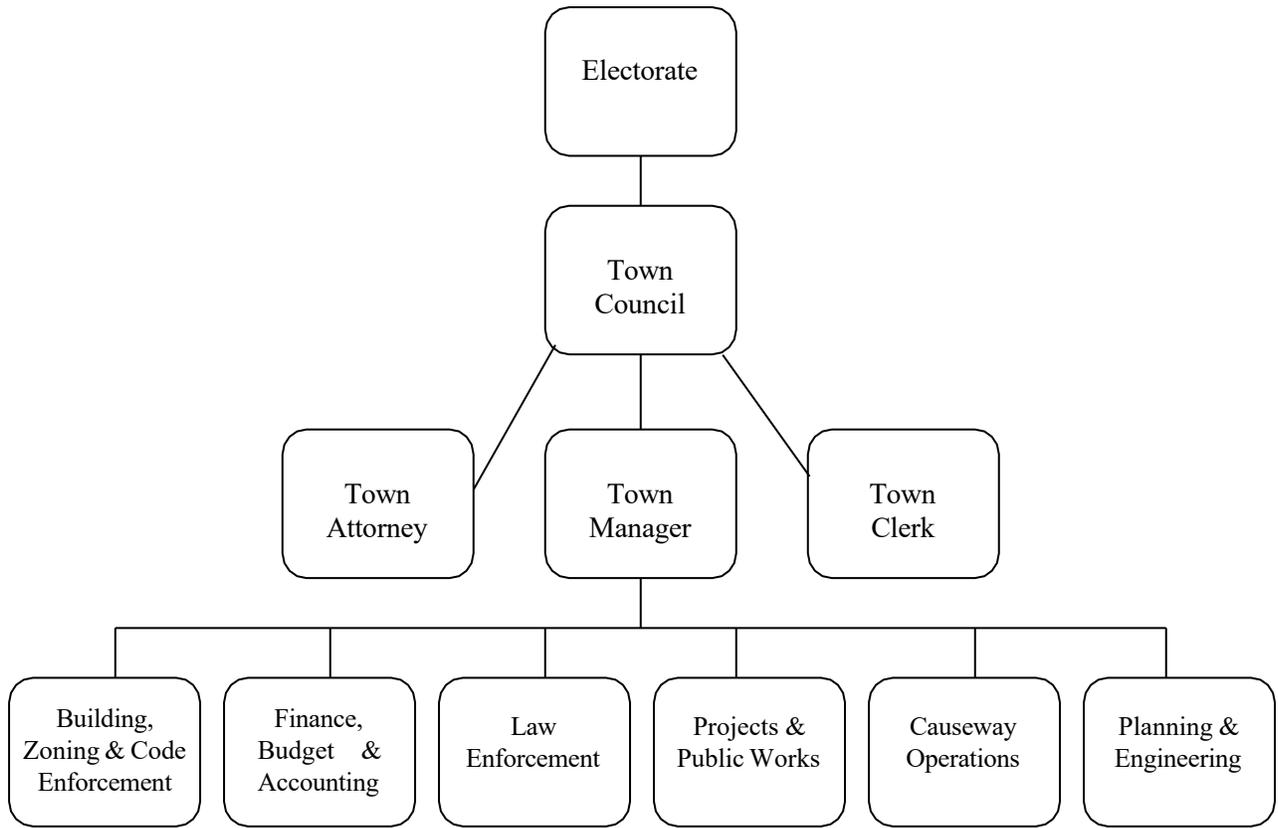
TOWN FINANCE DIRECTOR

Sandra Siefken

INDEPENDENT AUDITORS

CBIZ CPAs, P.C.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Bay Harbor Islands
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



CBIZ CPAs P.C.

One Southeast Third Avenue
Suite 1100
Miami, FL 33131

P: 305.995.9600

Independent Auditors' Report

To the Honorable Mayor, Town Council and Town Manager
Town of Bay Harbor Islands, 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 Town of Bay Harbor Islands, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town'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 Town, as of September 30, 2024, 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 Town 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 Town'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 Town'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 Town'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 and related notes, the schedules of changes in net pension liability (asset) and related ratios, the schedule of Town contributions, and the schedule of changes in total OPEB liability and related ratios, on pages 4-15 and 58-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Town's basic financial statements. The combining 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 financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2025 on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Miami, FL
May 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

As management of the Town of Bay Harbor Islands, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i - iii of this report.

Financial Highlights

- The assets plus deferred outflows of resources of the Town of Bay Harbor Islands exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$112,850,983 (net position). Of this amount, \$56,263,602 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$9,807,029
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$24,626,004 an increase of \$3,876,667 in comparison with the prior year. \$11,420,239 or 46.37% is available in the Town's general fund for spending at the government's discretion (unassigned fund balance). The \$11,359,164 assigned fund balance of the capital projects fund is intended to provide resources for planned infrastructure capital projects and is not available for general discretionary spending.
- The Town's total debt decreased by \$900,746 or 6.2% during the current fiscal year primarily due to scheduled repayment of existing debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Bay Harbor Islands' basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes 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 Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town of Bay Harbor Islands 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 Town include general government, public safety (law enforcement, building inspections and code enforcement), transportation (street maintenance and bus service), support for the local library, and parks and recreation. The business-type activities of the Town include operation of a causeway and toll facility, as well as sewer, water, parking, solid waste disposal, and stormwater management systems.

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

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bay Harbor Islands, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Bay Harbor Islands can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The Town of Bay Harbor Islands maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund (two major funds). There is one new nonmajor fund which represents youth development grants. The Town also has two additional nonmajor funds representing impact fees and police forfeitures. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining financial statements and schedules section of this report.

The Town of Bay Harbor Islands adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget (pages 58-59).

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

Proprietary Funds. The Town of Bay Harbor Islands maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its causeway and toll facility, as well as its sewer, water, parking, solid waste, and stormwater management operations.

The proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Pension Trust Fund is the Town's only fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to 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 28-57 of this report.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information including the budgetary comparison for the general fund, information concerning the Town's contributions to provide pension benefits to its employees, and the funding status of the pension and OPEB plans. Required supplementary information can be found on pages 58-62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 63-68 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Bay Harbor Islands, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$112,850,983 at the close of the most recent fiscal year.

Summary of Net Position

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|----------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Current and other assets | \$ 28,009,396 | \$ 21,613,067 | \$ 39,950,277 | \$ 41,153,383 | \$ 67,959,673 | \$ 62,766,450 |
| Capital assets | 22,107,014 | 21,290,036 | 45,458,883 | 38,888,874 | 67,565,897 | 60,178,910 |
| Total assets | <u>50,116,410</u> | <u>42,903,103</u> | <u>85,409,160</u> | <u>80,042,257</u> | <u>135,525,570</u> | <u>122,945,360</u> |
| Total deferred outflows | <u>3,900,635</u> | <u>3,601,148</u> | <u>1,718,163</u> | <u>1,858,738</u> | <u>5,618,798</u> | <u>5,459,886</u> |
| Long-term liabilities | 8,887,286 | 6,545,763 | 7,833,815 | 2,625,984 | 16,721,101 | 9,171,747 |
| Other liabilities | 3,409,182 | 893,700 | 1,529,362 | 8,416,674 | 4,938,544 | 9,310,374 |
| Total liabilities | <u>12,296,468</u> | <u>7,439,463</u> | <u>9,363,177</u> | <u>11,042,658</u> | <u>21,659,645</u> | <u>18,482,121</u> |
| Total deferred inflows | <u>91,795</u> | <u>222,197</u> | <u>6,541,945</u> | <u>6,656,974</u> | <u>6,633,740</u> | <u>6,879,171</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 16,230,001 | 15,664,059 | 38,786,568 | 31,004,653 | 55,016,569 | 46,668,712 |
| Restricted | 1,570,812 | 1,409,246 | - | - | 1,570,812 | 1,409,246 |
| Unrestricted | <u>23,827,969</u> | <u>21,769,286</u> | <u>32,435,633</u> | <u>33,196,710</u> | <u>56,263,602</u> | <u>54,965,996</u> |
| Total net position | <u>\$ 41,628,782</u> | <u>\$ 38,842,591</u> | <u>\$ 71,222,201</u> | <u>\$ 64,201,363</u> | <u>\$ 112,850,983</u> | <u>\$ 103,043,954</u> |

\$55,016,569, which is 48.8% of the Town's reported net position is composed of its investment in capital assets (e.g., land, building, and equipment) less any related debt and any deferred inflows/outflows used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of September 30, 2024, leases receivable amounted to \$6,678,129.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Only \$1,570,812, which is 1.4% of the Town's net position is subject to external restrictions on use.

\$56,263,602, which is 49.9% of the Town's net position may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Bay Harbor Islands is able to report positive balances in all reported categories of net position, for the Town as a whole, as well as for its separate governmental and business-type activities.

Summary of Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 9,290,086 | \$ 6,570,708 | \$ 19,604,151 | \$ 18,918,612 | \$ 28,894,237 | \$ 25,489,320 |
| Operating grants and contributions | 965,098 | 88,054 | - | - | 965,098 | 88,054 |
| Capital grants and contributions | 121,484 | 433,188 | 240,692 | - | 362,176 | 433,188 |
| General revenues: | | | | | | |
| Property taxes | 5,871,196 | 5,023,811 | - | - | 5,871,196 | 5,023,811 |
| Franchise fees & utility taxes | 1,385,030 | 1,362,201 | - | - | 1,385,030 | 1,362,201 |
| Impact fees | 209,308 | 740,190 | 79,803 | - | 289,111 | 740,190 |
| Intergovernmental revenue | 886,297 | 921,608 | - | - | 886,297 | 921,608 |
| Investment earnings | 387,197 | 48,751 | 729,655 | 56,273 | 1,116,852 | 105,024 |
| Miscellaneous | 126,174 | 126,609 | 356,991 | 412,588 | 483,165 | 539,197 |
| Total revenues | <u>19,241,870</u> | <u>15,315,120</u> | <u>21,011,292</u> | <u>19,387,473</u> | <u>40,253,162</u> | <u>34,702,593</u> |
| Expenses: | | | | | | |
| General government | 4,256,803 | 3,232,678 | - | - | 4,256,803 | 3,232,678 |
| Public safety | 8,916,488 | 6,990,131 | - | - | 8,916,488 | 6,990,131 |
| Transportation | 1,456,465 | 1,182,018 | - | - | 1,456,465 | 1,182,018 |
| Culture and recreation | 2,856,978 | 1,892,160 | - | - | 2,856,978 | 1,892,160 |
| Interest on long-term debt | 93,945 | 228,648 | - | - | 93,945 | 228,648 |
| Causeway | - | - | 6,445,697 | 5,607,322 | 6,445,697 | 5,607,322 |
| Sewer | - | - | 2,380,494 | 2,115,617 | 2,380,494 | 2,115,617 |
| Water | - | - | 1,572,006 | 1,185,523 | 1,572,006 | 1,185,523 |
| Parking | - | - | 1,048,839 | 821,203 | 1,048,839 | 821,203 |
| Solid Waste | - | - | 1,021,107 | 905,360 | 1,021,107 | 905,360 |
| Stormwater | - | - | 397,311 | 256,485 | 397,311 | 256,485 |
| Total expenses | <u>17,580,679</u> | <u>13,525,635</u> | <u>12,865,454</u> | <u>10,891,510</u> | <u>30,446,133</u> | <u>24,417,145</u> |
| Increase in net assets | | | | | | |
| before transfers | 1,661,191 | 1,789,485 | 8,145,838 | 8,495,963 | 9,807,029 | 10,285,448 |
| Transfers | 1,125,000 | 2,384,060 | (1,125,000) | (2,384,060) | - | - |
| Change in net position | <u>2,786,191</u> | <u>4,173,545</u> | <u>7,020,838</u> | <u>6,111,903</u> | <u>9,807,029</u> | <u>10,285,448</u> |
| Net position, beginning | <u>38,842,591</u> | <u>34,669,046</u> | <u>64,201,363</u> | <u>58,089,460</u> | <u>103,043,954</u> | <u>92,758,506</u> |
| Net position, ending | <u>\$ 41,628,782</u> | <u>\$ 38,842,591</u> | <u>\$ 71,222,201</u> | <u>\$ 64,201,363</u> | <u>\$ 112,850,983</u> | <u>\$ 103,043,954</u> |

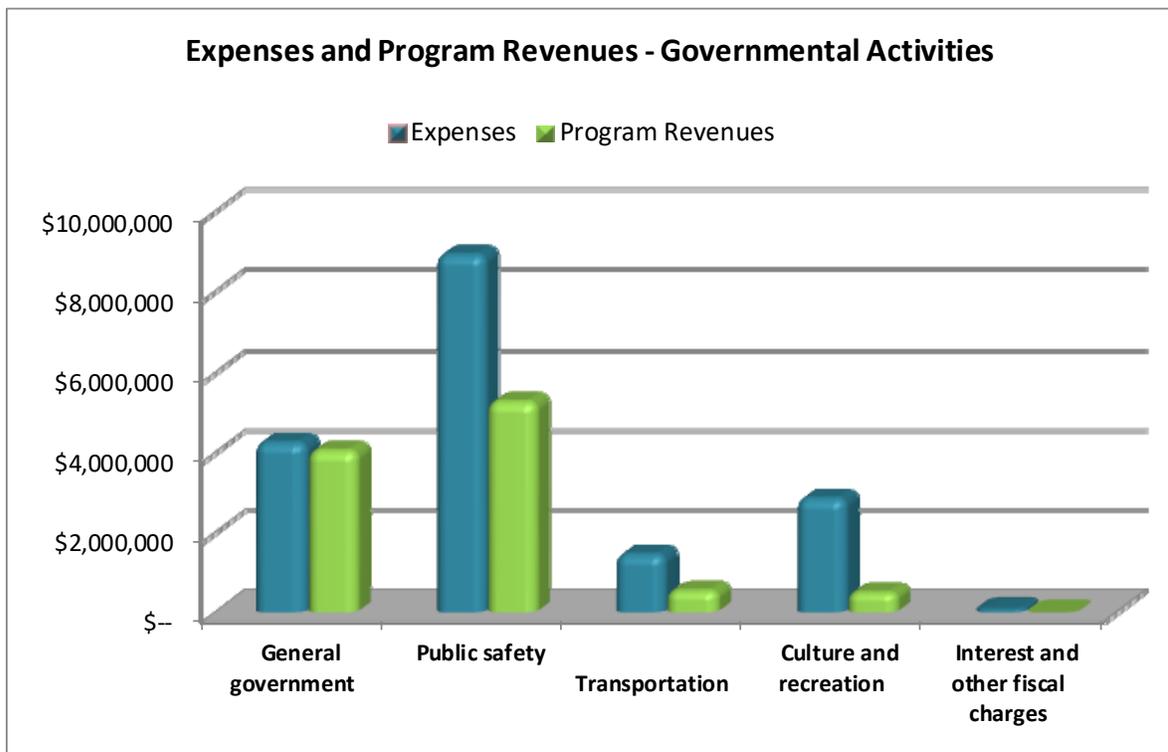
**TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Governmental Activities

The Town's governmental activities net position increased by \$2,786,191 or 7.17% to \$41,628,782 at the end of the year. The Town experienced an increase in net position despite having an equal increase in both revenues and expenses, resulting in net change of zero.

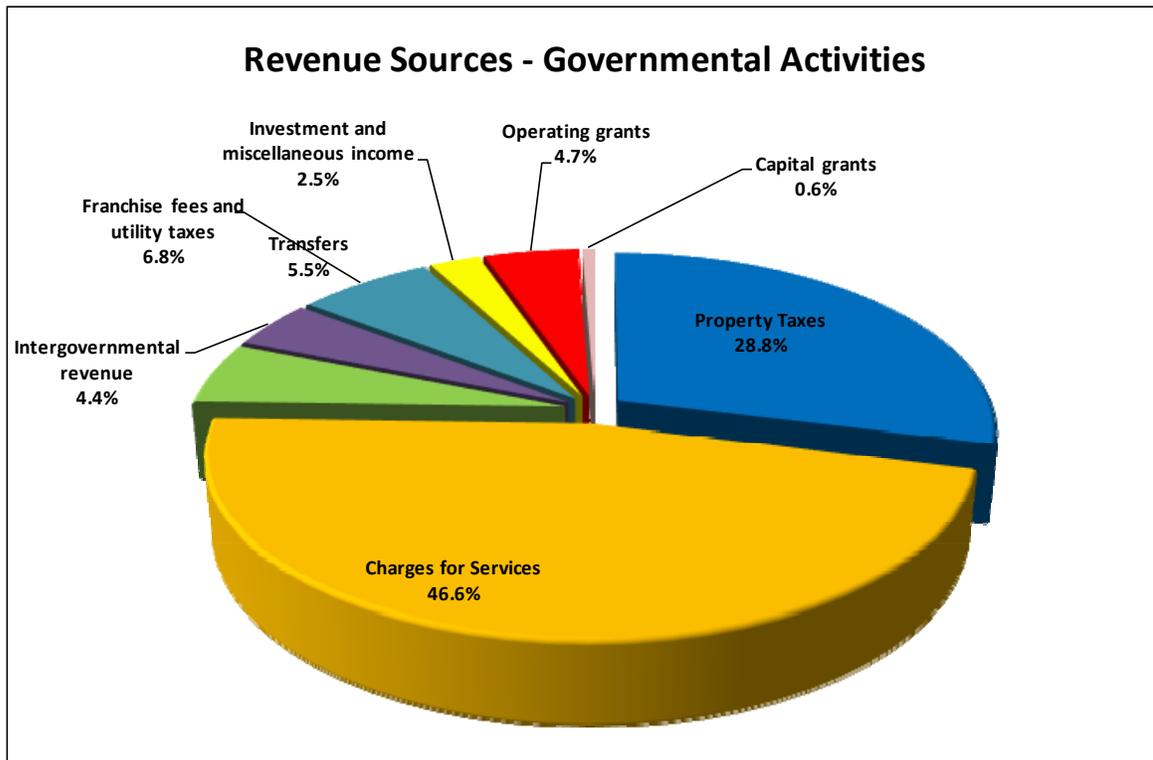
During FY2024, the most significant increases in revenues were from charges for services, operating grants and contributions, and property taxes, representing a total increase of approximately \$4.4 million offset by slight decreases in other revenues. In terms of expenses, the most significant were from general government, public safety, and culture and recreation, representing an increase of approximately \$3.9 million which was mostly attributed to increase capital spending.

In FY2024, the Town recognized lease revenue of \$109,525.



- Program revenues, comprised of charges for services, operating grants and contributions, and capital grants and contributions, were 50.9% of total governmental activities revenues (including transfers). In addition, property taxes, which represents 28.8% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. There are also other revenues that the Town collects that have other uses and restrictions based on the source.

**TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

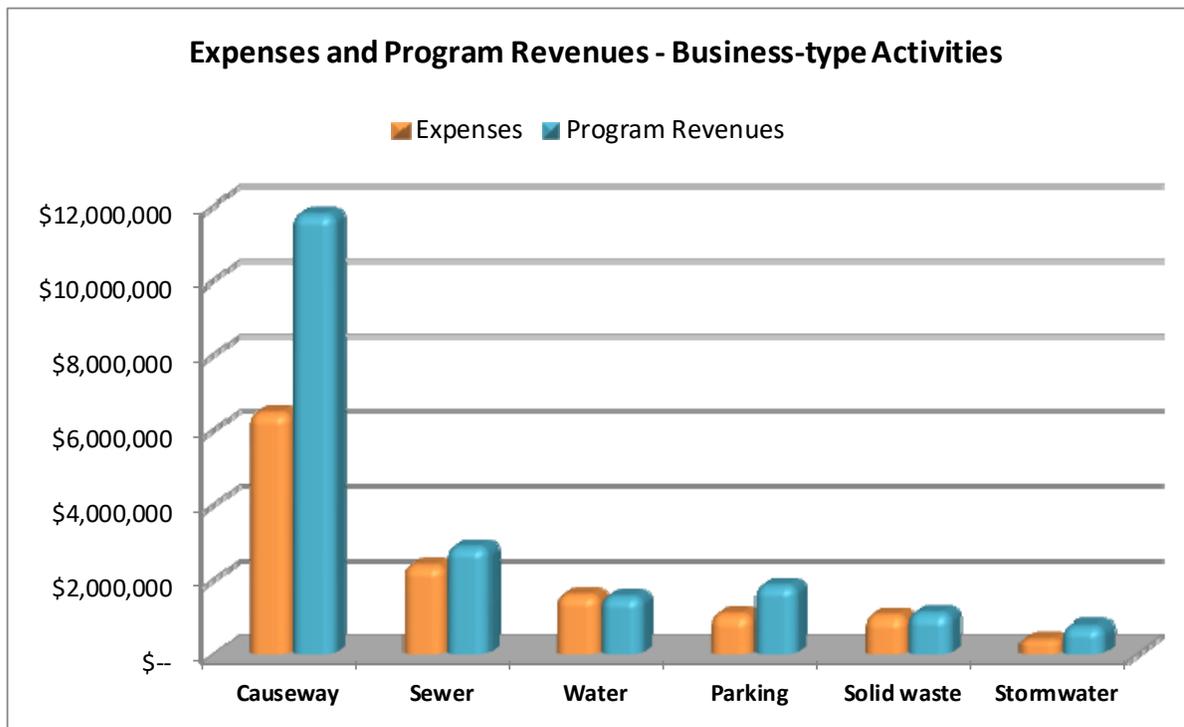


Business-type Activities

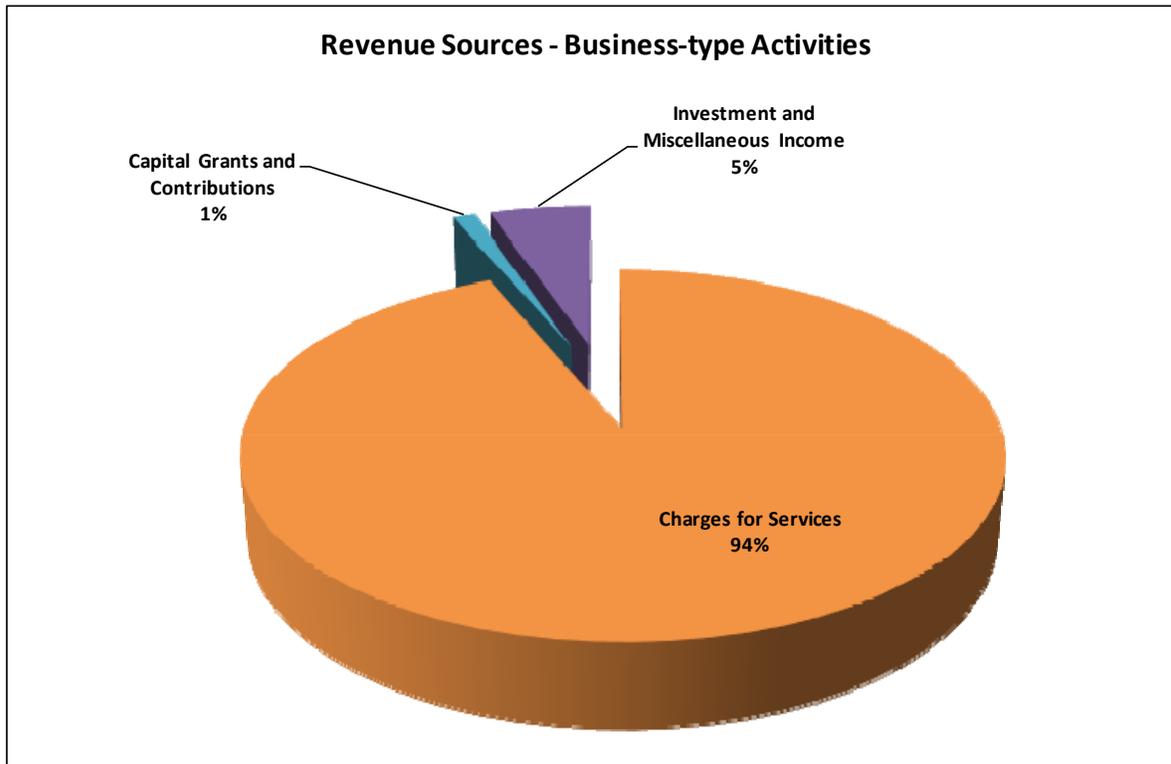
- Business-type activities increased the Town of Bay Harbor Islands' net position by \$7,020,838. All enterprise funds with the exception of the Water Fund generated a positive operating income for the FY2024. Net transfers from the Town's business-type activities to its governmental activities decreased by about 52.8% to \$1,125,000 over the prior year, including planned transfers to fund debt service on debt related to the community enhancements project.
- Causeway Fund operating revenues increased slightly by \$485,174 or 4.4% compared to the FY2023 due to an increase in causeway traffic. Operating expenses increased by \$994,605 or 18.2%, which was to accommodate repairs and maintenance. The change in net position of approximately \$5.3 million increased ending net position compared to the prior year.
- Sewer Fund revenue decreased slightly in charges for services by \$148,579 or 5.4% as the sewer rates in FY2024 increased compared to the FY2023 sewer rates. The rate increase was due to increases in City of Miami Beach sewer services rates. The Town passed this increase of sewer service rates to the Town's residents since the Town does not own its own sewer plant. Sewer Fund expenses increased by \$264,877 or 12.5% in FY2024. Overall, this increased ending net position by \$268,368 over the prior year.
- Water Fund revenue increased by \$76,594 or approximately 5.2% which is attributed to the Town increasing water service rates to offset Miami-Dade County increase in water service rates to the Town. The Town of Bay Harbor Islands does not currently have an alternative source to purchase water and to maintain proper fiscal discipline had to pass-through the County's increase in water rates to its residents. Water Fund operating expenses increased by \$386,483 or approximately 32.6% compared to the FY2023.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

- Parking Fund revenues decreased by \$79,846 or 4.2% due to a decrease in parking permit sales, meter collections, and parking fines. Parking Fund expenses increased by \$272,736 or 35.1% compared to the FY2023. Parking Fund expenses are difficult to lower since Parking Garage bonds are fixed and not easily conducive to the cost control measures that might be available to control other costs.
- Solid Waste Fund revenues decreased by \$57,646 or 5.1% due to a reduction in billings for the FY2024. Since the Town does not own its own fleet of waste collection vehicles, accordingly, to maintain the proper fiscal discipline, the Town passed the increase in solid waste collection fees to its residents. Solid Waste Fund expenses increased by \$115,747 or 12.8% which is attributed to an increase in contractor expenses and rates during the FY2024. Overall, the fund ended positively with an increase to ending net position over the prior year by \$69,756.
- Stormwater Fund revenues increased by \$62,578 or 10.2%, which is attributed to an increase in stormwater fees and a slight increase in Town's resident and business population. Stormwater Fund expenses increased by \$140,826 or 54.9% compared to FY2023.



TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024



Financial Analysis of the Government's Funds

As noted earlier, the Town of Bay Harbor Islands uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town'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.

As of the end of the current fiscal year, the Town of Bay Harbor Islands' governmental funds reported combined ending fund balance of \$24,626,004 an increase of \$3,876,667 in comparison with the prior year. The increase is mostly attributable to the receipt of \$3.4 million in transfer development rights fees. Total transfers from the Town's proprietary funds decreased by 52.8% to \$1,125,000 over the prior year to the government funds. General fund expenditures increased approximately \$2.6 million, with the largest portion of the increase being capital outlays spending.

The General Fund experienced increased general government, public safety, transportation, and culture and recreation expenditures as a result of an increase in salaries, increase in personnel overall, vehicle purchases, move of town hall building, and consulting expenditures. Total governmental fund balance is \$24,626,004, of which, 47.77% or \$11,764,318 is assigned to the general fund. In addition, the general fund unassigned fund balance is \$11,420,239, without restrictions and is available for spending at the Town's discretion. The remainder of fund balance is either non-spendable to indicate that it is not available for new spending because it is associated with inventories \$20,718, or prepaid items \$258,936, restricted for specific uses by law enforcement agreement \$9,832, restricted for debt service \$64,525, restricted for park impact fees \$1,496,555, or is assigned such as the fund balance of the capital projects fund intended to fund capital projects \$11,359,164.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

General Fund

The general fund is the main operating fund of the Town of Bay Harbor Islands. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,420,239 while total fund balance was \$11,764,318. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total general fund balance to total general fund expenditures. Unassigned fund balance represents 76.12% of total general fund expenditures, while total general fund balance represents 77.45% of total general fund expenditures.

Fund balance of the Town of Bay Harbor Islands' general fund decreased by approximately \$7.5 million during the current fiscal year. Overall general fund revenues increased 4.4% combined over the prior year, while expenditures increased by 21.4% for general fund expenditures.

| | <u>2024</u> | <u>% of</u> | <u>2023</u> | <u>% of</u> | Increase/ (Decrease) | % of |
|---------------------------|----------------------|---------------|----------------------|---------------|-------------------------|---------------------------------|
| | <u>Amount</u> | <u>Total</u> | <u>Amount</u> | <u>Total</u> | <u>2023</u> | <u>Increase/ (Decrease)</u> |
| Revenues: | | | | | | |
| Property taxes | \$ 5,871,196 | 38.7% | \$ 5,023,811 | 34.5% | \$ 847,385 | 16.9% |
| Utility taxes | 668,603 | 4.4% | 649,486 | 4.5% | 19,117 | 2.9% |
| Communications | | | | | | |
| services taxes | 217,871 | 1.4% | 200,048 | 1.4% | 17,823 | 8.9% |
| Franchise fees | 498,556 | 3.3% | 512,667 | 3.5% | (14,111) | -2.8% |
| Licenses and permits | 4,806,615 | 31.6% | 5,701,135 | 39.2% | (894,520) | -15.7% |
| Intergovernmental | 1,347,640 | 8.9% | 1,352,848 | 9.3% | (5,208) | -0.4% |
| Transfer development fees | - | 0.0% | 390,000 | 2.7% | (390,000) | -100.0% |
| Charges for services | 590,445 | 3.9% | 234,459 | 1.6% | 355,986 | 151.8% |
| Fines and forfeitures | 458,429 | 3.0% | 245,114 | 1.7% | 213,315 | 87.0% |
| Investment earnings | 330,397 | 2.2% | 48,751 | 0.3% | 281,646 | 577.7% |
| Grants | 317,782 | 2.1% | 58,608 | 0.4% | 259,174 | 442.2% |
| Miscellaneous | 82,690 | 0.5% | 126,609 | 0.9% | (43,919) | -34.7% |
| Total revenues | <u>\$ 15,190,224</u> | <u>100.0%</u> | <u>\$ 14,543,536</u> | <u>100.0%</u> | <u>\$ 646,688</u> | <u>4.4%</u> |

The amount of General Fund revenues by type, each revenue line presented as a percentage of total revenues and the amount of change compared to last fiscal year are shown in the following schedule:

- Property tax revenue collections were slightly higher compared to FY2023 mostly due to conditions in real estate market. The Town FY2024 millage rate remained consistent at 3.1728% as compared to FY2023.
- Utility tax revenues remitted from County and State were slightly higher compared to FY2023 due to higher consumption of utilities by residents
- Charges for services experienced a significant increase from FY2023 of 151.8% due to an increase in Technology Fees.
- Investment earnings increased from \$48,751 in FY2023 to \$330,397 in FY2024 due to favorable performance in the Town's fixed income securities in addition to interest earnings received from deposits with financial institutions.
- Grants increased by 442% compared to FY2023 mostly due to the receipt of funds for Freebee and Florida Department of Environmental Protection.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Expenditures in the General Fund are shown in the following schedule:

| | 2024 | % of | 2023 | % of | Increase/ (Decrease) | % of Increase/ (Decrease) |
|------------------------|---------------|--------|---------------|--------|-------------------------|---------------------------------|
| | Amount | Total | Amount | Total | from 2023 | (Decrease) |
| Expenditures | | | | | | |
| General government | \$ 3,402,832 | 22.6% | \$ 2,868,731 | 23.2% | \$ 534,101 | 18.6% |
| Public safety | 7,235,497 | 48.2% | 6,125,934 | 49.6% | 1,109,563 | 18.1% |
| Transportation | 894,808 | 6.0% | 744,834 | 6.0% | 149,974 | 20.1% |
| Culture and recreation | 1,560,617 | 10.4% | 1,600,656 | 13.0% | (40,039) | -2.5% |
| Capital outlay | 1,073,224 | 7.2% | 312,660 | 2.5% | 760,564 | 243.3% |
| Debt service | 836,892 | 5.6% | 701,483 | 5.7% | 135,409 | 19.3% |
| Total expenditures | \$ 15,003,870 | 100.0% | \$ 12,354,298 | 100.0% | \$ 2,649,572 | 21.4% |

The General Fund expenditures increased as a result of additional spending in operations and salary increases. There were increases in Culture and Recreation which was attributed to some social gatherings and scheduled Town events being conducted to encourage community. Public safety increased 18.1% due to machinery and equipment and salaries increases. Debt service increased 19.3% due to additional right-of-use leases during FY2024. Capital outlay within the general fund increased by 243.3% compared to the FY2023 capital projects including the 92nd Street Dog Park and the construction of the new Town Hall.

General Fund Budgetary Highlights

For total General Fund revenues, there was a favorable budget variance of \$478,885, mostly due to higher than anticipated investment earnings and an utility taxes.

Total expenditures were \$419,779 less than budgeted due to unspent appropriations for General Government, Public Buildings, Transportation, and Culture and Recreation.

Proprietary Funds

Statements for the Town's proprietary funds provide the same type of information found in the business-type activities sections of the government-wide financial statements but in more detail. As noted above in the discussion of business-type activities, all of the Town's major enterprise funds generated income before transfers.

For the proprietary funds as a whole, net position increased by \$7,018,185.

Capital Assets and Debt Administration

Capital Assets

The Town of Bay Harbor Islands' investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$67,565,897 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, furniture, fixtures and equipment, causeway system, toll collection system, water system, sewer system, as well as parking garage. Capital assets do not include governmental infrastructure assets prior to 2004, as GASB 34 did not require Phase III governments to report infrastructure retroactively. The Town's net investment in capital assets for the current fiscal year increased by \$8,347,857 over the prior year.

Additions to capital assets for governmental activities before depreciation/amortization and net of transfers from construction in progress were \$2,343,990, disposals were \$374,564, for net additions of \$1,969,426.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Business-type activities' capital asset additions before depreciation and amortization, and net of transfers from construction in progress totaled \$8,778,635, disposals were \$89,868, for net additions of \$8,688,767.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|-------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Capital assets, net of depreciation | | | | | | |
| Land | \$ 3,806,254 | \$ 3,806,254 | \$ 671,273 | \$ 671,273 | \$ 4,477,527 | \$ 4,477,527 |
| Construction in progress | 1,181,108 | 431,458 | 5,598,622 | 2,531,708 | 6,779,730 | 2,963,166 |
| Buildings | 1,721,619 | 1,855,924 | - | - | 1,721,619 | 1,855,924 |
| Improvements other than buildings | 13,325,389 | 13,945,899 | 27,133,248 | 22,925,087 | 40,458,637 | 36,870,986 |
| Furniture, fixtures, and equipment | 699,325 | 564,323 | 858,696 | 1,004,788 | 1,558,021 | 1,569,111 |
| Leases (right-of-use asset) | 927,330 | 524,243 | 69,726 | 41,005 | 997,056 | 565,248 |
| Subscription asset | 445,989 | 161,935 | - | - | 445,989 | 161,935 |
| Toll collection system | - | - | 54 | 193,620 | 54 | 193,620 |
| Sewer system | - | - | 3,080,917 | 3,238,436 | 3,080,917 | 3,238,436 |
| Water system | - | - | 886,716 | 921,169 | 886,716 | 921,169 |
| Parking garage | - | - | 7,159,631 | 7,361,788 | 7,159,631 | 7,361,788 |
| Total | \$ 22,107,014 | \$ 21,290,036 | \$ 45,458,883 | \$ 38,888,874 | \$ 67,565,897 | \$ 60,178,910 |

Additional information on the Town's capital assets can be found in note 6 on pages 43-44 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town of Bay Harbor Islands had long-term debt outstanding of \$12,415,913.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Refunding Note, Series 2012 | \$ 1,463,000 | \$ 1,808,000 | \$ - | \$ - | \$ 1,463,000 | \$ 1,808,000 |
| Revenue Bonds, Series 2016 | 3,095,455 | 3,113,283 | - | - | 3,095,455 | 3,113,283 |
| Causeway Promissory Note, 2012 | - | - | 5,202,000 | 6,167,000 | 5,202,000 | 6,167,000 |
| Parking Refunding Note, 2012 | - | - | 1,270,000 | 1,676,000 | 1,270,000 | 1,676,000 |
| Leases (right-of-use asset) | 928,235 | 515,551 | 66,900 | 41,221 | 995,135 | 556,772 |
| Subscription liability | 390,323 | 144,814 | - | - | 390,323 | 144,814 |
| Total | \$ 5,877,013 | \$ 5,581,648 | \$ 6,538,900 | \$ 7,884,221 | \$ 12,415,913 | \$ 13,465,869 |

The Town of Bay Harbor Islands' total debt decreased by \$1,049,956 primarily as a result of scheduled repayments offset by increases in leasing and subscription liabilities. Additional information on the Town's long-term debt can be found in note 7 on pages 45-49 of this report.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Economic Factors and Next Year's Budgets and Rates

The following are major considerations included in the preparation of the Town of Bay Harbor Islands' budget for the FY2025 fiscal year.

- The Town's millage remained consistent at 3.1728 in FY2024. The Town's taxable property values increased by 9.6% over the prior year.
- Water and Sewer charges that are based upon water usage will have a rate increase in FY2025, at a rate 13.9% and 5.2% for water and sewer respectively due to a pass-through increase from Miami-Dade County.

Requests for Information

This financial report is designed to provide a general overview of the Town of Bay Harbor Islands' finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town of Bay Harbor Islands, 1030 95th Street, Trailer 5, Bay Harbor Islands, Florida 33154.

BASIC FINANCIAL STATEMENTS

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Governmental Activities | Business- type Activities | Total |
|------------------------------------------------------------|----------------------------|---------------------------------|-----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 21,221,002 | \$ 10,202,495 | \$ 31,423,497 |
| Investments | 3,216,959 | 23,047,322 | 26,264,281 |
| Receivables, net | 277,394 | 1,085,229 | 1,362,623 |
| Interest receivable | - | 33,203 | 33,203 |
| Leases receivable | - | 6,678,129 | 6,678,129 |
| Internal balances | 2,547,428 | (2,547,428) | - |
| Due from other governments | 308,603 | 510,164 | 818,767 |
| Inventory | 20,718 | 50,717 | 71,435 |
| Prepays items | 258,936 | - | 258,936 |
| Restricted cash | 158,356 | 890,446 | 1,048,802 |
| Capital assets not being depreciated | 4,987,362 | 6,269,895 | 11,257,257 |
| Capital assets being depreciated/amortized, net | <u>17,119,652</u> | <u>39,188,988</u> | <u>56,308,640</u> |
| Total assets | <u>50,116,410</u> | <u>85,409,160</u> | <u>135,525,570</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pension (See Note 9) | 3,886,868 | 1,712,100 | 5,598,968 |
| Deferred outflows related to OPEB (See Note 10) | <u>13,767</u> | <u>6,063</u> | <u>19,830</u> |
| Total deferred outflows of resources | <u>3,900,635</u> | <u>1,718,163</u> | <u>5,618,798</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>54,017,045</u> | <u>87,127,323</u> | <u>141,144,368</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable and accrued liabilities | 3,184,762 | 822,518 | 4,007,280 |
| Due to other governments | - | (2,293) | (2,293) |
| Customer deposits | 126,990 | 475,573 | 602,563 |
| Unearned revenue | <u>97,430</u> | <u>233,564</u> | <u>330,994</u> |
| Total current liabilities | <u>3,409,182</u> | <u>1,529,362</u> | <u>4,938,544</u> |
| Non-Current liabilities: | | | |
| Due within one year: | | | |
| Compensated absences | 88,025 | 36,750 | 124,775 |
| Bonds and notes payable | 371,828 | 989,000 | 1,360,828 |
| Leases (right-of-use asset) | 282,145 | 19,891 | 302,036 |
| Subscription liability | 132,972 | - | 132,972 |
| Due in more than one year: | | | |
| Bonds and notes payable | 4,186,627 | 5,483,000 | 9,669,627 |
| Compensated absences | 816,818 | 330,756 | 1,147,574 |
| Total OPEB liability (See Note 10) | 186,214 | 82,024 | 268,238 |
| Leases (right-of-use asset) | 646,090 | 47,009 | 693,099 |
| Net pension liability (See Note 9) | 1,919,216 | 845,385 | 2,764,601 |
| Subscription liability | <u>257,351</u> | <u>-</u> | <u>257,351</u> |
| Total non-current liabilities | <u>8,887,286</u> | <u>7,833,815</u> | <u>16,721,101</u> |
| Total liabilities | <u>12,296,468</u> | <u>9,363,177</u> | <u>21,659,645</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Leases | - | 6,407,651 | 6,407,651 |
| Parking trust receipts | - | 111,430 | 111,430 |
| Deferred gain on bond refunding | 39,896 | - | 39,896 |
| Deferred inflows related to pension (see Note 9) | 38,594 | 17,001 | 55,595 |
| Deferred inflows related to OPEB (see Note 10) | <u>13,305</u> | <u>5,863</u> | <u>19,168</u> |
| Total deferred inflows of resources | <u>91,795</u> | <u>6,541,945</u> | <u>6,633,740</u> |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | <u>12,388,263</u> | <u>15,905,122</u> | <u>28,293,385</u> |
| NET POSITION | | | |
| Net investment in capital assets | 16,190,105 | 38,786,568 | 54,976,673 |
| Restricted for: | | | |
| Law enforcement | 9,832 | - | 9,832 |
| Debt service | 1,496,555 | - | 1,496,555 |
| Park impact | 64,425 | - | 64,425 |
| Unrestricted | <u>23,867,865</u> | <u>32,435,633</u> | <u>56,303,498</u> |
| Total net position | <u>\$ 41,628,782</u> | <u>\$ 71,222,201</u> | <u>\$ 112,850,983</u> |

See notes to basic financial statements

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position - Primary Government | | |
|----------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|---------------------------------------------------------------------------|---------------------------------|--------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 4,256,803 | \$ 4,054,126 | \$ - | \$ - | \$ (202,677) | \$ - | \$ (202,677) |
| Public safety | 8,916,488 | 5,088,456 | 189,301 | - | (3,638,731) | - | (3,638,731) |
| Transportation | 1,456,465 | - | 473,052 | 71,484 | (911,929) | - | (911,929) |
| Culture and recreation | 2,856,978 | 147,504 | 302,745 | 50,000 | (2,356,729) | - | (2,356,729) |
| Interest | 93,945 | - | - | - | (93,945) | - | (93,945) |
| Total governmental activities | <u>17,580,679</u> | <u>9,290,086</u> | <u>965,098</u> | <u>121,484</u> | <u>(7,204,011)</u> | <u>-</u> | <u>(7,204,011)</u> |
| Business-type activities: | | | | | | | |
| Causeway | 6,445,697 | 11,604,453 | - | 164,618 | - | 5,323,374 | 5,323,374 |
| Sewer | 2,380,494 | 2,883,785 | - | - | - | 503,291 | 503,291 |
| Water | 1,572,006 | 1,526,135 | - | - | - | (45,871) | (45,871) |
| Parking | 1,048,839 | 1,829,307 | - | - | - | 780,468 | 780,468 |
| Solid waste | 1,021,107 | 1,082,028 | - | - | - | 60,921 | 60,921 |
| Stormwater | 397,311 | 678,443 | - | 76,074 | - | 357,206 | 357,206 |
| Total business-type activities | <u>12,865,454</u> | <u>19,604,151</u> | <u>-</u> | <u>240,692</u> | <u>-</u> | <u>6,979,389</u> | <u>6,979,389</u> |
| Total | <u>\$ 30,446,133</u> | <u>\$ 28,894,237</u> | <u>\$ 965,098</u> | <u>\$ 362,176</u> | <u>(7,204,011)</u> | <u>6,979,389</u> | <u>(224,622)</u> |

General revenues:

| | | | |
|----------------------------------------|----------------------|----------------------|-----------------------|
| Property taxes | 5,871,196 | - | 5,871,196 |
| Franchise fees | 498,556 | - | 498,556 |
| Utility taxes | 668,603 | - | 668,603 |
| Communication services tax | 217,871 | - | 217,871 |
| Impact fees | 209,308 | 79,803 | 289,111 |
| Unrestricted intergovernmental revenue | 886,297 | - | 886,297 |
| Unrestricted investment income | 387,197 | 729,655 | 1,116,852 |
| Miscellaneous | 126,174 | 356,991 | 483,165 |
| Net Transfers | 1,125,000 | (1,125,000) | - |
| Total general revenues and transfers | <u>9,990,202</u> | <u>41,449</u> | <u>10,031,651</u> |
| Change in net position | 2,786,191 | 7,020,838 | 9,807,029 |
| Net position beginning | <u>38,842,591</u> | <u>64,201,363</u> | <u>103,043,954</u> |
| Net position, ending | <u>\$ 41,628,782</u> | <u>\$ 71,222,201</u> | <u>\$ 112,850,983</u> |

See notes to basic financial statements

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|-------------------------------------------------------------------------------|----------------------|--------------------------|-----------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Cash | \$ 8,521,832 | \$ 11,436,404 | \$ 1,262,766 | \$ 21,221,002 |
| Investments | 3,216,959 | - | - | 3,216,959 |
| Receivables, net | 253,740 | - | - | 253,740 |
| Interest receivables | 23,654 | - | - | 23,654 |
| Due from other governments | 258,603 | 50,000 | - | 308,603 |
| Inventory | 20,718 | - | - | 20,718 |
| Prepaid items | 258,936 | - | - | 258,936 |
| Due from other funds | 2,831,651 | - | 359,459 | 3,191,110 |
| Restricted cash | 158,356 | - | - | 158,356 |
| TOTAL ASSETS | \$ 15,544,449 | \$ 11,486,404 | \$ 1,622,225 | \$ 28,653,078 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable and accrued liabilities | \$ 3,106,468 | \$ 5,446 | \$ 8,287 | \$ 3,120,201 |
| Due to other funds | 410,472 | 121,794 | 111,416 | 643,682 |
| Customer deposits | 126,990 | - | - | 126,990 |
| Unearned revenue | 97,430 | - | - | 97,430 |
| TOTAL LIABILITIES | 3,741,360 | 127,240 | 119,703 | 3,988,303 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | 38,771 | - | - | 38,771 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 38,771 | - | - | 38,771 |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable: | | | | |
| Inventory | 20,718 | - | - | 20,718 |
| Prepaid items | 258,936 | - | - | 258,936 |
| Restricted: | | | | |
| Law enforcement | - | - | 9,832 | 9,832 |
| Park Impact | - | - | 1,496,555 | 1,496,555 |
| Debt service | 64,425 | - | - | 64,425 |
| Assigned: | | | | |
| Capital projects fund | - | 11,359,164 | - | 11,359,164 |
| Unassigned (deficit) | 11,420,239 | - | (3,865) | 11,416,374 |
| Total fund balances | 11,764,318 | 11,359,164 | 1,502,522 | 24,626,004 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 15,544,449 | \$ 11,486,404 | \$ 1,622,225 | \$ 28,653,078 |

See notes to basic financial statements

TOWN OF BAY HARBOR ISLANDS, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|
| Total governmental fund balances (page 18) | \$ | 24,626,004 |
| Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | | 22,107,014 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds | | |
| Notes payable | (4,558,455) | |
| Net pension liability | (1,919,216) | |
| Total other post-employment benefits | (186,214) | |
| Compensated absences | (904,843) | |
| Deferred charges on refunding | (39,896) | |
| Leases (right-of-use asset) | (928,235) | |
| Subscription liability | (390,323) | |
| Accrued interest | <u>(64,561)</u> | |
| Net adjustment | | <u>(8,991,743)</u> |
| Net deferred outflows(inflows) for pensions and OPEB which are not recognized under the modified accrual basis of accounting | | 3,848,736 |
| Certain receivables are not available to pay for current-period expenditures and, therefore are reported as unavailable revenue in the funds | | <u>38,771</u> |
| Net position of governmental activities (page 16) | \$ | <u><u>41,628,782</u></u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------------------|----------------------|--------------------------|-----------------------------------|--------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 5,871,196 | \$ - | \$ - | \$ 5,871,196 |
| Utility taxes | 668,603 | - | - | 668,603 |
| Communication service taxes | 217,871 | - | - | 217,871 |
| Franchise fees | 498,556 | - | - | 498,556 |
| Licenses and permits | 4,806,615 | - | - | 4,806,615 |
| Intergovernmental | 1,347,640 | - | - | 1,347,640 |
| Transfer development right fees | - | 3,431,000 | - | 3,431,000 |
| Impact fees | - | - | 209,308 | 209,308 |
| Charges for services | 590,445 | - | - | 590,445 |
| Fines and forfeitures | 458,429 | - | - | 458,429 |
| Investment income | 330,397 | 56,800 | - | 387,197 |
| Grants | 317,782 | 50,000 | 302,745 | 670,527 |
| Miscellaneous | 82,690 | - | - | 82,690 |
| Total revenues | <u>15,190,224</u> | <u>3,537,800</u> | <u>512,053</u> | <u>19,240,077</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 3,402,832 | 387,211 | - | 3,790,043 |
| Public safety | 7,235,497 | - | - | 7,235,497 |
| Transportation | 894,808 | - | - | 894,808 |
| Culture and recreation | 1,560,617 | - | 559,974 | 2,120,591 |
| Capital outlay | 1,073,224 | 1,568,847 | - | 2,642,071 |
| Debt service: | | | | |
| Principal payments | 728,299 | 91,422 | - | 819,721 |
| Interest | 108,593 | - | - | 108,593 |
| Total expenditures | <u>15,003,870</u> | <u>2,047,480</u> | <u>559,974</u> | <u>17,611,324</u> |
| Excess (deficiency) of revenues over expenditures | <u>186,354</u> | <u>1,490,320</u> | <u>(47,921)</u> | <u>1,628,753</u> |
| Other financing sources (uses) | | | | |
| Leases (right-of-use asset) acquired | 467,773 | 251,120 | - | 718,893 |
| Subscription arrangements initiated | 404,021 | - | - | 404,021 |
| Transfers out | (9,663,614) | - | - | (9,663,614) |
| Transfers in | 1,125,000 | 9,410,250 | 253,364 | 10,788,614 |
| Total other financing sources (uses) | <u>(7,666,820)</u> | <u>9,661,370</u> | <u>253,364</u> | <u>2,247,914</u> |
| Net change in fund balances | (7,480,466) | 11,151,690 | 205,443 | 3,876,667 |
| Fund balances, beginning | 19,244,784 | 207,474 | 1,297,079 | 20,749,337 |
| Fund balances, ending | <u>\$ 11,764,318</u> | <u>\$ 11,359,164</u> | <u>\$ 1,502,522</u> | <u>\$ 24,626,004</u> |

TOWN OF BAY HARBOR ISLANDS, 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, 2024

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

Net change in fund balances - total governmental funds (page 20) \$ 3,876,667

Governmental funds report capital outlays as expenditures while the Statement of Activities reports depreciation expense on capital assets. This is the amount by which capital outlays exceeded depreciation in the current period. The details of the difference (excluding the internal service fund) are as follows:

| | | |
|-----------------------------------|-------------|---------|
| Capital outlay | 2,642,071 | |
| Outlays not capitalized | (298,081) | |
| Loss on disposal | (7,598) | |
| Depreciation/amortization expense | (1,519,414) | 816,978 |

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

The details of the difference are as follows:

| | | |
|------------------------------------------------|-----------|-----------|
| Leases (right-of-use asset) acquired | (718,893) | |
| Leases (right-of-use asset) principal payments | 306,209 | |
| Subscription arrangements issued | (404,021) | |
| Subscription arrangements principal payments | 158,512 | |
| Revenue bonds principal payment | 355,000 | |
| Amortization of gain on bond refunding | 4,433 | |
| Amortization of gain on bond premium | 7,828 | (290,932) |

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

The details of the difference are as follows:

| | | |
|-----------------------------------------------------------------------------|-------------|-------------|
| Accrued interest payable | 2,387 | |
| Compensated absences payable | (151,783) | |
| Pension related deferred outflows and inflows of resources | (1,443,131) | |
| Total OPEB liability and related deferred outflows and inflows of resources | (25,788) | (1,618,315) |

Net effect of revenues reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

1,793

Change in net position of governmental activities (page 17)

\$ 2,786,191

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

Business-type Activities - Enterprise Funds

| | MAJOR ENTERPRISE FUNDS | | | | | NON-MAJOR FUND | Total |
|--------------------------------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Causeway Fund | Sewer Fund | Water Fund | Parking Fund | Solid Waste Fund | Stormwater Fund | |
| ASSETS | | | | | | | |
| Current assets: | | | | | | | |
| Cash | \$ 1,567,926 | \$ 2,307,957 | \$ 72,078 | \$ 3,061,747 | \$ 1,938,723 | \$ 1,254,064 | \$ 10,202,495 |
| Investments | 21,109,975 | - | 1,937,347 | - | - | - | 23,047,322 |
| Receivables, net | - | - | 979,349 | 105,880 | - | - | 1,085,229 |
| Leases receivable | 81,449 | - | - | 6,596,680 | - | - | 6,678,129 |
| Interest receivable | 13,370 | - | 14,283 | 5,550 | - | - | 33,203 |
| Due from other funds | 12,508 | 259,853 | 319,230 | 13,258 | 115,936 | 390,336 | 1,111,121 |
| Due from other governments | 434,090 | - | - | - | - | 76,074 | 510,164 |
| Inventory | - | - | 50,717 | - | - | - | 50,717 |
| Restricted cash | 10,674 | 330,019 | 476,115 | - | 73,638 | - | 890,446 |
| Total current assets | <u>23,229,992</u> | <u>2,897,829</u> | <u>3,849,119</u> | <u>9,783,115</u> | <u>2,128,297</u> | <u>1,720,474</u> | <u>43,608,826</u> |
| Non-current assets | | | | | | | |
| Capital assets, not being depreciated | 5,496,106 | 21,000 | - | 671,274 | - | 81,515 | 6,269,895 |
| Capital assets being depreciated/amortized, net | <u>26,398,205</u> | <u>3,880,706</u> | <u>947,847</u> | <u>7,216,315</u> | - | <u>745,915</u> | <u>39,188,988</u> |
| Total non-current assets | <u>31,894,311</u> | <u>3,901,706</u> | <u>947,847</u> | <u>7,887,589</u> | - | <u>827,430</u> | <u>45,458,883</u> |
| Total assets | <u>55,124,303</u> | <u>6,799,535</u> | <u>4,796,966</u> | <u>17,670,704</u> | <u>2,128,297</u> | <u>2,547,904</u> | <u>89,067,709</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Pension | 1,054,134 | 218,935 | 192,749 | 166,938 | - | 79,344 | 1,712,100 |
| OPEB | <u>3,733</u> | <u>775</u> | <u>683</u> | <u>591</u> | - | <u>281</u> | <u>6,063</u> |
| Total deferred outflows of resources | <u>1,057,867</u> | <u>219,710</u> | <u>193,432</u> | <u>167,529</u> | - | <u>79,625</u> | <u>1,718,163</u> |
| LIABILITIES | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | 785,672 | 9,840 | 9,200 | 7,800 | 2,207 | 7,799 | 822,518 |
| Due to other funds | 1,457,099 | 122,032 | 512,762 | 449,658 | 801,954 | 315,044 | 3,658,549 |
| Due to other governments | - | - | (2,293) | - | - | - | (2,293) |
| Unearned revenue | 233,564 | - | - | - | - | - | 233,564 |
| Customer deposits (payable from restricted cash) | 10,674 | 228,578 | 162,683 | - | 73,638 | - | 475,573 |
| Current portion of lease liability | 6,324 | 8,619 | - | 4,948 | - | - | 19,891 |
| Current portion of notes payable | 989,000 | - | - | - | - | - | 989,000 |
| Current portion of compensated absences | <u>22,622</u> | <u>3,926</u> | <u>3,891</u> | <u>3,256</u> | <u>1,745</u> | <u>1,310</u> | <u>36,750</u> |
| Total current liabilities | <u>3,504,955</u> | <u>372,995</u> | <u>686,243</u> | <u>465,662</u> | <u>879,544</u> | <u>324,153</u> | <u>6,233,552</u> |
| Non-current liabilities: | | | | | | | |
| Lease liabilities | - | 43,275 | - | 3,734 | - | - | 47,009 |
| Notes payable | 4,213,000 | - | - | 1,270,000 | - | - | 5,483,000 |
| Total OPEB liability | 50,502 | 10,489 | 9,234 | 7,998 | - | 3,801 | 82,024 |
| Net pension liability | 520,500 | 108,104 | 95,174 | 82,429 | - | 39,178 | 845,385 |
| Compensated absences | <u>203,602</u> | <u>35,336</u> | <u>35,021</u> | <u>29,304</u> | <u>15,700</u> | <u>11,793</u> | <u>330,756</u> |
| Total non-current liabilities | <u>4,987,604</u> | <u>197,204</u> | <u>139,429</u> | <u>1,393,465</u> | <u>15,700</u> | <u>54,772</u> | <u>6,788,174</u> |
| Total liabilities | <u>8,492,559</u> | <u>570,199</u> | <u>825,672</u> | <u>1,859,127</u> | <u>895,244</u> | <u>378,925</u> | <u>13,021,726</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Parking trust receipts | - | - | - | 111,430 | - | - | 111,430 |
| Pension | 10,467 | 2,174 | 1,914 | 1,658 | - | 788 | 17,001 |
| OPEB | 3,609 | 750 | 660 | 572 | - | 272 | 5,863 |
| Leases | <u>78,796</u> | - | - | <u>6,328,855</u> | - | - | <u>6,407,651</u> |
| Total deferred inflows of resources | <u>92,872</u> | <u>2,924</u> | <u>2,574</u> | <u>6,442,515</u> | - | <u>1,060</u> | <u>6,541,945</u> |
| NET POSITION | | | | | | | |
| Net investment in capital assets | 26,552,572 | 3,849,812 | 947,847 | 6,608,907 | - | 827,430 | 38,786,568 |
| Unrestricted | <u>21,044,167</u> | <u>2,596,310</u> | <u>3,214,305</u> | <u>2,927,684</u> | <u>1,233,053</u> | <u>1,420,114</u> | <u>32,435,633</u> |
| Total net position | <u>\$ 47,596,739</u> | <u>\$ 6,446,122</u> | <u>\$ 4,162,152</u> | <u>\$ 9,536,591</u> | <u>\$ 1,233,053</u> | <u>\$ 2,247,544</u> | <u>\$ 71,222,201</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Business-type Activities - Enterprise Funds

| | MAJOR ENTERPRISE FUNDS | | | | | NON-MAJOR FUND | Total |
|----------------------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Causeway Fund | Sewer Fund | Water Fund | Parking Fund | Solid Waste Fund | Stormwater Fund | |
| Operating revenues: | | | | | | | |
| Charges for services | \$ 11,604,453 | \$ 2,883,785 | \$ 1,526,135 | \$ 1,829,307 | \$ 1,082,028 | \$ 678,443 | \$ 19,604,151 |
| Miscellaneous revenue | 9,003 | - | 22,235 | 300 | 65 | - | 31,603 |
| Total operating revenues | <u>11,613,456</u> | <u>2,883,785</u> | <u>1,548,370</u> | <u>1,829,607</u> | <u>1,082,093</u> | <u>678,443</u> | <u>19,635,754</u> |
| Operating expenses: | | | | | | | |
| Operation and maintenance | 4,700,765 | 2,115,249 | 1,507,274 | 774,957 | 1,021,107 | 356,006 | 10,475,358 |
| Depreciation and amortization | 1,601,321 | 263,835 | 64,732 | 237,431 | - | 41,305 | 2,208,624 |
| Total operating expenses | <u>6,302,086</u> | <u>2,379,084</u> | <u>1,572,006</u> | <u>1,012,388</u> | <u>1,021,107</u> | <u>397,311</u> | <u>12,683,982</u> |
| Operating income (loss) | 5,311,370 | 504,701 | (23,636) | 817,219 | 60,986 | 281,132 | 6,951,772 |
| Non-operating revenue (expense): | | | | | | | |
| Grants | 164,618 | - | - | - | - | 76,074 | 240,692 |
| Impact fees | - | - | 79,803 | - | - | - | 79,803 |
| Investment income | 501,865 | 15,077 | 166,352 | 29,433 | 8,770 | 8,158 | 729,655 |
| Rental income | 109,525 | - | - | 83,232 | - | - | 192,757 |
| Lease interest income | - | - | - | 132,631 | - | - | 132,631 |
| Interest expense and other debt costs | (143,611) | (1,410) | - | (36,451) | - | - | (181,472) |
| Total non-operating revenue (expenses) | <u>632,397</u> | <u>13,667</u> | <u>246,155</u> | <u>208,845</u> | <u>8,770</u> | <u>84,232</u> | <u>1,194,066</u> |
| Income before transfers | 5,943,767 | 518,368 | 222,519 | 1,026,064 | 69,756 | 365,364 | 8,145,838 |
| Transfers out | (675,000) | (250,000) | (200,000) | - | - | - | (1,125,000) |
| Change in net position | 5,268,767 | 268,368 | 22,519 | 1,026,064 | 69,756 | 365,364 | 7,020,838 |
| Net position, beginning | <u>42,327,972</u> | <u>6,177,754</u> | <u>4,139,633</u> | <u>8,510,527</u> | <u>1,163,297</u> | <u>1,882,180</u> | <u>64,201,363</u> |
| Net position, ending | <u>\$ 47,596,739</u> | <u>\$ 6,446,122</u> | <u>\$ 4,162,152</u> | <u>\$ 9,536,591</u> | <u>\$ 1,233,053</u> | <u>\$ 2,247,544</u> | <u>\$ 71,222,201</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Business-type Activities

| | MAJOR ENTERPRISE FUNDS | | | | | NON-MAJOR FUND | Total Enterprise Funds |
|-------------------------------------------------------------------------|------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|------------------------------|
| | Causeway Fund | Sewer Fund | Water Fund | Parking Fund | Solid Waste Fund | Stormwater Fund | |
| Cash flows from operating activities: | | | | | | | |
| Cash received from customers | \$ 11,544,852 | \$ 2,879,255 | \$ 1,393,327 | \$ 1,735,514 | \$ 1,079,847 | \$ 678,443 | \$ 19,311,238 |
| Cash payments to employees for services | (2,484,407) | (537,358) | (498,887) | (404,875) | (115,474) | (184,445) | (4,225,446) |
| Cash payments to suppliers for goods and services | (1,700,923) | (2,106,312) | (1,246,001) | (319,829) | (978,345) | (282,280) | (6,633,690) |
| Payments from (to) other funds | (4,027,689) | (538,294) | (2,891,835) | 106,200 | 857,953 | 139,490 | (6,354,175) |
| Net cash provided by (used in) operating activities | <u>3,331,833</u> | <u>(302,709)</u> | <u>(3,243,396)</u> | <u>1,117,010</u> | <u>843,981</u> | <u>351,208</u> | <u>2,097,927</u> |
| Cash flows from noncapital and related financing activities: | | | | | | | |
| Transfer to other funds | (675,000) | (250,000) | (200,000) | - | - | - | (1,125,000) |
| Net cash provided by (used in) noncapital financing activities | <u>(675,000)</u> | <u>(250,000)</u> | <u>(200,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,125,000)</u> |
| Cash flows from capital and related financing activities: | | | | | | | |
| Grants | 164,618 | - | - | - | - | 76,074 | 240,692 |
| Impact fees | - | - | 79,803 | - | - | - | 79,803 |
| Acquisition of capital assets | (8,616,669) | (105,349) | - | - | - | (56,615) | (8,778,633) |
| Lease initiated (right-of-use) | - | 52,796 | - | - | - | - | 52,796 |
| Principal paid on leases | (21,302) | - | - | (4,913) | - | - | (26,215) |
| Principal paid on capital debt | (965,000) | (902) | - | (406,000) | - | - | (1,371,902) |
| Interest paid on leases | (12,001) | (1,410) | - | (81) | - | - | (13,492) |
| Interest paid on capital debt | (131,610) | - | - | (36,370) | - | - | (167,980) |
| Net cash provided by (used in) capital and related financing activities | <u>(9,581,964)</u> | <u>(54,865)</u> | <u>79,803</u> | <u>(447,364)</u> | <u>-</u> | <u>19,459</u> | <u>(9,984,931)</u> |
| Cash flows from investing activities | | | | | | | |
| Sales and maturities of investments | 2,434,584 | - | 469,590 | - | - | - | 2,904,174 |
| Purchases of investments | (21,869,975) | - | (628,362) | - | - | - | (22,498,337) |
| Rental income received | 109,525 | - | - | 215,863 | - | - | 325,388 |
| Investment earnings and interest received | 501,865 | 15,077 | 166,352 | 29,433 | 8,770 | 8,158 | 729,655 |
| Net cash provided by (used in) investing activities | <u>(18,824,001)</u> | <u>15,077</u> | <u>7,580</u> | <u>245,296</u> | <u>8,770</u> | <u>8,158</u> | <u>(18,539,120)</u> |
| Net increase (decrease) in cash | <u>(25,749,132)</u> | <u>(592,497)</u> | <u>(3,356,013)</u> | <u>914,942</u> | <u>852,751</u> | <u>378,825</u> | <u>(27,551,124)</u> |
| Cash - beginning (including restricted cash) | <u>27,327,732</u> | <u>3,230,473</u> | <u>3,904,206</u> | <u>2,146,805</u> | <u>1,159,610</u> | <u>875,239</u> | <u>38,644,065</u> |
| Cash - ending (including restricted cash) | <u>\$ 1,578,600</u> | <u>\$ 2,637,976</u> | <u>\$ 548,193</u> | <u>\$ 3,061,747</u> | <u>\$ 2,012,361</u> | <u>\$ 1,254,064</u> | <u>\$ 11,092,941</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Business-type Activities

| | MAJOR ENTERPRISE FUNDS | | | | | NON-MAJOR FUND | Total Enterprise Funds |
|-----------------------------------------------------------------------------------------------------|------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|------------------------------|
| | Causeway Fund | Sewer Fund | Water Fund | Parking Fund | Solid Waste Fund | Stormwater Fund | |
| Reconciliation of cash to the statement of net position | | | | | | | |
| Cash | \$ 1,567,926 | \$ 2,307,957 | \$ 72,078 | \$ 3,061,747 | \$ 1,938,723 | \$ 1,254,064 | \$ 10,202,495 |
| Restricted cash | 10,674 | 330,019 | 476,115 | - | 73,638 | - | 890,446 |
| | <u>\$ 1,578,600</u> | <u>\$ 2,637,976</u> | <u>\$ 548,193</u> | <u>\$ 3,061,747</u> | <u>\$ 2,012,361</u> | <u>\$ 1,254,064</u> | <u>\$ 11,092,941</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities | | | | | | | |
| Operating income (loss) | \$ 5,311,370 | \$ 504,701 | \$ (23,636) | \$ 817,219 | \$ 60,986 | \$ 281,132 | \$ 6,951,772 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | | | | | | |
| Depreciation and amortization | 1,601,321 | 263,835 | 64,732 | 237,431 | - | 41,305 | 2,208,624 |
| Changes in assets, liabilities and deferred inflows/outflows: | | | | | | | |
| (Increase) decrease in | | | | | | | |
| Receivables | - | - | (150,422) | 18,459 | - | - | (131,963) |
| Leases receivable | (68,625) | - | - | (8,685) | - | - | (77,310) |
| Interest receivable | (2,371) | - | (2,511) | 2,177 | - | - | (2,705) |
| Due from other funds | 53,465 | 1,253,003 | (245,367) | 1,969 | 508,338 | 1,922 | 1,573,330 |
| Due from other governments | (120,302) | - | - | - | - | (76,074) | (196,376) |
| Prepaid items | 8,674 | - | - | - | - | - | 8,674 |
| Deferred outflows - OPEB | 3,748 | 846 | 2,697 | 456 | - | (143) | 7,604 |
| Deferred outflows - pension | 127,705 | 18,228 | 54,554 | (19,298) | - | (48,218) | 132,971 |
| Increase (decrease) in: | | | | | | | |
| Accounts payable and accrued liabilities | (13,352) | (627,356) | (352,448) | (616) | (72,388) | (23,833) | (1,089,993) |
| Due to other governments | - | - | (4,175) | - | - | - | (4,175) |
| Due to other funds | (4,081,154) | (1,791,297) | (2,646,468) | 104,231 | 349,615 | 137,568 | (7,927,505) |
| Customer deposits | 21 | (4,530) | (4,621) | - | (2,246) | - | (11,376) |
| Parking trust receipts | - | - | - | (20,635) | - | - | (20,635) |
| Net pension liability | 489,056 | 102,461 | 89,034 | 78,637 | - | 38,472 | 797,660 |
| Total OPEB liability | (19,677) | (4,205) | (9,929) | (1,332) | - | 2,518 | (32,625) |
| Compensated absences | 14,185 | (7,929) | (2,265) | (3,482) | (324) | (2,758) | (2,573) |
| Deferred inflows - OPEB | (8,031) | (1,444) | (2,304) | (423) | - | (72) | (12,274) |
| Deferred inflows - pension | (51,918) | (9,022) | (10,267) | (5,866) | - | (611) | (77,684) |
| Deferred inflows - leases receivable | 78,796 | - | - | (83,232) | - | - | (4,436) |
| Unearned revenue | 8,922 | - | - | - | - | - | 8,922 |
| Total adjustments | <u>(1,979,537)</u> | <u>(807,410)</u> | <u>(3,219,760)</u> | <u>299,791</u> | <u>782,995</u> | <u>70,076</u> | <u>(4,853,845)</u> |
| Net cash provided (used) by operating activities | <u>\$ 3,331,833</u> | <u>\$ (302,709)</u> | <u>\$ (3,243,396)</u> | <u>\$ 1,117,010</u> | <u>\$ 843,981</u> | <u>\$ 351,208</u> | <u>\$ 2,097,927</u> |
| Noncash investing and financing activities | | | | | | | |
| Increase in fair value of investments | \$ 122,183 | \$ - | \$ 129,158 | \$ - | \$ - | \$ - | \$ 251,341 |
| Total noncash investing and financing activities | <u>\$ 122,183</u> | <u>\$ -</u> | <u>\$ 129,158</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 251,341</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
SEPTEMBER 30, 2024

ASSETS

| | |
|--------------------------------------------|----------------------|
| Cash and cash equivalents | \$ <u>543,808</u> |
| Investments | |
| Money market funds | 180,723 |
| U.S. treasuries and government obligations | 7,729,772 |
| Corporate bonds | 841,770 |
| Common stock and equity funds | 2,628,241 |
| Commingled trust fund | 12,690,475 |
| Real estate fund | <u>3,150,411</u> |
| Total investments | <u>27,221,392</u> |
| Receivables | |
| Contributions receivable | 284,213 |
| Accrued interest and dividends | <u>36,327</u> |
| Total receivables | <u>320,540</u> |
| Prepaid expenses | <u>5,292</u> |
| Total assets | <u>\$ 28,091,032</u> |

LIABILITIES

| | |
|-------------------|------------------|
| Accounts payable | \$ <u>42,653</u> |
| Total liabilities | <u>42,653</u> |

NET POSITION

| | |
|----------------------------------------------|----------------------|
| Net Position Restricted for Pension Benefits | <u>\$ 28,048,379</u> |
|----------------------------------------------|----------------------|

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| <u>ADDITIONS</u> | |
|---------------------------------------------------------|----------------------|
| Contributions: | |
| Town (including State) | \$ 1,313,706 |
| Employees | <u>508,748</u> |
| Total contributions | <u>1,822,454</u> |
| Investment income: | |
| Net appreciation in fair value of investments | 3,988,167 |
| Interest | 259,413 |
| Dividends | <u>56,192</u> |
| | 4,303,772 |
| Less investment expense | <u>(31,664)</u> |
| Net investment income | <u>4,272,108</u> |
| Total additions | <u>6,094,562</u> |
| <u>DEDUCTIONS</u> | |
| Benefits paid and refunds | 819,689 |
| Administrative expenses | <u>66,403</u> |
| Total deductions | <u>886,092</u> |
| Change in net position | 5,208,470 |
| Net position restricted for pension benefits, beginning | <u>22,839,909</u> |
| Net position restricted for pension benefits, ending | <u>\$ 28,048,379</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Bay Harbor Islands, Florida, (the Town) is a municipal corporation which was incorporated in 1947 and adopted its first charter June 15, 1953, under the provisions of the Laws of Florida Acts of 1953, Chapter 2889. The Town operates under a "Council - Manager" form of government with the Town's Mayor serving as the head of the Town government and the Town's Manager serving as the chief administrative official.

The Town provides the following services: public safety (police), building and zoning, transportation and maintenance of roads and streets, recreation facilities, operation and maintenance of a causeway, water and sewer utilities, physical environment (refuse collection), parking facilities, and general government and administrative services. Fire protection, education, and welfare services are provided by units of other local governments whose activities are not included in the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The financial statements were prepared in accordance with GASB Statements related to *The Financial Reporting Entity*, 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 Town, organizations for which the Town is financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town 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 Town or has operational responsibility. 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 nonfiduciary activities of the Town. For the most part, 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 services.

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Town reports three (3) nonmajor governmental funds (the Park Impact Fund, Police Forfeiture Fund and Youth Development Fund) and one nonmajor proprietary fund (the Stormwater Fund).

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures 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 fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the acquisition or construction of various major capital projects.

The Town's special revenue funds are used to account for the restricted proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Town reports the following governmental nonmajor special revenue funds:

The *Park Impact Fees Fund* accounts for the fees that are collected in order to pay for the capital costs to construct, expand or improve public park facilities which are necessary to accommodate land development in the Town.

The *Police Forfeitures Fund* accounts for revenue from lawful seizures of property associated with criminal activities.

The *Youth Development Program Fund* accounts for programs that will provide a daily schedule of literacy, physical fitness, social skills and family involvement.

The Town reports the following major proprietary funds:

The *Causeway Fund* accounts for the collection of tolls and the operation and maintenance of the causeway, including the bascule bridge over the Intercoastal Waterway and the entire traffic corridor.

The *Sewer Fund* accounts for the provision of sewer services to Town residents and businesses.

The *Parking Fund* accounts for the collection of parking fees, parking trust arrangements, and the operation and maintenance of lots and meters.

The *Solid Waste Fund* accounts for the provision of solid waste disposal services to Town residents and businesses.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement (Continued)

Presentation (Continued)

The *Water Fund* accounts for the distribution of water to Town residents and businesses.

The Town reports the following nonmajor proprietary fund:

The *Stormwater Fund* accounts for the provision of a stormwater management system.

Additionally, the Town reports the following fund type:

The *Pension Trust Fund* is used to account for the Town of Bay Harbor Islands Employee Retirement System (the Plan), a single-employer defined benefit pension plan covering substantially all of its employees.

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 Town's various utility functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 Town's funds are charges to customers for services. Operating expenses for enterprise funds include the costs of services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Implementation of GASB Statements

The GASB has issued new Statements effective in the current year and future years that may apply to the Town. Management has not completed its analysis of the effects, if any, of the GASB statements which become effective in future years of the financials statements of the Town:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement was effective for the Town for the fiscal year ended September 30, 2024. Implementation did not have a significant impact on the Town's financial statements.

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will be effective for the Town for the fiscal year ending September 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, the primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement will be effective for the Town for the fiscal year ending September 30, 2025.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Implementation of GASB Statements

GASB Statement No. 103, *Financial Reporting Model Improvement*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement will be effective for the Town for the fiscal year ending September 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement will be effective for the Town for the fiscal year ending September 30, 2026.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Deposits and Investments

The Town’s cash includes cash on hand, and time/demand deposits. Investments of the Town are carried at fair value. For more details regarding the methods used to measure fair value of investments, refer to the fair value hierarchy in Note 3.

Investments of the Town are governed by the provisions of Florida Statutes Section 218.415. Investments in the Town’s retirement plan are governed by the Plan’s investment policy and Florida Statutes Section 112.661.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Capital Assets

Capital assets, which include property, plant and equipment, infrastructure assets (e.g., utility plant, roads, bridges, sidewalks, and similar items), leases (right-of-use assets), subscription arrangements (i.e. information technology) and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The Town has not retroactively reported infrastructure assets acquired prior to the implementation of GASB Statement No. 34. The Town did not retroactively record their intangible assets with the implementation of GASB Statement No. 51, with the exception of computer software which was capitalized when purchased. The Town’s capitalization threshold for intangible assets is \$25,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|------------------------------------|--------------|
| Buildings | 25-50 |
| Improvements other than buildings | 5-10 |
| Furniture, fixtures, and equipment | 5 |
| Utility system | 10-50 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Leases (Right-of-use Asset)

The leases (right-of-use asset) 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-of-use asset) are amortized on a straight-line basis over the life of the related lease agreement.

Subscription-Based Information Technology Arrangement (“SBITA”)

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

Leases Receivable

The Town’s leases 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 inception 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.

Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon separation from service, employees are paid the value of their accumulated vacation, plus one half the value of unused sick leave up to 90 days. All vacation and sick leave pay are 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 or retirements. Compensated absences of governmental funds are typically liquidated from the general fund.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issue costs are expensed as incurred. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

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 Town reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2024 into the Town of Bay Harbor Islands Employees' Retirement System. The net pension liability associated with the Plan was measured as of September 30, 2023. The amounts paid during fiscal year 2024 to the Plan will be reflected within the Town's pension expense and related liability when the net pension liability is measured for the next fiscal year.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Also, within the government-wide statement of net position, the Town reports as deferred inflows or outflows, amounts representing the net difference between or differences between expected and actual results, changes in assumptions and projected and actual earnings of its pension plan and other post-employment benefits (OPEB). Differences between projected and actual earnings will be amortized over a five-year closed period beginning in the year in which the difference occurred and are presented as a net deferred inflow or outflow at the measurement date. All other amounts are presented as either a deferred inflow or outflow established at their respective measurement date when the difference occurred and is amortized over the remaining service lives of employees.

In addition to liabilities, the statement of net position and governmental funds balance sheet 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 that time. The Town's deferred inflows are related to its leases, pension obligations, OPEB liabilities, deferred parking trust receipts and deferred gain on bond refunding. These amounts are deferred and recognized as an inflow of resources in the period that they are earned. Within the governmental funds balance sheet, the Town reports deferred inflows related to unavailable revenues that qualify for reporting in this category. The governmental funds report this item as a deferred inflow until the criteria for revenue recognition has been met.

Fund Balance

The Town reports the following classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for the specific purposes determined by a formal action (Ordinance) of the Town Council, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Council taking the same formal action (Ordinance) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Town Manager to which the Town Council has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose as assigned by management. Specific amounts that are not restricted or committed in the Capital Projects Fund are assigned for the purposes in accordance with the nature of its fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

Unassigned fund balance. This fund balance is the residual classification only for the General Fund. It is also used to report only negative fund balances in other governmental funds.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Town's capital assets reduced by accumulated depreciation and amortization and by any outstanding debt and deferred inflows or outflows, incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general 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 net position consists of all net position that does not meet the definition of either of the other two components.

Flow Assumptions

Net Position Flow Assumption

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

Fund Balance Flow Assumption

Sometimes the Town 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 Town'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.

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/deferred outflows and liabilities/deferred inflows 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. These estimates include assessing the collectability of receivables, the fair value of investments, and useful lives and possible impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically and the revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

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. Deposits include cash on hand. 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 another 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 insured or collateralized.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The Town's investment policy follows the requirements of Florida Statutes Chapter 218.415, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. The Town's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Government Agency securities, including FNMA, FHLMC, and GNMA, and securities guaranteed by these Agency issues, certificates of deposit, savings certificates, time deposits, banker's acceptances, repurchase agreements of domestic commercial banks and savings and loan associations fully collateralized with U.S. Government or Agency securities, commercial paper rated A1/P1 or the equivalent by a major rating service, money market funds exclusively comprised of the above securities, the State of Florida Local Government Surplus Funds Trust Fund, the FMIvT, and corporate bonds rated A or better. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed. The Town maintains a separate investment policy for its pension plan.

For the Town's pension plan, a Master Custodian Agreement is maintained whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent except for its shares in domestic equity index funds and a core real estate fund.

The Town's investments as of September 30, 2024 are comprised of the following:

| | <u>Fair Value</u> |
|--------------------------|----------------------|
| Investment in FLCLASS | \$ 19,294,720 |
| Investments in BNY Melon | 6,969,561 |
| Total | <u>\$ 26,264,281</u> |

The Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool designed to provide a safe and competitive investment alternative to Florida governmental entities.

Fair Value Hierarchy

Fair value is defined as 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 Town and the Town's pension plan categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Investments – Town

| | Fair Value Measurements Using | | |
|-----------------------------|-------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| | <u>9/30/2024</u> | <u>Quoted Prices</u> in Active Markets for Identical Assets <u>(Level 1)</u> | <u>Significant</u> Other Observable Inputs <u>(Level 2)</u> |
| Investments at fair value | | | |
| U.S. Treasuries | \$ 4,032,562 | \$ 4,032,562 | \$ - |
| U.S. Government obligations | 408,981 | - | 408,981 |
| Local government bonds | 143,690 | - | 143,690 |
| Corporate bonds | 2,384,328 | - | 2,384,328 |
| Total investments | <u>\$ 6,969,561</u> | <u>\$ 4,032,562</u> | <u>\$ 2,936,999</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Town (Continued)

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets at the measurement date.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

FLCLASS is considered an external investment pool and is not required to be categorized within the fair value hierarchy for reporting purposes.

The Town's investment policy limits the maturity of fixed-income holdings to ten years. As of September 30, 2024, the Town had the following fixed income investments and corresponding maturities in its portfolio:

| | September 30, 2024 | | | |
|-----------------------------|----------------------------------|-------------------|---------------------|---------------------|
| | Investment Maturities (In Years) | | | |
| | Fair Value | Less Than 1 | 1-5 | 6-10 |
| Investments | | | | |
| U.S. Treasuries | \$ 4,032,562 | \$ 262,725 | \$ 2,288,010 | \$ 1,481,827 |
| U.S. Government obligations | 408,981 | 280,240 | 128,741 | - |
| Local government bonds | 143,690 | 19,909 | 123,781 | - |
| Corporate bonds | 2,384,328 | 109,210 | 1,298,217 | 976,901 |
| Total | \$ 6,969,561 | \$ 672,084 | \$ 3,838,749 | \$ 2,458,728 |

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Town's investment policy limits investment maturities to ten years in order to control its exposure to fair value losses arising from increasing interest rates.

The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2024, was 30 days and the weighted average life (WAL) was 83 days.

Credit Risk

State law and the Town's investment policy limits investments in bonds, U.S. treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Town's corporate bonds and agency bonds were all rated "BBB+" or better under Standard & Poor's ratings and "Baa1" or better under Moody's ratings.

FLCLASS is rated by S&P Global Ratings. The current rating is AAAM.

Investments – Pension Plan

Concentration of Credit Risk

The Town's investment policy does not stipulate any limit on the percentage that can be invested in any one issuing company. As of September 30, 2024, the value of each position held in the Town's portfolio comprised less than 5% of the Town's investment assets.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

Fair Value Hierarchy

The Town has the following recurring fair value measurements as of September 30, 2024:

- U.S. treasury securities of \$4,032,562 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds and local government bonds of \$2,528,018 are valued using a matrix pricing model (evaluated bid price) (Level 2 inputs).

The Plan's investment practices are governed by the Florida Statutes and the Plan's adopted investment policy. Florida Statutes and the Plan policy authorize the Board of Trustees to invest in domestic stocks, domestic bonds, international stock, diversified assets, emerging markets and real estate funds. In addition to complying with Plan policy, the Plan applies the "Prudent Person Rule" when executing investment strategies. Investments are made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.

To diversify plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Board of Trustees employs a multi-manager team approach to investing Plan assets. Asset managers are employed to utilize individual expertise within their assigned area of responsibility. Each manager is governed by individual investment guidelines. The Plan's investment consultant oversees the investment managers and the entire portfolio.

The Plan's asset management structure established by the policy is as follows:

| Type | 2024 | |
|-------------------------------|----------------------|--------|
| | Allowable Range % | Target |
| Domestic equity | 30%-50% | 40% |
| Domestic bonds (fixed income) | 25%-60% | 30% |
| International equity | 0%-20% | 15% |
| Real estate | 0%-20% | 15% |

As of September 30, 2024, the Plan had the following debt securities and its corresponding maturities in its portfolio:

| | Investment Maturities (In Years) | | | | |
|-----------------------------|----------------------------------|----------------|------------------|---------------------|---------------------|
| | Fair Value | Less Than 1 | 1-5 | 6-10 | Over 10 |
| Investments | | | | | |
| U.S. Treasuries | \$ 4,164,572 | \$ - | \$ - | \$ 2,748,698 | \$ 1,415,874 |
| U.S. Government obligations | 3,565,200 | - | - | - | 3,565,200 |
| Corporate bonds | 841,770 | - | 78,607 | 763,163 | - |
| Total | \$ 8,571,542 | \$ - | \$ 78,607 | \$ 3,511,861 | \$ 4,981,074 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a positive 18.85%. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Plan's investment policy limits fixed income investments to a rating no lower than Baa/BBB or equivalent.

The Plan's corporate bonds and agency bonds were all rated "BBB+" or better under Standard & Poor's ratings and at least "A3" under Moody's ratings.

Concentration of Credit Risk

The Plan's investment policy prohibits fixed income concentrations greater than 5% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2024, the value of each position held in the Plan's portfolio comprised less than 5% of fiduciary net position.

Fair Value Hierarchy

The following is a description of the fair value techniques for the Town's pension plan investments.

The Plan holds money market funds, which are reported at amortized cost.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes common stock, American depository receipts (ADR), and exchange traded funds (ETF).

Debt securities are valued using quoted market prices (Level 1) or using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2).

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

Fair Value Hierarchy (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2024:

| | Fair Value Measurements Using | | |
|-------------------------------------------------|-------------------------------|-------------------------------------------------|--------------------------------------------|
| | 9/30/2024 | Quoted Prices | |
| | | in Active | Significant |
| | | Markets for Identical Assets (Level 1) | Other Observable Inputs (Level 2) |
| Investments by fair value level: | | | |
| Debt securities: | | | |
| U.S. treasuries | \$ 4,164,572 | \$ 582,316 | \$ 3,582,256 |
| U.S. government obligations and corporate bonds | 4,406,970 | - | 4,406,970 |
| Total debt securities | 8,571,542 | 582,316 | 7,989,226 |
| Equity securities: | | | |
| Common stock, ADR's, and ETF's | 2,628,241 | 2,628,241 | - |
| Total equity securities | 2,628,241 | 2,628,241 | - |
| Total investments at fair value | 11,199,783 | | |
| Investments Measured at Net Asset Value (NAV) | | | |
| Commingled trust fund | 12,690,475 | | |
| Real estate fund | 3,150,411 | | |
| Total investments measured at NAV | 15,840,886 | | |
| Money market funds (exempt) | 180,723 | | |
| Total investments | \$ 27,221,392 | | |

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions as of September 30, 2024:

| | September 30, 2024 | | | |
|-----------------------------------|--------------------|----------------------|----------------------------------------------|--------------------------|
| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
| Real estate fund (1) | \$ 3,150,411 | \$ - | Quarterly | N/A |
| Commingled trust fund (2) | 12,690,475 | - | Daily | N/A |
| Total Investments Measured at NAV | \$ 15,840,886 | \$ - | | |

Real estate fund. This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S.

Commingled trust fund. This fund's investment objectives are to match the return of the S&P 500, S&P Small-Cap 600, and S&P Mid-Cap 400 indexes through investments in substantially all of the stocks contained in those indexes.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

Risks and Uncertainties

The Town and the Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. The Town and the Plan, through its investment consultant, monitor the investments and the risks associated therewith on a regular basis which the Town and the Plan believes minimizes these risks.

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2024 for the Town’s individual major funds and fiduciary funds are as follows:

| | General Fund | Capital Projects Fund | Causeway Fund | Parking Fund | Pension Trust Fund | Total |
|-----------------------------|-------------------|-----------------------------|-------------------|---------------------|--------------------------|---------------------|
| Property taxes | \$ 26,311 | \$ - | \$ - | \$ - | \$ - | \$ 26,311 |
| Franchise fees | 94,972 | - | - | - | - | 94,972 |
| Utility taxes rental income | 64,695 | - | - | - | - | 64,695 |
| Interest and dividends | 23,654 | - | 13,370 | 5,550 | 36,327 | 78,901 |
| Parking trust receipts | - | - | - | 105,880 | - | 105,880 |
| Leases Receivable | - | - | 81,449 | 6,596,680 | - | 6,678,129 |
| Due from other governments | 258,603 | 50,000 | 434,090 | - | - | 742,693 |
| Contributions receivable | - | - | - | - | 284,213 | 284,213 |
| Other | 67,762 | - | - | - | - | 67,762 |
| Total Receivables | \$ 535,997 | \$ 50,000 | \$ 528,909 | \$ 6,708,110 | \$ 320,540 | \$ 8,143,556 |

Leases Receivable

On May 4, 2010, the Town, as a lessor, entered into a lease agreement to permit a local fire department to use a parking garage. The term of the lease is thirty years with two thirty-year renewal option periods, for which the Town has made determinations as to if those options are reasonably certain to be exercised, and those determinations are reflected in the calculations presented, in accordance with GASB 87. As of September 30, 2024, the lease agreement has approximately 77 years remaining. An initial lease receivable was recorded in the amount of \$6,578,550. As of September 30, 2024, the value of the lease receivable is \$6,596,680. The lessee is required to make annual payments to the Town ranging from approximately \$121,500 to \$264,000 through the term of the lease. The lease agreement has an implicit interest rate of 2.012%. The value of the deferred inflow of resources as of September 30, 2024 was \$6,328,855, and the Town recognized lease revenue of \$83,232 during the fiscal year.

On August 1, 2008, the Town, as a lessor, entered into a lease agreement to permit for the use of a gas station on the causeway. This lease was extended for an additional six years effective January 4, 2018 and has since renewed with 3 month extensions. The most recent extension was made March 2025 to extend the lease through June 30, 2025. As of September 30, 2024, the lease agreement has 6 months remaining. An initial lease receivable was recorded in the amount of \$186,332. As of September 30, 2024, the value of the lease receivable is \$81,449. The lessee is required to make monthly payments of approximately \$7,600. The lease agreement has an implicit interest rate of 0.396%. The value of the deferred inflow of resources as of September 30, 2024 was \$78,796, and the Town recognized lease revenue of \$109,525 during the fiscal year.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – RECEIVABLES (CONTINUED)

Leases Receivable (Continued)

Future principal and interest payment requirements related to the Town's lease receivables at September 30, 2024 are as follows:

| Fiscal year ending September 30: | Principal Payments | Interest Income | Total Future Minimum Rent |
|----------------------------------|---------------------|---------------------|---------------------------|
| 2025 | \$ 73,838 | \$ 132,859 | \$ 206,697 |
| 2026 | (6,502) | 132,939 | 126,437 |
| 2027 | (5,358) | 133,059 | 127,701 |
| 2028 | (4,178) | 133,156 | 128,978 |
| 2029 | (2,961) | 133,229 | 130,268 |
| 2030-2034 | 4,801 | 666,344 | 671,145 |
| 2035-2039 | 41,278 | 664,101 | 705,379 |
| 2040-2044 | 83,448 | 657,913 | 741,361 |
| 2045-2049 | 132,005 | 647,173 | 779,178 |
| 2050-2054 | 187,724 | 631,200 | 818,924 |
| 2055-2059 | 251,464 | 609,233 | 860,697 |
| 2060-2064 | 324,183 | 580,418 | 904,601 |
| 2065-2069 | 406,945 | 543,800 | 950,745 |
| 2070-2074 | 500,931 | 498,312 | 999,243 |
| 2075-2079 | 607,454 | 442,760 | 1,050,214 |
| 2080-2084 | 727,973 | 375,812 | 1,103,785 |
| 2085-2089 | 864,107 | 295,983 | 1,160,090 |
| 2090-2094 | 1,017,654 | 201,612 | 1,219,266 |
| 2095-2099 | 1,190,608 | 90,853 | 1,281,461 |
| 2100-2101 | 282,715 | 3,332 | 286,047 |
| Total | <u>\$ 6,678,129</u> | <u>\$ 7,574,088</u> | <u>\$ 14,252,217</u> |

NOTE 4 – PROPERTY TAXES

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the Town is certified by the Property Appraiser and the Town levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1.

Property taxes levied each November 1, by the Town and all other taxing authorities within the County, are centrally billed and collected by Miami-Dade County, with remittances to the Town of their proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the Town for its share of those receipts. At September 30, 2023, there were no material delinquent taxes.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due from/to Other Funds

The composition of interfund balances as of September 30, 2024 is as follows:

| Receivable Fund | Payable Fund | | | | | | | | Total |
|------------------|-------------------|-----------------------|---------------------|-------------------|-------------------|-------------------|----------------------------|--------------------------|---------------------|
| | General Fund | Capital Projects Fund | Causeway Fund | Sewer Fund | Parking Fund | Solid Waste Fund | Nonmajor Governmental Fund | Nonmajor Enterprise Fund | |
| General | \$ - | \$ 121,794 | \$ 1,457,099 | \$ 121,859 | \$ 449,658 | \$ 523,870 | \$ 111,416 | \$ 45,955 | \$ 2,831,651 |
| Causeway | - | - | - | - | - | - | - | 12,508 | 12,508 |
| Sewer | - | - | - | - | - | - | - | 259,853 | 259,853 |
| Parking | 11,194 | - | - | - | - | - | - | 2,064 | 13,258 |
| Solid waste | - | - | - | - | - | - | - | 115,936 | 115,936 |
| Nonmajor: | | | | | | | | | |
| Park Impact Fees | 243,621 | - | - | - | - | - | - | - | 243,621 |
| Youth Dev't Prog | - | - | - | - | - | - | - | 115,838 | 115,838 |
| Water | 39,819 | - | - | 173 | - | 10,149 | - | 269,089 | 319,230 |
| Stormwater | - | - | - | - | - | 267,935 | - | 122,401 | 390,336 |
| | <u>\$ 294,634</u> | <u>\$ 121,794</u> | <u>\$ 1,457,099</u> | <u>\$ 122,032</u> | <u>\$ 449,658</u> | <u>\$ 801,954</u> | <u>\$ 111,416</u> | <u>\$ 943,644</u> | <u>\$ 4,302,231</u> |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Transfers during the fiscal year ending September 30, 2024 were as follows:

| | Transfers in | | |
|---------------------|---------------------|------------------------|-----------------------|
| | General Fund | Youth Development Fund | Capital Projects Fund |
| Transfers out | | | |
| General Fund | \$ - | \$ 253,364 | \$ 9,410,250 |
| Causeway Fund | 675,000 | - | - |
| Sewer Fund | 250,000 | - | - |
| Water Fund | 200,000 | - | - |
| Total Transfers out | <u>\$ 1,125,000</u> | <u>\$ 253,364</u> | <u>\$ 9,410,250</u> |

The Town's enterprise funds transfer payments to the General Fund to pay for services provided by General Fund employees such as general management, payroll, human resources, agenda preparation, records retention, and risk management. These administrative services are provided to the enterprise funds to support their operations. Transfers in to the Stormwater Fund are used to move General Fund grant revenues to pay for capital projects associated with this fund. Transfers in to the Capital Projects Fund generally come from surplus revenues from the General fund to fund police department capital projects. Transfers in to special revenue funds are used to move the restricted assets to these funds to comply with requirements of these revenue sources.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

| | <u>Beginning</u> | | | | <u>Ending</u> |
|---------------------------------------------------------|----------------------|--------------------|-------------------|------------------|----------------------|
| | <u>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>Balance</u> |
| <u>Governmental Activities</u> | | | | | |
| Capital assets not being depreciated/amortized | | | | | |
| Land | \$ 3,806,254 | \$ - | \$ - | \$ - | \$ 3,806,254 |
| Construction in progress | 431,458 | 749,650 | - | - | 1,181,108 |
| Total capital assets not being depreciated/amortized | <u>4,237,712</u> | <u>749,650</u> | <u>-</u> | <u>-</u> | <u>4,987,362</u> |
| Capital assets being depreciated/amortized | | | | | |
| Buildings | 4,520,408 | - | (77,203) | - | 4,443,205 |
| Improvements other than buildings | 23,218,529 | - | (15,179) | - | 23,203,350 |
| Furniture, fixtures and equipment | 3,040,150 | 362,551 | (213,988) | 54,420 | 3,243,133 |
| Furniture, fixtures and equipment (Right-of-use assets) | 755,993 | 838,821 | (19,932) | (54,420) | 1,520,462 |
| Subscription asset | 252,100 | 392,968 | (48,262) | - | 596,806 |
| Total capital assets being depreciated/amortized | <u>31,787,180</u> | <u>1,594,340</u> | <u>(374,564)</u> | <u>-</u> | <u>33,006,956</u> |
| Less accumulated depreciation/amortization | | | | | |
| Buildings | (2,664,485) | (134,304) | 77,203 | - | (2,721,586) |
| Improvements other than buildings | (9,272,629) | (613,010) | 7,678 | - | (9,877,961) |
| Furniture, fixtures and equipment | (2,475,827) | (227,452) | 213,891 | (54,420) | (2,543,808) |
| Furniture, fixtures and equipment (Right-of-use assets) | (231,750) | (435,734) | 19,932 | 54,420 | (593,132) |
| Subscription asset | (90,165) | (108,914) | 48,262 | - | (150,817) |
| Total accumulated depreciation/amortization | <u>(14,734,856)</u> | <u>(1,519,414)</u> | <u>366,966</u> | <u>-</u> | <u>(15,887,304)</u> |
| Total capital assets being depreciated/amortized, net | <u>17,052,324</u> | <u>74,926</u> | <u>(7,598)</u> | <u>-</u> | <u>17,119,652</u> |
| Governmental activities capital assets, net | <u>\$ 21,290,036</u> | <u>\$ 824,576</u> | <u>\$ (7,598)</u> | <u>\$ -</u> | <u>\$ 22,107,014</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
|---------------------------------------------------------|----------------------|---------------------|-----------------|-------------|----------------------|
| Business-type Activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 671,273 | \$ - | \$ - | \$ - | \$ 671,273 |
| Construction in progress | 2,531,708 | 3,066,914 | - | - | 5,598,622 |
| Total capital assets not being depreciated | <u>3,202,981</u> | <u>3,066,914</u> | <u>-</u> | <u>-</u> | <u>6,269,895</u> |
| Capital assets being depreciated/amortized | | | | | |
| Causeway system | 2,549,328 | - | - | - | 2,549,328 |
| Toll collection system | 1,935,924 | - | - | - | 1,935,924 |
| Sewer system | 6,800,114 | 26,720 | (4,400) | - | 6,822,434 |
| Water system | 2,589,204 | - | - | - | 2,589,204 |
| Parking garage | 10,198,651 | - | - | - | 10,198,651 |
| Improvements other than buildings | 41,872,337 | 5,627,370 | (23,970) | - | 47,475,737 |
| Equipment | 2,828,509 | - | (61,498) | 33,065 | 2,800,076 |
| Furniture, fixtures and equipment (Right-of-use assets) | 100,317 | 57,631 | - | (33,065) | 124,883 |
| Total capital assets being depreciated/amortized | <u>68,874,384</u> | <u>5,711,721</u> | <u>(89,868)</u> | <u>-</u> | <u>74,496,237</u> |
| Less accumulated depreciation | | | | | |
| Causeway system | (2,549,328) | - | - | - | (2,549,328) |
| Toll collection system | (1,742,304) | (193,566) | - | - | (1,935,870) |
| Sewer system | (3,561,678) | (184,239) | 4,400 | - | (3,741,517) |
| Water system | (1,668,036) | (34,452) | - | - | (1,702,488) |
| Parking garage | (2,836,862) | (202,158) | - | - | (3,039,020) |
| Improvements other than buildings | (18,947,239) | (1,419,220) | 23,970 | - | (20,342,489) |
| Equipment | (1,823,734) | (146,079) | 61,498 | (33,065) | (1,941,380) |
| Furniture, fixtures and equipment (Right-of-use assets) | (59,312) | (28,910) | - | 33,065 | (55,157) |
| Total accumulated depreciation | <u>(33,188,493)</u> | <u>(2,208,624)</u> | <u>89,868</u> | <u>-</u> | <u>(35,307,249)</u> |
| Total capital assets being depreciated, net | <u>35,685,891</u> | <u>3,503,097</u> | <u>-</u> | <u>-</u> | <u>39,188,988</u> |
| Business-type activities capital assets, net | <u>\$ 38,888,872</u> | <u>\$ 6,570,011</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,458,883</u> |

Depreciation/amortization expense was charged as functions/programs as follows:

| | |
|--------------------------------------------------------------------|---------------------|
| Governmental Activities: | |
| General government | \$ 232,326 |
| Public safety | 616,792 |
| Transportation | 418,901 |
| Culture and recreation | 251,395 |
| Total depreciation/amortization expense - governmental activities | <u>\$ 1,519,414</u> |
| Business-type activities: | |
| Causeway | \$ 1,601,321 |
| Sewer | 263,837 |
| Water | 64,730 |
| Parking | 237,431 |
| Stormwater | 41,305 |
| Total depreciation/amortization expense - business-type activities | <u>\$ 2,208,624</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – LONG-TERM DEBT

Governmental Activities

The following is a summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2024:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--------------------------------------------------|------------------------------|---------------------|-----------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Bonds payable (Direct Borrowings): | | | | | |
| Refunding Note, Series 2012 | \$ 1,808,000 | \$ - | \$ (345,000) | \$ 1,463,000 | \$ 354,000 |
| Revenue bonds, Series 2016 | 3,035,000 | - | (10,000) | 3,025,000 | 10,000 |
| Add deferred amounts: | | | | | |
| Issuance premium | 78,283 | - | (7,828) | 70,455 | 7,828 |
| Total bonds payable | <u>4,921,283</u> | <u>-</u> | <u>(362,828)</u> | <u>4,558,455</u> | <u>371,828</u> |
| Compensated absences | 753,060 | 730,809 | (579,026) | 904,843 | 88,025 |
| Leases (right-of-use asset) | 515,551 | 718,893 | (306,209) | 928,235 | 282,145 |
| Subscription liability | 144,814 | 404,021 | (158,512) | 390,323 | 132,972 |
| Governmental activities long-term liabilities | <u>\$ 6,334,708</u> | <u>\$ 1,853,723</u> | <u>\$ (1,406,575)</u> | <u>\$ 6,781,856</u> | <u>\$ 874,970</u> |

All long-term obligations/liabilities, including pension and OPEB liabilities, of governmental activities are typically liquidated through the General Fund.

Refunding and Improvement Revenue Bonds – Series 2016

On September 29, 2016 the Town issued bonds in the amount of \$3,085,000 to advance refund the Series 2003B bonds. The bonds, including the payment of interest are secured by a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues. As of September 30, 2024, the deferred gain on refunding balance is \$39,896. The total principal and interest remaining on the bonds is \$3,861,601. For the current year, total debt service on the note was \$118,950. The note bears interest at a variable rate between 2% to 5%, with annual principal payments and semi-annual interest payments due through October 1, 2034.

Debt service requirements to maturity are as follows:

| Fiscal year ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2025 | \$ 10,000 | \$ 108,750 | \$ 118,750 |
| 2026 | 10,000 | 108,538 | 118,538 |
| 2027 | 10,000 | 108,313 | 118,313 |
| 2028 | 10,000 | 108,075 | 118,075 |
| 2029 | 10,000 | 107,800 | 117,800 |
| 2030-2034 | 2,440,000 | 287,100 | 2,727,100 |
| 2035 | 535,000 | 8,025 | 543,025 |
| | <u>\$ 3,025,000</u> | <u>\$ 836,601</u> | <u>\$ 3,861,601</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Refunding Note – Series 2012

On December 3, 2012, the Town borrowed \$4,709,000 [Promissory Refunding Note, Series 2012 (Sales Tax)] from a financial institution as a direct borrowing and used the proceeds to refund a portion (\$4,445,000) of its Revenue Bonds, Series 2003B. There was no deferred amount on refunding. The note, including the payment of interest is secured by a pledge of the Town's half-cent sales tax, franchise fees, and utility taxes. The total principal and interest remaining on the note is \$1,524,958. For the current year, pledged revenues were \$1,778,225 and debt service on the note was \$379,182. The note bears interest at 2.09%, with annual principal payments and semi-annual interest payments due through December 1, 2027.

Debt service requirements to maturity for this direct borrowing are as follows:

| Fiscal year ending September 30, | Principal | Interest | Total |
|-------------------------------------|--------------|-----------|--------------|
| 2025 | \$ 354,000 | \$ 26,877 | \$ 380,877 |
| 2026 | 362,000 | 19,395 | 381,395 |
| 2027 | 370,000 | 11,746 | 381,746 |
| 2028 | 377,000 | 3,940 | 380,940 |
| | \$ 1,463,000 | \$ 61,958 | \$ 1,524,958 |

Business-type Activities

The following is a summary of changes in long-term liabilities of the Town for business-type activities for the fiscal year ended September 30, 2024:

| | Beginning <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | Ending <u>Balance</u> | Due Within <u>One Year</u> |
|---------------------------------------------|-----------------------------|------------------|-------------------|--------------------------|-------------------------------|
| Business-type activities: | | | | | |
| Notes payable (Direct Borrowings): | | | | | |
| Broad Causeway Promissory Note, Series 2012 | \$ 6,167,000 | \$ - | \$ (965,000) | \$ 5,202,000 | \$ 989,000 |
| Parking Refunding Note, Series 2012 | 1,676,000 | - | (406,000) | 1,270,000 | - |
| Total notes payable | 7,843,000 | - | (1,371,000) | 6,472,000 | 989,000 |
| Compensated absences | 370,079 | 296,822 | (299,395) | 367,506 | 36,750 |
| Leases (right-of-use asset) | 41,221 | 52,796 | (27,117) | 66,900 | 19,891 |
| Total Leases | 411,300 | 349,618 | (326,512) | 434,406 | 56,641 |
| Total Business-type Activities | \$ 8,254,300 | \$ 349,618 | \$ (1,697,512) | \$ 6,906,406 | \$ 1,045,641 |

Broad Causeway Promissory Note, Series 2012

On November 14, 2012, the Town issued the Broad Causeway Promissory Note, Series 2012, as a direct borrowing, in the amount of \$14,642,000 in order to secure funding for a comprehensive rehabilitation of the causeway corridor and bridges to be completed over the next several years, and in order to refund the prior Broad Causeway Revenue Notes Series 2003A and 2003B.

The note, including the payment of interest is secured by the gross revenues from the operation of the Causeway and a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues if needed. The total principal and interest remaining on the note is \$5,537,605. For the current year, pledged revenues were \$11,604,453 and debt service on the note was \$1,108,818. The note bears interest at 2.53%, with annual principal payments and semi-annual interest payments due through December 1, 2028.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Business-type Activities (Continued)

Broad Causeway Promissory Note, Series 2012 (Continued)

Debt service requirements to maturity for this direct borrowing are as follows:

| Fiscal year ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2025 | \$ 989,000 | \$ 119,100 | \$ 1,108,100 |
| 2026 | 1,014,000 | 93,762 | 1,107,762 |
| 2027 | 1,040,000 | 67,779 | 1,107,779 |
| 2028 | 1,066,000 | 41,138 | 1,107,138 |
| 2029 | 1,093,000 | 13,826 | 1,106,826 |
| | <u>\$ 5,202,000</u> | <u>\$ 335,605</u> | <u>\$ 5,537,605</u> |

Parking Promissory Refunding Note, Series 2012

On November 14, 2012, the Town issued the Parking Promissory Refunding Note, Series 2012, as a direct borrowing, in the amount of \$4,923,000 in order to refinance the Series 2008 note. The note, including the payment of interest is secured by a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues if needed. The total principal and interest remaining on the note is \$1,343,715. The note bears interest at 2.17%, with annual principal payments and semi-annual interest payments due through December 1, 2027.

| Fiscal year ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|------------------|---------------------|
| 2025 | \$ - | \$ 31,964 | \$ 31,964 |
| 2026 | 414,000 | 23,067 | 437,067 |
| 2027 | 423,000 | 13,986 | 436,986 |
| 2028 | 433,000 | 4,698 | 437,698 |
| | <u>\$ 1,270,000</u> | <u>\$ 73,715</u> | <u>\$ 1,343,715</u> |

The Town's failure to pay the principal or interest on any debt obligation listed above when due or failure to observe and perform any covenant, condition, agreement or provision in any indenture applicable to the Town's various debt obligations, constitutes an event of default for the Town. In the event of a default, lenders may declare all principal and interest to be due immediately. The lender may also seek enforcement of and exercise all remedies available to collect the obligation due under any applicable law.

Leases (Right-of-use Asset)

The Town has entered into multiple lease agreements as a lessee. 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. A summary of the leases by governmental activities and business-type activities is summarized below:

Governmental activities:

The Town entered 24 active lease agreements as of September 30, 2024, which range in duration from 12 months to 60 months. As of September 30, 2024, the value of the lease liability was \$928,235. Principal and interest payments made during the fiscal year totaled \$337,296. Required monthly fixed payments range from approximately \$459 to \$47,240. The value of the leases (right-to-use assets) as of September 30, 2024 is \$1,520,462 with accumulated amortization of \$593,132.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Leases (Right-of-use Asset) (Continued)

Business-type activities: The Town entered into five lease agreements as a Lessee which range in duration from 12 months to 60 months. As of September 30, 2024, the value of the lease liability was \$66,900. Principal and interest payments made during the fiscal year totaled \$28,695. Required monthly fixed payments range from approximately \$452 to \$1,156. The value of the leases (right-to-use assets) as of September 30, 2024 is \$124,883 with accumulated amortization of \$55,157.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2024, are as follows:

| Fiscal year ending September 30, | Governmental Activities | | |
|-------------------------------------|-------------------------|-----------|--------------|
| | Principal | Interest | Total |
| 2025 | \$ 282,145 | \$ 35,508 | \$ 317,653 |
| 2026 | 268,701 | 25,006 | 293,707 |
| 2027 | 247,631 | 14,489 | 262,120 |
| 2028 | 112,521 | 5,488 | 118,009 |
| 2029 | 17,237 | 370 | 17,607 |
| | \$ 928,235 | \$ 80,861 | \$ 1,009,096 |

| Fiscal year ending September 30, | Business-type Activities | | |
|-------------------------------------|--------------------------|-----------|-----------|
| | Principal | Interest | Total |
| 2025 | \$ 19,891 | \$ 5,310 | \$ 25,201 |
| 2026 | 13,344 | 4,273 | 17,617 |
| 2027 | 10,716 | 3,156 | 13,872 |
| 2028 | 11,949 | 1,923 | 13,872 |
| 2029 | 11,000 | 559 | 11,559 |
| | \$ 66,900 | \$ 15,221 | \$ 82,121 |

Subscription-Based Information technology Arrangements (“SBITA”)

The Town has entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term lease under GASB 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

Governmental activities

As of September 30, 2024, the Town has 7 active subscription arrangements which range in duration from 12 months to 48 months. The value of the subscription arrangements liability was \$390,323 as of September 30, 2024. Principal and interest payments made during the fiscal year totaled \$160,008. Required monthly fixed payments range from approximately \$513 to \$72,142. The value of the subscription arrangements as of September 30, 2024 is \$596,806 with accumulated amortization of \$150,817.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Subscription-Based Information technology Arrangements (“SBITA”) (Continued)

Governmental activities (Continued)

The future minimum subscription arrangement obligations and the net present value of these minimum subscription arrangement payments as of September 30, 2024, are as follows:

| Fiscal year ending September 30, | Principal | Interest | Total |
|-------------------------------------|------------|-----------|------------|
| 2025 | \$ 132,972 | \$ 12,417 | \$ 145,389 |
| 2026 | 101,440 | 8,125 | 109,565 |
| 2027 | 76,750 | 4,902 | 81,652 |
| 2028 | 79,161 | 2,489 | 81,650 |
| | \$ 390,323 | \$ 27,933 | \$ 418,256 |

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation

At times during the year, the Town was involved in lawsuits or other legal matters incidental to its 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 Town.

Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, workers compensation, and natural disasters for which the Town carries commercial insurance. There was no reduction in insurance coverage from coverages in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Town has a single-employer defined benefit pension plan covering all full-time general employees and police officers with one year of service. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The Plan’s fiduciary net position has been determined on the same basis that is used by the Plan. This report may be obtained by contacting the Town’s Finance Director or visiting the Town’s website.

The Town of Bay Harbor Islands Employees' Retirement System was established by the Town’s Ordinance 226 effective January 12, 1970. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. All full-time general employees and police officers with one year of service are eligible. The actuarial funding valuation is as of October 1, 2022 (beginning of year valuation date) for the Town’s contribution for fiscal year ended September 30, 2024. Benefit and contribution provisions are established by Chapter 16 of the Town Code and may be amended only by the Board of Trustees, subject to approval of the Town Council. Administrative costs of the Plan are funded through investment earnings.

The Plan is administered by a Board of Trustees comprised of:

- The Town Manager (a permanent member of the Board by Ordinance)
- Two members of the Town Council elected by the Town Council
- A police officer elected by his/her fellow officers
- A general employee elected by his/her fellow general employees

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

Membership in the Plan as of the latest actuarial valuation dated October 1, 2023, was as follows:

| | |
|----------------------------------------------------------------------|-------------------|
| | <u>2023</u> |
| Inactive plan members and beneficiaries currently receiving benefits | 35 |
| Inactive plan members entitled but not yet receiving benefits | 12 |
| Active plan members | <u>66</u> |
| Total Members | <u><u>113</u></u> |

Employees become fully vested after 5 years of credited service.

Pension Benefits

Normal retirement is as follows:

- General employees who retire at the earlier of age 52 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.
- Police officers who retire at the earlier of age 50 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.

Under special circumstances, the Plan also provides for delayed retirement benefits and disability retirement benefits. A member may elect to receive in a lump sum at retirement an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan. General employees may elect to receive a partial lump sum equal to any portion of the actuarial equivalent lump sum value of the employee's accrued benefit, with the remaining value, if any, to be paid in the form of a straight-line annuity or in any of the other optional retirement benefit annuity forms.

Normal retirement benefits for general employees are based on 1.25% of average final compensation. For police, the multiplier is 1.75% for service before October 1, 2005, 3% after that date and before October 1, 2006, and 3.25% thereafter. For general employees and for police service before October 1, 2005, the multiplier may increase depending upon the members' contribution rate.

For police officers who were employed and accruing credited service on October 1, 2014, the normal retirement benefit rate increased from 3.25% to 3.50% for years of service on or after October 1, 2014.

For general employees who were employed and accruing credited service on October 1, 2015, the normal retirement benefit rate increased from 1.25% to 1.50% for all credited service earned from October 1, 2010 to September 30, 2016, and to 1.75% for all credit service earned on or after October 1, 2016.

A terminating member with less than five years creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment.

A police officer may purchase credited service for military service or for service as a police officer for a different employer occurring prior to the member's first or initial employment with the Town, as long as the member is not entitled to receive a benefit for such other prior service as a police officer. The maximum number of years of credited service that may be purchased for prior military and prior police service combined is four years.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions and Funding Policy

General employees are required to contribute 2% of their compensation, and may elect to make additional voluntary contributions up to 10%. Effective October 1, 2006, the mandatory contribution for police is 8% and no additional voluntary contributions are permitted. Employer contributions for fiscal year ended September 30, 2024 were 25.99% of covered payroll. The contribution requirements of the Town for the fiscal year ended September 30, 2024 were determined by the October 1, 2022 actuarial valuation. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts, written on Town of Bay Harbor Islands properties, is collected by the state and is remitted to the Town. The State of Florida distributes this money to local governments meeting certain eligibility requirements which is intended to purchase supplemental pension benefits for police officers. Refer to the share plan/supplemental benefits note for changes made to this benefit.

In fiscal year 2024, \$79,254 was received by the Town from the State on behalf of Police Officers (Chapter 185) and recorded in the General Fund as revenue and as a contribution (expenditure) to the Plan. The total amount went towards funding the actuarially determined annual required contribution for the Plan.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. The actuarial cost method used for determining the contribution requirements of the Plan is the entry age normal cost method.

Share Plan/Supplemental Benefits

The Town participates in the State of Florida Chapter 185 program. As a participant in the program, the Town is eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the Town limits. Chapter 185 levies a 0.85% tax on all casualty insurance premiums written within the Town limits. The monies received by the Town are for the purpose of providing benefits to or for the exclusive use of police officers. Effective October 1, 2015, the Town and the Dade County Police Benevolent Association agreed to utilize the supplemental benefit assets to increase the normal retirement multiplier to 3.50% and to utilize future Chapter 185 distributions as an offset to the Town's required contributions. As a result, there are no Share plan assets included in the pension trust fund as of September 30, 2024.

Deferred Retirement Option Plan ("DROP")

The Board of Trustees approved and amended the Plan documents to include a DROP for general employees effective January 18, 2020 and for police officers effective October 7, 2019. Any member is eligible to enter the DROP on or after his or her normal retirement date as defined above. The maximum participation in the DROP is 60 months. However, an extension of a member's participation time in the DROP may be allowed at the sole discretion of the town manager and on a case-by-case basis. If an extension of time is allowed, the manager's approval shall be in writing and it shall specify the amount of time that is approved. A DROP member may separate from service prior to the expiration of the five-year period and can only participate in the DROP once.

Upon commencement of participation in the DROP, (a) the employee does not receive any additional creditable service for pension purposes, (b) the member is not eligible for disability or pre-retirement death benefits and (c) the member's contributions are discontinued. Additionally, the amount of final average salary for calculation of pension benefits is determined as of the date of entering the DROP. No payment is made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

The monthly retirement benefits that would have been payable had the member elected to cease employment and not join the DROP, is credited to the member's DROP account. The money in all participant's DROP accounts is commingled with all other assets of the fund.

For members who enter the DROP on or after October 7, 2019, the member's DROP account is credited with the interest earned by the individual employee's retirement system account for the fiscal year minus administrative fees reasonably incurred by the Town in processing the account.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Retirement Option Plan (“DROP”) (Continued)

Upon termination of a DROP member's employment with the Town, the retirement benefits accumulated in the member's DROP account is paid to the member. The balance credited to the member's DROP account shall be payable either to the member or as a direct rollover into any qualified plan that accepts rollovers. All distributions must comply with the Internal Revenue Code and regulations promulgated thereunder.

As of the fiscal year ended September 30, 2024, there was 1 member who participated in the DROP. A summary of the changes in the DROP is as follows:

| | |
|-------------------|------------|
| | 2024 |
| Beginning balance | \$ - |
| Additions | 451,482 |
| Ending balance | \$ 451,482 |

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with GAAP as applied to governmental entities in accordance with GASB pronouncements. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value, except for money market funds, which are reported at amortized cost. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of average cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recorded as earned on the accrual basis. For more details regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy in Note 3.

Within certain limitations as specified in the Plan, the investment policy is determined by the Board of Trustees and is implemented by the Plan's investment managers.

Net Pension Liability of the Town

In accordance with Government Accounting Standards Board Statement No. 68, the net pension asset of the Town, which elected to use a measurement date of September 30, 2023, was as follows:

| | |
|-------------------------------------------------------------------------------|---------------|
| Total pension liability | \$ 25,604,510 |
| Less plan fiduciary net position | (22,839,909) |
| Net pension liability | \$ 2,764,601 |
| Plan fiduciary net position as a percentage of the total pension liability | 89.20% |

The above net pension liability is recorded within the government-wide statement of net position as of September 30, 2024.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability/Asset

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
|------------------------------------------------------------------|------------------------------------------|----------------------------------------------|------------------------------------------------------|
| Balances at September 30, 2022 | \$ 22,692,714 | \$ (22,568,063) | \$ 124,651 |
| Changes for the year: | | | |
| Service cost | 1,226,481 | - | 1,226,481 |
| Expected interest growth | 1,879,080 | (1,748,356) | 130,724 |
| Unexpected investment income | - | 245,348 | 245,348 |
| Demographic experience | 1,541,785 | - | 1,541,785 |
| Contributions - employer | - | (585,810) | (585,810) |
| Contributions - employee | - | (425,093) | (425,093) |
| Benefit payments, including refunds of employee contributions | (2,193,131) | 2,193,131 | - |
| Changes in benefit terms | 457,581 | - | 457,581 |
| Administrative expenses | - | 48,934 | 48,934 |
| Net changes | <u>2,911,796</u> | <u>(271,846)</u> | <u>2,639,950</u> |
| Balances at September 30, 2023 | <u>\$ 25,604,510</u> | <u>\$ (22,839,909)</u> | <u>\$ 2,764,601</u> |

Significant Actuarial Assumptions

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

| | |
|--------------------------|------------------------------------------------------------------|
| Discount Rate | 7.96% |
| Inflation | 3.00% |
| Salary increases | 4.00% per annum |
| Measurement Date | September 30, 2023, based on a valuation date of October 1, 2022 |
| Cost of Living increases | None |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant Actuarial Assumptions (Continued)

Mortality Rates

For general employees prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for general employees after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for police officers prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for non-disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; and for disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

| Investment Category | Expected Long-Term Real Return | Target Allocation |
|----------------------------------------|--------------------------------------|----------------------|
| Large cap (domestic equity) | 5.73% | 25.00% |
| Mid cap (domestic equity) | 9.50% | 7.50% |
| Small cap (domestic equity) | 9.32% | 7.50% |
| Fixed Income | 1.55% | 35.00% |
| Developed markets | 4.25% | 10.00% |
| Emerging Market (international equity) | 10.30% | 5.00% |
| Real estate | 6.35% | 10.00% |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.96%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Net Pension Asset to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.96%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.96%) or 1-percentage-point higher (8.96%) than the current rate:

| | 1% Decrease (6.96%) | Discount Rate (7.96%) | 1% Increase (8.96%) |
|-----------------------|------------------------|--------------------------|------------------------|
| Net pension liability | \$ 3,556,342 | \$ 2,764,601 | \$ 2,049,673 |

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

At September 30, 2024, the Town reported a net pension liability of \$2,764,601. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022. For the fiscal year ended September 30, 2024, the Town recognized pension expense of approximately \$3,597,815 as a result of changes in actuarial assumptions. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------|--------------------------------------|-------------------------------------|
| Net unexpected investment income | \$ 2,709,743 | \$ - |
| Assumption changes | 1,654,773 | - |
| Demographic experience | - | 55,595 |
| Town contributions subsequent to the measurement date | 1,234,452 | - |
| Total | \$ 5,598,968 | \$ 55,595 |

The deferred outflows of resources totaling \$1,234,452 resulting from Town contributions to the pension subsequent to the measurement date will be recognized as an increase or decrease of the net pension asset in the subsequent fiscal year. The additional amounts reported as deferred inflows and outflows of resources related to the pension will be recognized in pension expense over the remaining years as follows:

| Fiscal year ending September 30, | Amount |
|-------------------------------------|----------------|
| 2025 | \$ (1,854,576) |
| 2026 | (1,229,783) |
| 2027 | (1,175,494) |
| 2028 | (49,068) |
| | \$ (4,308,921) |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The Town provides an optional single employer defined benefit post-employment (OPEB) healthcare plan to all regular employees of the Town who retire from active service and receive retirement benefits under the Town's pension plan. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

At September 30, 2024, the following employees were covered by the benefit terms:

| | |
|--------------------------------------------------------------------------|----|
| Inactive employees or beneficiaries currently receiving benefit payments | 4 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | 65 |
| Total employees | 69 |

Total OPEB Liability

The Town's total OPEB liability of \$268,238 was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2022.

Actuarial Assumptions and Other Inputs

The Town's total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discount Rate | 4.06% |
| Inflation | 3.00% |
| Salary increases | 3.00% per annum |
| Healthcare cost trend rates | Increases in healthcare costs are assumed to be 8.00% for the 2022/23 fiscal year graded down by 0.50% per year to 5.00% for the 2028/29 and later fiscal years. |
| Retiree's share of benefit related costs | |
| Mortality basis | Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020 |

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|----------------------------------------|-------------------------|
| Balance at September 30, 2023 | \$ 248,778 |
| Changes for the year: | |
| Service cost | 14,321 |
| Interest | 10,254 |
| Changes of assumptions or other inputs | 16,152 |
| Benefit payments | (21,267) |
| Net Change | 19,460 |
| Balance at September 30, 2024 | \$ 268,238 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Town’s Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using the discount rate of 4.06%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

| | 1% Decrease (3.06%) | Discount Rate (4.06%) | 1% Increase (5.06%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 289,026 | \$ 268,238 | \$ 249,752 |

Sensitivity of the Town’s Total OPEB Liability to Changes Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher (8.0% decreasing to 5.0%) than the current rate:

| | 1% Decrease | 8.00% graded down to 5.00% | 1% Increase |
|----------------------|-------------|-------------------------------|-------------|
| Total OPEB Liability | \$ 243,362 | \$ 268,238 | \$ 296,855 |

Resources Related to OPEB

For the fiscal year ended September 30, 2024, the Town recognized OPEB income of \$11,056. At September 30, 2024, the Town 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 |
|------------------------|--------------------------------------|-------------------------------------|
| Assumption changes | \$ 16,152 | \$ 19,168 |
| Demographic experience | 3,678 | - |
| Total | \$ 19,830 | \$ 19,168 |

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense over the remaining years as follows:

| Fiscal year ending September 30, | Amount |
|-------------------------------------|------------|
| 2025 | \$ (8,493) |
| 2026 | 5,580 |
| 2027 | 3,575 |
| | \$ 662 |

NOTE 11 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

During the fiscal year ended September 30, 2024, the Town incurred expenditures and transfers out in the General Fund that were in excess of the amounts appropriated:

| | Budget | Actual | Variance |
|------------------------|------------|------------|-------------|
| Information technology | \$ 697,588 | \$ 713,840 | \$ (16,252) |
| Law enforcement | 6,199,378 | 6,670,894 | (471,516) |
| Debt service | 477,255 | 836,892 | (359,637) |

The overages were paid from available General Fund reserves.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BAY HARBOR ISLANDS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget - Favorable (Unfavorable) |
|------------------------------------------------------|------------------------|-------------------|-----------------------|------------------------------------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 5,741,697 | \$ 5,844,885 | \$ 5,871,196 | \$ 26,311 |
| Utility taxes | 545,000 | 545,000 | 668,603 | 123,603 |
| Communications services tax | 195,092 | 195,092 | 217,871 | 22,779 |
| Franchise fees | 455,000 | 455,000 | 498,556 | 43,556 |
| Licenses and permits | 2,110,000 | 4,806,358 | 4,806,615 | 257 |
| Intergovernmental | 1,315,163 | 1,395,928 | 1,347,640 | (48,288) |
| Charges for services | 154,300 | 590,434 | 590,445 | 11 |
| Fines and forfeitures | 100,000 | 519,318 | 458,429 | (60,889) |
| Investment earnings | (80,000) | (8,646) | 330,397 | 339,043 |
| Grants | 116,000 | 295,802 | 317,782 | 21,980 |
| Miscellaneous | 100,000 | 72,168 | 82,690 | 10,522 |
| Total revenues | <u>10,752,252</u> | <u>14,711,339</u> | <u>15,190,224</u> | <u>478,885</u> |
| Expenditures: | | | | |
| General government: | | | | |
| Legislative | 274,313 | 274,313 | 232,029 | 42,284 |
| Executive | 614,217 | 614,218 | 610,211 | 4,007 |
| Clerk | 349,613 | 369,725 | 346,277 | 23,448 |
| Finance and administration | 608,035 | 579,737 | 508,620 | 71,117 |
| Information technology | 678,658 | 697,588 | 713,840 | (16,252) |
| Human resources | 180,410 | 180,409 | 154,359 | 26,050 |
| Legal | 243,000 | 273,877 | 263,877 | 10,000 |
| Total general government | <u>2,948,246</u> | <u>2,989,867</u> | <u>2,829,213</u> | <u>160,654</u> |
| Public buildings | 1,362,206 | 1,105,239 | 616,830 | 488,409 |
| Public safety: | | | | |
| Law enforcement | 6,057,489 | 6,199,378 | 6,670,894 | (471,516) |
| Protective inspections | 1,452,176 | 1,389,671 | 1,241,121 | 148,550 |
| Code enforcement | 211,953 | 211,953 | 189,708 | 22,245 |
| Other public safety | 243,778 | 165,242 | 161,414 | 3,828 |
| Total public safety | <u>7,965,396</u> | <u>7,966,244</u> | <u>8,263,137</u> | <u>(296,893)</u> |
| Transportation: | | | | |
| Streets and parkways | 759,591 | 959,591 | 628,342 | 331,249 |
| Public transit | 278,500 | 278,500 | 268,839 | 9,661 |
| Total transportation | <u>1,038,091</u> | <u>1,238,091</u> | <u>897,181</u> | <u>340,910</u> |
| Culture and recreation: | | | | |
| Parks and recreation | 1,631,233 | 1,646,953 | 1,560,617 | 86,336 |
| Transfer to reserves | - | - | - | - |
| Total culture and recreation | <u>1,631,233</u> | <u>1,646,953</u> | <u>1,560,617</u> | <u>86,336</u> |
| Debt service | | | | |
| Principal, interest, and fiscal charges | 498,132 | 477,255 | 836,892 | (359,637) |
| Total expenditures | <u>15,443,304</u> | <u>15,423,649</u> | <u>15,003,870</u> | <u>419,779</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,691,052)</u> | <u>(712,310)</u> | <u>186,354</u> | <u>898,664</u> |
| Other financing sources (uses): | | | | |
| Appropriation of prior year fund balance | 1,878,449 | 9,273,957 | - | 9,273,957 |
| Leases (right-of-use asset) acquired | 467,773 | 467,773 | 467,773 | - |
| Subscription arrangements issued | 404,021 | 404,021 | 404,021 | - |
| Transfers in | 1,125,000 | 1,125,000 | 1,125,000 | - |
| Transfers out | (9,663,614) | (9,663,614) | (9,663,614) | - |
| Total other financing sources (uses) | <u>(5,788,371)</u> | <u>1,607,137</u> | <u>(7,666,820)</u> | <u>9,273,957</u> |
| Net change in fund balance | <u>\$ (10,479,423)</u> | <u>\$ 894,827</u> | <u>\$ (7,480,466)</u> | <u>\$ 10,172,621</u> |

See notes to budgetary comparison schedule

TOWN OF BAY HARBOR ISLANDS, FLORIDA
NOTE TO BUDGETARY SCHEDULE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets are prepared for the General Fund, the Park Impact Fees Fund (a nonmajor fund), and the Police Forfeitures Fund (a nonmajor fund).

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) The Town Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- 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 Town Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated or from available fund balance. During fiscal year ended September 30, 2024, there were supplemental appropriations in the General Fund of approximately \$11,374,250.
- e) Formal budgetary integration is employed as a management control device for the General Fund. Budget amendments were not material in relation to the original appropriation.
- f) The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- g) The Town Manager is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Town Council. Therefore, the legal level of control is at the department level.

TOWN OF BAY HARBOR ISLANDS EMPLOYEE'S RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

| Measurement Date, September 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------------------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 1,226,481 | \$ 896,214 | \$ 739,288 | \$ 752,678 | \$ 786,299 | \$ 1,071,650 | \$ 1,026,849 | \$ 881,514 | \$ 758,824 | \$ 686,893 |
| Interest | 1,879,080 | 1,595,591 | 1,553,006 | 1,530,252 | 1,850,596 | 1,279,001 | 1,180,877 | 983,968 | 923,439 | 851,757 |
| Demographic experience | 1,541,785 | 1,631,800 | 1,073,343 | (642,790) | (477,459) | 906,769 | (328,634) | (435,741) | (100,632) | - |
| Changes of benefit terms | 457,581 | - | - | - | - | 8,635 | 726,619 | 998,287 | - | - |
| Changes of assumptions | - | - | (630,731) | - | (4,786,155) | - | - | 1,864,465 | - | - |
| Benefit payments, including refunds of member contributions | (2,193,131) | (878,945) | (2,329,906) | (1,341,878) | (1,310,542) | (1,688,273) | (893,750) | (1,064,535) | (671,862) | (359,028) |
| Net change in total pension liability | 2,911,796 | 3,244,660 | 405,000 | 298,262 | (3,937,261) | 1,577,782 | 1,711,961 | 3,227,958 | 909,769 | 1,179,622 |
| Total pension liability- Beginning | 22,692,714 | 19,448,054 | 19,043,054 | 18,744,792 | 22,682,053 | 21,104,271 | 19,392,310 | 16,164,352 | 15,254,583 | 14,074,961 |
| Total pension liability- Ending (a) | \$ 25,604,510 | \$ 22,692,714 | \$ 19,448,054 | \$ 19,043,054 | \$ 18,744,792 | \$ 22,682,053 | \$ 21,104,271 | \$ 19,392,310 | \$ 16,164,352 | \$ 15,254,583 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 585,810 | \$ 937,084 | \$ 1,050,617 | \$ 1,080,265 | \$ 1,004,663 | \$ 1,137,266 | \$ 874,490 | \$ 795,792 | \$ 674,623 | \$ 922,599 |
| Contributions - employee | 425,093 | 418,944 | 372,757 | 520,770 | 399,794 | 345,320 | 332,750 | 700,737 | 271,897 | 275,817 |
| Net investment income (loss) | 1,503,009 | (3,315,562) | 3,705,978 | 1,336,214 | 651,814 | 1,558,236 | 1,705,415 | 1,506,073 | (248,856) | 1,185,773 |
| Benefit payments, including refunds of member contributions | (2,193,131) | (878,945) | (2,329,906) | (1,341,878) | (1,310,542) | (1,688,273) | (893,750) | (1,064,535) | (671,862) | (384,382) |
| Administrative expense | (48,935) | (71,614) | (36,826) | (45,349) | (38,809) | (37,597) | (33,384) | (37,339) | (31,590) | (31,811) |
| Net change in plan fiduciary net position | 271,846 | (2,910,093) | 2,762,620 | 1,550,022 | 706,920 | 1,314,952 | 1,985,521 | 1,900,728 | (5,788) | 1,967,996 |
| Plan fiduciary net position - Beginning | 22,568,063 | 25,478,156 | 22,715,536 | 21,165,514 | 20,410,342 | 19,095,390 | 17,114,069 | 15,213,341 | 15,219,129 | 13,251,133 |
| Plan fiduciary net position - Ending (b) | \$ 22,839,909 | \$ 22,568,063 | \$ 25,478,156 | \$ 22,715,536 | \$ 21,117,262 | \$ 20,410,342 | \$ 19,099,590 | \$ 17,114,069 | \$ 15,213,341 | \$ 15,219,129 |
| Net pension (asset) liability - ending (a) - (b) | \$ 2,764,601 | \$ 124,651 | \$ (6,030,102) | \$ (3,672,482) | \$ (2,372,470) | \$ 2,271,711 | \$ 2,004,681 | \$ 2,278,241 | \$ 951,011 | \$ 35,454 |
| Fiduciary net position as a percentage of the total pension liability (asset) | 89.20% | 99.45% | 131.01% | 119.29% | 112.66% | 89.98% | 90.50% | 88.25% | 94.12% | 99.77% |
| Covered payroll | \$ 5,759,046 | \$ 4,409,406 | \$ 4,525,693 | \$ 4,402,353 | \$ 4,645,071 | \$ 4,363,540 | \$ 4,362,247 | \$ 3,962,146 | \$ 3,822,792 | \$ 3,633,983 |
| Net pension liability as a percentage of covered payroll | 48.00% | 2.83% | N/A | N/A | N/A | 52.06% | 45.96% | 57.50% | 24.88% | 0.98% |

Note: Ending Plan Fiduciary Net Position for 2019 excludes 48,252 related to employer contributions that were accrued after the actuarial valuation was completed.

Note: Ending Plan Fiduciary Net Position for 2017 excludes 4,200 related to benefits payable to participants that was accrued after the actuarial valuation was completed.

Note: Plan Fiduciary Net Position for 2015 and 2014 excludes 223,769 and 198,656, respectively, of Share Plan net position. In fiscal year 2016, Share Plan assets were transferred over to the Plan and are included in the 2016 employer contributions.

N/A means not applicable

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

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN CONTRIBUTIONS
LAST TEN FISCAL YEARS

| Fiscal Year Ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contributions as a % of Covered Payroll |
|-------------------------------------------|-------------------------------------------|------------------------|----------------------------------------|--------------------|---------------------------------------------------------|
| 2024 | \$ 1,552,233 | \$ 1,313,706 | \$ 238,527 | \$ 5,971,560 | 22.00% |
| 2023 | 402,731 | 585,810 | (183,079) | 5,759,046 | 10.17% |
| 2022 | 834,338 | 937,084 | (102,746) | 4,409,406 | 21.25% |
| 2021 | 1,001,827 | 1,050,617 | (48,790) | 4,525,693 | 23.21% |
| 2020 | 1,022,793 | 1,128,517 | (105,724) | 4,402,353 | 25.63% |
| 2019 | 1,001,806 | 1,004,663 | (2,857) | 4,645,071 | 21.63% |
| 2018 | 1,086,156 | 1,137,266 | (51,110) | 4,363,540 | 26.06% |
| 2017 | 816,415 | 874,490 | (58,075) | 4,362,247 | 20.05% |
| 2016 | 795,792 | 795,792 | - | 3,962,146 | 20.08% |
| 2015 | 674,623 | 674,623 | - | 3,822,792 | 17.65% |

Significant Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ended September 30, 2024:

Valuation date: 10/1/2022

Note Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

| | |
|---------------------------------------|----------------------------------------------------------|
| Actuarial Cost Method | Entry-Age Normal |
| Amortization Method | Level Dollar |
| Remaining Amortization Period | 10 years |
| Asset Valuation Method | Market Value |
| Inflation and Other General Increases | 3.00% |
| Salary Increases | 4.00% |
| Discount Rate of Return | 6.00% |
| Retirement Age | Retirement is assumed to occur at normal retirement age. |

Mortality Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table, with full generational projections using Scale MP-2018.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)

| Measurement Date, September 30, | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB liability: | | | | | | | |
| Service cost | \$ 14,321 | \$ 12,564 | \$ 11,774 | \$ 17,062 | \$ 19,214 | \$ 15,299 | \$ 11,358 |
| Interest | 10,254 | 11,824 | 13,206 | 7,489 | 5,695 | 8,089 | 7,880 |
| Differences between expected and actual experience | - | 11,160 | - | 12,001 | - | 4,510 | - |
| Assumption changes | 16,152 | (5,854) | (45,603) | (49,688) | 31,584 | 22,472 | - |
| Benefit payments | <u>(21,267)</u> | <u>(18,107)</u> | <u>(14,381)</u> | <u>(11,515)</u> | <u>(13,028)</u> | <u>(15,099)</u> | <u>(12,372)</u> |
| Net change in total OPEB liability | 19,460 | 11,587 | (35,004) | (24,651) | 43,465 | 35,271 | 6,866 |
| Total OPEB liability-beginning | <u>248,778</u> | <u>237,191</u> | <u>272,195</u> | <u>296,846</u> | <u>253,381</u> | <u>218,110</u> | <u>211,244</u> |
| Total OPEB liability-ending | <u>\$ 268,238</u> | <u>\$ 248,778</u> | <u>\$ 237,191</u> | <u>\$ 272,195</u> | <u>\$ 296,846</u> | <u>\$ 253,381</u> | <u>\$ 218,110</u> |
| Covered-employee payroll | \$ 3,034,470 | \$ 3,034,470 | \$ 4,525,693 | \$ 4,525,693 | \$ 4,263,252 | \$ 4,263,252 | \$ 4,363,540 |
| Total OPEB liability as a percentage of covered-employee payroll | 8.84% | 8.20% | 5.24% | 6.01% | 6.96% | 5.94% | 5.00% |

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.

Note: The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. As such, the OPEB Plan has no assets and does not issue a separate financial report.

**COMBINING FINANCIAL
STATEMENTS AND SCHEDULES**

TOWN OF BAY HARBOR ISLANDS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | Special Revenue Funds | | | |
|------------------------------------------|-----------------------------|-------------------------------|------------------------------|---------------------------------------------|
| | Park Impact Fees Fund | Police Forfeitures Fund | Youth Development Fund | Total Non-major Governmental Funds |
| <u>ASSETS</u> | | | | |
| Cash | \$ 1,252,934 | \$ 9,832 | \$ - | \$ 1,262,766 |
| Due from other funds | 243,621 | - | 115,838 | 359,459 |
| Total assets | \$ 1,496,555 | \$ 9,832 | \$ 115,838 | \$ 1,622,225 |
| <u>LIABILITIES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ 8,287 | \$ 8,287 |
| Due to other funds | - | - | 111,416 | 111,416 |
| Total liabilities | - | - | 119,703 | 119,703 |
| <u>FUND BALANCES</u> | | | | |
| Restricted: | | | | |
| Law enforcement | - | 9,832 | - | 9,832 |
| Park impact | 1,496,555 | - | - | 1,496,555 |
| Unassigned | - | - | (3,865) | (3,865) |
| Total fund balances | 1,496,555 | 9,832 | (3,865) | 1,502,522 |
| Total liabilities and fund balances | \$ 1,496,555 | \$ 9,832 | \$ 115,838 | \$ 1,622,225 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Special Revenue | | | Total Non-major Governmental Funds |
|---------------------------------------------------|-----------------------------|-------------------------------|------------------------------|---------------------------------------------|
| | Park Impact Fees Fund | Police Forfeitures Fund | Youth Development Fund | |
| Revenues: | | | | |
| Impact fees | \$ 209,308 | \$ - | \$ - | \$ 209,308 |
| Grants | - | - | 302,745 | 302,745 |
| Total revenues | 209,308 | - | 302,745 | 512,053 |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | - | - | 559,974 | 559,974 |
| Total expenditures | - | - | 559,974 | 559,974 |
| Excess (deficiency) of revenues over expenditures | 209,308 | - | (257,229) | (47,921) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 253,364 | 253,364 |
| Total other financing sources (uses) | - | - | 253,364 | 253,364 |
| Net change in fund balances | 209,308 | - | (3,865) | 205,443 |
| Fund balances, beginning | 1,287,247 | 9,832 | - | 1,297,079 |
| Fund balances, ending | \$ 1,496,555 | \$ 9,832 | \$ (3,865) | \$ 1,502,522 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PARK IMPACT FEES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget - Favorable (Unfavorable) |
|---------------------------------------------------|------------------|------------------|---------------------|------------------------------------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 209,308 | \$ 209,308 |
| Total revenues | <u>-</u> | <u>-</u> | <u>209,308</u> | <u>209,308</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Parks and recreation | <u>200,000</u> | <u>200,000</u> | <u>-</u> | <u>200,000</u> |
| Total expenditures | <u>200,000</u> | <u>200,000</u> | <u>-</u> | <u>200,000</u> |
| Excess (deficiency) of revenues over expenditures | <u>(200,000)</u> | <u>(200,000)</u> | <u>209,308</u> | <u>409,308</u> |
| Other financing sources (uses): | | | | |
| Appropriation of prior year fund balance | <u>200,000</u> | <u>200,000</u> | <u>-</u> | <u>(200,000)</u> |
| Total other financing sources (uses) | <u>200,000</u> | <u>200,000</u> | <u>-</u> | <u>(200,000)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>209,308</u> | <u>\$ 209,308</u> |
| Fund balance, beginning | | | <u>1,287,247</u> | |
| Fund balance, ending | | | <u>\$ 1,496,555</u> | |

See notes to budgetary comparison schedules

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE FORFEITURES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget - Favorable (Unfavorable) |
|-------------------------------------------|------------------|--------------|-----------------|------------------------------------------------------------------|
| | Original | Final | | |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | \$ 9,832 | \$ 9,832 | \$ - | \$ 9,832 |
| Total expenditures | <u>9,832</u> | <u>9,832</u> | <u>-</u> | <u>9,832</u> |
| Other financing sources (uses): | | | | |
| Appropriations of prior year fund balance | <u>9,832</u> | <u>9,832</u> | <u>-</u> | <u>(9,832)</u> |
| Total other financing sources (uses) | <u>9,832</u> | <u>9,832</u> | <u>-</u> | <u>(9,832)</u> |
| Net changes in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>9,832</u> | |
| Fund balance, ending | | | <u>\$ 9,832</u> | |

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
YOUTH DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget - Favorable (Unfavorable) |
|-----------------------------------------------------------------------|------------------|------------------|------------------|------------------------------------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 320,000 | \$ 298,982 | \$ 302,745 | \$ 3,763 |
| Total revenues | <u>320,000</u> | <u>298,982</u> | <u>302,745</u> | <u>3,763</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 596,397 | 552,346 | 559,974 | (7,628) |
| Total expenditures | <u>596,397</u> | <u>552,346</u> | <u>559,974</u> | <u>(7,628)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(276,397)</u> | <u>(253,364)</u> | <u>(257,229)</u> | <u>(3,865)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 276,397 | 253,364 | 253,364 | - |
| Total other financing sources (uses) | <u>276,397</u> | <u>253,364</u> | <u>253,364</u> | <u>-</u> |
| Revenues over (under) expenditures and other financing sources (uses) | <u>-</u> | <u>-</u> | (3,865) | <u>(3,865)</u> |
| Net changes in fund balance | <u>\$ -</u> | <u>\$ -</u> | (3,865) | <u>\$ (3,865)</u> |
| Fund balance, beginning | | | - | |
| Fund balance, ending | | | <u>(3,865)</u> | |

See notes to budgetary comparison schedules

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget - Favorable (Unfavorable) |
|---------------------------------------------------|---------------------|--------------------|----------------------|------------------------------------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Transfer development right fees | \$ - | \$ 3,431,000 | \$ 3,431,000 | \$ - |
| Fines and forfeitures | - | 56,800 | 56,800 | - |
| Investment income | 850,000 | - | 50,000 | 50,000 |
| Total revenues | <u>850,000</u> | <u>3,487,800</u> | <u>3,537,800</u> | <u>50,000</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 450,000 | 9,751,303 | 387,211 | 9,364,092 |
| Capital outlay | 2,661,000 | 3,146,746 | 1,568,847 | 1,577,899 |
| Debt service: | | | | |
| Principal | - | - | 91,422 | (91,422) |
| Total expenditures | <u>3,111,000</u> | <u>12,898,049</u> | <u>2,047,480</u> | <u>10,850,569</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,261,000)</u> | <u>(9,410,249)</u> | <u>1,490,320</u> | <u>10,900,569</u> |
| Other financing sources (uses): | | | | |
| Leases (right-of-use asset) acquired | - | - | 251,120 | 251,120 |
| Transfers in | 2,136,000 | 9,410,250 | 9,410,250 | - |
| Total other financing sources (uses) | <u>2,136,000</u> | <u>9,410,250</u> | <u>9,661,370</u> | <u>251,120</u> |
| Net changes in fund balance | <u>\$ (125,000)</u> | <u>\$ 1</u> | 11,151,690 | <u>\$ 11,151,689</u> |
| Fund balance, beginning | | | <u>207,474</u> | |
| Fund balance, ending | | | <u>\$ 11,359,164</u> | |

See notes to budgetary comparison schedules

STATISTICAL SECTION

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATISTICAL SECTION

This part of the Town of Bay Harbor Island's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents

Page

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Financial Trends | 69-74 |
| These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. | |
| Revenue Capacity | 75-79 |
| These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax. | |
| Debt Capacity | 80-83 |
| These schedules contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in future. | |
| Demographic and Economic Information | 84 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place. | |
| Operating Information | 85-87 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. | |

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

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 12,948,529 | \$ 14,949,552 | \$ 15,529,419 | \$ 15,161,744 | \$ 15,378,550 | \$ 15,104,245 | \$ 14,986,615 | \$ 15,949,213 | \$ 15,664,059 | \$ 16,190,105 |
| Restricted | 7,486 | 7,487 | 67,839 | 67,790 | 115,065 | 1,618,790 | 2,455,206 | 4,555,906 | 1,409,246 | 1,570,812 |
| Unrestricted | 8,080,656 | 8,259,502 | 8,245,522 | 7,979,399 | 7,810,483 | 8,615,653 | 11,281,338 | 14,163,927 | 21,769,286 | 23,867,865 |
| Total governmental activities net position | <u>\$ 21,036,671</u> | <u>\$ 23,216,541</u> | <u>\$ 23,842,780</u> | <u>\$ 23,208,933</u> | <u>\$ 23,304,098</u> | <u>\$ 25,338,688</u> | <u>\$ 28,723,159</u> | <u>\$ 34,669,046</u> | <u>\$ 38,842,591</u> | <u>\$ 41,628,782</u> |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 17,833,029 | \$ 23,524,318 | \$ 27,851,167 | \$ 27,475,399 | \$ 27,270,755 | \$ 27,772,967 | \$ 28,185,137 | \$ 28,306,127 | \$ 31,004,653 | \$ 38,786,568 |
| Restricted | 83,142 | 86,092 | 89,043 | 91,993 | 94,943 | 1,016,057 | 1,331,064 | 2,183,635 | -- | -- |
| Unrestricted | 10,240,475 | 7,262,551 | 7,568,819 | 12,161,608 | 16,974,083 | 19,895,383 | 24,346,318 | 27,599,698 | 33,196,710 | 32,435,633 |
| Total business-type activities net position | <u>\$ 28,156,646</u> | <u>\$ 30,872,961</u> | <u>\$ 35,509,029</u> | <u>\$ 39,729,000</u> | <u>\$ 44,339,781</u> | <u>\$ 48,684,407</u> | <u>\$ 53,862,519</u> | <u>\$ 58,089,460</u> | <u>\$ 64,201,363</u> | <u>\$ 71,222,201</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 30,781,558 | \$ 38,473,870 | \$ 43,380,586 | \$ 42,637,143 | \$ 42,649,305 | \$ 42,877,212 | \$ 43,171,752 | \$ 44,255,340 | \$ 46,668,712 | \$ 54,976,673 |
| Restricted | 90,628 | 93,579 | 156,882 | 159,783 | 210,008 | 2,634,847 | 3,786,270 | 6,739,541 | 1,409,246 | 1,570,812 |
| Unrestricted | 18,321,131 | 15,522,053 | 15,814,341 | 20,141,007 | 24,784,566 | 28,511,036 | 35,627,656 | 41,763,625 | 54,965,996 | 56,303,498 |
| Total primary government net position | <u>\$ 49,193,317</u> | <u>\$ 54,089,502</u> | <u>\$ 59,351,809</u> | <u>\$ 62,937,933</u> | <u>\$ 67,643,879</u> | <u>\$ 74,023,095</u> | <u>\$ 82,585,678</u> | <u>\$ 92,758,506</u> | <u>\$ 103,043,954</u> | <u>\$ 112,850,983</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 1,333,314 | \$ 1,538,406 | \$ 1,537,536 | \$ 1,780,209 | \$ 2,318,792 | \$ 1,768,769 | \$ 1,486,733 | \$ 2,166,259 | \$ 3,232,678 | \$ 4,256,803 |
| Public safety | 4,285,979 | 4,586,153 | 5,044,475 | 5,330,461 | 5,058,762 | 4,136,294 | 4,327,810 | 4,740,370 | 6,990,131 | 8,916,488 |
| Transportation | 1,058,239 | 1,092,928 | 1,285,291 | 1,295,889 | 1,126,025 | 1,062,366 | 1,049,872 | 1,130,853 | 1,182,018 | 1,456,465 |
| Culture and recreation | 620,285 | 874,555 | 1,127,501 | 1,459,979 | 1,470,681 | 1,230,141 | 1,274,188 | 1,467,405 | 1,892,160 | 2,856,978 |
| Interest on long-term debt | 248,602 | 291,717 | 186,048 | 185,472 | 176,656 | 167,388 | 162,482 | 156,359 | 228,648 | 93,945 |
| Total governmental activities expenses | 7,546,419 | 8,383,759 | 9,180,851 | 10,052,010 | 10,150,916 | 8,364,958 | 8,301,085 | 9,661,246 | 13,525,635 | 17,580,679 |
| Business-type activities: | | | | | | | | | | |
| Causeway | 3,423,522 | 3,721,789 | 3,550,807 | 4,735,956 | 4,467,392 | 4,053,303 | 4,023,653 | 4,713,142 | 5,607,322 | 6,445,697 |
| Sewer | 1,251,842 | 1,440,701 | 1,547,994 | 1,477,308 | 1,640,744 | 1,585,259 | 1,773,259 | 1,797,116 | 2,115,617 | 2,380,494 |
| Water | 1,062,721 | 914,630 | 1,017,627 | 1,209,085 | 1,115,795 | 974,265 | 1,152,084 | 979,874 | 1,185,523 | 1,572,006 |
| Parking | 554,897 | 610,508 | 640,691 | 664,496 | 712,546 | 619,454 | 595,505 | 641,145 | 821,203 | 1,048,839 |
| Solid waste | 764,182 | 763,258 | 736,001 | 717,272 | 744,219 | 751,989 | 787,885 | 841,525 | 905,360 | 1,021,107 |
| Stormwater | 153,990 | 236,869 | 196,640 | 198,933 | 238,866 | 229,718 | 224,338 | 234,816 | 256,485 | 397,311 |
| Total business-type activities expenses | 7,211,154 | 7,687,755 | 7,689,760 | 9,003,050 | 8,919,562 | 8,213,988 | 8,556,724 | 9,207,618 | 10,891,510 | 12,865,454 |
| Total primary government expenses | 14,757,573 | 16,071,514 | 16,870,611 | 19,055,060 | 19,070,478 | 16,578,946 | 16,857,809 | 18,868,864 | 24,417,145 | 30,446,133 |
| Program revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 1,180,307 | 2,535,629 | 1,883,013 | 766,835 | 967,692 | 1,320,142 | 898,344 | 3,665,129 | 6,091,185 | 4,054,126 |
| Public safety | 123,346 | 112,103 | 115,543 | 168,887 | 159,708 | 127,152 | 50,449 | 536,467 | 245,114 | 5,088,456 |
| Transportation | -- | 1,145 | 4,750 | 1,307 | -- | -- | -- | -- | -- | -- |
| Culture and recreation | 187,006 | 188,935 | 220,142 | 269,644 | 285,879 | 43,536 | 163,653 | 550,303 | 234,409 | 147,504 |
| Operating grants and contributions | 45,552 | 41,440 | 42,825 | 333,051 | 48,252 | 70,000 | 1,696,222 | 1,505,556 | 88,054 | 965,098 |
| Capital grants and contributions | 258,583 | 254,549 | 254,603 | 296,068 | 314,849 | 267,579 | 325,861 | 399,937 | 433,188 | 121,484 |
| Total governmental activities program revenues | 1,794,794 | 3,133,801 | 2,520,876 | 1,835,792 | 1,776,380 | 1,828,409 | 3,134,529 | 6,657,392 | 7,091,950 | 10,376,668 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Causeway | 5,640,616 | 6,343,875 | 8,627,495 | 9,549,066 | 9,623,061 | 8,061,982 | 9,181,817 | 9,177,878 | 11,125,875 | 11,604,453 |
| Sewer | 1,981,206 | 2,013,613 | 2,253,963 | 2,382,027 | 2,375,878 | 2,323,675 | 2,460,805 | 2,709,892 | 2,668,706 | 2,883,785 |
| Water | 1,226,305 | 1,154,818 | 1,219,765 | 1,278,795 | 1,281,424 | 1,227,971 | 1,320,639 | 1,427,004 | 1,326,903 | 1,526,135 |
| Parking | 733,488 | 673,472 | 738,302 | 716,872 | 688,309 | 438,110 | 748,014 | 877,458 | 2,041,524 | 1,829,307 |
| Solid waste | 711,977 | 698,570 | 755,226 | 795,676 | 815,242 | 814,680 | 895,268 | 1,066,194 | 1,139,739 | 1,082,028 |
| Stormwater | 205,037 | 210,169 | 208,544 | 217,243 | 218,863 | 216,919 | 223,655 | 263,340 | 615,865 | 678,443 |
| Capital grants and contributions | 485,012 | 514,988 | -- | -- | -- | 918,553 | 498,642 | -- | -- | 240,692 |
| Total business-type activities program revenues | 10,983,641 | 11,609,505 | 13,803,295 | 14,939,679 | 15,002,777 | 14,001,890 | 15,328,840 | 15,521,766 | 18,918,612 | 19,844,843 |
| Total primary government program revenues | \$ 12,778,435 | \$ 14,743,306 | \$ 16,324,171 | \$ 16,775,471 | \$ 16,779,157 | \$ 15,830,299 | \$ 18,463,369 | \$ 22,179,158 | \$ 26,010,562 | \$ 30,221,511 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 2 (CONTINUED)
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------------------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|
| Net (expense) revenue: | | | | | | | | | | |
| Governmental activities | \$ (5,751,625) | \$ (5,249,958) | \$ (6,659,975) | \$ (8,216,218) | \$ (8,374,536) | \$ (6,536,549) | \$ (5,166,556) | \$ (3,003,854) | \$ (6,433,685) | \$ (7,204,011) |
| Business-type activities | 3,772,487 | 3,921,750 | 6,113,535 | 5,936,629 | 6,083,215 | 5,787,902 | 6,772,116 | 6,314,148 | 8,027,102 | 6,979,389 |
| | <u>\$ (1,979,138)</u> | <u>\$ (1,328,208)</u> | <u>\$ (546,440)</u> | <u>\$ (2,279,589)</u> | <u>\$ (2,291,321)</u> | <u>\$ (748,647)</u> | <u>\$ 1,605,560</u> | <u>\$ 3,310,294</u> | <u>\$ 1,593,417</u> | <u>\$ (224,622)</u> |
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 3,332,606 | \$ 3,429,753 | \$ 3,760,854 | \$ 3,963,786 | \$ 4,414,128 | \$ 4,648,810 | \$ 4,760,975 | \$ 4,766,371 | \$ 5,023,811 | \$ 5,871,196 |
| Franchise fees based on gross receipts | 363,587 | 350,674 | 358,731 | 371,041 | 387,317 | 380,091 | 401,000 | 466,503 | 512,667 | 498,556 |
| Utility taxes | 452,355 | 455,606 | 465,565 | 496,433 | 512,875 | 527,415 | 547,547 | 572,296 | 649,486 | 668,603 |
| Communications services tax | 249,333 | 221,442 | 203,152 | 203,345 | 186,454 | 174,600 | 165,492 | 174,894 | 200,048 | 217,871 |
| Impact fees | -- | -- | -- | -- | -- | -- | -- | 48,038 | 740,190 | 209,308 |
| Unrestricted intergovernmental revenue | 670,021 | 1,175,138 | 660,337 | 652,061 | 674,423 | 703,078 | 785,697 | 940,809 | 921,608 | 886,297 |
| Unrestricted investment earnings (losses) | 39,064 | 68,011 | (7,719) | (28,308) | 202,361 | 182,684 | (23,607) | (313,408) | 48,751 | 387,197 |
| Miscellaneous | 50,830 | 74,354 | 57,681 | 51,928 | 94,513 | 73,619 | 80,094 | 209,178 | 126,609 | 126,174 |
| Transfers | 1,692,655 | 1,654,850 | 1,787,613 | 1,926,674 | 1,997,630 | 1,880,842 | 1,833,829 | 2,085,060 | 2,384,060 | 1,125,000 |
| Total governmental activities | <u>6,850,451</u> | <u>7,429,828</u> | <u>7,286,214</u> | <u>7,636,960</u> | <u>8,469,701</u> | <u>8,571,139</u> | <u>8,551,027</u> | <u>8,949,741</u> | <u>10,607,230</u> | <u>9,990,202</u> |
| Business-type activities: | | | | | | | | | | |
| Impact fees | -- | -- | -- | -- | -- | -- | -- | -- | -- | 79,803 |
| Unrestricted investment earnings (losses) | 45,508 | 94,084 | (8,845) | (33,214) | 251,344 | 210,867 | (27,109) | (363,910) | 56,273 | 729,655 |
| Miscellaneous | 254,094 | 355,331 | 318,991 | 262,885 | 273,852 | 226,699 | 266,934 | 361,763 | 412,588 | 356,991 |
| Transfers | (1,692,655) | (1,654,850) | (1,787,613) | (1,926,674) | (1,997,630) | (1,880,842) | (1,833,829) | (2,085,060) | (2,384,060) | (1,125,000) |
| Total business-type activities | <u>(1,393,053)</u> | <u>(1,205,435)</u> | <u>(1,477,467)</u> | <u>(1,697,003)</u> | <u>(1,472,434)</u> | <u>(1,443,276)</u> | <u>(1,594,004)</u> | <u>(2,087,207)</u> | <u>(1,915,199)</u> | <u>41,449</u> |
| Change in net position: | | | | | | | | | | |
| Governmental activities | 1,098,826 | 2,179,870 | 626,239 | (579,258) | 95,165 | 2,034,590 | 3,384,471 | 5,945,887 | 4,173,545 | 2,786,191 |
| Business-type activities | 2,379,434 | 2,716,315 | 4,636,068 | 4,239,626 | 4,610,781 | 4,344,626 | 5,178,112 | 4,226,941 | 6,111,903 | 7,020,838 |
| | <u>\$ 3,478,260</u> | <u>\$ 4,896,185</u> | <u>\$ 5,262,307</u> | <u>\$ 3,660,368</u> | <u>\$ 4,705,946</u> | <u>\$ 6,379,216</u> | <u>\$ 8,562,583</u> | <u>\$ 10,172,828</u> | <u>\$ 10,285,448</u> | <u>\$ 9,807,029</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 3
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund: | | | | | | | | | | |
| Non-spendable | \$ 28,493 | \$ 25,450 | \$ 78,554 | \$ 38,792 | \$ 46,529 | \$ 112,891 | \$ 46,503 | \$ 21,570 | \$ 33,104 | \$ 279,654 |
| Restricted | 7,486 | 7,487 | 67,839 | 67,790 | 115,065 | 164,534 | 113,788 | 112,617 | 112,167 | 64,425 |
| Unassigned | 7,813,864 | 8,089,298 | 8,653,794 | 8,851,733 | 9,081,019 | 10,173,601 | 11,886,220 | 14,709,232 | 19,099,513 | 11,420,239 |
| Total General Fund | <u>\$ 7,849,843</u> | <u>\$ 8,122,235</u> | <u>\$ 8,800,187</u> | <u>\$ 8,958,315</u> | <u>\$ 9,242,613</u> | <u>\$ 10,451,026</u> | <u>\$ 12,046,511</u> | <u>\$ 14,843,419</u> | <u>\$ 19,244,784</u> | <u>\$ 11,764,318</u> |
| All other governmental funds: | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Law enforcement | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 44,153 | \$ 9,832 | \$ 9,832 |
| Park impact | -- | -- | -- | -- | -- | -- | -- | 552,669 | 1,287,247 | 1,496,555 |
| Assigned to: | | | | | | | | | | |
| Capital projects fund | 354,577 | 160,689 | 160,689 | 160,689 | 160,689 | 160,689 | 160,690 | 584,474 | 207,474 | 11,359,164 |
| Unassigned (deficit) | -- | -- | -- | -- | -- | -- | -- | -- | -- | (3,865) |
| Total all other governmental funds: | <u>\$ 354,577</u> | <u>\$ 160,689</u> | <u>\$ 160,690</u> | <u>\$ 1,181,296</u> | <u>\$ 1,504,553</u> | <u>\$ 12,861,686</u> |

Note: The general fund is shown separately from other governmental funds.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 4,034,294 | \$ 4,106,801 | \$ 4,429,571 | \$ 4,663,564 | \$ 5,113,457 | \$ 5,350,825 | \$ 5,474,014 | \$ 5,513,561 | \$ 5,873,345 | \$ 6,757,670 |
| Franchise fees | 363,587 | 350,674 | 358,731 | 371,041 | 387,317 | 380,091 | 401,000 | 466,503 | 512,667 | 498,556 |
| Licenses and permits | 1,180,257 | 1,051,339 | 629,233 | 761,815 | 967,672 | 1,319,112 | 898,314 | 3,663,084 | 5,701,135 | 4,806,615 |
| Intergovernmental | 970,463 | 971,127 | 922,765 | 989,502 | 1,004,290 | 971,167 | 1,100,016 | 1,340,320 | 1,352,848 | 1,347,640 |
| Transfer development right fees | 2,186,000 | 1,484,250 | 1,253,750 | 5,000 | -- | 1,000 | -- | 2,000 | 390,000 | 3,431,000 |
| Impact fees | -- | -- | -- | -- | -- | -- | -- | 48,038 | 740,190 | 209,308 |
| Charges for services | 188,524 | 191,929 | 224,723 | 273,828 | 290,547 | 47,004 | 163,901 | 550,348 | 234,459 | 590,445 |
| Fines and forfeitures | 119,988 | 109,149 | 110,992 | 164,723 | 155,060 | 123,714 | 50,231 | 536,467 | 245,114 | 458,429 |
| Investment earnings (losses) | 39,064 | 68,011 | (7,719) | (28,308) | 202,361 | 182,684 | (23,607) | (313,408) | 48,751 | 387,197 |
| Grants | 3,693 | 500,000 | -- | 288,088 | -- | 70,000 | 1,696,222 | 1,505,556 | 88,054 | 670,527 |
| Miscellaneous | 50,830 | 74,354 | 57,681 | 51,928 | 84,413 | 61,168 | 80,094 | 209,178 | 126,609 | 82,690 |
| Total revenues | 9,136,700 | 8,907,634 | 7,979,727 | 7,541,181 | 8,205,117 | 8,506,765 | 9,840,185 | 13,521,647 | 15,313,172 | 19,240,077 |
| Expenditures: | | | | | | | | | | |
| General government | 1,146,798 | 1,387,402 | 1,339,307 | 1,591,468 | 1,910,436 | 1,827,792 | 1,891,677 | 2,278,502 | 2,868,731 | 3,790,043 |
| Public safety | 4,401,701 | 4,441,408 | 4,684,294 | 4,998,502 | 4,862,875 | 4,952,409 | 5,609,588 | 5,824,011 | 6,249,310 | 7,235,497 |
| Transportation | 707,624 | 722,403 | 880,270 | 808,231 | 639,646 | 603,046 | 574,748 | 648,935 | 744,834 | 894,808 |
| Culture and recreation | 520,597 | 750,181 | 905,788 | 1,209,433 | 1,210,888 | 972,097 | 1,000,662 | 1,210,266 | 1,635,714 | 2,120,591 |
| Capital outlay | 743,909 | 2,643,918 | 842,941 | 201,442 | 802,419 | 328,895 | 494,522 | 1,642,592 | 1,227,639 | 2,642,071 |
| Debt service: | | | | | | | | | | |
| Principal payments | 291,000 | 295,000 | 304,000 | 312,000 | 319,000 | 331,000 | 338,000 | 423,979 | 603,300 | 819,721 |
| Interest and debt costs | 250,611 | 344,248 | 137,538 | 189,958 | 183,285 | 176,407 | 169,334 | 163,247 | 235,387 | 108,593 |
| Total expenditures | 8,062,240 | 10,584,560 | 9,094,138 | 9,311,034 | 9,928,549 | 9,191,646 | 10,078,531 | 12,191,532 | 13,564,915 | 17,611,324 |
| Excess of revenues over (under) expenditures | 1,074,460 | (1,676,926) | (1,114,411) | (1,769,853) | (1,723,432) | (684,881) | (238,346) | 1,330,115 | 1,748,257 | 1,628,753 |
| Other financing sources (uses): | | | | | | | | | | |
| Leases (right-of-use asset) acquired | -- | -- | -- | -- | -- | -- | -- | 402,339 | 353,655 | 718,893 |
| Subscription arrangements initiated | -- | -- | -- | -- | -- | -- | -- | -- | 238,650 | 404,021 |
| Transfers in | 1,692,655 | 1,654,850 | 1,787,613 | 1,926,674 | 1,997,630 | 1,880,842 | 2,043,829 | 3,593,442 | 2,726,060 | 10,788,614 |
| Transfers out | -- | -- | -- | -- | -- | -- | (210,000) | (1,508,382) | (342,000) | (9,663,614) |
| Sale of capital assets | 1,890 | 1,145 | 4,750 | 1,307 | 10,100 | 12,451 | -- | -- | -- | -- |
| Bonds and notes issued | -- | 3,218,081 | -- | -- | -- | -- | -- | -- | -- | -- |
| Payment to bond escrow agent | -- | (3,118,646) | -- | -- | -- | -- | -- | -- | -- | -- |
| Total other financing sources | 1,694,545 | 1,755,430 | 1,792,363 | 1,927,981 | 2,007,730 | 1,893,293 | 1,833,829 | 2,487,399 | 2,976,365 | 2,247,914 |
| Net change in fund balances | \$ 2,769,005 | \$ 78,504 | \$ 677,952 | \$ 158,128 | \$ 284,298 | \$ 1,208,412 | \$ 1,595,483 | \$ 3,817,514 | \$ 4,724,622 | \$ 3,876,667 |
| Debt service as a percentage of noncapital expenditures | 7.4% | 8.1% | 5.4% | 5.5% | 5.5% | 5.7% | 5.3% | 5.6% | 6.8% | 6.2% |

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 5
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ 1,180,307 | \$ 2,535,629 | \$ 1,883,013 | \$ 1,054,923 | \$ 967,692 | \$ 1,320,142 | \$ 898,344 | \$ 3,665,129 | \$ 6,091,185 | \$ 4,054,126 |
| Public safety | 168,898 | 153,543 | 158,368 | 213,850 | 207,960 | 197,152 | 1,746,671 | 2,042,023 | 333,168 | 5,277,757 |
| Transportation | 258,583 | 255,694 | 259,353 | 320,372 | 314,849 | 267,579 | 325,861 | 399,937 | 433,188 | 544,536 |
| Culture and recreation | 185,116 | 188,935 | 220,142 | 269,644 | 285,879 | 43,536 | 163,653 | 550,303 | 234,409 | 500,249 |
| Total governmental activities | <u>1,792,904</u> | <u>3,133,801</u> | <u>2,520,876</u> | <u>1,858,789</u> | <u>1,776,380</u> | <u>1,828,409</u> | <u>3,134,529</u> | <u>6,657,392</u> | <u>7,091,950</u> | <u>10,376,668</u> |
| Business-type activities: | | | | | | | | | | |
| Causeway | 6,124,053 | 6,858,863 | 8,627,495 | 9,549,066 | 9,623,061 | 8,980,535 | 9,430,459 | 9,177,878 | 11,125,875 | 11,769,071 |
| Sewer | 1,981,206 | 2,013,613 | 2,253,963 | 2,382,027 | 2,375,878 | 2,323,675 | 2,710,805 | 2,709,892 | 2,668,706 | 2,883,785 |
| Water | 1,226,305 | 1,154,818 | 1,219,765 | 1,278,795 | 1,281,424 | 1,227,971 | 1,320,639 | 1,427,004 | 1,326,903 | 1,526,135 |
| Parking | 586,972 | 673,472 | 738,302 | 716,872 | 688,309 | 438,110 | 748,014 | 877,458 | 2,041,524 | 1,829,307 |
| Solid waste | 711,977 | 698,570 | 755,226 | 795,676 | 815,242 | 814,680 | 895,268 | 1,066,194 | 1,139,739 | 1,082,028 |
| Stormwater | 205,037 | 210,169 | 208,544 | 217,243 | 218,863 | 216,919 | 223,655 | 263,340 | 615,865 | 754,517 |
| Total business-type activities | <u>10,835,550</u> | <u>11,609,505</u> | <u>13,803,295</u> | <u>14,939,679</u> | <u>15,002,777</u> | <u>14,001,890</u> | <u>15,328,840</u> | <u>15,521,766</u> | <u>18,918,612</u> | <u>19,844,843</u> |
| Total primary government | <u>\$ 12,628,454</u> | <u>\$ 14,743,306</u> | <u>\$ 16,324,171</u> | <u>\$ 16,798,468</u> | <u>\$ 16,779,157</u> | <u>\$ 15,830,299</u> | <u>\$ 18,463,369</u> | <u>\$ 22,179,158</u> | <u>\$ 26,010,562</u> | <u>\$ 30,221,511</u> |

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 6
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

| Year* | Real Property | Personal Property | Total Assessed Value | Exemptions | | Net Taxable Value | Direct Millage | Total Direct & Overlapping Millage |
|-------|------------------|-------------------|----------------------|----------------|--------------|-------------------|----------------|------------------------------------|
| | | | | Real | Personal | | | |
| 2015 | \$ 1,063,287,591 | \$ 15,600,448 | \$ 1,078,888,039 | \$ 377,286,535 | \$ 2,674,099 | \$ 698,927,405 | 4.9000 | 21.3417 |
| 2016 | 1,210,203,009 | 14,982,614 | 1,225,185,623 | 444,372,802 | 2,746,997 | 778,065,824 | 4.5500 | 20.5953 |
| 2017 | 1,444,251,699 | 14,698,252 | 1,458,949,951 | 576,225,941 | 2,612,688 | 880,111,322 | 4.4000 | 20.3638 |
| 2018 | 1,720,875,185 | 15,249,716 | 1,736,124,901 | 702,001,113 | 2,536,046 | 1,031,587,742 | 3.9995 | 19.5819 |
| 2019 | 1,862,399,237 | 17,183,700 | 1,879,582,937 | 662,500,517 | 2,344,091 | 1,214,738,329 | 3.7199 | 19.0560 |
| 2020 | 1,933,106,853 | 18,943,845 | 1,952,050,698 | 615,865,109 | 2,309,588 | 1,333,876,001 | 3.6245 | 19.4016 |
| 2021 | 1,888,062,852 | 22,451,974 | 1,910,514,826 | 529,855,176 | 2,437,950 | 1,378,221,700 | 3.6245 | 19.3533 |
| 2022 | 1,798,336,685 | 20,316,884 | 1,818,653,569 | 441,971,417 | 2,197,760 | 1,374,484,392 | 3.5900 | 19.2673 |
| 2023 | 1,770,466,671 | 23,098,903 | 1,793,565,574 | 158,526,959 | 2,255,650 | 1,632,782,965 | 3.1728 | 18.3071 |
| 2024 | 2,060,914,694 | 27,146,613 | 2,088,061,307 | 170,114,606 | 2,423,429 | 1,915,523,272 | 3.1728 | 18.3179 |

*Year refers to the fiscal year which is funded by taxes levied upon the listed assessments. Each fiscal year's tax roll is as of January 1 of the previous year.

SOURCE: Miami-Dade County Property Appraiser's Office

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 7
PROPERTY TAX RATES (per \$1,000)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

| Year* | Direct Rate | Overlapping Rates | | | | | Total |
|-------|------------------------------|-------------------|---------------------------|-------------------------------|---------------------------|-----------------------------------------------------------|---------|
| | Bay Harbor Islands Operating | Miami-Dade County | Miami-Dade County Schools | Miami-Dade County Districts** | Florida Inland Navigation | State Special Districts South Florida Water Management | |
| 2015 | 4.9000 | 5.1169 | 7.9740 | 2.9321 | 0.0345 | 0.3842 | 21.3417 |
| 2016 | 4.5500 | 5.1169 | 7.6120 | 2.9293 | 0.0320 | 0.3551 | 20.5953 |
| 2017 | 4.4000 | 5.0669 | 7.3220 | 3.2122 | 0.0320 | 0.3307 | 20.3638 |
| 2018 | 3.9995 | 5.0669 | 6.9940 | 3.1795 | 0.0320 | 0.3100 | 19.5819 |
| 2019 | 3.7199 | 5.1313 | 6.7330 | 3.1462 | 0.0320 | 0.2936 | 19.0560 |
| 2020 | 3.6245 | 5.1449 | 7.1480 | 3.1727 | 0.0320 | 0.2795 | 19.4016 |
| 2021 | 3.6245 | 5.1449 | 7.1290 | 3.1554 | 0.0320 | 0.2675 | 19.3533 |
| 2022 | 3.5900 | 5.1744 | 7.0090 | 3.2047 | 0.0320 | 0.2572 | 19.2673 |
| 2023 | 3.1728 | 5.1055 | 6.5890 | 3.1777 | 0.0320 | 0.2301 | 18.3071 |
| 2024 | 3.1728 | 5.0095 | 6.6990 | 3.1777 | 0.0288 | 0.2301 | 18.3179 |

SOURCE: Miami-Dade County Property Appraiser's Office

*Year refers to the fiscal year which is funded by taxes levied upon properties as assessed effective January 1 of the previous year.

** This represents Fire and Rescue, Library and the Children's Trust.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 8
PRINCIPAL PROPERTY TAXPAYERS
REAL ESTATE AD VALOREM TAXES
CURRENT AND NINE YEARS AGO**

Year: 2024

| Parcel Owner | Taxable Valuation | Percentage of Total Taxable Valuation* |
|---------------------------------|-----------------------|-------------------------------------------------|
| Bay Harbor Islands | \$ 25,599,220 | 1.34% |
| 1177 Bay Harbor Islands Llc | 23,302,500 | 1.22% |
| B H Investment Llc | 17,379,780 | 0.91% |
| Chbh 103Rd Street Llc | 16,149,136 | 0.84% |
| Bay Harbor Hotel Llc | 14,443,000 | 0.75% |
| Ppg Bay Harbor Owner Llc | 13,672,262 | 0.71% |
| Lc Altair Llc | 12,896,371 | 0.67% |
| 9955 Bay Harbor Development Llc | 11,812,500 | 0.62% |
| Antonio K Russell Trs | 11,637,778 | 0.61% |
| 9291 Ebh Ltd | 10,978,750 | 0.57% |
| | <u>\$ 157,871,297</u> | <u>8.24%</u> |

*Based on Appraisers 2024 Municipal Tax Roll.

Year: 2015

| Parcel Owner | Taxable Valuation | Percentage of Total Taxable Valuation** |
|-----------------------------|----------------------|--------------------------------------------------|
| 1170 LLC | \$ 5,582,972 | 0.80% |
| Alfonso and Mariana Karam | 4,248,977 | 0.61% |
| Spencer Merinoff | 4,222,820 | 0.60% |
| Isle of Wight Limited | 3,928,619 | 0.56% |
| Jose Cojab | 3,840,637 | 0.55% |
| 1108 Concourse LLC | 3,827,548 | 0.55% |
| Alberto Gross | 3,752,698 | 0.54% |
| Mark Tabacinic | 3,553,093 | 0.51% |
| Ocean Cadillac Inc. | 3,439,443 | 0.49% |
| Annette Samson Eichen Trust | 3,397,692 | 0.49% |
| | <u>\$ 39,794,499</u> | <u>6.11%</u> |

**Based on Appraiser's 2014 certification of taxable value.

SOURCE: Miami-Dade County Property Appraiser's Office

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year Ended September 30, | Taxes Levied | Collected within the Fiscal Year of the Levy | | Collections of Previous Years' Levies | Total Collections | Total Collections as Percentage of Taxes Levied |
|---------------------------------------|-----------------|-------------------------------------------------|-----------------------|---------------------------------------------|----------------------|----------------------------------------------------------|
| | | Amount | Percentage of Levy | | | |
| 2015 | \$ 3,424,744 | \$ 3,122,365 | 91.2% | \$ 210,241 | \$ 3,332,606 | 97.3% |
| 2016 | 3,540,199 | 3,356,009 | 94.8% | 73,744 | 3,429,753 | 96.9% |
| 2017 | 3,872,490 | 3,538,702 | 91.4% | 222,152 | 3,760,854 | 97.1% |
| 2018 | 4,125,835 | 3,730,282 | 90.4% | 233,504 | 3,963,786 | 96.1% |
| 2019 | 4,518,705 | 4,136,569 | 91.5% | 277,559 | 4,414,128 | 97.7% |
| 2020 | 4,834,307 | 4,279,098 | 88.5% | 369,712 | 4,648,810 | 96.2% |
| 2021 | 4,995,365 | 4,419,701 | 88.5% | 341,274 | 4,760,975 | 95.3% |
| 2022 | 4,636,414 | 4,653,419 | 100.4% | 102,114 | 4,755,533 | 102.6% |
| 2023 | 5,180,558 | 4,973,159 | 96.0% | 45,199 | 5,018,358 | 96.9% |
| 2024 | 6,043,982 | 5,871,196 | 97.1% | 45,674 | 5,916,870 | 97.9% |

Source: Miami-Dade County Property Appraiser's Office, except for Taxes Levied from Town Finance Department.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 10
 CAUSEWAY TOLL REVENUE
 LAST TEN FISCAL YEARS

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Total traffic | <u>7,488,382</u> | <u>7,917,781</u> | <u>7,779,309</u> | <u>7,992,743</u> | <u>7,939,642</u> | <u>6,647,870</u> | <u>7,419,637</u> | <u>8,141,885</u> | <u>8,799,455</u> | <u>9,316,848</u> |
| Toll revenues: | | | | | | | | | | |
| Cash tolls | \$ 5,146,478 | \$ 5,947,747 | \$ 8,212,150 | \$ 9,082,874 | \$ 9,128,459 | \$ 7,557,782 | \$ 8,733,262 | \$ 9,441,893 | \$ 11,671,478 | \$ 11,970,942 |
| Commuter/annual pass | <u>492,563</u> | <u>395,428</u> | <u>415,345</u> | <u>466,192</u> | <u>494,602</u> | <u>504,200</u> | <u>448,555</u> | <u>486,547</u> | <u>440,917</u> | <u>445,368</u> |
| Total toll revenue | <u>\$ 5,639,041</u> | <u>\$ 6,343,175</u> | <u>\$ 8,627,495</u> | <u>\$ 9,549,066</u> | <u>\$ 9,623,061</u> | <u>\$ 8,061,982</u> | <u>\$ 9,181,817</u> | <u>\$ 9,928,440</u> | <u>\$ 12,112,395</u> | <u>\$ 12,416,310</u> |
| Average yield per vehicle | \$ 0.753 | \$ 0.801 | \$ 1.109 | \$ 1.195 | \$ 1.212 | \$ 1.213 | \$ 1.238 | \$ 1.219 | \$ 1.376 | \$ 1.333 |
| Toll rates: | | | | | | | | | | |
| Cash toll (Class 1) | \$ 1.00 | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ 1.50 |
| Annual pass | \$ 250.00 | \$ 250.00 | \$ 300.00 | \$ 300.00 | \$ 300.00 | \$ 300.00 | \$ 300.00 | \$ 300.00 | \$ 350.00 | \$ 350.00 |

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 11
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Business-Type Activities | | | Governmental Activities | | | | | Total Primary Government | Percentage of Actual Property Value (1) | Per Capita (2) |
|-------------|--------------------------|----------------------|-------------------|----------------------------|----------------------------|---------------------------|-------------------|------------------------|--------------------------|-----------------------------------------|----------------|
| | Promissory Notes | State Revolving Loan | Lease Obligations | Revenue Bonds Series 2003B | Refunding Note Series 2012 | Revenue Bonds Series 2016 | Lease Obligations | Subscription Liability | | | |
| 2015 | \$ 16,604,000 | \$ 409,825 | \$ - | \$ 3,055,000 | \$ 4,350,000 | \$ - | \$ - | \$ - | \$ 24,418,825 | 3.49% | \$ 4,065 |
| 2016 | 15,532,000 | 346,623 | -- | -- | 4,055,000 | 3,218,081 | -- | -- | 23,151,704 | 2.98% | 3,836 |
| 2017 | 14,431,000 | 281,462 | -- | -- | 3,751,000 | 3,210,253 | -- | -- | 21,673,715 | 2.46% | 3,627 |
| 2018 | 13,302,000 | 214,284 | -- | -- | 3,444,000 | 3,197,425 | -- | -- | 20,157,709 | 1.95% | 3,323 |
| 2019 | 12,078,000 | 145,024 | -- | -- | 3,130,000 | 3,184,597 | -- | -- | 18,537,621 | 1.53% | 3,108 |
| 2020 | 10,826,000 | 73,618 | -- | -- | 2,809,000 | 3,166,769 | -- | -- | 16,875,387 | 1.27% | 2,913 |
| 2021 | 9,550,000 | -- | -- | -- | 2,481,000 | 3,148,940 | -- | -- | 15,179,940 | 1.10% | 2,563 |
| 2022 | 8,240,000 | -- | 70,823 | -- | 2,147,000 | 3,131,113 | 322,360 | -- | 13,911,296 | 1.01% | 2,433 |
| 2023 | 7,843,000 | -- | 41,221 | -- | 1,808,000 | 3,113,283 | 515,551 | 144,814 | 13,465,869 | 0.82% | 2,366 |
| 2024 | 6,472,000 | -- | 66,900 | -- | 1,463,000 | 3,095,455 | 928,235 | 390,323 | 12,415,913 | 0.65% | 2,186 |

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

(1) See the Schedule of Assessed Value of Taxable Property for the property value data.

(2) See the Schedule of Demographic and Economic Statistics. Data on personal income for the Town distinct from larger statistical units is not available so a meaningful comparison of total debt to personal income cannot be computed.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2024**

| Jurisdiction | Debt Outstanding | Estimated Percentage Applicable to Town of Bay Harbor Islands (1) | Estimated Share of Direct & Overlapping Debt |
|----------------------------------------------|-------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------|
| Direct: | | | |
| Bay Harbor Islands | \$ 5,877,013 | 100.00% | \$ 5,877,013 |
| Overlapping: | | | |
| Miami-Dade Board of County Commissioners (2) | 2,336,015,000 | 0.21% | 4,937,434 |
| Miami-Dade County School Board (3) | 1,054,121,000 | 0.21% | 2,228,005 |
| Total overlapping | <u>3,390,136,000</u> | | <u>7,165,439</u> |
| Total direct and overlapping | <u>\$ 3,396,013,013</u> | | <u>\$ 13,042,452</u> |

Notes:

(1) The percentage of overlapping debt payable is estimated by dividing the Town's population of 5,679 by the County's population of 2,686,867 obtained from U.S. Census Bureau.

(2) Source: Miami-Dade County, Florida, Finance Department; ACFR 2023

(3) Information obtained from Miami-Dade County School Board ACFR for fiscal year ended June 30, 2024.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 13
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed values (1): | | | | | | | | | | |
| Taxable value of real property | \$ 686,001,056 | \$ 765,830,207 | \$ 868,025,758 | \$ 1,018,874,072 | \$ 1,199,898,720 | \$ 1,317,241,744 | \$ 1,358,207,676 | \$ 1,356,365,268 | \$ 1,611,939,712 | \$ 1,917,946,701 |
| Add: Exempt real property | 377,286,535 | 444,372,802 | 576,225,941 | 702,001,113 | 662,500,517 | 615,865,109 | 529,855,176 | 441,971,417 | 158,526,959 | 170,114,606 |
| Total assessed value of real property | \$ 1,063,287,591 | \$ 1,210,203,009 | \$ 1,444,251,699 | \$ 1,720,875,185 | \$ 1,862,399,237 | \$ 1,933,106,853 | \$ 1,888,062,852 | \$ 1,798,336,685 | \$ 1,770,466,671 | \$ 2,088,061,307 |
| Legal debt margin: | | | | | | | | | | |
| Debt limitation (25% of assessed real property) | \$ 265,821,898 | \$ 302,550,752 | \$ 361,062,925 | \$ 430,218,796 | \$ 465,599,809 | \$ 483,276,713 | \$ 472,015,713 | \$ 449,584,171 | \$ 442,616,668 | \$ 522,015,327 |
| Total bonded debt | 7,551,730 | 7,273,081 | 6,961,253 | 6,641,425 | 6,314,597 | 5,975,769 | 2,147,000 | 5,066,097 | 13,610,683 | 390,323 |
| Legal debt margin | \$ 258,270,168 | \$ 295,277,671 | \$ 354,101,672 | \$ 423,577,371 | \$ 459,285,212 | \$ 477,300,944 | \$ 469,868,713 | \$ 444,518,074 | \$ 429,005,985 | \$ 521,625,004 |
| Total net debt applicable to the limit as a percentage of debt limit | 2.84% | 2.40% | 1.93% | 1.54% | 1.36% | 1.24% | 0.45% | 1.13% | 3.08% | 0.07% |

Note: The Town may incur bonded debt up to 25% of the assessed valuation of real estate within its boundaries per section 45 of the Town Charter.

(1) See the Schedule of Assessed Value of Taxable Property for the property value data.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 14
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

| Broad Causeway Revenue Bonds and Notes | | | | | | |
|----------------------------------------|----------------|--------------------|-----------------------|---------------------|--|----------|
| Fiscal Year | Gross Revenues | Operating Expenses | Net Available Revenue | Debt Service Amount | | Coverage |
| 2015 | \$ 5,757,614 | \$ 2,159,010 | \$ 3,598,604 | \$ 1,120,823 | | 3.21 |
| 2016 | 6,484,815 | 2,509,514 | 3,975,301 | 1,120,836 | | 3.55 |
| 2017 | 8,729,606 | 2,345,852 | 6,383,754 | 1,121,343 | | 5.69 |
| 2018 | 9,656,230 | 2,598,543 | 7,057,687 | 1,120,319 | | 6.30 |
| 2019 | 9,840,577 | 2,565,695 | 7,274,882 | 1,120,788 | | 6.49 |
| 2020 | 8,253,032 | 2,174,804 | 6,078,228 | 1,120,701 | | 5.42 |
| 2021 | 9,299,919 | 2,131,692 | 7,168,227 | 1,121,058 | | 6.39 |
| 2022 | 9,177,878 | 2,802,465 | 6,375,413 | 1,146,054 (1) | | 5.56 |
| 2023 | 11,253,132 | 5,451,092 | 5,802,040 | 1,186,940 | | 4.89 |
| 2024 | 11,613,456 | 6,302,086 | 5,311,370 | 1,108,818 | | 4.79 |

| Sewer Fund State Revolving Loan | | | | | | |
|---------------------------------|----------------|--------------------|-----------------------|---------------------|--|----------|
| Fiscal Year | Gross Revenues | Operating Expenses | Net Available Revenue | Debt Service Amount | | Coverage |
| 2015 | 2,051,031 | 1,096,990 | 954,041 | 75,320 | | 12.67 |
| 2016 | 2,058,738 | 1,270,576 | 788,162 | 75,320 | | 10.46 |
| 2017 | 2,266,313 | 1,389,039 | 877,274 | 75,320 | | 11.65 |
| 2018 | 2,382,977 | 1,311,744 | 1,071,233 | 75,320 | | 14.22 |
| 2019 | 2,384,428 | 1,476,108 | 908,320 | 75,320 | | 12.06 |
| 2020 | 2,323,675 | 1,405,847 | 917,828 | 75,320 | | 12.19 |
| 2021 | 2,461,280 | 1,557,462 | 903,818 | 75,320 | | 12.00 |
| 2022 | N/A | N/A | N/A | N/A (2) | | N/A |
| 2023 | N/A | N/A | N/A | N/A (2) | | N/A |
| 2024 | N/A | N/A | N/A | N/A (2) | | N/A |

| Revenue Bonds and Refunding Note | | | | | | | |
|----------------------------------|------------|----------------|-------------|----------------|---------------------|--|----------|
| Fiscal Year | Sales Tax | Franchise Fees | Utility Tax | Total Revenues | Debt Service Amount | | Coverage |
| 2015 | \$ 434,991 | \$ 363,587 | \$ 452,355 | \$ 1,250,933 | \$ 541,611 | | 2.31 |
| 2016 | 441,069 | 350,674 | 455,606 | 1,247,349 | 535,582 | | 2.33 |
| 2017 | 421,028 | 358,731 | 465,565 | 1,245,324 | 437,094 | | 2.85 |
| 2018 | 444,758 | 371,041 | 496,433 | 1,312,232 | 501,958 | | 2.61 |
| 2019 | 463,401 | 387,317 | 512,875 | 1,363,593 | 502,285 | | 2.71 |
| 2020 | 401,379 | 380,091 | 527,415 | 1,308,885 | 507,407 | | 2.58 |
| 2021 | 504,873 | 401,000 | 547,547 | 1,453,420 | 507,334 | | 2.86 |
| 2022 | 705,261 | 466,503 | 572,296 | 1,744,060 | 583,984 (1) | | 2.99 |
| 2023 | 815,977 | 512,667 | 649,486 | 1,978,130 | 566,528 | | 3.49 |
| 2024 | 782,724 | 498,556 | 668,603 | 1,949,883 | 498,132 | | 3.91 |

(1) The Town implemented GASB No. 87 for the fiscal year ended September 30, 2022.

(2) Debt service on the note and all remaining interest was paid as of September 30, 2021.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| Year | Bay Harbor Islands Population * | Miami- Dade County ** | | | | |
|------|---------------------------------------|-----------------------|-------------------------------|----------------------|-------------------------|---------------|
| | | Personal Income | Per Capita Personal Income | Unemployment Rate | Civilian Labor Force | Median Age |
| 2015 | 6,036 | \$ 116,553,169 | \$ 43,917 | 6.2% | 1,321,033 | 40 |
| 2016 | 5,975 | 123,276,064 | 45,440 | 5.8% | 1,334,404 | 40 |
| 2017 | 6,006 | 131,244,442 | 47,813 | 5.0% | 1,375,376 | 40 |
| 2018 | 6,006 | 138,138,976 | 50,022 | 3.6% | 1,363,766 | 40 |
| 2019 | 5,964 | 149,166,155 | 54,902 | 2.9% | 1,463,774 | 40 |
| 2020 | 5,793 | N/A | N/A | 8.0% | 1,396,663 | 40 |
| 2021 | 5,922 | N/A | N/A | N/A | N/A | N/A |
| 2022 | 5,717 | N/A | N/A | 2.3% | 1,371,121 | N/A |
| 2023 | 5,679 | N/A | N/A | 1.8% | 1,380,174 | N/A |
| 2024 | 5,679 | N/A | N/A | 2.4% | 1,449,909 | N/A |

Note: Except for population, demographic statistics on the county level were the most specific available.

* Source From 2024: U.S. Census Bureau

** Source: Miami-Dade County Finance Department and
U.S. Department of Commerce, Economic and Statistics Administration,
Bureau of Economic Analysis/Regional Economic Information System,
Florida Agency for Workforce Innovation, Labor Market Statistics,
Miami-Dade County Department of Regulatory and Economic Resources, Research Section
University of Florida Bureau of Economic and Business Research

N/A Information unavailable as of the date of this report.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 16
FULL TIME TOWN EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Governmental activities: | | | | | | | | | | |
| General government | 18 | 18 | 18 | 21 | 21 | 22 | 24 | 24 | 20 | 11 |
| Public safety | 26 | 28 | 28 | 28 | 27 | 25 | 26 | 26 | 36 | 55 |
| Transportation | 7 | 5 | 5 | 6 | 7 | 5 | 5 | 5 | 3 | 4 |
| Culture and recreation | 4 | 4 | 6 | 5 | 8 | 8 | 8 | 8 | 13 | 15 |
| Total governmental activities | <u>55</u> | <u>55</u> | <u>57</u> | <u>60</u> | <u>63</u> | <u>60</u> | <u>63</u> | <u>63</u> | <u>72</u> | <u>85</u> |
| Business-type activities: | | | | | | | | | | |
| Causeway | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 21 | 24 |
| Sewer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 4 |
| Water | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 6 |
| Parking | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 |
| Stormwater | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Total business-type activities | <u>9</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>11</u> | <u>11</u> | <u>11</u> | <u>32</u> | <u>38</u> |
| Total primary government | <u>64</u> | <u>65</u> | <u>67</u> | <u>70</u> | <u>73</u> | <u>71</u> | <u>74</u> | <u>74</u> | <u>104</u> | <u>123</u> |

Source: Town Finance Department

TOWN OF BAY HARBOR ISLANDS, FLORIDA

**SCHEDULE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Governmental activities: | | | | | | | | | | |
| General government | | | | | | | | | | |
| Elections Held | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Newsletters Issued | 12 | 12 | 12 | 12 | 12 | 10 | 12 | 12 | 12 | 12 |
| Town Council Meetings | 10 | 11 | 11 | 10 | 10 | 8 | 8 | 15 | 14 | 17 |
| Planning & Zoning Board Meetings | 17 | 19 | 12 | 13 | 15 | 9 | 12 | 12 | 18 | 10 |
| Public safety | | | | | | | | | | |
| Case numbers issued | 831 | 843 | 739 | 702 | 702 | 804 | 1,005 | 995 | 578 | 699 |
| Arrests | 73 | 83 | 72 | 70 | 51 | 49 | 36 | 37 | 68 | 66 |
| Calls for service | 16,813 | 17,223 | 21,985 | 19,334 | 20,021 | 23,211 | 32,102 | 30,012 | 23,370 | 30,656 |
| Business-type activities: | | | | | | | | | | |
| Causeway | | | | | | | | | | |
| Traffic Count (vehicles) | 7,488,382 | 7,917,781 | 7,779,309 | 7,992,743 | 7,939,642 | 6,647,870 | 7,419,637 | 8,141,885 | 8,799,455 | 9,316,848 |
| Sewer | | | | | | | | | | |
| Average Monthly Sewage Volume (thousands of gallons) | 19,676 | 19,836 | 20,008 | 19,200 | 22,684 | 23,269 | 25,666 | 21,229 | 21,401 | 22,059 |
| Water | | | | | | | | | | |
| Average Monthly Gallons Purchased (thousands) | 26,576 | 24,221 | 26,600 | 28,127 | 26,614 | 26,419 | 34,511 | 28,489 | 24,879 | 27,524 |
| Average Monthly Gallons Sold (thousands) | 23,618 | 21,884 | 22,474 | 22,884 | 22,511 | 22,333 | 21,904 | 22,301 | 21,639 | 23,470 |
| Parking | | | | | | | | | | |
| Parking Citations | 2,592 | 2,626 | 2,307 | 2,573 | 1,838 | 1,058 | 1,470 | 2,057 | 2,858 | 1,731 |

Source: Town Finance Department

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 18

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Governmental activities: | | | | | | | | | | |
| Public safety | | | | | | | | | | |
| Patrol Cars/SUV | 18 | 25 | 26 | 26 | 26 | 28 | 28 | 28 | 28 | 29 |
| Police Boats | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 2 |
| Transportation | | | | | | | | | | |
| Streets and roads (feet) | 47,396 | 47,396 | 47,396 | 47,396 | 47,396 | 47,396 | 47,396 | 47,396 | 47,396 | 47,396 |
| Culture and recreation | | | | | | | | | | |
| Parks | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Business-type activities: | | | | | | | | | | |
| Causeway | | | | | | | | | | |
| Bascule Bridges | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fixed Span Bridges | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Sewer | | | | | | | | | | |
| Pump Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Lift Stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Sanitary Sewers (feet) | 43,296 | 43,296 | 43,296 | 43,296 | 43,296 | 43,296 | 43,296 | 43,296 | 43,296 | 43,296 |
| Water | | | | | | | | | | |
| Water Mains (feet) | 44,725 | 44,725 | 44,725 | 44,725 | 44,725 | 44,725 | 44,725 | 44,725 | 44,725 | 44,725 |
| Stormwater | | | | | | | | | | |
| Valley gutters (feet) | 86,592 | 86,592 | 86,592 | 86,592 | 86,592 | 86,592 | 86,592 | 86,592 | 86,592 | 86,592 |
| Outfalls | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |

Source: Town Finance Department

COMPLIANCE SECTION

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

To the Honorable Mayor, Town Council and Town Manager
Town of Bay Harbor Islands, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*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 Town of Bay Harbor Islands, Florida (the "Town") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Miami, FL
May 29, 2025

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

To the Honorable Mayor, Town Council, and Town Manager
Town of Bay Harbor Islands, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Bay Harbor Islands, Florida (the “Town”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 29, 2025.

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 (“*Government Auditing Standards*”); 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 the 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, which are dated May 29, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Town 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 Town. It is management's responsibility to monitor the Town'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. This assessment was performed as of the fiscal year end.

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

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 Town's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the Town'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 in 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 Statutes.

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 which 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, Town Council, 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, FL
May 29, 2025



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, Town Council, and Town Manager
Town of Bay Harbor Islands, Florida

We have examined the Town of Bay Harbor Islands, Florida (the "Town")'s compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2024. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town'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 Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town 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 of the Town 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 Town's compliance with the specified requirements.

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2024.

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, FL
May 29, 2025



IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Sandra Siefken, Finance Director, who being duly sworn, deposes and says on oath that:

- Isaac Salver Mayor
Stephanie Bruder Vice Mayor
Teri D'Amico Council Member
Molly Diallo Council Member
Joshua Fuller Council Member
Eric Rappaport Council Member
Robert Yaffe Council Member

- 1. I am the Finance Director for the Town of Bay Harbor Islands, Florida, which is a local governmental of the State of Florida;
2. The governing body of the Town of Bay Harbor Islands, Florida adopted (Ordinance Numbers 621 and 784) implementing an impact fee or authorized the Town of Bay Harbor Islands, Florida to receive and expend proceeds of an impact fee implemented by Town of Bay Harbor Islands; and
3. Town of Bay Harbor Islands has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

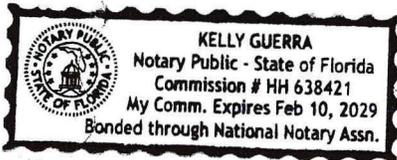
[Handwritten signature of Sandra Siefken]

Sandra Siefken, Finance Director

- Town Officials:
Lindsley Noel Town Manager
Yvonne P. Hamilton Town Clerk
Town Attorney Greenspoon Marder L.L.P. Town Attorneys
By: Joseph S. Geller, Esq.

STATE OF FLORIDA
COUNTY OF MIAMI DADE COUNTY

SWORN TO AND SUBSCRIBED before me this 15 day of MAY, 2025.



[Handwritten signature of Kelly Guerra]

NOTARY PUBLIC
Print Name Kelly Guerra

Personally known [X] or produced identification _____

Type of identification produced: FL ID

My Commission Expires: 02/10/2029