



# BAL HARBOUR

- VILLAGE -

BAL HARBOUR VILLAGE, FLORIDA

655 96<sup>th</sup> STREET, BAL HARBOUR, FLORIDA 33154

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

**BAL HARBOUR VILLAGE, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Prepared by the Finance Department

# BAL HARBOUR VILLAGE, FLORIDA

## TABLE OF CONTENTS

	<b><u>PAGE</u></b>
INTRODUCTORY SECTION - UNAUDITED	
Letter of Transmittal	i-x
Village Officials	xi
Organization Chart	xii
Certificate of Achievement for Excellence in Financial Reporting	xiii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - UNAUDITED (Required Supplementary Information)	4-16
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	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 of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Fund	22
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	23
Statement of Cash Flows - Proprietary Fund	24
Statement of Fiduciary Net Position - Fiduciary Funds	25
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	26
Notes to Basic Financial Statements	27-81
REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A) - UNAUDITED	
Budgetary Comparison Schedule - General Fund	82
Budgetary Comparison Schedule - Resort Tax Special Revenue Fund	83
Note to Budgetary Comparison Schedules	84
Schedule of Changes in the Village's Net Pension Liability and Related Ratios - General Employees' Pension Plan	85
Schedule of Changes in the Village's Net Pension Liability and Related Ratios - Police Officers' Pension Plan	86
Schedule of Changes in the Village's Net Pension Liability and Related Ratios - Excess Benefit Plan	87
Schedules of Employer Contributions -General Employees' Pension Plan	88
Schedules of Employer Contributions -Police Officers' Pension Plan	89
Schedule of Investment Returns - Pension Plans	90
Schedule of changes in the Total OPEB Liabilities	91

# BAL HARBOUR VILLAGE, FLORIDA

## TABLE OF CONTENTS

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A) - UNAUDITED (Continued)	
Schedule of Village's Proportionate Share of the Net Pension Liability - FRS Plans	92
Schedule of Contributions - FRS Plans	93
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULE	
Combining Balance Sheet - Non-Major Governmental Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	95
Budgetary Comparison Schedule - Security District Fund	96
Combining Statement of Fiduciary Net Position - Pension Plans	97
Combining Statement of Changes in Fiduciary Net Position - Pension Plans	98
STATISTICAL SECTION - UNAUDITED	
Net Position by Component	99
Changes in Net Position	100-101
Fund Balances of Governmental Funds	102
Changes in Fund Balances of Governmental Funds	103
Governmental Activities Tax Revenues by Source	104
General Governmental Revenues by Source	105
Assessed Value and Estimated Actual Value of Taxable Property	106
Principal Property Taxpayers	107
Property Tax Levies and Collections	108
Property Tax Rates - Direct and Overlapping Governments	109
Ratios of Outstanding Debt by Type	110
Ratios of Bonded Debt Outstanding	111
Direct and Overlapping Governmental Activities Debt	112
Legal Debt Margin Information	113
Pledged Revenue Coverage	114
Demographic and Economic Statistics	115
Principal Employers	116
Operating Indicators by Function/Program	117
Capital Asset Statistics by Function/Program	118

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## **INTRODUCTORY SECTION**

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# BAL HARBOUR

- V I L L A G E -

April 21, 2022

Honorable Mayor, Vice Mayor, Council Members,  
and Citizens of Bal Harbour Village, Florida

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) as of and for the fiscal year ended September 30, 2021, pursuant to Florida State law. An ACFR is a set of financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with accounting requirements promulgated by the Governmental Accounting Standards Boards (GASB). The financial statements were audited by a firm of independent certified public accountants retained by the Village and paid from its public funds.

This report may be accessed via the internet at <http://www.balharbourfl.gov>.

We encourage you to thoroughly review this document and we welcome the opportunity to discuss some of the important items it addresses.

While financial activities are never an end unto themselves, their recording and presentation can give the encouraged and knowing reader great insight into the operations of a community. They can highlight both strengths and weaknesses and can illustrate the issues that are, at any time, being addressed by the local government.

This report consists of management’s representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the Village assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village’s financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village’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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of Bal Harbour Village**

The Village of Bal Harbour, Florida (the “Village”) is located on the northern tip of the barrier island commonly referred to as Miami Beach; it is the northern-most barrier island in a chain that extends south to Key West, Florida. A channel between the north end of Biscayne Bay and the Atlantic Ocean runs across the northern end of the Village. The main traffic corridor running through the Village is Collins Avenue, also demarked as Florida State Highway A1A.

# BAL HARBOUR

- V I L L A G E -

Occupying a land area of approximately 0.6 square miles, the Village population is 3,004 and has 208 active business licenses. The Village has one business-district, which houses the Bal Harbour Shops, an upscale, open-air shopping mall which has ranked first in the U.S. for decades in productivity based on sales per square foot. The remainder of the Village is high end, single family residential, and condominium or hotel use, a balance that establishes a high quality of life for families.

The Village was incorporated in 1946, with a master plan and a vision for the future. A Resort Tax was established creating a dedicated funding source derived from hotel and food and beverage purchases within the Village. The resort tax funds are used to maintain the aesthetics of the community and promote the Village as a premier tourist destination. This additional tax, contributes to the ability of the Village to maintain one of the lowest property tax rates and overall taxing efforts among South Florida municipalities. This community has spent considerable sums maintaining the unique character of the Village. Our municipal boundaries are compactly defined and give the Village a true sense of place. The cachet that comes from being associated with the Village of Bal Harbour adds a premium to property tax values and the Village's relaunched marketing and renewed branding efforts are thought to pay dividends not only to commercial property owners, but also to residential property owners who enjoy a higher value for their property, and pay a lower tax rate than they would absent a resort tax.

Few changes have been made since the original planned development of the Village, however since 2012, redevelopment of existing oceanfront properties commenced. Redevelopment of the Bal Harbour Shops, approved in FY 2017, will add an additional 350,000 square feet of retail space, with a negotiated development agreement that calls for the development of a new waterfront park, with partial developer funding, and a new Village Hall constructed by the developer. This will add value to the Village's tax roll, new businesses to the community, an engaging waterfront venue, and a new Village Hall as the center of community life. In addition, the development agreement also includes revenue streams from leased property and parking surcharges. Receipt of revenue from leased property began in FY 2020; and receipt of revenue for parking surcharges are expected to begin in FY 2021.

Additional capital improvements on the horizon include the Governmental reconstruction of the Haulover Inlet Jetty, inlet cut walk, and entrance to the beach at 96th Street, tying the inland redevelopment along Collins Avenue, to the oceanfront beachside linear park corridor and the rehabilitation of the Village Utility Infrastructure. The capital improvements collectively enhance the favorable international image of the Village, and add to the amenities offered to, and enjoyed by our residents and guests.

This financial report summarizes our current financial condition. It helps us to understand where we can go and what we can do in the future. Planning is the most important tool available to us and the Village's planning efforts include the allocation of financial resources, to sustain the Village into the future. Our ability to tax is limited. The opportunities provided to municipalities under Florida law are limited, so we must work within the framework we are provided. For the Village to succeed, we must continue to build and maintain value in what we have in order to enhance services to our residents in a fiscally conservative manner, and maximize our existing resources through thoughtful planning and allocation.

# BAL HARBOUR

- V I L L A G E -

## **Government Structure and Services Provided**

The Village exists as a Council-Manager form of municipal government. Under Florida law, Bal Harbour is considered a municipal corporation. The Village is governed by a Council of five (5) qualified persons, each of whom must be a registered voter residing within the limits of the Village for a period of at least one year immediately prior to their qualification. The Charter allows, and the Village Council has enacted, legislation requiring the creation of five (5) districts of nearly equal area and population. To qualify as a candidate for election, the person must reside within the district that he or she proposes to represent on the Council. Village registered voters elect each of the five Council Members without regard to districts. The Council elects one of its members as Mayor. The Mayor presides at the meetings of the Council. The Council also elects one of its members as an Vice Mayor who acts as Mayor during the absences or disability of the Mayor. The Council appoints the Village Manager and the Village Clerk. The Village Manager appoints Department Directors and administers the government of the Village. The Department Directors have the primary responsibility to hire and fire employees, however, the final decision ultimately rests with the Village Manager. The Village is organized into various Departments as shown in the organization chart on page xii.

**Village Manager's Office.** This Office is responsible for leadership and the overall management of the Village. Any policy that the Village Council wishes implemented becomes the responsibility of this Office. The Village Clerk reports to the Village Manager.

**Finance Department.** This Department is responsible for Financial Administration, Business and Tourism Taxes, Payroll, and Water & Sewer Utility Administration and Customer Service.

**Building Department.** This Department is responsible for Planning, Zoning, Land Use activities, Building Permits and Inspections.

**Police Department.** This Department is responsible for all aspects of Public Safety services, inclusive of Code Enforcement.

**Parks and Public Spaces Division.** This Division combines the Public Works, Park and Recreation, Water & Sewer Utility departments, and Beautification department activities and is responsible for the Village's facilities and infrastructure, beach maintenance, solid waste and recycling, landscaping efforts, recreational and cultural activities.

**Tourism Department.** This Department is responsible for the marketing and branding efforts of the Village and is the liaison for the Resort Tax Board.

**Capital Construction Department.** This Department is responsible for capital improvement administration (excluding the Utility Master Plan) of consulting services and construction contracts for the development of new construction projects and improvement of existing Village owned facilities as well as interdepartmental capital improvements.



# BAL HARBOUR

- V I L L A G E -

The departments provide residents and businesses with the full range of municipal services contemplated by state law or local charter. Services include police, culture, recreation, licensing and permitting, general administration and finance, water and sewer utilities, public works and maintenance, solid waste disposal and recycling, and code enforcement.

## **Accounting Controls and Budgetary Process**

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Village internal controls in the last six years are much improved, to include enhanced banking controls, proper segregation of duties between accounts payables, receivables and cash receipt processing, the daily reconciliation of banking activities, a Council approved process for management approval of any utility billing adjustments, and proper procedures to maintain an accurate listing of capital assets within an upgraded financial management system.

The annual budget serves as the foundation for the Village's financial planning and control. Departmental allocations are based on long range planning efforts in support of the Village's five key goals, capital and master planning efforts such as the Utility Master Plan. Village departments submit requests for appropriation to the Chief Financial Officer, these are incorporated with fixed annual inflationary costs to produce the preliminary base budget, prior to the presentation and setting of the preliminary millage by the Village Council in July of each year. The base budget is developed in collaboration with directors, these requests are used to assist the Village Manager in developing a Proposed Budget which depending on current year resources and resource allocation priorities, may include enhancements to current service levels or capital allocations. The Council is required to hold two public hearings on the Proposed Budget and to enact an Approved Budget as prescribed by the State of Florida mandated process by the new fiscal year in October.

The Village maintains budgetary controls for all of its funds except for fiduciary funds. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the Village Council. Activities of the various funds are included in the annual budget. The legal level of control (such as, the level at which actual expenditures and transfers out cannot legally exceed the "budget" appropriations) is maintained at the department or fund level. The Village does not maintain an encumbrance accounting system. All unspent appropriations related to Capital Projects and Grants are generally re-appropriated as part of the following year's budget. Budget to actual comparisons demonstrate how the actual expenditures compare to both the original and final revised budgets.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

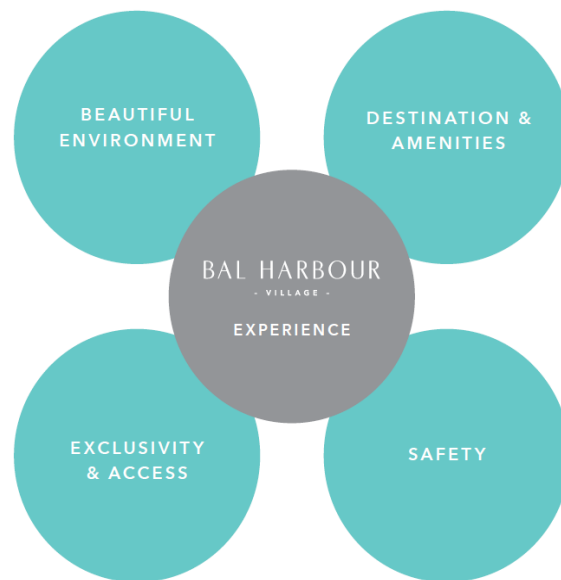
# BAL HARBOUR

- VILLAGE -

## The Bal Harbour Experience

This year, we re-examined our collective vision during our Village Council retreat in May 2021, reconfirming the Council's commitment to our vision established at the Council retreat in 2019. Our vision is that Bal Harbour Village will be the safest residential community, with a beautiful environment and unparalleled destinations and amenities, providing exclusivity and access to ensure the highest quality of life for our residents, and with an unmatched experience for our visitors from around the world. This vision helps achieve our mission of delivering the "Bal Harbour Experience" - that distinctive feeling one experiences when living in or visiting our unique, exclusive, curated and refined community.

The four (4) main elements which denote the essence of the Bal Harbour Experience are:



Beautiful Environment - represented by our pristine beach, lush landscaping, well maintained public spaces, well-designed jogging paths, sidewalks and rights of way. These signature public amenities reflect the maintenance standards the community expects, and allow visitors to immediately identify they are in Bal Harbour Village. In other words - you immediately recognize when you have arrived to Bal Harbour Village and you immediately know when you have left.

Destination & Amenities - represented by high-end hotels, eateries, and boutiques and shopping available, in our beautiful setting.

Exclusivity & Access - represented by our curated art programs and well-produced special events. Our recognized Museum Access Program, Art experiences and exclusive tours, creative public art installations, special access programs during Art Basel, movies and concerts on the beach, and the Bal Harbour Series of the South Beach Wine and Food Festival and Haute Cuisine are just some of the exclusive opportunities created for residents and visitors, and reflect the community's refined taste. As discussed at the Council retreat, this section will be renamed pending approval of the Village Council to better reflect the purpose of this area.

# BAL HARBOUR

- V I L L A G E -

Safety - anchored by our focus on a Community Policing model, where our law enforcement officers are staffed, trained and motivated to provide excellent service and safety to our residents and visitors in a pleasant and friendly manner. The increased visibility, investment in state-of-the-art technology and employment of innovative policing strategies ensures that our community remains safe at all times, as well as a leader and model in public safety.

Together, these elements define what makes our community so unique, distinctive, and such a desirable place to live, work in, and visit. These elements and the vision for our Village rests on a foundation based on:

- Developing and maintaining well-designed and modernized public facilities and infrastructure;
- Implementing smart policies and strategic solutions to address the challenges of today and to ensure that we remain a Resilient and Sustainable community able to protect our future; and
- Ensuring that both the perception and reality of safety in our community remains uncompromised.

## **Financial Policies and Planning**

The Village prioritizes the allocation of resources with a focus on five key goals

- Enhancing policing strategies and accountability;
- Improving and beautifying our public spaces;
- Investing in our Information Technology Infrastructure;
- Enhance community engagement through public events and expanded communications with our residents and visitors; and,
- Establishing sustainable fiscal policies and planning for future capital investments.

These are the focus of our efforts and will continue to guide our funding priorities from year to year. Coupled with continued administrative improvements, we prioritize the initiatives most important to our Village Council and residents while keeping costs down consistent with revenue trends. In the past few years, we added \$10.0 million to our Capital Projects Reserve for use toward future capital projects as a result of a policy to budget \$300 thousand toward these contributions on an annual basis, and a policy of allocating year end surplus (excess revenue over expenditure) in a proportionate manner to fund both undesignated fund balance and an assigned capital projects reserve. This practice ensures a “rainy day” fund, is available to the Village in the event of a dramatic downturn due to unforeseen fiscal conditions that could adversely affect our community and/or economy, and that funds are available for future capital projects. As a seaside, tourist-based community, Bal Harbour Village is especially vulnerable to the volatility of the tourist economy, as well as the annual threat of hurricanes and/or severe weather events.

To ensure the availability of funding for future capital needs, the Village has implemented:

- A policy to allocate fifty percent of excess revenue over expenditure at the close of each fiscal year to assigned fund balance for a Capital Projects Reserve,
- A policy to budget funds for future pay-as-you go capital projects on an annual basis;
- Continued the identification of alternative funding sources toward the completion of prioritized capital projects, and allocate Village funding in support of these initiatives;
- Competitive design and solicitation processes for the development of capital projects.

# BAL HARBOUR

- V I L L A G E -

CIP accomplishments and initiatives for Fiscal Year 2021 are outlined below:

- Off-site Park and Public Spaces Facility - Purchase, renovation, site work and hardening of Village property in North Miami funded by both the General and Utility Fund. Providing space for displaced Parks & Public Spaces (including Utility Operations) and storage; Emergency Operations Center category 5 rated emergency operations including complete roof replacement. Purchase was completed in Fiscal Year 2021. This project was completed in Fiscal Year 2021. The total cost of the acquisition and renovation of this project was \$3.0 million. \$0.6 million of the total cost of this project was grant funded.
- New Waterfront Park - The New Waterfront Park project includes Community Center (12,163 sf) playground, water feature/splashpad, landscape & hardscape. Community Center Concept design was developed through Community input and approved by Village Council in 2018. During Fiscal Year 2020, the Village became aware that the seawall will need to be replaced. The seawall replacement scope of work will address sea level rise by raising the seawall cap and will also include a new dock and waterside amenities such as kayak launch. The New Waterfront Park project is expected to be completed in phases: Phase A will include the Community Center building, the new park area, the seawall & dock reconstruction, and the current basketball court area, which will be refurbished for continued use. We anticipate completion of this phase of the project by February 2023. Phase B design and construction will proceed upon completion of the New Village Hall and demolition of the current Village Hall Building, a few years later. The current preliminary concept proposes the ground floor as parking area serving the park, with a second-floor open air basketball deck (or enclosed basketball/multipurpose recreation center). In addition, a design of the proper adaptive reuse of the current basketball court area is to be determined. The total projected cost is estimated to be \$18.7 million, of which \$7.6 million is funded through developer contributions, grants and rental income.
- Bal Harbour Haulover Inlet Jetty Project - This project (includes the area under the Haulover Bridge) will reconstruct the existing Jetty to enhance the aesthetics as a public space with design concepts to be developed with community involvement. Design activities are ongoing. This project is projected to be completed in Fiscal Year 2024. The total projected cost is estimated to be \$14.2 million, of which \$7.9 million will be funded through developer contributions and grants revenues.
- Utility Master Plan (including Stormwater) - Rehabilitation of the Village infrastructure to include identified replacement of the Water, Sanitary Sewer and Stormwater systems, with remedial paving in affected areas. This is a multiphase project. Design and construction activities are ongoing. Overall project completion is projected to be Fiscal Year 2024. The total projected cost is estimated to be \$24.0 million, of which \$11.8 million will be funded through debt financing and grants revenues.
- Various machinery and equipment- Includes the purchase of vehicles and equipment.

# BAL HARBOUR

- V I L L A G E -

Looking forward, major new capital initiatives to commence or continue in fiscal year 2022 include the construction phase of the new Waterfront Park, design for the redevelopment of the Bal Harbour Haulover Inlet Jetty, continued implementation of the Utility Master Plan, and planning efforts toward improvements Inlet Cut Walk, 96th Street beach access and the Collins Avenue Corridor. All told, the anticipated cost of these capital improvements total \$102.1 million, with funding readily identified for all but \$18.7 million of future year improvements, without the need to issue additional bonds, as summarized below. Approximately \$49.3 million of the total project costs have been/or will be funded by grant and developer contributions.

The FY 2022-2026 Capital Budget and 5-Year Capital Improvement Program follows:

Revenues and Expenditures Budget Summary

		Budget							Total
		Previous Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Future Years	
FUNDING SOURCE									
General Fund:									
Miami-Dade General Obligation Bond Fund	\$ 1,416,700	\$ 363,200	\$ 6,283,100	\$ -	\$ -	\$ -	\$ -	\$ 8,063,000	
Developer Contributions - Bal Harbour Shops (PPS)	3,500,000	-	-	-	-	-	-	3,500,000	
Developer Contributions - Bal Harbour Shops (Village Hall)	-	1,700,000	-	-	18,223,318	-	-	19,923,318	
Developer Contributions - Bal Harbour Shops (Other)	1,000,000	1,000,000	-	-	-	500,000	-	2,500,000	
Developer Contributions - Other	-	-	150,000	-	-	-	-	150,000	
Suntrust Rent	920,000	701,145	711,662	722,337	733,172	744,170	-	4,532,486	
Miscellaneous Revenue - Grants	300,000	2,921,000	-	-	-	-	-	3,221,000	
Budget Allocation	2,196,597	(1,228,400)	1,176,400	-	-	-	-	2,144,597	
Appropriation of Fund Balance/Carryover	13,655,522	(2,186,000)	2,567,400	-	-	-	-	14,036,922	
Village 2011 Bond Escrow Funds	368,933	-	-	-	-	-	-	368,933	
Total General Fund	23,357,752	3,270,945	10,888,562	722,337	18,956,490	1,244,170	-	58,440,256	
Resort Tax Fund:									
Appropriation of Fund Balance/Carryover	-	1,000,000	1,500,000	-	-	-	-	2,500,000	
Total Resort Tax Fund	-	1,000,000	1,500,000	-	-	-	-	2,500,000	
Utility Fund:									
Miami-Dade General Obligation Bond Funds	6,500,000	-	-	-	-	-	-	6,500,000	
Developer Contributions - Oceana	950,000	-	-	-	-	-	-	950,000	
Budget Allocation	2,221,800	-	-	-	-	-	-	2,221,800	
Appropriation of Fund Balance/Carryover	1,267,700	-	-	-	-	-	-	1,267,700	
Village 2011 Bond Escrow Funds	3,221,300	-	-	-	-	-	-	3,221,300	
Village 2020 Utility Revenue Note	8,338,000	-	-	-	-	-	-	8,338,000	
Total Utility Fund	22,498,800	-	-	-	-	-	-	22,498,800	
TBD	-	-	337,700	300,000	-	-	18,050,000	18,687,700	
TOTAL FUNDING SOURCE	\$ 45,856,552	\$ 4,270,945	\$ 12,726,262	\$ 1,022,337	\$ 18,956,490	\$ 1,244,170	\$ 18,050,000	\$ 102,126,756	
EXPENDITURE BY PROJECT									
Parks and Public Spaces Operations Facility	\$ 2,972,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,972,000	
Waterfront Park (Phase A)	18,678,952	-	-	-	-	-	-	18,678,952	
New Village Hall	-	1,700,000	-	-	18,223,318	-	-	19,923,318	
Jetty/Cutwalk/96th Street Plaza	853,700	363,200	11,483,100	1,500,000	-	-	-	14,200,000	
Collins Avenue Beautification	50,000	-	-	-	-	-	12,000,000	12,050,000	
Waterfront Park (Phase B)	50,000	-	-	-	-	-	6,050,000	6,100,000	
Utility Infrastructure - Sewer, Water and Stormwater Improvements	21,969,300	1,483,000	337,700	300,000	-	-	-	24,090,000	
TBD:									
Use of Suntrust Funds	-	701,145	711,662	722,337	733,172	744,170	-	3,612,486	
Use of Shop Funds	-	-	-	-	-	500,000	-	500,000	
TOTAL EXPENDITURE	\$ 44,573,952	\$ 4,247,345	\$ 12,532,462	\$ 2,522,337	\$ 18,956,490	\$ 1,244,170	\$ 18,050,000	\$ 102,126,756	

## Enterprise Operations

Water and Wastewater services within the Village are provided as an enterprise operation, services are funded as payments for measurable water and wastewater services are consumed. Rates established as charges for services should sustain its operations, satisfy any related debt and fund costs associated with the Utility Master Plan. For the Village utility operations, water is purchased at a wholesale rate from the Miami-Dade County Water and Sewer Department (WASD) and the City of Miami Beach applies a wholesale rate for Wastewater or sewer services which travels through their system for treatment at the Miami-Dade WASD Virginia Key plant. Wholesale water service is paid directly to Miami-Dade WASD, and wholesale sewer services are paid directly to the City of Miami Beach by the Village, for this reason their rates directly affect the rates the Village charges to our customers.

# BAL HARBOUR

- V I L L A G E -

## **Risk Management**

The goal of risk management is to qualify and quantify exposures that can weigh upon the Village's assets and to affect necessary action to eliminate and reduce losses within the Village. The Village is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage is provided for general and auto liability, workers' compensation, excess liability, and health insurance through government risk pools and commercial insurance. Proper management and internal controls serve to minimize this risk.

## **Reporting Entity**

The activities included in our report are those over which the Village has the ultimate financial accountability, accompanied by the reporting information for the Village's General Employees' and Police Officers' Pension Plans. Activities for which the Village, as a "primary" government, is ultimately financially accountable has been presented within this report. No activity has been excluded which would cause our financial statements to be misleading or incomplete. Certain activities are not included in this report because they do not meet the necessary criteria. For example, in Florida, school boards are independently elected and financially accountable for their finances. As such, the school board would present separate financial statements.

## **Acknowledgements and Other Information**

### ***Independent Audit***

State statutes require an annual audit by independent certified public accountants. Through the statutorily required competitive process, the Village selected the accounting firm, RSM US LLP, to conduct its annual audit. Auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* were used by the auditors in conducting the audit. The auditors' report on the basic financial statements and combining fund statements and schedules is included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations are included in a separate section.

# BAL HARBOUR

- V I L L A G E -

## ***Reporting Achievement***

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village, for its ACFR for the fiscal year ended September 30, 2020. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management team. This is the eighth year that the Village has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both the generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ***Acknowledgements***

The preparation of this report would not have been possible without the skill, effort and dedication of the entire staff of the Finance Department and the accounting firm, RSM US LLP. We wish to thank all the Village Departments for their assistance in providing the information necessary to prepare this report. Credit also must be given to the Mayor and Council members for their continued support for maintaining the highest standards of professionalism in the management of the Village, and to their appointees serving on the Village's Budget Advisory Committee, and providing their guidance throughout the annual budget development process.

Respectfully Submitted



Claudia Dixon, CPA  
Chief Financial Officer



Jorge M. Gonzalez  
Village Manager

# BAL HARBOUR

- V I L L A G E -

## VILLAGE OFFICIALS

### **MAYOR**

Gabriel Groisman

### **VICE MAYOR**

Seth E. Salver

### **COUNCIL MEMBERS**

David Albaum  
Jeffrey P. Freimark  
Buzzy Sklar

### **VILLAGE MANAGER**

Jorge M. Gonzalez

### **VILLAGE CLERK**

Dwight S. Danie

### **VILLAGE ATTORNEY**

Weiss Serota Helfman Cole &  
Bierman

### **CHIEF FINANCIAL OFFICER**

Claudia Dixon, CPA

### **CONTROLLER**

Tom Pham

### **BUDGET COMMITTEE**

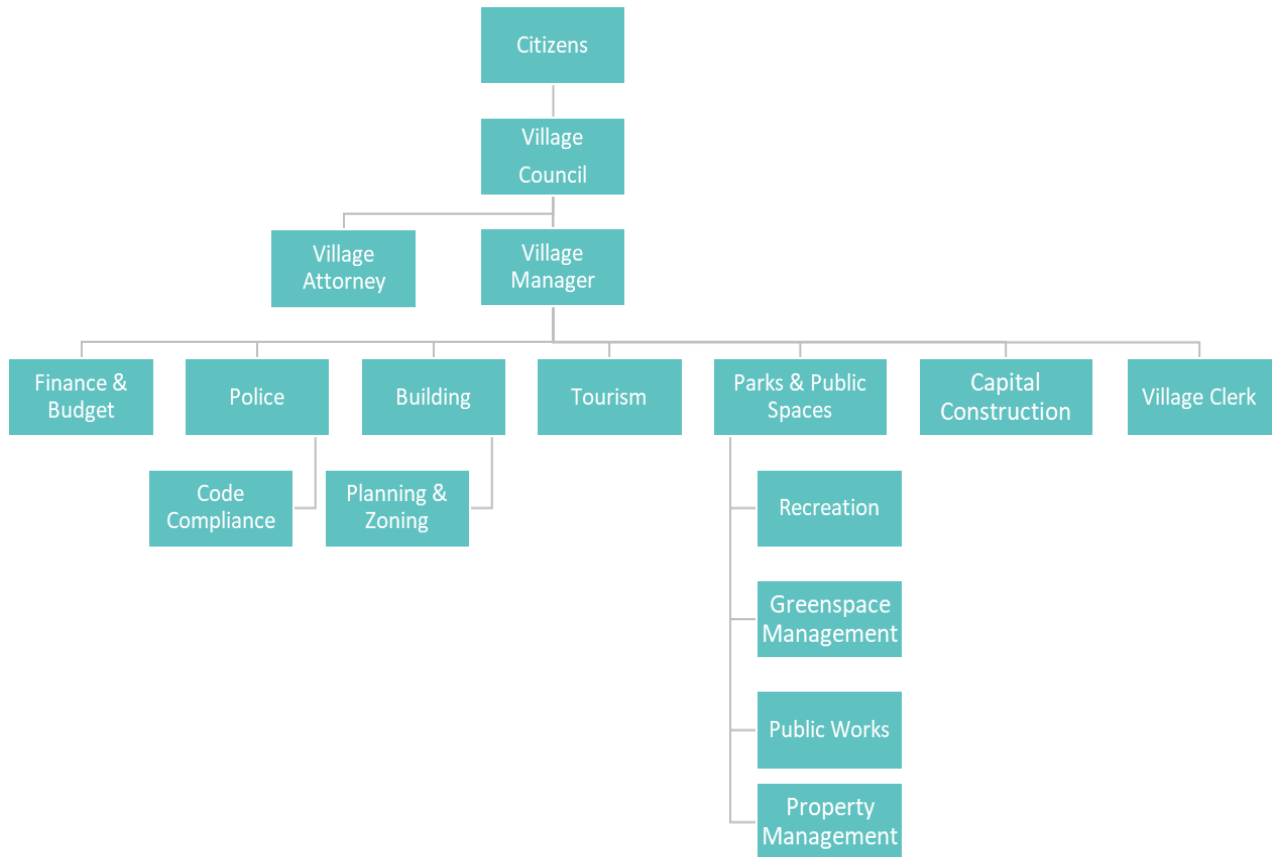
Necca Logan, Chair  
Andrew J. Shechtel  
Raj Singh  
Raymond Slate  
David Wolf



# BAL HARBOUR

- V I L L A G E -

## Bal Harbour Village Organization Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Bal Harbour  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditor's Report**

To the Honorable Mayor and Members of the Village Council  
Bal Harbour Village, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bal Harbour Village, Florida (the Village), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bal Harbour Village, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 13 to the financial statements, the Village adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The beginning net position of the aggregate remaining fund information as of October 1, 2020, have been restated. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison schedules, and other post-employment benefits and pension schedules* as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplementary information such as the introductory section, statistical section, and combining fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2022, on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.

*RSM US LLP*

Miami, Florida  
April 21, 2022





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**MANAGEMENT DISCUSSION AND ANALYSIS**  
**MD&A - UNAUDITED**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**

The following narrative provides an overview of Bal Harbour Village, Florida, (the "Village") financial activities for the fiscal year ended September 30, 2021. This narrative should be read in conjunction with the letter of transmittal at the front of this report and the financial statements and accompanying notes which follow this section. Additional information is provided within this narrative and the accompanying required supplementary information and statistical sections of the financial statements.

### **Financial Highlights for Fiscal Year 2021**

- At the close of the fiscal year, the total assets and deferred outflows of the Village exceeded its liabilities and deferred inflows by \$117.9 million (*net position*), this reflects a 10.4% increase over the prior fiscal year. Of this amount, \$31.9 million (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors, reflecting a 31.8% increase over FY 2020. Unrestricted net position is comprised of \$21.8 million in governmental activities and \$10.2 million in business-type activities.
- At the close of the fiscal year, the total assets are \$145.8 million, reflecting a 7.6% increase, total liabilities are \$29.4 million, reflecting a decrease of 12% over the prior year, with deferred pension and post-employment related inflows and outflows decreased to a net of \$1.5 million.
- At the close of the fiscal year, the Village's governmental activities ended with a net position of \$89.1 million, and the business-type activities (*Water & Sewer Fund*) ended with a net position of \$28.8 million. The combined ending net position reflects an increase of \$11.1 million over 2020, comprised of an increase of \$10.3 million in total assets largely comprised of \$7.7 million *attributable to cash and cash equivalents*, \$1.9 million *in capital assets*. Total liabilities decreased by \$4.0 million primarily due to a decrease in net pension liabilities - defined benefit plans of \$3.4 million.
- At year end, the change in net position of governmental activities totals \$10.7 million, the change is comprised of a \$7.6 million increase in cash and cash equivalents, \$1.0 million increase in receivables primarily representing developer contributions, \$1.9 million increase in capital assets, and by a \$3.2 million decrease in net pension liability.
- At the close of the fiscal year, the Village governmental funds reported combined fund balances of \$45.7 million, an increase of \$8.7 million in comparison to the prior fiscal year. The *unassigned fund balance* is \$12.1 million, or 27% and 34% of the ending fund balance for governmental funds and general fund, respectively. This amount is available for spending at the Village's discretion.
- At the close of the fiscal year, governmental fund revenue increased by \$6.6 million to \$28.2 million. The increase is primarily comprised \$2.0 million increase in Resort Tax Revenue, \$2.1 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act monies received in response to COVID-19 activities, and \$0.6 million increase in licenses and permits.
- At the close of the fiscal year, ending net position for the water and sewer proprietary fund is \$28.8 million, reflecting a change in net position over 2020 of \$0.4 million. Unrestricted net position for the fund is \$10.2 million or 35.4% of total net position,

which may be used to meet the Village's ongoing utility obligations to citizens and creditors.

- At the close of the fiscal year, ending net position for the Village's two pension trust funds is \$50.7 million, an increase of \$7.5 million in comparison to fiscal year 2020.

The Annual Comprehensive Financial Report (ACFR) consists of six parts - introductory section, management's discussion and analysis (this section), the basic financial statements, required supplementary information, combining statements for non-major governmental funds and statistical section.

Management's Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial transactions, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (*beginning on page 17*).

## **Overview of the Financial Statements**

The financial statements focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

## **Government-wide Financial Statements**

The government-wide financial statements (*see pages 17 and 18*) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add up to a total for the primary government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. The two government-wide financial statements report the Village's net position and how they have changed. Net position-the difference between the Village's assets and deferred outflows and the Village's liabilities and deferred inflows-is one way to measure the Village's financial health and position.

The statement of activities (*see page 18*) is focused on both the gross and net cost of various activities (including governmental, component units and business-type) that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or components.

The government activities reflect the Village's basic services, including general government, police, solid waste, roads and streets, park and recreation, and tourism. Property taxes, franchise and utility taxes, intergovernmental revenue, special assessments, and tourism revenue finance the majority of these services. The business-type activities reflect private sector type operations (Water and Sewer) where the fees for service typically cover all or most of the cost of operation, including depreciation.

## **Fund Financial Statements**

The Fund Financial Statement presentation focuses on major funds. The Government's major fund (*see pages 19 to 20*) presentation is presented on a sources and uses of liquid resource basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith (*beginning on page 94*).

The fund financial statements also allow the government to address its fiduciary (or trust) funds (*see page 25 to 26*) by type (*employee retirement funds and custodial funds*). While these funds represent trust or custodial responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements and are not considered generally available to the Village to use for any other purpose.

While the business-type activity – Enterprise column on the business-type fund financial statements (*see pages 22 to 23*) is the same as the business-type activities column on the government-wide financial statement, the government major funds total (*page 17*) column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each *statement* (*see pages 19 and 20*). The flow of current financial resources will reflect interfund transfers and other financial sources, as well as capital expenditures. The reconciliation will eliminate these transactions and incorporate the capital asset and long-term obligations into the government activities column (*in the government-wide statements*).

## **GOVERNMENT WIDE STATEMENTS**

The government wide financial statements were designed so that the user can determine if the Village is in a better or worse financial condition from the prior year. The Village's overall assets exceeded liabilities by \$117.9 million at the close of the most recent fiscal year.

## Summary Statement of Net Position

The following table reflects the comparative condensed Statement of Net Position (*in thousands*):

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>		<u>Percent</u> <u>Change</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Current and other assets	\$ 47,429	\$ 38,614	\$ 14,814	\$ 19,482	\$ 62,243	\$ 58,096	7.14%
Capital assets	56,510	54,649	27,085	22,745	83,595	77,394	8.01%
Total assets	103,939	93,263	41,899	42,227	145,838	135,490	7.64%
Deferred Outflows of Resources	3,926	5,842	71	126	3,997	5,968	-33.03%
Current and other liabilities	1,421	1,208	1,805	1,341	3,226	2,549	26.56%
Non-current liabilities	14,797	18,256	11,357	12,575	26,154	30,831	-15.17%
Total liabilities	16,218	19,464	13,162	13,916	29,380	33,380	-11.98%
Deferred Inflows of Resources	2,513	1,197	16	23	2,529	1,220	107.30%
Net investment in capital assets	56,384	54,484	18,603	17,940	74,987	72,424	3.54%
Restricted	10,912	10,126	-	-	10,912	10,126	7.76%
Unrestricted	21,838	13,834	10,189	10,474	32,027	24,308	31.75%
Total net position	\$ 89,134	\$ 78,444	\$ 28,792	\$ 28,414	\$ 117,926	\$ 106,858	10.36%

Net position may serve, over time, as a useful indicator of the government's financial position. In the case of the Village, assets and deferred outflows exceeded its liabilities and deferred inflows at September 30, 2021 by \$117.9 million. As summarized above, the statement of net position for the Village reflects an increase of \$11.1 million or 10.4% compared to prior year which is made up of \$7.7 million increase to unrestricted net position, and a \$2.6 million in net investment in capital assets.

A large portion of the Village's net position reflects its investment in capital assets (e.g., land, building, and equipment) \$75.0 million. Net investment in capital assets is the portion of net position that related to capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended debt proceeds. The Village uses these capital assets to provide service to the citizens; consequently, these assets are not available for future spending.

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used (restricted assets) amounting to \$10.9 million; for the Village these include Capital Projects to be funded by developer contributions, Tourism, Security District, and State Forfeiture funds.

The Unrestricted balance is intended to be a corporate style measurement of well-being (or a bottom line) for the Village and its related governmental and business-type activities. The unrestricted net position for the Village is \$32.0 million, with \$21.8 million for governmental activities and \$10.2 million for business-type activities.

## CURRENT YEAR IMPACTS

### Statement of Activities

The following schedule presents the comparative condensed Statement of Activities (in thousands):

	Governmental Activities		Business-type Activities		Total		Percent Change
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program revenues:							
Charges for services	\$ 11,210	\$ 7,785	\$ 4,543	\$ 4,294	\$ 15,753	\$ 12,079	30.42%
Operating grants and contributions	2,103	-	-	-	2,103	-	100%
Capital grants and contributions	617	20,000	-	658	617	20,658	-97%
General revenue:							
Taxes	11,646	12,053	-	-	11,646	12,053	-3.38%
Other	2,643	1,786	24	60	2,667	1,846	44.47%
Total revenues	28,219	41,624	4,567	5,012	32,786	46,636	-29.70%
Expenses:							
General government	6,602	7,035	-	-	6,602	7,035	-6.15%
Public safety	7,026	8,228	-	-	7,026	8,228	-14.61%
Solid waste and open space	780	984	-	-	780	984	-20.73%
Tourism	1,879	2,304	-	-	1,879	2,304	-18.45%
Roads, streets and parks	1,238	1,280	-	-	1,238	1,280	-3.28%
Interest on long-term debt	4	6	-	-	4	6	-33.33%
Water and sewer	-	-	4,189	3,791	4,189	3,791	10.50%
Total expenses	17,529	19,837	4,189	3,791	21,718	23,628	-8.08%
Changes in net position	10,690	21,877	378	1,131	11,068	23,008	-51.89%
Net position - beginning	78,444	56,567	28,414	27,283	106,858	83,850	27.44%
Net position - ending	\$ 89,134	\$ 78,444	\$ 28,792	\$ 28,414	\$ 117,926	\$ 106,858	10.36%

The statement of activities as presented in comparative fashion, more closely resembles the manner in which revenue and expenses are programmed for budget purposes and allocated for departmental and fund use. The statement of net position ending for the Village in fiscal year 2021 is \$117.9 million.

### Governmental activities:

Governmental activities increased by \$10.7 million. Key elements of the fluctuation are as follows:

Governmental activities revenues consisted of program revenues which amounted to \$13.9 million and general revenues which amounted to \$14.3 million, for a total of \$28.2 million. Property tax revenue for general purposes was \$9.8 million and represents 34.9% of total revenues. This is a decrease of \$0.4 million or 4.2% from the prior year.

Property taxes are levied by the Village based on the Miami-Dade County Property Appraisers determined property values in the Village. The Miami-Dade County Property Appraiser determined that certified taxable property values in the Village decreased from \$5.5 billion in 2020 to \$5.3 billion, a decrease of \$0.2 billion or -4.1%. The Village's operating millage rate for 2021 was 1.9654 millage same as prior year.

Charges for services which represent 57.6% of total revenues were \$11.2 million. This amount is an increase of \$3.4 million or 44.0% over the prior year. These charges at the government wide statement level are primarily derived from resort tax revenues, permits, licenses, fines, forfeitures and administrative fees from enterprise funds and some forms of intergovernmental revenues. Resort tax which represents 42.9% of charges for services was \$4.8 million, which is an increase of \$2.0 million or 73% from the prior year. Resort tax is a 4% tax on the rent of a room or rooms in any hotel, motel, rooming house or apartment house and 2% on the total sales price of all food and beverage (included beer and wine sold at retail in any restaurant). Fluctuations in resort tax revenues are based on the fluctuations in the sales of the above items and vary from one year to another based on the economy.

Intergovernmental revenues totaled \$3.4 million for the year. Intergovernmental revenue increased by \$2.6 million or 318% from the prior year. These revenues are derived from federal, state and county grantors for various Village initiatives, such as capital project grants and funding in response to COVID-19 efforts.

Developer contributions and Miscellaneous revenue increased by a combined \$1.1 million. Miscellaneous revenue represents commercial rental income.

Governmental activities expense consisted of functional expenses for the Village's general government, public safety, physical environment, parks and recreation, tourism development and interest on long-term debt. These functional expenses amounted to \$17.5 million. Significant portions of these expenses were in the public safety, general government and culture and recreation functions.

General government function expense was \$6.8 million and represents 38.6% of total expense and decreased \$0.3 million compared to prior year. The Village's general government function includes Village council, the Village manager's office, the finance department, the building department, capital construction department, the Village attorney's office and other special projects.

Public safety function expense was \$6.9 million and represents 39.2% of total expenses. The Village's public safety function includes the personnel and operations for police. In addition, grant funded expenses for police and other public safety activities (inclusive of code enforcement) are reported under this category. Total public safety expenses decreased by \$1.3 million or 16.5% from the prior year. The decrease in public safety expenditures are primarily related to reduced pension expenditures resulting from an increase in net investment income to the Police Pension Plan.

Community services function expense was \$2.1 million and represents 11.5% of total expenses. The Village's community services function includes solid waste, roads and streets and Parks and recreation. Expenses in this function had a net decrease of \$0.2 million or 10.9% from the prior year.

Tourism development expense was \$1.9 million and represents 10.7% of total expenses. The tourism development services function includes programming of tourism and beautification activities. The objective is to generate on-going and incremental resort tax funds to be used for increasing the quality of life, beautification maintenance and enhancement of Village assets, and the ongoing creation of advertising, marketing, public relations efforts, programs and events to promote tourism to Bal Harbour Village.



**Business-type activities:**

The Water and Sewer fund had an increase in net position of \$0.4 million or 0.35% compared to prior year. Operating revenues increased by \$0.3 million or 5.8% and operating expenses increased by \$0.3 million or 9.0% from the prior year. Net non-operating expenses were \$0.2 million and consisted of \$0.2 million in interest and fiscal charges and \$0.06 in interest income. The monthly water and sewer rates include fees to cover debt service on \$11.0 million of outstanding the water and sewer revenue bond and note payable. The water rate charged to Village customers is \$4.9149 per 1,000 gallons consumed with a 3,000 gallon minimum monthly charge. The sewer rate charged to Village customers is \$8.7087 per 1,000 gallons consumed with a 3,000 gallon minimum monthly charge.

**Village Highlights**

The Village concluded fiscal year 2021 with a 31.8% increase to unrestricted net position ending at \$32.0 million, and an increase of total net position by 10.4% to \$117.9 million. During 2018, the Village negotiated the first amendment to the Bal Harbour Shops Development Agreement which advanced the timeline for developer proffered improvements and contributions resulting in approval for redevelopment of the entire Business District of the Village. The negotiated development agreement includes provisions for the planning of a new waterfront park, a new Village Hall constructed by the developer, and recurring revenue streams from leased property, parking surcharges, and guarantees for ad valorem revenue in future years. The improvements associated with the Bal Harbour Shops redevelopment serve to solidify the Village's property values and prospective financial position. In connection with the development agreement, during 2021 the Village recorded \$1 million in developer contributions and received \$0.7 million in rental income relating to commercial rental property that was conveyed to the Village in 2020.

During 2021, progress has been made on the Villages capital improvement projects, including completion of the new offsite Parks and Public Spaces facility in North Miami, Florida, the awarding of the construction contract for the Bal Harbour Waterfront Park, which will provide a new community center and park amenities, such as a splash pad, kayak launch, playground as well as the reconstruction of a seawall; the Jetty/96<sup>th</sup> Street-end project has completed 90% of the Design Development Phase; and the continued implementation of the Utility Master Plan with improvements. These projects serve as a catalyst for improvements to Village infrastructure which will serve residents and visitors for the next 50 years.

## Normal Impacts

There are several basic (normal) impacts on revenues and expenses which could affect the Village as described below:

### Revenues

- **Overall Economic Condition.** This can reflect a declining, stable or growing economic environment and has a substantial impact on property, tourism, and other tax revenue as well as redevelopment efforts made by the development community. The Village is exposed to risks associated with tourism. Declines in tourism can adversely affect dollars available to the Village for marketing and parks, roads, and streets. Declines in tourism can result in reduced property values to the Village, which would result in lower property tax dollars. Likewise, a poor economy can also negatively impact the Village's property tax base. The Village has a handful of large properties that could stagnate or decline under certain economic conditions. The effect on the Village would be disproportionately leveraged. The Village has continued to experience redevelopment of its largest oceanfront properties, and plans for the redevelopment of the entire business district are moving through the approval process, with developer proffered donations of land, a new Village Hall, and future new revenue streams. Management believes the Village can weather most short-term economic scenarios as it did with Hurricane Irma, and the 2017 Zika outbreak and continues to do as with the COVID-19 pandemic. If this current period of economic growth should cease, the Village provides services and has planned for capital projects within its current fiscal resources as they are available and does not leverage new debt in order to accomplish operating strategic goals.
- **Increase/Decrease in Council Approved or State-Mandated Tax Rates and Assessments.** The Village Council can raise or lower its various tax rates and special assessment levels. These rates have a direct relationship to the Village's revenue streams. Volatility in tax rates can be detrimental to business owners and homeowners, making their properties less attractive to own. The Village has a stable taxation policy. The fiscal year 2021 millage rate of 1.9654 was maintained making it the sixth year in a row at an ad valorem tax rate which is the third lowest in Miami-Dade County, and well below the statutory cap of 10 mills.
- **Reliance upon Intergovernmental Revenue.** The Village received approximately \$3.4 million in revenue from other governments during FY2021. Included in intergovernmental revenue for FY2021 is \$2.1 million in Cares Act Relief monies received in response to COVID-19 activities; and \$0.7 million in reimbursements for the Parks and Public Spaces Facility; as well as the Jetty/96<sup>th</sup> Street-end capital projects. Since the Village does not directly control the levy or collection of these revenues, it is exposed to the risk that those revenues will not grow or even be available in future years. The loss of these revenues would likely require the Village to raise more money through higher local taxing efforts, or implement level of service adjustments. The Village has the capacity to raise its tax rates to more than offset the loss of these other governmental revenues.
- **Undiversified Tourism Tax Base.** Resort Tax Revenue increased by \$2.0 million in FY2021. About 51% of its Tourism funding was received from one venue in FY2021. The loss of the venue would significantly and adversely affect the operations of the Village's marketing and tourism efforts. The Village's finances are not totally dependent upon tourism, but anything that materially affects tourism, such as a severe recession or natural disaster, could adversely affect the Village's revenues and put pressure on the Village to

levy higher tax rates. When tourism declines, commercial property values also tend to decline.

- **Limits on Annual Assessments for Homestead Properties.** Florida's Constitution restricts residential homestead assessment growth to 3% per year, or less, on each home that has a homestead exemption. Commercial properties are limited to a maximum 10% annual increase on their assessment and they are not generally provided any exemptions from assessment. The Village is overwhelmingly residential in nature, but is fortunate to have a number of residential units that are not subject to this annual limitation. Further, the value of the homes that are subject to the annual assessment cap is substantial and the Village does not suffer from a limited tax base growth to the extent other Florida municipalities might. However, the Village may be exposed to changes in the manner with which annual assessments are valued or the limit to which they may be taxed, or additional homestead exemptions granted by the Legislature, but to a lesser degree than most municipal jurisdictions.

## **Expenses**

- Public Safety expenses account for about 50.0% of the Village's General Fund operating expenditures. South Florida municipalities face constant pressure to remain competitive with the salary and benefits paid to sworn police personnel. The costs of maintaining competitive pay packages could have a growth rate that exceeds that of the revenue growth rate, resulting in pressure on the Village's budget. Additionally, the Village traditionally affords all civilian employees benefits similar in nature to those provided to Police employees.
- The Village provides water and sewer services to its residents and businesses. The Village buys water and transmits wastewater for further treatment under large-user agreements with other units of government. The Village cannot negotiate from a position of strength for these services and is largely at the mercy of the service provider. Increased operating costs, capital costs, pass-through rate increases from wholesale service providers, combined with the additional debt service expense associated with capital improvements of our wholesale service providers, make additional rate increases likely for the foreseeable future.
- Solid Waste Disposal - The Village collects money from its property owners through special assessments to pay for the cost of collection and disposal of solid waste from its residents. The Village outsources its solid waste operation.
- Environmental Risks - The Village is located between an intracoastal waterway and the Atlantic Ocean and is exposed to significant risks caused by weather, particularly hurricanes. In addition to the potential damage to structures and infrastructure, substantial loss of beach can occur during hurricanes. Because a significant portion of the Village's attraction is its beachfront area, the loss of the beach, even if only temporary, could result in significant loss of revenue to the Village.

## **Current Year Impacts**

### **Revenues**

Ad-valorem tax collections declined by \$0.4 million due to a reduction in the condominium tax values. Capital grants and contributions decreased \$20.0 million, primarily due to \$20.0 million of commercial property located in Bal Harbour that was conveyed to the Village in FY 2020 as part of the Bal Harbour Shops Developer agreement. Operating grants and contributions increased due to FY 2021 collections of \$2.1 million in Cares Act relief monies received in response to COVID-19 activities. Resort Tax Revenue increased by \$2.0 million. Miscellaneous revenue includes \$0.7 million in rental income received.

The Security District assessment rate remained the same at \$3,000/single family resident unit, in order to enhance services to the residents of the area.

### **Expenses**

All of the Village's General Fund operating departments and activities concluded the fiscal year within budgeted appropriations, with expenditures less than budgeted.

At the close of the fiscal year, the net pension liability for the Village is \$13.7 million for the 4 retirement plans and a other post employment benefit plan. This reflects a decrease of \$3.4 million from the prior year. The annual required contribution for each year is an actuarial computation which provides a fixed input for annual expenditures for the General Employees' Pension Plan that value was \$1.1 million, and for the Police Officers' Pension Plan that value was \$1.6 million. Increases to the actuarial required contribution for each Village Plan are due to adjusted rate of return assumptions, actual investment returns, plan experience, salary increases, and mortality rates.

Other Post-Employment Benefits (OPEB) refers to the benefits, other than pensions, that state and local government employees are eligible to receive as a part of their retirement benefits. OPEB, which, for the Village, are limited to healthcare costs, continue to increase. Under state law, the Village is required to allow its retirees to continue their health care coverage provided the retirees pay the full premium. This results in an "implied subsidy" to older participants with greater need. The Village also allows (through a collective bargaining agreement with its police officers) police retirees to receive a monthly health insurance stipend of \$350. An OPEB analysis was completed for 2021 indicating a liability of \$1.4 million, this is funded by the Village on a pay-as-you-go basis.

Increases in wholesale water and sewer rates from both Miami-Dade County, Florida and the City of Miami Beach, Florida resulted in increased expenses for the purchase of water and sewer service per 1,000/gallons, additional pass-through rate increases are anticipated in future years. Current employee and operating expenses and liabilities are allocated to the utility fund for work performed. Implementation of the Utility Master Plan capital project continued in fiscal year 2021, with the alternative approach of relining sewer pipes as opposed to excavation and replacement, Completion of this capital project with an anticipated completion date of 2024.

Management curbs expenditures consistent with revenue projections, when trends merit their delay or abatement.

## **THE VILLAGE FUNDS**

Through a disciplined approach to resource allocation, careful management practices and conservative financial policies, all while navigating the many impacts from the COVID-19 global pandemic, the Village continues to maintain a very strong financial position in all funds.

### **Governmental Funds**

As of the year end, the Governmental Funds (*as presented on the balance sheet*) reported total fund balance of \$45.7 million, with an increase of \$5.5 million noted for the General Fund with an ending balance of \$35.3 million. The Resort Tax Fund ended the year with \$8.2 million in fund balance, an increase of \$2.9 million. Total fund balances are \$35.3 million for the General Fund, \$8.2 million for Resort Tax and \$2.2 million for non-major funds, these funds, include the Security District Fund and the State Forfeiture Fund.

### **Enterprise Fund**

The Water and Sewer Fund net position at year end is \$28.8 million, an increase of \$0.4 million in comparison to fiscal year 2020. Capital Assets continued to see improvements made to the underground water and wastewater Utility Master Plan ongoing project, with the addition of \$4.8 million of improvements, increasing capital assets to \$27.1 million. Operating revenue increased by \$249 thousand over the prior year and operating expense increased by \$398 thousand.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the close of the fiscal year, governmental activities capital assets, net of depreciation is \$56.4 million, net capital assets for business-type activities are \$18.6 million, for a combined net book value of \$75.0 million in capital assets categorized as land, construction in progress, building, furniture and equipment, and infrastructure which will be depreciated over time on the government-wide and proprietary financial statements.

For additional information on the Village's capital assets, see Note 5 beginning on page 45.

### **Long-Term Debt**

Long-term liabilities, which consist of a bond, note, leases, compensated absences and pension and OPEB liabilities, decreased by \$4.0 from the previous year for governmental and business-type activities combined primarily due to an overall \$3.4 million decrease in net pension liability for the defined benefit plans. At the close of 2021, the Village had \$25.8 million in outstanding long-term obligations, of which \$2.0 million is due during fiscal year 2021. The ending balance is comprised of \$3.5 million from Revenue Bonds issued in 2010, \$7.6 million Utility Revenue Note issued in 2020, net pension liability for the Village's 4 retirement plans and the other post-employment benefit liabilities comprise \$13.7 million, compensated absences comprise \$992 thousand, and capital leases total \$5 thousand. The current year portion of all debt is budgeted within the 2021 operating budget of the Village.

For additional information on the Village's long-term debt, see Note 7 beginning on page 47.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Due to the global outbreak of COVID-19, the 2020-21 year brought with it the continued changes to our planned activities and programs. The Village implemented strict financial measures, sought and will continue to pursue funding assistance through the Coronavirus Aid and Relief and Economic Security Act (Cares Act) as well as other sources. Despite these funding challenges, the Village, through prudent fiscal management, maintains a healthy financial position to provide the quality services deserved by our constituents.

The redevelopment plans for the Village's Business District and the completion of a new beach front luxury complex, enhanced the economic outlook for the Village. The property tax millage rate for fiscal year 2021 was maintained at 1.9654 mills per \$1,000 of assessed valuation. The Village was able to retain this very low rate, as a result of increased tax roll value resulting from redevelopment of oceanfront property.

In development of the current year's budget the Village balanced Florida's limiting measures on residential property taxes which allow the exemption of the first \$25,000 of assessed values is from taxation on homestead property. Further, homeowners over age 65 and who have income less than \$20,000 are able to avoid taxes on the next \$25,000 of assessed value. Florida's Constitution also limits the assessed value on homestead property to a maximum increase of 3% per year, or less if inflation is less. Commercial property is limited to a maximum 10% increase in assessed value per year. An additional \$25,000 exemption was approved in 2008; those impacts were evaluated for the Village and determined to be nominal in nature. Much of the condominium market in the Village does not have homestead exemption, and thus enjoys a higher rate of growth. This too insulates the Village from substantial impacts resulting from future State Legislative proposals.

Recurring challenges for the Village are personnel benefit costs that outpace its tax base growth, excluding new construction. For this reason, the value added resulting from redevelopment within the Village is important and permits the Village to retain the third lowest operating millage rate in the County.

Redevelopment of the Business District properties works in conjunction with Village marketing efforts to increase the value of the Bal Harbour brand and The Bal Harbour Shops, as an international destination-shopping venue enhance the tax base of the Village. The Shops is the Village's largest commercial taxpayer and the businesses that locate within the Shops tend to have large retail inventories that are also taxed by the Village. The expansion plans of the Shops, approved in 2017 will increase the development by an additional 350,000 square feet to total 860,000 square feet. Estimated increased values associated with this expansion are appraised at a range of \$193 million to \$270 million upon completion, resulting in a significant increase in ad valorem tax revenue at any millage rate. For the year ended September 30, 2021 Bal Harbour Shops contributed 5.6% of ad valorem tax revenue; the ad valorem tax revenue increases will be substantial after project completion. In addition, the accompanying development agreement provides an estimated benefit in excess of \$123 million to the Village in the years to come.

Notwithstanding the approved expansion to The Shops, the Village's tax base is heavily weighted to the residential market and is not very diversified otherwise. This exposes the

Village to the movements of fewer markets that can lead to more volatility in the tax base. This has sometimes been mitigated by the property tax base growth that can “recapture” limited tax base growth in prior years. Also, because Bal Harbour residential properties tend to be at the high end of the market, recoveries have historically been faster than for the residential market as a whole.

Water and sewer rates were increased to pass-through anticipated increases from our wholesale service providers, from \$4.74/1,000 to \$4.91/1,000 gallons of water consumed with a 3,000-gallon minimum monthly charge; wastewater rates increased from \$8.49/1,000 to \$8.70/1,000 gallons of wastewater consumed with a 3,000-gallon minimum monthly charge for sewer. The Village has continued the implementation of the Utility Master Plan infrastructure project, which when completed in 2024 will result in renewed water, sewer, and stormwater infrastructure with a 30-year lifespan.

The Village benefitted from a beach renourishment truck project that widened the beaches throughout the Village in 2014. The Village coordinates with Miami Dade County, the State of Florida and the United States Army Corps of Engineers to advance the Sand Bypass Project and place approximately 210,000 cubic yards of sand on Bal Harbour Beach. We continue our efforts to have renourishment plans included in the County’s long-term plans to assist the Village in obtaining both County and State funding for these efforts in the future. This results in a positive impact on both tourism taxes and property values for the Village.

## **FINANCIAL CONTACT**

The Village’s financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Village’s finances and to demonstrate the Village’s accountability. If you have any questions about the report or need additional financial information, contact the Village’s Chief Financial Officer at Village Hall located at 655 96<sup>th</sup> Street, Bal Harbour Village, Florida 33154, or call telephone (305) 866-4633.





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## **BASIC FINANCIAL STATEMENTS**

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# BAL HARBOUR VILLAGE, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities	Business- type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 45,314,743	\$ 11,554,098	\$ 56,868,841
Receivables, net	1,985,143	649,499	2,634,642
Due from other governments	5,133	-	5,133
Prepaid expenses	124,377	-	124,377
Restricted assets:			
Cash and cash equivalents	-	2,504,058	2,504,058
Cash – customer deposits	-	106,329	106,329
Capital assets not being depreciated	51,100,618	13,099,368	64,199,986
Capital assets being depreciated, net	5,409,836	13,985,480	19,395,316
Total assets	<u>103,939,850</u>	<u>41,898,832</u>	<u>145,838,682</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related items	3,817,375	71,426	3,888,801
Other post-employment benefits related items	108,542	-	108,542
Total deferred outflows of resources	<u>3,925,917</u>	<u>71,426</u>	<u>3,997,343</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	1,421,682	1,392,835	2,814,517
Due to other governments	-	306,354	306,354
Customer deposits	-	106,329	106,329
Unearned revenue	314,677	19,998	334,675
Non-current liabilities:			
Due within one year	782,488	1,240,542	2,023,030
Due in more than one year	292,355	9,788,465	10,080,820
Net pension liability – excess benefit plan	2,153,533	-	2,153,533
Net pension liability – defined benefit plans	9,822,163	307,522	10,129,685
Total other post-employment benefit liabilities	1,432,107	-	1,432,107
Total liabilities	<u>16,219,005</u>	<u>13,162,045</u>	<u>29,381,050</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related items	2,512,718	16,231	2,528,949
<b><u>NET POSITION</u></b>			
Net investment in capital assets	56,384,097	18,603,172	74,987,269
Restricted for:			
Capital projects	500,000	-	500,000
Tourism development	8,238,838	-	8,238,838
State law enforcement	793,330	-	793,330
Security district	1,380,024	-	1,380,024
Unrestricted	21,837,755	10,188,810	32,026,565
Total net position	<u>\$ 89,134,044</u>	<u>\$ 28,791,982</u>	<u>\$ 117,926,026</u>

See Notes to Financial Statements.

# BAL HARBOUR VILLAGE, FLORIDA

## STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 6,600,152	\$ 5,546,973	\$ 233,235	\$ 616,900	\$ (203,044)	\$ -	\$ (203,044)
Public safety	7,026,299	849,682	1,869,486	-	(4,307,131)	-	(4,307,131)
Solid waste	695,588	-	-	-	(695,588)	-	(695,588)
Roads and streets	1,238,168	-	-	-	(1,238,168)	-	(1,238,168)
Parks and recreation	84,589	-	-	-	(84,589)	-	(84,589)
Tourism development	1,879,376	4,813,175	-	-	2,933,799	-	2,933,799
Interest on long-term debt	4,027	-	-	-	(4,027)	-	(4,027)
Total governmental activities	17,528,199	11,209,830	2,102,721	616,900	(3,598,748)	-	(3,598,748)
Business-type activities:							
Water and sewer	4,189,214	4,543,188	-	-	-	353,974	353,974
Total business-type activities	4,189,214	4,543,188	-	-	-	353,974	353,974
Total	\$ 21,717,413	\$ 15,753,018	\$ 2,102,721	\$ 616,900	(3,598,748)	353,974	(3,244,774)
General revenues:							
Property taxes					9,824,672	-	9,824,672
Franchise fees based on gross receipts					679,758	-	679,758
Utility taxes					908,092	-	908,092
Communications services tax					233,726	-	233,726
Unrestricted developer contribution					1,139,456	-	1,139,456
Unrestricted intergovernmental revenue					655,244	-	655,244
Unrestricted investment earnings					50,802	23,778	74,580
Miscellaneous					797,329	-	797,329
Total general revenues and transfers					14,289,079	23,778	14,312,857
Change in net position					10,690,331	377,752	11,068,083
Net position, beginning					78,443,713	28,414,230	106,857,943
Net position, ending					\$ 89,134,044	\$ 28,791,982	\$ 117,926,026

See Notes to Financial Statements.

# BAL HARBOUR VILLAGE, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	General	Resort Tax	Aggregate Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 34,976,964	\$ 8,125,915	\$ 2,211,864	\$ 45,314,743
Receivables, net	1,733,433	239,830	11,880	1,985,143
Due from other governments	5,133	-	-	5,133
Prepaid items	110,627	13,750	-	124,377
Total assets	<u>36,826,157</u>	<u>8,379,495</u>	<u>2,223,744</u>	<u>47,429,396</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,230,635	\$ 140,657	\$ 50,390	\$ 1,421,682
Unearned revenue	314,677	-	-	314,677
Total liabilities	<u>1,545,312</u>	<u>140,657</u>	<u>50,390</u>	<u>1,736,359</u>
<b>Fund balances:</b>				
Non-Spendable - Prepaids	110,627	13,750	-	124,377
Restricted:				
Capital projects	500,000	-	-	500,000
Tourism development	-	8,225,088	-	8,225,088
State and federal law enforcement	-	-	793,330	793,330
Security district	-	-	1,380,024	1,380,024
Assigned:				
Excess benefits plan	2,153,533	-	-	2,153,533
Other post-employment benefits and leave time	1,432,107	-	-	1,432,107
Red light camera claims	500,000	-	-	500,000
Building and zoning	500,000	-	-	500,000
Capital projects	17,935,250	-	-	17,935,250
Unassigned:				
General fund	12,149,328	-	-	12,149,328
Total fund balances	<u>35,280,845</u>	<u>8,238,838</u>	<u>2,173,354</u>	<u>45,693,037</u>
Total liabilities and fund balances	<u>\$ 36,826,157</u>	<u>\$ 8,379,495</u>	<u>\$ 2,223,744</u>	<u>\$ 47,429,396</u>

Total fund balances \$ 45,693,037

Amounts reported for governmental activities in the 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	56,510,454
Deferred outflows and inflows of resources related to pensions and OPEB are recorded in the statement of net position and not recognized under the modified accrual basis of accounting	1,413,199
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	
Revenue bonds and capital leases	(126,357)
Compensated absences	(948,486)
Other post-employment benefits liabilities	(1,432,107)
Net pension liability	<u>(11,975,696)</u>
Net position of governmental activities	<u>\$ 89,134,044</u>

See Notes to Financial Statements.

# BAL HARBOUR VILLAGE, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General	Resort Tax	Aggregate Non-major Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes:				
Property	\$ 9,824,672	\$ -	\$ -	\$ 9,824,672
Other local taxes	1,821,576	-	-	1,821,576
Resort tax	-	4,813,175	-	4,813,175
Licenses and permits	2,787,470	-	64,302	2,851,772
Developer contribution	1,139,456	-	-	1,139,456
Fines and forfeitures	849,682	-	-	849,682
Charges for services	1,775,779	-	-	1,775,779
Special assessments	-	-	919,422	919,422
Intergovernmental	3,374,865	-	-	3,374,865
Investment earnings	40,941	7,416	2,445	50,802
Miscellaneous	771,060	26,269	-	797,329
Total revenues	22,385,501	4,846,860	986,169	28,218,530
<b>Expenditures:</b>				
Current:				
General government	5,396,989	-	603,609	6,000,598
Public safety	7,286,884	-	-	7,286,884
Solid waste	695,588	-	-	695,588
Road and streets	1,099,784	-	-	1,099,784
Parks and recreation	84,589	-	-	84,589
Tourism development	-	1,853,605	-	1,853,605
Capital outlay	2,321,645	38,002	46,106	2,405,753
Debt Service:				
Principal	31,266	7,328	-	38,594
Interest	3,696	331	-	4,027
Total expenditures	16,920,441	1,899,266	649,715	19,469,422
Excess (deficiency) of revenues over (under) expenditures	5,465,060	2,947,594	336,454	8,749,108
<b>Net change in fund balances</b>	5,465,060	2,947,594	336,454	8,749,108
<b>Fund balances, beginning</b>	29,815,785	5,291,244	1,836,900	36,943,929
<b>Fund balances, ending</b>	\$ 35,280,845	\$ 8,238,838	\$ 2,173,354	\$ 45,693,037

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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

Net change in fund balances – total governmental funds	\$ 8,749,108
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Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation expense

Depreciation expense	(457,277)
Expenditures for capital assets	2,318,719

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:

Net pension liability – defined benefit plans	\$ 3,357,845	
Net pension liability – excess benefit plan	48,092	
Compensated absences	(90,146)	
Revenue bonds and capital lease principal payments	38,594	
Total other post-employment benefits liabilities (OPEB)	<u>(42,808)</u>	3,311,577

Deferred outflow of resources and deferred inflow of resources  
related to pensions and OPEB are not recognized in the  
governmental funds

<u>(3,231,796)</u>
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Change in net position of governmental activities

<u><u>\$ 10,690,331</u></u>
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See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA****STATEMENT OF NET POSITION  
PROPRIETARY FUND**

SEPTEMBER 30, 2021

	<u>Water &amp; Sewer</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 11,554,098
Receivables, net	649,499
Restricted assets:	
Cash and cash equivalents	2,504,058
Restricted Cash – customer deposits	<u>106,329</u>
Total current assets	<u>14,813,984</u>
Noncurrent assets:	
Capital assets not being depreciated	13,099,368
Capital assets being depreciated, net	<u>13,985,480</u>
Total noncurrent assets	<u>27,084,848</u>
Total assets	<u>41,898,832</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension related items	<u>71,426</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable and accrued liabilities	1,392,835
Due to other governments	306,354
Customer deposits	106,329
Unearned Revenue	19,998
Compensated absences	33,371
Bonds, notes and leases payable	<u>1,207,171</u>
Total current liabilities	<u>3,066,058</u>
Noncurrent liabilities:	
Net pension liability	307,522
Compensated absences	9,902
Bonds, notes and leases payable	<u>9,778,563</u>
Total noncurrent liabilities	<u>10,095,987</u>
Total liabilities	<u>13,162,045</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension related items	<u>16,231</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	18,603,172
Unrestricted	<u>10,188,810</u>
Total net position	<u>\$ 28,791,982</u>

See Notes to Financial Statements.



**BAL HARBOUR VILLAGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

<b>Revenues</b>	<u>Water &amp; Sewer</u>
Operating revenues:	
Charges for sales and services:	
Water sales	\$ 2,270,877
Sewer sales	2,270,252
Fines and penalties	2,059
Total operating revenues	<u>4,543,188</u>
 <b>Operating expenses:</b>	
Materials, supplies and administration	609,369
Wastewater treatment charges	1,239,276
Water purchases	840,357
Depreciation	457,078
Personnel services	752,406
Total operating expenses	<u>3,898,486</u>
 Operating income	<u>644,702</u>
 <b>Nonoperating revenues (expenses):</b>	
Interest income	23,778
Interest expense	(206,894)
Loss on disposal of fixed assets	(83,834)
Total nonoperating revenues (expenses)	<u>(266,950)</u>
 <b>Change in net position</b>	 377,752
Net position, beginning	28,414,230
Net position, ending	<u><u>\$ 28,791,982</u></u>

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Water &amp; Sewer</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 4,509,177
Payments from other government	16,715
Payments to suppliers	(2,244,628)
Payments to employees	(730,866)
Net cash provided by operating activities	<u>1,550,398</u>
Cash flows from capital and related financing activities:	
Principal payments on bonds and leases	(1,203,701)
Purchase and construction of capital assets	(4,880,511)
Interest paid on capital debt	(206,894)
Net cash used in capital and related financing activities	<u>(6,291,106)</u>
Cash flows from investing activities:	
Interest received	<u>23,778</u>
Net decrease in cash and cash equivalents	(4,716,930)
Cash and cash equivalents, beginning	<u>18,881,415</u>
Cash and cash equivalents, ending	<u><u>\$ 14,164,485</u></u>
Cash and cash equivalents per statement of net position:	
Unrestricted	\$ 11,554,098
Restricted	<u>2,610,387</u>
	<u><u>\$ 14,164,485</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 644,702
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	457,078
Changes in operating assets, liabilities and deferred outflows/inflows:	
(Increase) decrease in:	
Receivables	(49,151)
Deferred outflows – pensions	54,474
Increase (decrease) in:	
Accounts payable and accrued liabilities	444,374
Due to other governments	16,715
Compensated absences	5,112
Customer deposits	15,140
Deferred inflows – pensions	(6,863)
Net pension liability	(31,183)
Net cash provided by operating activities	<u>\$ 1,550,398</u>
Noncash Investing, Capital and Financing Activities:	
Loss on disposal of Capital Assets	\$ 83,834

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2021**

	Pension Trust Funds	Pending Forfeitures Custodial Fund
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 137,959	\$ 301,248
Investments:		
Money market mutual funds	802,967	-
Equity mutual funds	13,531,939	-
Bond mutual funds	6,078,172	-
U.S. Government obligations	4,162,765	-
Corporate bonds	608,710	-
Mortgage-backed securities	2,879,188	-
Large cap equities	19,606,321	-
Real estate investments	2,735,898	-
Total investments	50,405,960	-
Accrued interest receivable	44,786	-
Contributions receivable	24,057	-
Prepaid expenses	141,971	-
Total assets	50,754,733	301,248
<b><u>LIABILITIES</u></b>		
Accounts payable	74,305	-
<b><u>NET POSITION</u></b>		
Restricted for pension benefits	\$ 50,680,428	-
Restricted for other governments	-	301,248
	\$ 50,680,428	\$ 301,248

See Notes to Financial Statements.

**BAL HARBOUR VILLAGE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Pension Trust Funds	Pending Forfeitures Custodial Fund
<b><u>ADDITIONS</u></b>		
Contributions:		
Village	\$ 2,615,535	\$ -
Employees	420,772	-
State	67,689	-
Total contributions	<u>3,103,996</u>	<u>-</u>
Investment income:		
Interest and dividends	747,372	-
Net appreciation in the fair value of investments	6,821,543	-
	<u>7,568,915</u>	<u>-</u>
Less investment expenses	(201,083)	-
Net investment income	<u>7,367,832</u>	<u>-</u>
Other	<u>66,985</u>	<u>-</u>
Total additions	<u>10,538,813</u>	<u>-</u>
<b><u>DEDUCTIONS</u></b>		
Benefits payments	2,422,151	-
Lump sum DROP distributions	404,364	-
Administrative expenses	187,868	-
Total deductions	<u>3,014,383</u>	<u>-</u>
Change in net position	7,524,430	-
<b><u>Net position</u></b>		
Beginning, as restated (See Note 13)	43,155,998	301,248
Ending	<u>\$ 50,680,428</u>	<u>\$ 301,248</u>

See Notes to Financial Statements.

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# **BAL HARBOUR VILLAGE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of Bal Harbour Village's (the Village) significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying basic financial statements.

The financial statements of the Village 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 significant accounting policies of the Village are described below:

#### ***A. Financial Reporting Entity***

The Village is a municipal corporation organized under Florida Statutes. The Village, which was incorporated in August 1946, is located in Miami-Dade County, Florida. The Village operates under a Council-Manager form of government with the Mayor serving as the head of the government for all purposes and the Village Manager serving as the administrative official. The Village provides the following services: public safety (police), physical environment (refuse collection), transportation (maintenance of roads and streets), tourism development, special security district protection, water and sewer utilities and general administrative services. Fire protection, education, hospital facilities and welfare services are provided by other units of local government whose activities are not included in the accompanying financial statements.

#### ***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 non-fiduciary activities of the Village. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. 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 identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***B. Government-Wide and Fund Financial Statements*** (Continued)

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. All remaining non-major funds are aggregated and reported as other governmental funds.

#### ***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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers all revenues except grant revenues to be available if they are collected within 60 days after year end. Grant revenues are considered available if collected within six months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as required by accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other post-employment benefits and pension costs, are recorded when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if received within the availability period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

The ***general fund*** is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The ***resort tax special revenue fund*** is used to account for proceeds of resort tax revenue sources that are legally restricted to expenditures for tourism development and beach restoration. Resort taxes are paid monthly by establishments doing business within the Village based on 4% of their revenues from hotel room rentals and 2% of food and beverage sales.

The Village also reports the following non-major government funds:

The ***security district fund*** accounts for the special assessments received from the property owners residing in the special district maintaining the security and common areas within the special district.

The ***state law enforcement trust fund*** accounts for the receipts of state forfeiture monies received through the participation in law enforcement cases resulting in the forfeiture of assets awarded by Florida courts. These funds can only be spent for police related activities, equipment and training and all expenditures are approved by Council.

The ***federal law enforcement trust fund*** accounts for the receipts of federal forfeiture monies received through the participation in law enforcement cases resulting in the forfeiture of assets awarded by Federal courts. These funds can only be spent for police related activities, equipment and training and all expenditures are approved by Council.

The Village also reports the following major proprietary funds:

The ***water and sewer fund*** is used to account for water and sewer utility operations, which are financed and operated in a manner similar to a private business enterprise. The intent of the Village is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the Village reports the following fund types:

The ***pension trust funds*** are used to account for assets held by the Village's General Employees' Pension Trust and the Police Officers' Pension Trust. The assets of the funds are restricted to providing retirement and disability benefits to those qualified employees.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The ***pending forfeitures custodial fund*** is used to account for the receipts of federal and state forfeiture monies received through the participation in law enforcement cases resulting in the forfeiture of assets to the federal or state government. Money deposited in this fund and earnings on those deposits are not considered property of the Village until awarded to the Village by an order of the court. Therefore, monies are being held on behalf of other government agencies.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources include committed, assigned and unassigned amounts which are available and can be used for the intended purpose. When unrestricted resources are available for use, it is the Village's policy to use committed resources first, then assigned and then unassigned as they are needed.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following GASB statements have been issued but are unadopted by the Village as of year-end:

- GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the Village beginning with its year ending September 30, 2022.
- GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement will be effective for the Village beginning with its year ending September 30, 2023.
- GASB Statement No. 92, *Omnibus 2021*, was issued January 2021. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for the Village beginning with its year ending September 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2021. This statement addresses accounting and financial reporting implications that result from the replacement of a LIBOR. The requirements of this Statement are effective for the Village beginning with its year ending September 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2021. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the Village beginning with its year ending September 30, 2023.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued May 2021. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for the Village beginning with its year ending September 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32, was issued June 2021. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement are effective for the Village beginning with its year ending September 30, 2022. Except for the requirement of this Statement that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trust that meet the criteria in paragraph 30 of Statement 67 or paragraph 30 of Statement 74, respectively, are effective immediately for 2021.

#### ***D. Deposits and Investments***

Cash and cash equivalents are considered to be cash and short-term investments with original maturities of three months or less from the date of acquisition. The Village's cash and cash equivalents include cash on hand and investments with the Florida PRIME administered by the State Board of Administration.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are 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 inputs are significant unobservable inputs.

Investments are reported at fair value which is the amount a financial instrument could be exchanged for in a current transaction between willing parties at the measurement date. Investments with Florida PRIME are recorded at amortized costs.

Level 1 and 2 prices are obtained from various pricing sources as follows: Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes large cap domestic stocks. Debt securities classified in Level 2 of the fair value hierarchy are valued 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. This includes U.S. government obligations, mortgage-backed and agency securities and corporate bonds. Alternative real-estate investments in the limited partnership is valued at NAV per share, as provided by the investment fund manager. An entity is permitted to establish fair value of an investment in a nongovernmental entity that does not have readily determinable fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

#### ***E. Receivables***

Receivables include amounts due from other governments and others for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific expenditures/expenses are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

Water charges to customers are based on actual water consumption. The Village recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

#### ***F. Prepaids***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditure/expense when consumed (i.e., the consumption method), rather than when purchased in both the governmental and proprietary funds.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***G. Restricted Assets***

The use of certain assets is restricted by specific bond covenants and other legal requirements. Assets so designated are identified as restricted assets on the statements of net position. The Village reports unspent debt proceeds as well as customer water and sewer deposits as restricted assets.

#### ***H. Capital Assets***

Capital assets, which include property, plant, equipment, intangible (e.g., easement) and certain infrastructure assets (e.g., sidewalks and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the Proprietary Fund. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed or as they are otherwise acquired.

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

Assets	Years
Buildings	30
Improvements other than buildings	30
Public domain infrastructure	25-60
Water/sewer system	25-60
Furniture, fixtures and equipment and software	3-20

#### ***I. Compensated Absences***

It is the Village's policy to permit employees to accumulate earned, but unused vacation pay and comp-time benefits. Both are accrued when incurred in the government-wide and proprietary funds and reported as a liability. Compensated absences are reported in governmental funds only if they have matured.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***J. Long-Term Obligations***

In the government-wide financial statements and in the proprietary fund type in the fund 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. Issuance costs are expensed in the year of issuance, except for prepaid bond insurance costs.

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 reporting as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of principal and interest are also reported as expenditures.

#### ***K. Pensions***

The Village provides separate defined benefit pension plans for general employees and sworn police officer's hired before October 1, 2016. The Village provides retirement benefits to all full-time officer's sworn in after October 1, 2016 through the Florida Retirement System (FRS and HIS).

The Village also offers an optional deferred compensation plan created in accordance with Internal Revenue Code 457. In 2006, the Village established the Excess Benefit Plan, a qualified governmental excess benefit arrangement as defined in Section 415 of the Internal Revenue Code.

For the purposes of measuring the Village's share of the net pension liability, net pension asset, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, the Village uses information about the fiduciary net position of the Village's General Employees' Pension Plan, Police Officer's Pension Plan, Excess Benefit Plan, Florida Retirement System (FRS) and Retiree Health Insurance Subsidy (HIS) (the Plans). Additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

#### ***L. Other Post-Employment Benefits (OPEB)***

The total OPEB liability, OPEB expense and deferred outflows and inflows of resources related to OPEB are measured and presented in accordance with the requirements of GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Additional Information regarding the Village's OPEB liability can be found in Note 9.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***M. Deferred Outflows and Inflows of Resources***

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. Currently, there is only deferred outflows related to pensions and OPEB in this category.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, there is only deferred inflows related to pensions in this category.

#### ***N. Fund Balance***

The Village reports the following fund balance classifications:

*Non-spendable fund balance.* Non-spendable 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 and Resolution have the same authority) of the Village Council, the Village's highest level of decision making authority. Commitments may be changed or lifted only by the Village Council taking the same formal action (Ordinance and Resolution) that imposed the constraint originally.

*Assigned fund balance.* Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Village Manager to which the 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 non-spendable, restricted or committed; and (b) amounts in the General Fund that are intended to be used for a specific purpose.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***N. Fund Balance*** (Continued)

Specific amounts that are not restricted or committed in a special revenue fund are assigned for specific purposes in accordance with the nature of their 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 Village itself.

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

The Village adopted a formal Fund Balance Policy that provided for definitions and classifications of fund balance. The policy also provides for certain non-spendable fund balance, restricted, committed, and assigned categories. Of particular note is the assigned fund balance for the Village's excess benefit plan and other postemployment benefits of \$2.2 million and \$1.4 million, respectively, in the General Fund; and \$17.9 million for future capital projects. A requirement to maintain a minimum unassigned General Fund balance of 33% of the subsequent year's General Fund budgeted operating expenditures exists, and the Village exceeded that goal with \$6.6 million or 74% of the General Fund fiscal year 2021 budgeted operating expenditures.

#### ***O. Net Position***

The net position of the government-wide and the proprietary fund are 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 Village's capital assets reduced by accumulated depreciation and any associated debt used to acquire or construct those capital assets.

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 positions that do not meet the definition of either of the other two components.

Sometimes the Village 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 Village'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.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***P. Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets/deferred outflows of resources, liabilities/deferred inflows of resources, and the disclosures of contingent balances as of the date of the financial statements, as well as revenue and expenses during the period reported. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

### NOTE 2. PROPERTY TAXES

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mils. The fiscal year 2021 millage rate assessed by the Village was 1.9654 mills.

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

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

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. The County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the Village. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by the County are provided for in the laws of Florida. There were no material delinquent property taxes as of September 30, 2021, however the Village continues to experience the effects of the Value Adjustment Board's action on appealing assessment values, which directly impacts the collection of budgeted property tax revenue.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

At September 30, 2021, cash and investments of the primary government and the fiduciary funds consisted of the following:

	<b>Balance</b>
<b>Primary Government</b>	
Cash	\$ 10,375,282
Investments	49,103,946
Total cash and cash equivalents	<u>\$ 59,479,228</u>
<b>Fiduciary Funds</b>	
Cash	\$ 439,207
Investments	50,405,960
Total cash, cash equivalents and investments	<u>\$ 50,845,167</u>

#### ***Deposits***

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or 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 deemed as insured or collateralized.

#### ***Investments - Other Than Pension Funds***

Village administration is authorized to invest in those instruments authorized by the Florida statutes, including the Florida PRIME administered by the Florida State Board of Administration (State Treasurer's Investment Pool).

The State Board of Administration (SBA) administers the Florida PRIME, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures which permits the use of money market funds in order to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Florida PRIME pool is operating in a manner consistent with SEC rules of 2a-7 funds. The investments in Florida PRIME are not insured by FDIC or any other governmental agency.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

As of September 30, 2021, the Village's investment in the Florida Prime is recorded at amortized cost.

Investment		Balance
Florida PRIME	\$	49,103,946

Note: Florida PRIME is included as cash equivalents in the financial statements.

#### ***Interest Rate Risk***

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2021, was 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The pool's guidelines allow for the purchase of only money-market assets at least 50% rated 'A-1+' by S&P Global Ratings and no more than 50% rated 'A-1', such as U.S. Treasury and U.S. agency obligations, corporate obligations including commercial paper and asset backed commercial paper; municipal securities; bank obligations; and money-market mutual funds.

#### ***Credit Risk***

The Village does not have an investment policy for credit risk. Village administration is authorized to invest in those instruments authorized by the Florida statutes, including the Florida PRIME administered by the Florida State Board of Administration (State Treasurer's Investment Pool). The Florida PRIME is rated by S&P Global Ratings as AAAM as of fiscal year end.

#### ***Concentration of Credit Risk***

The Village structures its investment mix in a manner to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2021, the value of each position held in any one Issuer within the Village's portfolio is less than 5% of total Investments.

#### ***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The Village requires that investments being held by a third-party custodian be properly designated as an asset of the Village and be held in the Village's name.

#### ***Investments - General Employees' Pension Plan***

##### *Policy*

The Plan maintains a master custodial agreement whereby the investment securities are held in the plan's name by a financial institution acting as the Plan's agent.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The Board of Trustees of the Bal Harbour Village General Employees' Pension Plan & Trust (the Plan) adopted an amended Investment Policy effective January 1, 2008. Concurrently with this amended investment policy, the Board of Trustees elected to discontinue active management of a portfolio of investments, based upon the advice of its investment monitor and advisor. The Board of Trustees, in keeping with its consultant's recommendation, has opted to invest in index funds, as provided for in the investment policy. The policy defines the scope of control of the Board, the investment objectives, performance measurements, investment and fiduciary standards, authorized investments, maturity and liquidity requirements, portfolio composition, risk and diversification, target asset mixes, expected annual rates of return and other investment requirements.

The Plans' investments are categorized as follows according to the GASB 72 fair value level hierarchy as of September 30, 2021:

Investment Type	General Employees Fair Value Measurements Using	
	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)
Equity mutual funds	\$ 13,531,939	\$ 13,531,939
Bond mutual funds	6,078,172	6,078,172
<b>Total Investments at Fair Value</b>	<b>19,610,111</b>	<b>\$ 19,610,111</b>
Measured at amortized cost:		
Money market mutual funds (exempts)	89,467	
<b>Total Investments</b>	<b>\$ 19,699,578</b>	

#### 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 managing its exposure to market value losses arising from changing interest rates. However, the investment policy limits investments in fixed income instruments to index mutual funds.

As of September 30, 2021, the Plan had the following investments and maturities:

Investment Type	Fair Value	Less Than 1 Year
Money market mutual funds	\$ 89,467	\$ 89,467

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The current investment policy limits investments to index mutual funds. Therefore, the portfolio bears the credit risk of the aggregated market.

#### Concentration of Credit Risk

The current investment policy limits investments to index mutual funds. Therefore, the portfolio represents the total diversification provided in the markets that the index funds mirror.

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Plan requires that investments being held by a third-party custodian be properly designated as an asset of the Plan and be held in the Plan's name.

#### ***Investments - Bal Harbour Police Officer's Pension Plan***

The Plan's investment policy establishes asset classes and stipulates the following maximum portfolio percentages as of September 30, 2021:

Authorized Investments	Allowable Range %	Target %
Domestic Equity	0% - 65%	60%
Fixed Income	0% - 100%	40%
Foreign Securities	0% - 25%	0%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The Plans' investments are categorized as follows according to the GASB 72 fair value level hierarchy as of September 30, 2021:

Police Plan			
Fair Value Measurements Using			
	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>			
Fixed income securities:			
U.S. government obligations	\$ 4,162,765	\$ -	\$ 4,162,765
Mortgage-backed and agency securities	2,879,188	-	2,879,188
Corporate bonds	608,710	-	608,710
<b>Total Fixed Income Securities</b>	<u>7,650,663</u>	<u>-</u>	<u>7,650,663</u>
Equity securities:			
Large cap domestic stock	19,606,321	19,606,321	-
<b>Total Investments at Fair Value</b>	<u>27,256,984</u>	<u>\$ 19,606,321</u>	<u>\$ 7,650,663</u>
Investments not at Fair Value			
Real estate investments (measured at NAV)	2,735,898		
Money market funds (measured at amortized cost)	713,500		
<b>Total Investments</b>	<u>\$ 30,706,382</u>		

#### Custodial Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Police Officer's Pension Plan maintains a Master Custodian Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent.

#### Interest Rate Risk

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

As of September 30, 2021, the Police Officer's Pension Plan had the following fixed income investments and maturities:

	Fair Value	Investment Maturities (In Years)			More than 10 years
		Less Than 1	1-5	6-10	
U.S. government obligations	\$ 4,162,765	\$ 892,642	\$ 1,351,968	\$ 1,918,155	\$ -
Mortgage-backed securities	2,879,188	-	1,196,672	1,682,516	-
Corporate bonds	608,710	-	210,718	130,113	267,879
<b>Total Investments</b>	<u>\$ 7,650,663</u>	<u>\$ 892,642</u>	<u>\$ 2,759,358</u>	<u>\$ 3,730,784</u>	<u>\$ 267,879</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Police Officer's Pension Plan's investment policy limits fixed income investments to a rating no lower than S&P Global Ratings BBB or Moody's Baa. The Police Officer's Pension Plan's corporate bonds and most of the mortgage-backed securities were all rated "Baa" or better under Moody's ratings and at least "BBB" under S&P Global ratings however, certain mortgage-backed security investments were not rated.

#### Concentration of Credit Risk

The Police Officer's Pension Plan's investment policy stipulates that not more than 5% of Police Officer's Pension Plan's assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2021, the value of each position in any one issuer held by the Police Pension comprised less than 5% of Police Pension net position and less than 5% of the value of the outstanding capital stock of any company.

### NOTE 4. RECEIVABLES

Receivables as of year end for the government's individual major funds and non-major funds, including any applicable allowances for uncollectible accounts are as follows:

	Major Funds			Nonmajor Funds	Total
	General Fund	Resort Tax Fund	Water and Sewer Fund		
Receivables:					
Taxes and assessments	\$ 1,733,433	\$ 239,830	\$ -	\$ 11,880	\$ 1,985,143
Accounts	-	-	649,499	-	649,499
Gross receivables	1,733,433	239,830	649,499	11,880	2,634,642
Less allowance for uncollectible	-	-	-	-	-
<b>Net receivables</b>	<b>\$ 1,733,433</b>	<b>\$ 239,830</b>	<b>\$ 649,499</b>	<b>\$ 11,880</b>	<b>\$ 2,634,642</b>



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended September 30, 2021, follows:

<b>Governmental activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 18,392,139	\$ -	\$ -	\$ 506,820	\$ 18,898,959
Land easements	29,000,000	-	-	-	29,000,000
Construction in progress	2,634,738	1,651,587	-	(1,084,666)	3,201,659
Total capital assets not being depreciated	50,026,877	1,651,587	-	(577,846)	51,100,618
Capital assets being depreciated:					
Buildings	3,732,786	453,850	-	574,426	4,761,062
Improvements other than buildings	2,319,165	2,509	-	3,420	2,325,094
Leased assets	260,917	34,284	(28,998)	(234,622)	31,581
Furniture, fixtures and equipment	2,093,922	176,489	-	234,622	2,505,033
Software	449,854	-	-	-	449,854
Total capital assets being depreciated	8,856,644	667,132	(28,998)	577,846	10,072,624
Less accumulated depreciation for:					
Buildings	(1,297,203)	(153,446)	-	-	(1,450,649)
Improvements other than buildings	(1,209,216)	(116,951)	-	-	(1,326,167)
Leased assets	(252,496)	(6,316)	28,998	200,338	(29,476)
Furniture, fixtures and equipment	(1,442,583)	(135,578)		(155,353)	(1,733,514)
Software	(33,011)	(44,986)		(44,985)	(122,982)
Total accumulated depreciation	(4,234,509)	(457,277)	28,998	-	(4,662,788)
Total capital assets being depreciated, net	4,622,135	209,855	-	577,846	5,409,836
<b>Governmental activities capital assets, net</b>	<b>\$ 54,649,012</b>	<b>\$ 1,861,442</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,510,454</b>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (Continued)

Capital asset activity for the business-type activities for the fiscal year ended September 30, 2021, follows:

<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 6,007,010	\$ -	\$ -	\$ 538,180	\$ 6,545,190
Construction in progress	5,720,871	3,219,308	-	(2,386,001)	6,554,178
Total capital assets not being depreciated	11,727,881	3,219,308	-	(1,847,821)	13,099,368
Capital assets being depreciated:					
Buildings	471,063	481,873	(471,063)	609,556	1,091,429
Furniture, fixtures and equipment	61,005	-	-	-	61,005
Water/sewer system	13,075,524	1,179,329	-	1,238,265	15,493,118
Leased assets	61,108	-	(29,527)	-	31,581
Total capital assets being depreciated	13,668,700	1,661,202	(500,590)	1,847,821	16,677,133
Less accumulated depreciation for:					
Buildings	(381,341)	(10,436)	387,229	-	(4,548)
Furniture, fixtures and equipment	(29,965)	(9,374)	-	12,222	(27,117)
Water/sewer system	(2,200,052)	(430,460)	-	-	(2,630,512)
Leased assets	(39,974)	(6,807)	29,527	(12,222)	(29,476)
Total accumulated depreciation	(2,651,332)	(457,077)	416,756	-	(2,691,653)
Total capital assets being depreciated, net	11,017,368	1,204,125	(83,834)	1,847,821	13,985,480
<b>Business-type activities capital assets, net</b>	<b>\$ 22,745,249</b>	<b>\$ 4,423,433</b>	<b>\$ (83,834)</b>	<b>\$ -</b>	<b>\$ 27,084,848</b>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ended September 30, 2021, was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 199,878
Public safety	93,244
Road, streets, and parks	138,384
Tourism development	25,771
Total depreciation expense - governmental activities	<u>\$ 457,277</u>
Business-type activities:	
Water and sewer	<u>\$ 457,077</u>

### NOTE 6. ADMINISTRATIVE CHARGES

The General Fund charges other funds an administrative charge for services provided during the year. Amounts charged to each fund for the fiscal year ended is presented below.

Resort Tax Fund	Security District Fund	Water and Sewer Fund	Total
\$ 35,000	\$ 40,000	\$ 65,000	\$ 140,000

### NOTE 7. LONG-TERM DEBT

On October 18, 2011, the Village issued the Capital Improvement Revenue Bonds, Series 2011 Bonds (Bonds) in the amount of \$10 million. 96.5% of this debt was allocated to the water and sewer fund and 3.5% was allocated to the governmental activities. The Bonds bear interest on the outstanding principal balance from their date of issuance payable semiannually on each March 31, September 30 (the Interest Payment Dates) at an interest rate equal to 63% of the 10-Year H-15 Swap Index, plus 1.05% (the Fixed Rate). As used herein, "10-Year H-15 Swap Index" means the most recent rate designated as the 10-year interest rate swap rate under the H.15 Selected Interest Rates published by the Federal Reserve. The interest rate as of September 30, 2021 on the Bonds was 1.13%.

The Village pledged, assigned and granted a security interest in the Local Government Half-Cent Sales Tax, the Municipal Revenue Sharing and the Alcoholic Beverage License Tax Revenues in order to secure the principal of and interest on the Bonds. To the extent these revenues are insufficient to pay principal of and interest on the Bonds when due, the Village agrees to appropriate in its annual budget, if necessary, non-ad valorem revenues lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Bonds in accordance with the terms during such fiscal year.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (Continued)

On April 23, 2021, the Village issued the Series 2021 Utility Revenue Note in the amount of \$8,096,000. The Note bears interest on the outstanding principal balance from their date of issuance payable semiannually on each March 31, September 30 (the Interest Payment Dates) at an interest rate equal to 1.29% per annum. The Village pledged that it will charge such rates, fees and other charges of the Utility System that will maintain Pledged Revenues equal to at least 1.10 times the Maximum Annual Debt Service on the Note and any other Utility System Parity Debt.

The debt outstanding at September 30, 2021, consist of the following:

Debt	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
Series 2011 Revenue Bond	To Fund Water and sewer projects	\$ 10,000,000	\$ 3,542,342	1.040%	\$ 779,520
Series 2020 Utility Note	To Fund Water and sewer projects	\$ 8,096,000	\$ 7,565,000	1.290%	\$ 636,285

The Villages bond and note are secured by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those liabilities as of September 30, 2021 are as follows:

#### Revenue Bond:

Current revenue pledged	\$326,136
Current debt service	\$779,520
Total future revenue pledged	\$3,810,162
Description of debt	Bal Harbour Village, Florida Capital Improvement Revenue Bonds, Series 2011
Purpose of debt	To fund water and sewer projects
Term of commitment	2011 - 2026
Percentage of debt service to pledged revenue (current year)	239%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (Continued)

#### Note Payable:

Current revenue pledged	\$644,702
Current debt service	\$635,589
Total future revenue pledged	\$8,265,701
Description of debt	Bal Harbour Village, Florida Series 2020 Utility Note
Purpose of debt	To fund water and sewer projects
Term of commitment	2011 - 2034
Percentage of debt service to pledged revenue (current year)	99%

Long-term liabilities activity for the fiscal year ended September 30, 2021, for governmental and business-type activities follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds	\$ 147,867	\$ -	\$ (23,885)	\$ 123,982	\$ 24,184
Capital leases	17,084	-	(14,709)	2,375	2,375
Compensated absences	858,340	533,926	(443,780)	948,486	755,929
Total OPEB liability	1,389,299	42,808	-	1,432,107	-
Net pension liability - defined benefit plans	13,180,008	-	(3,357,845)	9,822,163	-
Net pension liability - excess benefit plan	2,201,625	-	(48,092)	2,153,533	-
<b>Total governmental activities, long-term liabilities</b>	<b>\$ 17,794,223</b>	<b>\$ 576,734</b>	<b>\$ (3,888,311)</b>	<b>\$ 14,482,646</b>	<b>\$ 782,488</b>
<b>Business-type activities:</b>					
Revenue bonds	\$ 4,076,926	\$ -	\$ (658,566)	\$ 3,418,360	\$ 666,796
Note payable	8,096,000	-	(531,000)	7,565,000	538,000
Capital leases	16,509	-	(14,135)	2,374	2,375
Compensated absences	38,161	22,035	(16,923)	43,273	33,371
Net pension liability - defined benefit plans	338,705	-	(31,183)	307,522	-
<b>Total business-type activities, long-term liabilities</b>	<b>\$ 12,566,301</b>	<b>\$ 22,035</b>	<b>\$ (1,251,807)</b>	<b>\$ 11,336,529</b>	<b>\$ 1,240,542</b>

The Village's outstanding revenue bonds contain a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

For governmental activities, the general fund liquidates the compensated absences, pensions, and other post-employment benefits liabilities.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (Continued)

The following is the summary of the annual debt service requirements:

#### Revenue Bond:

Fiscal Years Ended September 30:	Principal	Interest	Total
2022	\$ 690,980	\$ 88,540	\$ 779,520
2023	699,616	71,270	770,886
2024	708,359	53,782	762,141
2025	717,211	36,078	753,289
2026	726,176	18,150	744,326
2027 - 2030	-	-	-
	<u>\$ 3,542,342</u>	<u>\$ 267,820</u>	<u>\$ 3,810,162</u>

#### Note payable:

Fiscal Years Ended September 30:	Principal	Interest	Total
2022	\$ 538,000	\$ 97,589	\$ 635,589
2023	545,000	90,649	635,649
2024	552,000	83,617	635,617
2025	559,000	76,497	635,497
2025	567,000	69,285	636,285
2027 - 2031	2,944,000	234,870	3,178,870
2032 - 2034	1,860,000	48,194	1,908,194
	<u>\$ 7,565,000</u>	<u>\$ 700,701</u>	<u>\$ 8,265,701</u>

The Village entered into lease agreements as lessee for financing the acquisition of vehicles and equipment. Under the terms of the agreements, these are accounted for as capital leases, the Village will make payments including interest at various rates.

### NOTE 8. EMPLOYEE RETIREMENT PLANS

#### **A. DEFINED BENEFIT PLANS**

The following brief descriptions of the Retirement Plans are provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

#### ***Summary of Significant Accounting Policies***

##### *Basis of Accounting*

The Plans' financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. Village contributions are recognized as revenue when due and the village has made a commitment to pay. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Interest and other income are recorded as earned and dividend income is recorded as of the ex-dividend date.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

For the purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense, the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans.

### Plan Descriptions

The Village, as a single employer, maintains two Public Employee Retirement Systems (PERS) defined benefit pension plans covering substantially all full-time employees and an unfunded excess benefits plan. On October 1, 1955, the Village established the Bal Harbour Village Employees' Pension Trust (General Employees' Plan). In fiscal year ended September 30, 2000, the police officers of the Village elected to form their own plan (Police Officer's Pension Plan) in order to continue receiving Section 185 monies from the State of Florida. The Police Officers' Pension Plan was effectively closed October 1, 2017, all full-time officers sworn in after that date are members of the FRS. To fund benefits owed by employment contracts that cannot be funded through either defined benefit plan, the Village also established the Bal Harbour Village Excess Benefit Plan (Excess Benefit Plan) in year 2009.

The pension plans are considered to be part of the Village's financial reporting entity and are included in the Village's financial statements as pension trust funds. The Bal Harbour Police Officers' Pension Trust (Police Officer's Pension Plan) issues a publicly available financial report that includes the financial statements and required supplementary information. The report may be obtained by writing to the Plan Administrator or calling (954) 723-9521.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

The Police Officer's Pension Plan received a favorable IRS Determination on April 20, 2016, and subsequently on September 18, 2016, the General Employees' Plan received the same. This indicates that both Plans are designed and are currently being operated in compliance with the applicable sections of the Internal Revenue Code. Effective October 1, 2021, a new bargaining agreement was executed with the Police Benevolent Association (PBA).

The Excess Benefit Plan is a qualified governmental excess benefit plan established in accordance with Section 415 of the Internal Revenue Code. The purpose of this Plan is to provide retirement benefits to employees covered by either or both of the Village's defined benefit plans whose benefits are otherwise limited by IRC §415.

Plan membership consisted of the following. The most recent actuarial valuation date for the General Employees' Plan and Police Officer's Pension Plan is October 1, 2019 and October 1, 2020 respectively, and the actuarial valuation date is September 30, 2021 for the Excess Benefit Plan:

	General	Police Officer's	Excess Benefit
Inactive plan members and beneficiaries currently receiving benefits	31	23	1
Inactive plan members entitled to but not yet receiving benefits	9	1	-
Active plan members	30	18	-
Total members	70	42	1



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **General Employees' Plan**

The benefit provisions and all other requirements of the General Employees' Plan are established by Village Ordinance No. 447, as amended, and are summarized as follows:

#### Vesting

Benefits are fully vested after 10 years of credited service.

#### Eligibility for Participation

Full-time employees, after completing one year of continuous employment from the anniversary date of the Plan, which is October 1.

#### Eligibility for Retirement

The Plan provides for normal retirement as follows:

- a) Age 57, regardless of service,
- b) Age 55, having completed 25 years of continuous employment or
- c) 30 years of continuous employment regardless of age.

#### Annual Retirement Benefit

The monthly retirement benefit is equal to 3% of final average compensation (average of the highest 36 consecutive months of compensation, as defined, during the 10 years immediately preceding retirement or termination) times completed years and months of continuous employment.

#### Cost of Living Adjustment

Retired participants, except those who elect to take a lump sum distribution, will receive a 2.50% compounded annual COLA; commencing on the one-year anniversary of the retirement date and will continue to be paid each year thereafter. To receive the COLA an employee must be or become an active participant on or after March 21, 2006.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **General Employees' Plan (Continued)**

##### Target Asset Mix

The Policy establishes the following Target Asset Mix for the plan:

Asset Class	Target Allocation
Return US Equity - Large Cap	30%
US Equity - Mid Cap	10%
US Equity - Small Cap	10%
International Equity	7%
Emerging Markets Equity	3%
Domestic Fixed Income	35%
Cash and Cash Equivalence	5%
	<u>100%</u>

##### Other Benefits

The system also provides for optional retirement benefits, early retirement, deferred retirement, disability retirement and death benefits.

##### Contributions and Funding Policy

Employees are required to contribute 8% of their annual compensation, to be deposited each pay period. The Village is required to contribute the amount in excess of employee contributions to pay the annual pension cost. The pension board establishes the required employee contribution. The required employer contribution is actuarially determined as of October 1 of each year.

If any employee leaves covered employment or dies before ten years of credited service, accumulated employee contributions are refunded to the employee or the designated beneficiary.

##### Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on pension investments, net of pension plan investment expense was 19.11%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of return calculation are determined on a monthly basis.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **General Employees' Plan** (Continued)

##### *Deferred Retirement Option Program*

The Plan has a Deferred Retirement Option Program (DROP) for participants who are eligible to receive normal retirement. Eligible members may apply to participate by applying to the Board. Upon a member's election to participate in the DROP, that member shall be considered retired. Monthly retirement benefits that would have been payable had the member retired without electing the DROP will be paid into the DROP and credited to the retired member who may not receive any of these amounts until they actually sever employment with the Village. Upon separation from service with the Village, the entire DROP balance is made to or for the benefit of the participant as a lump sum distribution. Payments into the DROP will earn the same return as earned by the remainder of the Plan assets or a fixed rate of 4% at the option of the participant. This option can be changed every year prior to December 1st for the following calendar year. If they do not make a choice, the default option is the fixed rate of 4%.

At September 30, 2021, there were 5 members who were enrolled under the DROP. The total liability for the members DROP account as of September 30, 2021 was \$425,058. This amount is included in the total investment balance and the net position presented on the statement of fiduciary net position.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### General Employees' Plan (Continued)

The Plan does not issue separate stand-alone financial statements; therefore, included below is the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2021.

#### STATEMENT OF FIDUCIARY NET POSITION

##### ASSETS

##### Investments:

Cash and money market mutual funds	\$ 89,467
Equity mutual funds	13,531,939
Bond mutual funds	6,078,172
	<hr/> 19,699,578

Other assets	21,513
Total assets	<hr/> 19,721,091

##### Liabilities

Accounts payable	<hr/> 14,928
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##### NET POSITION

Net position restricted for pension benefits	<hr/> <hr/> \$ 19,706,163
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#### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

##### ADDITIONS

Village contributions	\$ 1,068,711
Employee contributions	204,581
Total contributions	<hr/> 1,273,292

##### Investment earnings:

Net investment income	3,370,454
Total additions	<hr/> 4,643,746

##### DEDUCTIONS

Benefits paid	1,183,313
Administrative expenses	77,480
Total deductions	<hr/> 1,260,793

Change in net position	3,382,953
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##### Net position restricted for pension benefits

Beginning of year	16,323,210
End of year	<hr/> <hr/> \$ 19,706,163

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Police Officer's Pension Plan**

The Police Officer's Pension Plan was established to account for the pension for the Village's police officers. The Plan is considered part of the Village's financial reporting entity and is included in the Village's financial statements as a pension trust fund. Benefit and contribution provisions are established by Village ordinance and may be amended only by the Board of Trustees, subject to approval of the Village Council. The Plan was available to full-time sworn Police Officers from date of employment, including probationary period. Participation was mandatory as a condition of employment, except for the Police Chief, who may opt out. The Police Officers' Pension Plan was effectively closed October 1, 2017, all full-time officers sworn in after that date are members of the Florida Retirement System.

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

- a. Two Village residents appointed by the Village Council.
- b. Two Police Officers elected by a majority of Police Officers.
- c. A fifth member elected by the Board and appointed (as a ministerial duty) by the Village Council.

The benefit provisions and all other requirements of the Plan are established by Village Ordinance No. 474, as amended, and are summarized as follows:

#### **Contributions and Funding Policy**

Employees contribute 10% of their compensation. The Village is required to contribute the amount in excess of employee contributions to pay the annual pension cost. The Village Council, through establishment or modification of enabling legislation, establishes the required employee contribution. The required employer contribution, which is a percentage of annual covered payroll and includes amounts contributed by the State pursuant to Chapter 175, Florida Statutes, is actuarially determined as of October 1st of each year. The annual required employer contribution for the fiscal year ended September 30, 2021, was determined based on the October 1, 2019 actuarial valuation and was 70.79% of non-DROP covered payroll.

If any employee leaves covered employment or dies before ten years of credited service, accumulated employee contributions are refunded to the employee or the designated beneficiary.

#### **Benefits Provided**

The Plan provides retirement, termination, disability and death benefits.

#### **Normal Retirement**

Date: Earliest of age 55 and 10 years of Credited Service; age 57, regardless of service; or 20 years of Credited Service, regardless of age.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Police Officer's Pension Plan (Continued)**

Benefit: 3.50% of final average compensation times years of credited service.

Minimum Benefit: \$25 per month.

#### **Early Retirement**

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit reduced 3.0% for each year that early retirement precedes normal retirement.

#### **Vesting (Termination of Employment)**

Less than 1 year: refund of member contributions, with 5.0% interest.

1-9 years: 10% of accrued pension for each complete year of service, payable at normal retirement, or a refund of contributions described above. 10 years or more:

100% of accrued pension payable at normal retirement date.

#### **Disability**

Eligibility: Total and permanent; medical proof required.

Service-connected benefit: Accrued benefit, but not less than 42% of average monthly compensation on date of disability.

Non-Service-Connected Benefit: Accrued benefit, but not less than 25% of average monthly compensation on date of disability.

#### **Pre-Retirement Death Benefits**

Service connected: 50% of base rate of pay on date of death, paid for 10 years.

Non-service connected: Accrued Benefit, actuarially reduced if early commencement, paid for 10 years.

Minimum benefit: Greater of actuarial equivalent of accrued benefit, or member's contributions.

#### **Cost-of-Living Adjustment**

Retirees who were actively employed on or after February 21, 2006 receive 2.5% annually, after one year of receiving benefits. Retirees who were actively employed after October 01, 2016 receive a 1.25% Cost-of-Living Adjustment, delayed for 5 years after retirement or entry into DROP.

#### **Target Asset Mix**

The policy establishes the following target asset mix for the Plan:

Asset Class	Target Allocation
Broad Growth Equities	60%
Intermediate Fixed Income	30%
Real Estate	10%
Total	100%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

#### **Police Officer's Pension Plan (Continued)**

##### *Rate of Return*

For the year ended September 30, 2021, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 14.73%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of return calculation are determined on a monthly basis.

##### *Deferred Retirement Option Program (DROP)*

Upon a member's election to participate in the DROP, that member shall cease to be a member of the Bal Harbour Village Police Officers' Pension Plan and shall be precluded from any additional benefits under the Plan; accordingly, that member shall be considered retired. Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments in the DROP are made monthly for the period the retired member participates in the DROP, up to a maximum of 60 months, an increase from prior maximum of 36 months. Payments into the DROP will earn the same return as earned by the remainder of the Plan assets. Employees also now have the option to select from either the rate of return of the portfolio or a fixed 4%. This can be changed every year prior to December 1 for the following calendar year. If they do not make a choice, the default is 4%. Upon termination of employment, participants in the DROP will receive the balance of their account either in a lump sum distribution or in any other form of payment selected by the participant, approved by the Board and conforming to applicable laws.

At September 30, 2021, there was no participants enrolled under the DROP. The DROP balance as of September 30, 2021 is zero. The DROP investment assets are included in the total investment balance presented on the Statement of Fiduciary Net Position (when applicable).

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued)

#### **Excess Benefit Plan**

##### Vesting

Benefits are fully vested immediately upon entry into the Plan.

##### Eligibility for Participation

Based upon employment contract language and participation in either or both defined benefit plans.

##### Eligibility for Benefits Under the Plan

A participant shall receive a benefit equal to the difference between the retirement allowance otherwise payable from either or both defined benefit plans prior to any reduction or limitation required by IRC §415 and the actual retirement allowance payable as limited by IRC §415. The benefit shall be subject to withholding for applicable state and federal taxes. The benefit shall be paid in accordance with the retirement payment option selected by the participant or beneficiary for the retirement otherwise payable by either or both defined benefit plans.

##### Funding Policy

To be qualified under IRC §415, Excess Benefits Plans, the Village cannot advance fund any benefit currently payable under the Plan and any assets held by the Plan during any year can only be used to pay for benefits coming due during the year or for expenses of the Plan during the year. Contributions by the Village are not allowed to accumulate from year-to-year for purposes of advance funding of any of the Plan's liabilities. Any assets, including all property rights and beneficial interests of the Plan remain the general, unpledged and unrestricted assets of the Plan and the Village. The interests of participants and their beneficiaries of the Plan are not senior to the claims of unsecured creditors of the Plan or the Village. The Village cannot restrict any assets, including cash, for the purpose of providing funding for these benefits. However, the Village has designated a portion of its General Fund's fund balance for the purpose of noting its intent to fund the benefits payable under the Plan. The Village has sufficient financial assets at year end, to pay the benefits payable under the Plan.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

In accordance with the requirements of GASB 68, 71, and 73, information about the Village's pension plans are included in this note and in the Required Supplementary Information (RSI) section following the notes to the basic financial statements.

#### Plan Financial Information

The actuarial valuation date for the General Employees' Plan and Police Officer's Pension Plan was October 1, 2019, with updated asset information as of September 30, 2020. The measurement date of the net pension liability for each plan was determined as of September 30, 2020. The actuarial valuation date for the Excess Benefit Plan was September 30, 2021, and the measurement date was September 30, 2021. The Required Supplementary Information section provides additional detailed information about actuarial methods and assumptions used to determine the contribution rates for each plan. In addition, a schedule of employer contributions for each plan and a schedule of total pension liability, plan fiduciary net position and the change in net pension liability for each plan is included here in.

#### Aggregate Information for all Pension Plans

Summarized aggregate information for the three single employer defined benefit plans follows:

	General Employees'	Police Officer's	Excess Benefit Plan
Total pension liability	\$ 21,448,567	\$ 31,407,940	\$ 2,153,533
Fiduciary net position	(16,323,210)	(26,832,788)	-
Net pension liability	<u>\$ 5,125,357</u>	<u>\$ 4,575,152</u>	<u>\$ 2,153,533</u>
Fiduciary net position as % of total pension liability	76.10%	85.43%	0.00%

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

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

	<b>General Employees' Plan</b>	<b>Police Officer's Pension Plan</b>	<b>Excess Benefit Plan</b>
Valuation Date:	October 1, 2019	October 1, 2019	September 30, 2021
Measurement Date:	September 30, 2020	September 30, 2020	September 30, 2021
Inflation	2.25%	2.50%	2.00%
Annual Salary Increases	3.15% - 6.75%	7.00%	not applicable
Assumed Discount Rate	5.75%	7.25%	2.19%
Retirement Age	Experienced-based table of rates based on year of eligibility	Earlier of age 55 and 10 years of credited service or age 57, regardless of service, or 20 years of credited service, regardless of age; Members at the assumed retirement age are assumed to continue employment for one more year	not applicable
Mortality	The same as used by the Florida Retirement System for classes other than Special Risk, described as follows: RP-2000 Combined Healthy Mortality (Pre-Retirement) and RP-2000 Healthy Annuitant (Post-Retirement) rates used: Females: 100% White Collar adjustment, generationally projected from year 2000 using Scale BB. Males: 50% White Collar / 50% Blue Collar adjustment, generationally projected from year 2000 using Scale BB. The pre-retirement death assumptions were changed to those used by the Florida Retirement System in its July 1, 2018 valuation.	Healthy Active Lives: Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Healthy Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. 75% of active deaths are assumed to be service-incurred.	The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Regular Class members in their July 1, 2020 actuarial valuation (with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

*Long-Term Expected Rate of Return* - The long-term expected rate of return on pension plans investments were 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 plans' target asset allocation are summarized in the following tables:

<b>General Employees' Plan</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	7.0%
Domestic Bonds	35%	1.7%
International Equity	10%	6.7%
Cash Equivalents	5%	0.9%
	<u>100%</u>	
<b>Police Officer's Pension Plan</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Growth Equity	60%	7.50%
Intermediate Fixed Income	30%	2.50%
Real Estate	10%	4.50%
	<u>100%</u>	

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

*Discount rate:* A single discount rate of 7.25% and 5.75% were used to measure the total pension liability for the police and general employee pension trust plans, respectively. The single discount rates were based on the expected rate of return on pension plan investments of 7.25% and 5.75%, respectively. The projection of cash flows used to determine each single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position of the plans 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 for each plan.

The discount rate used to measure the excess benefit plan total pension liability was 2.19%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the excess benefit plan is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the Long-Term Municipal Bond Rate selected by the Village. The Fidelity Bond Index, general obligation, 20 years to maturity, mixed quality was adopted as the applicable municipal bond index rate.

*Sensitivity of the discount rate:* The sensitivity of the net pension liability to changes in the single discount rate for each plan follows. The following presents each plan's net pension liability, calculated using a single discount rate, as well as what each plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the current rate assumption.

<b><u>General Employees' Plan</u></b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	4.75%	5.75%	6.75%
Net Pension Liability	\$ 8,504,830	\$ 5,125,357	\$ 2,558,298
<b><u>Police Officer's Pension Plan</u></b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 8,314,849	\$ 4,575,152	\$ 1,467,471
<b><u>Excess Benefit Plan</u></b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	1.19%	2.19%	3.19%
Net Pension Liability	\$ 2,583,396	\$ 2,153,533	\$ 1,819,293

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

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

For the year ended September 30, 2021, the Village recognized pension expenses of \$1,233,822 and \$1,342,506 for its Police and General Employees' Plans, respectively. For the year ended September 30, 2021, the Village recognized pension expense of \$17,668 for its Excess Benefit Plan.

The Village reported deferred inflows and outflows of resources related to the Plans from the following sources:

Description	General Employees' Plan		Police Officer's Pension Plan	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Village contribution subsequent to measurement date	\$ 1,068,711	\$ -	\$ 1,614,513	\$ -
Differences between expected and actual experience	30,265	90,447	27,886	199,258
Change of assumptions	91,455	-	272,728	23,600
Net difference between projected and actual earnings on pension plan investments	-	180,066	-	1,066,173
	<u>\$ 1,190,431</u>	<u>\$ 270,513</u>	<u>\$ 1,915,127</u>	<u>\$ 1,289,031</u>

The deferred outflows of resources related to Village's contributions to the Plans subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30:	General Employees' Plan	Police Officer's Pension Plan
2022	\$ (64,797)	\$ (333,443)
2023	(54,975)	(325,172)
2024	12,596	(122,216)
2025	(41,617)	(207,586)
<b>Total</b>	<u>\$ (148,793)</u>	<u>\$ (988,417)</u>

The Excess Benefit Plan did not have any deferred inflow and outflows of resources as of year end.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

Changes in the net pension liability for each Plan follows:

<b>General Employees' Plan</b>			
Increase (Decrease)			
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
(a)	(b)	(a) - (b)	
<b>Balance at September 30, 2020</b>			
\$ 20,422,396	\$ 14,777,318	\$ 5,645,078	
<b>Changes for the year:</b>			
Service cost	656,197	-	656,197
Interest	1,192,594	-	1,192,594
Differences between expected and actual experience	(146,976)	-	(146,976)
Contributions - employer	-	1,052,612	(1,052,612)
Contributions - employee	-	162,333	(162,333)
Net investment income	-	1,071,430	(1,071,430)
Benefit payments, including refunds of employee contributions	(675,644)	(675,644)	-
Assumption changes	-	-	-
Administrative expense	-	(64,839)	64,839
<b>Net changes</b>	1,026,171	1,545,892	(519,721)
<b>Balance at September 30, 2021</b>	\$ 21,448,567	\$ 16,323,210	\$ 5,125,357

<b>Police Officer's Pension Plan</b>			
Increase (Decrease)			
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
(a)	(b)	(a) - (b)	
<b>Balance at September 30, 2020</b>			
\$ 30,106,555	\$ 24,013,170	\$ 6,093,385	
<b>Changes for the year:</b>			
Service cost	667,911	-	667,911
Interest	2,246,668	-	2,246,668
Differences between expected and actual experience	55,771	-	55,771
Contributions - employer	-	1,429,097	(1,429,097)
Contributions - employee	-	209,654	(209,654)
Contributions - State	-	67,617	(67,617)
Net investment income	-	2,858,469	(2,858,469)
Benefit payments, including refunds of employee contributions	(1,647,433)	(1,647,433)	-
Changes of assumptions	(47,199)	-	(47,199)
Other adjustments	25,667	-	25,667
Administrative expense	-	(97,786)	97,786
<b>Net changes</b>	1,301,385	2,819,618	(1,518,233)
<b>Balance at September 30, 2021</b>	\$ 31,407,940	\$ 26,832,788	\$ 4,575,152

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

	<b>Excess Benefit Plan</b>
	<u>Increase (Decrease)</u>
<b>Balance at September 30, 2020</b>	Total Pension Liability
Changes for the year:	<u>\$ 2,201,625</u>
Interest	52,267
Differences between expected and actual experience	(55,252)
Assumption changes	20,673
Benefit payments, including refunds of employee contributions	(65,780)
Net changes	<u>(48,092)</u>
<b>Balance at September 30, 2021</b>	<u><u>\$ 2,153,533</u></u>

The schedule of changes in the net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan net position and contributions.

### B. FLORIDA RETIREMENT SYSTEM (FRS and HIS)

The Village provides retirement benefits to sworn police officers hired after October 1, 2016 through the FRS and the HIS Plan.

#### Florida Retirement System

The Village participates in the FRS, which was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Health Insurance Subsidy Program, a cost-sharing multiple-employer defined benefit pension plan, for retired members of any state administered retirement system in paying the costs of health insurance.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The Village's pension expense for FRS totaled \$96,414 for the fiscal year ended September 30, 2021.

A annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

#### Plan Description

The FRS is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class - Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Special Risk Class - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

All members enrolled in the FRS on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the FRS may include up to four years of credit for military service toward creditable service.

The FRS also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

#### FRS Retirement Benefits and Contributions

Benefits under the FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age/Years of Service	% Value
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or up to 34 years of service	1.63
Retirement at age 67 or up to 35 years of service	1.65
Retirement at age 68 or up to 36 years of service	1.68
Elected County Officers	3
Senior Management Service Class	2
Special Risk Regular:	
Service from December 1, 1970 through September 30, 1974	2
Service on and after October 1, 1974	3

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

As provided in Section 121.101, Florida Statutes, FRS members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions during the 2021 fiscal year were as follows:

Class	Percent of Gross Salary <sup>(2)</sup>	
	Employee	Employer <sup>(1)</sup>
FRS, Regular	3.00%	8.47%
FRS, Elected Council Officers	3.00%	48.82%
FRS, Senior Management Service	3.00%	25.41%

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The Village's contributions to the FRS amounted to \$121,265 and employees' contributions amounted to \$16,197 for the fiscal year ended September 30, 2021.

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

On September 30, 2021, the Village reported a liability of \$240,452 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Village's proportionate share of the net pension liability was based on the Village's 2021 fiscal year contributions relative to the participating members. At June 30, 2021, the Village's proportionate share was 0.0032%. This is a decrease of the 0.00048 percentage points from its proportionate share measured at June 30, 2021.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

For the fiscal year ended September 30, 2021, the Village recognized pension expense of \$96,414 related to the Plan. In addition, the Village reported deferred outflows of resources related to pensions, from the following sources:

	<b>FRS</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,214	\$ -
Changes of Assumptions	164,529	-
Net difference between projected and actual earnings on FRS pension plan investments	-	838,877
Changes in proportion and differences between Village FRS contributions and proportionate share of contributions	418,130	122,673
Village FRS contributions subsequent to the measurement date	38,347	-
Total	<u>\$ 662,220</u>	<u>\$ 961,550</u>

The deferred outflows of resources totaling \$38,347, resulting from the Village's contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:	
2022	\$ (15,020)
2023	(33,541)
2024	(85,492)
2025	(186,722)
2026	(16,902)
Thereafter	-
	<u><u>\$ (337,677)</u></u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

#### Actuarial Assumptions

The FRS actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2021, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table and varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

FRS				
Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investment	3.7%	5.7%	5.4%	8.4%
	<u>100.0%</u>			
Assumed inflation-mean			2.4%	1.2%

\*Note: As outlined in the Plan's investment policy

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Florida Retirement System (FRS)** (Continued)

*Discount Rate* - The discount rate used to measure the net pension liability of the Plan was 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate is reviewed annually and set by mutual agreement between the Board of Trustees and its actuarial firm.

#### *Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following represents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Village's proportionate share of the net pension liability would be if it calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	<b>FRS</b>		
	1%		1%
	Decrease 5.80%	Discount Rate 6.80%	Increase 7.80%
Village's proportionate share of the FRS net pension liability (asset)	\$ 1,075,319	\$ 240,452	\$ (457,402)

### **Retiree Health Insurance Subsidy Program (HIS)**

#### *Plan Description*

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

#### *Benefits Provided*

For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Retiree Health Insurance Subsidy Program (HIS)** (Continued)

#### Contributions

The HIS is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution rate was 1.66%. The Village contributed 100% of its statutorily required contributions for the current fiscal year. The HIS contributions are deposited in a separate trust fund from which payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Village's contributions to the HIS totaled \$9,044 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the Village reported a net pension liability of \$188,724 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of July 1, 2021. The Village's proportionate share of the net pension liability was based on the Village's 2021 fiscal year contributions relative to the 2021 fiscal year contributions of all participating members. At June 30, 2021, the Village's proportionate share was 0.0015%. This is an increase of the 0.00007 percentage points from its proportionate share measured at June 30, 2021.

For the fiscal year ended September 30, 2021, the Village recognized pension expense of \$35,808 related to the HIS. In addition, the Village reported, deferred outflows of resources and deferred inflows of resources related to the HIS from the following sources:

	<b>HIS</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,315	\$ 79
Changes of assumptions	14,829	7,776
Net difference between projected and actual earnings on HIS pension plan investments	197	-
Changes in proportion and differences between Village HIS contributions and proportionate share of contributions	96,845	-
Village HIS contributions subsequent to the measurement date	2,837	-
Total	<u>\$ 121,023</u>	<u>\$ 7,855</u>

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 8. EMPLOYEE RETIREMENT PLANS** (Continued) **Retiree Health Insurance Subsidy Program (HIS)** (Continued)

The deferred outflows of resources totaling \$2,837, resulting from the Village's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:

2022	\$ 26,129
2023	23,597
2024	24,856
2025	23,000
2026	10,886
Thereafter	1,863
Total	<u>\$ 110,331</u>

#### Actuarial Assumptions

The HIS plan's actuarial valuation was determined using the following actuarial assumptions as of July 1, 2021, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%
Municipal Bond Rates - Investment Rate of Return	2.16%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

*Discount Rate* - The discount rate used to measure the total pension liability for the HIS Plan was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued) **Retiree Health Insurance Subsidy Program (HIS)** (Continued)

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

The following presents the Village's proportionate share of the net pension liability calculated using a discount rate of 2.16%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	HIS		
	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Village's proportionate share of the HIS net pension liability	\$ 218,183	\$ 188,724	\$ 164,589

#### Net Pension Liability, Deferred Inflow of Resources, Deferred Outflow of Resources and pension expense.

The following table summarizes the net pension liability, deferred inflow of resources, deferred outflow of resources and pension expense for each plan as previously disclosed in Note 8:

	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense
General Employees' Pension Plan	\$ 5,125,357	\$ 1,190,431	\$ 270,513	\$ 1,342,506
Police Pension Plan	4,575,152	1,915,127	1,289,031	1,233,822
Florida Retirement System (FRS plan)	240,452	662,220	961,550	96,414
Health Insurance Subsidy (HIS plan)	188,724	121,023	7,855	35,808
<b>Total - defined benefit plans</b>	<b>10,129,685</b>	<b>3,888,801</b>	<b>2,528,949</b>	<b>2,708,550</b>
Excess Benefit Plan	2,153,533	-	-	17,688
<b>Total</b>	<b>\$ 12,283,218</b>	<b>\$ 3,888,801</b>	<b>\$ 2,528,949</b>	<b>\$ 2,726,238</b>



# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

The Village provides health insurance benefits to its retired employees through a single-employer plan that is administered by the Village. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Village and eligible dependents, may continue to participate in the Village's fully-insured benefit plan for medical and prescription drug insurance coverage. The Village subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree's lifetime (or until such time at which the retiree discontinues coverage under the Village sponsored plans, if earlier). Additionally, and as provided by a collective bargaining agreement, eligible retired sworn police officers from the Village receive a health stipend of \$350 per month until age of 65 which can be used to pay for health insurance at the Village or outside. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The Plan may be amended or terminated by the Village if Florida law changes or if collective bargaining agreements are amended.

#### Funding Policy

Currently, the Village's Other Post-Employment Benefits (OPEB) Plan is unfunded. That is, the Village Council has not established a separate trust fund or equivalent arrangement to advance-fund the obligation, presently the obligation is funded on a pay as you go basis.

For the fiscal year ended September 30, 2021, the Village provided required contributions of \$104,947 toward the annual OPEB cost, in the form of age adjusted premiums paid on behalf of retirees for the fully insured benefits and health stipend. If the Plan is amended or terminated by the Village because of Florida law changes, amendments to collective bargaining agreements, or other reasons, the Village may amend its funding system or its benefits. The funding percentage for each employee is 100% of the implied subsidy or 100% of the \$350 stipend, as applicable.

Employees Covered by benefit terms. As of October 1, 2019, employee membership data related to the OPEB Plan is as follows:

	OPEB
Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees entitled to but not yet receiving benefit payments	57
Total	69

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### ***Total OPEB Liability***

The Village's total OPEB liability was measured as of September 30, 2020.

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of September 30, 2019, using the following assumptions, applied to all prior periods included in the measurement:

Inflation rate	2.25%
Salary increases	6.00%
Discount rate	2.41%
Healthcare cost trend rates:	
Select rates	6.25% for FY 2021 and then decreasing to the ultimate trend rate of 4.50% per annum

Mortality rates were based on the RP-2000 Generational Combined Healthy Participant Mortality Table using Scale AA.

*Discount rate.* For OPEB plans that do not have assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. There were no benefit changes during the year.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### Changes in Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2020</b>	<b>\$ 1,389,299</b>
Changes for the year:	
Service cost	78,851
Interest	38,931
Differences between expected and actual experience	-
Change in assumptions	29,973
Benefit payments	(104,947)
Net changes	42,808
<b>Balance at September 30, 2021</b>	<b>\$ 1,432,107</b>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following table illustrates the impact of interest rate sensitivity on the total OPEB liability of the Village as of September 30, 2021:

	<b>1% Decrease 1.41%</b>	<b>Discount Rate 2.41%</b>	<b>1% Increase 3.41%</b>
Total OPEB Liability	\$ 1,524,026	\$ 1,432,107	\$ 1,345,997

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following table illustrates the impact of healthcare cost trend rate sensitivity on the total OPEB liability of the Village as of September 30, 2021:

	<b>1% Decrease 5.25%</b>	<b>Healthcare Cost Trend Rates 6.25%</b>	<b>1% Increase 7.25%</b>
Total OPEB Liability	\$ 1,347,879	\$ 1,432,107	\$ 1,527,984

#### ***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2021, the Village recognized OPEB expense of a \$42,808. At September 30, 2021, the Village reported deferred outflows of resources related to the OPEB plan totaling \$108,542, resulting from Village contributions to the Plan subsequent to the measurement date. This amount will be recognized as a reduction of the OPEB liability for the fiscal year ending September 30, 2022.

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 10. COMMITMENTS AND CONTINGENCIES

#### ***Construction and Other Significant Commitments***

The Village has active Construction projects as of September 30, 2021. These projects include infrastructure redevelopment and improvement, water, wastewater and drainage projects. At year end, the Village's outstanding commitments related to these projects follows:

<b>Project</b>	<b>Total Commitment</b>	<b>Spent to Date</b>	<b>Remaining Commitment</b>
Haulover Inlet Jetty	\$ 1,482,201	\$ 897,147	\$ 585,054
Utility Master Plan	6,081,178	5,283,528	797,650
Waterfront Park	16,916,173	834,295	16,081,878
	<u>\$ 24,479,552</u>	<u>\$ 7,014,970</u>	<u>\$ 17,464,582</u>

The projects listed above are being financed through the debt, capital grant reimbursements, and from existing Village resources.

#### ***Litigation, Claims and Assessments***

In the normal course of business, the Village may be involved in pending or threatened litigation, claims or assessments. The Village's administration, the Village Council and legal counsel anticipate that any claims not covered by insurance or limited by state statute would not have a material adverse effect on the financial position of the Village.

#### ***Development Agreement***

In Fiscal Year 2017, the Village entered into a development agreement with Bal Harbour Shops. During Fiscal Year 2018, the Village negotiated the first amendment to the Bal Harbour Shops Development Agreement which advanced the timeline for developer proffered improvements and contributions resulting in approval for redevelopment of the entire Business District of the Village. The negotiated development agreement includes a new Village Hall constructed by the developer, conveyance of property to the Village, funding for various Village capital projects, recurring revenue streams from leased property, parking surcharges, and guarantees for ad valorem revenue in future years.

#### ***Grants***

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

# BAL HARBOUR VILLAGE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 11. RISK MANAGEMENT

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

### NOTE 12. CORONAVIRUS DISEASE (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a Public Health Emergency of International Concern. The spread of COVID-19, a novel strain of coronavirus, appears to be altering the behavior of business and people in a manner that is having negative effects on local, regional and global economies. The extent to which COVID-19 will continue to impact the operations of entities in the future will depend on future developments, which are uncertain and cannot be predicted with confidence. The continued spread of COVID-19 could adversely impact the Village's operations.

### NOTE 13. RESTATEMENT - IMPLEMENTATION OF GASB 84, FIDUCIARY ACTIVITIES

The Village implemented *GASB 84, Fiduciary Activities*, which resulted in the restatement of the beginning net position of the fiduciary funds, which are part of the aggregate remaining funds opinion unit. The restatement resulted in reporting the previously reported agency fund as a custodial fund beginning October 1, 2020. Accordingly, beginning net position was restated as follows:

	Custodial Fund
Total Net Position, October 1, 2020, as reported	\$ -
Impact of Implementation	301,248
Total Net Position, October 1, 2020, as restated	<u>\$ 301,248</u>



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**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A) - UNAUDITED**

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**BAL HARBOUR VILLAGE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE – UNAUDITED**  
**GENERAL FUND (BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes:				
Property	\$ 9,852,827	9,852,827	\$ 9,824,672	\$ (28,155)
Other local taxes	1,751,000	1,751,000	1,821,576	70,576
Licenses and permits	2,102,860	2,102,860	2,787,470	684,610
Developer contribution	500,000	1,044,989	1,139,456	94,467
Fines and forfeitures	665,270	665,270	849,682	184,412
Charges for services	1,696,468	1,696,468	1,775,779	79,311
Intergovernmental	368,753	1,396,962	3,374,865	1,977,903
Investment earnings	75,000	75,000	40,941	(34,059)
Miscellaneous	736,251	736,300	771,060	34,760
Total revenues	<u>17,748,429</u>	<u>19,321,676</u>	<u>22,385,501</u>	<u>3,063,825</u>
Expenditures:				
Current:				
General government:				
Legislative	360,166	360,166	275,319	84,847
Executive	1,523,227	1,523,227	1,508,362	14,865
Finance	754,602	754,602	688,099	66,503
General government	1,721,303	1,721,303	905,161	816,142
Building department	1,248,523	1,248,523	1,208,313	40,210
Information technology	408,898	531,381	372,742	158,639
Capital construction	12,605,647	19,948,797	1,859,076	18,089,721
Legal	# 350,000	350,000	342,931	7,069
Total general government	<u>18,972,366</u>	<u>26,437,999</u>	<u>7,160,003</u>	<u>19,277,996</u>
Public safety	8,060,736	8,137,899	7,333,006	804,893
Public works	2,466,784	2,726,811	2,342,843	383,968
Parks and recreation	84,777	84,777	84,589	188
Total expenditures	<u>29,584,663</u>	<u>37,387,486</u>	<u>16,920,441</u>	<u>20,467,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,836,234)</u>	<u>(18,065,810)</u>	<u>5,465,060</u>	<u>23,530,870</u>
Net change in fund balance	<u>\$ (11,836,234)</u>	<u>\$ (18,065,810)</u>	<u>\$ 5,465,060</u>	<u>\$ 23,530,870</u>

See notes to budgetary comparison schedules.

**BAL HARBOUR VILLAGE, FLORIDA**

BUDGETARY COMPARISON SCHEDULE – UNAUDITED  
RESORT TAX SPECIAL REVENUE FUND (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Resort tax	\$ 2,043,707	\$ 2,166,207	\$ 4,813,175	\$ 2,646,968
Investment earnings	35,000	35,000	7,416	(27,584)
Miscellaneous	25,000	25,000	26,269	1,269
Total revenues	<u>2,103,707</u>	<u>2,226,207</u>	<u>4,846,860</u>	<u>2,620,653</u>
Expenditures:				
Tourism development	700,566	823,066	781,380	41,686
Beautification	1,632,615	1,632,615	1,117,886	514,729
Total expenditures	<u>2,333,181</u>	<u>2,455,681</u>	<u>1,899,266</u>	<u>556,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(229,474)</u>	<u>(229,474)</u>	<u>2,947,594</u>	<u>3,177,068</u>
Net change in fund balance	<u>\$ (229,474)</u>	<u>\$ (229,474)</u>	<u>\$ 2,947,594</u>	<u>\$ 3,177,068</u>

See notes to budgetary comparison schedules.

## **BAL HARBOUR VILLAGE, FLORIDA**

### **NOTE TO BUDGETARY COMPARISON SCHEDULES**

#### **NOTE 1. BUDGET AND BUDGETARY ACCOUNTING**

The Village legally adopts an annual budget for each of its funds, except for the State Law Enforcement Trust Fund and the Federal Law Enforcement Trust Fund. Of the major funds presented in a budget-to-actual format, only the general and resort tax special revenue funds have adopted budgets. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. The Village Manager may make transfers of appropriations within a department. Transfers of appropriations between departments and between funds require the approval of the Village Council. Therefore, the legal level of control for the general fund is at the department or activity level.

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

- a) During July, the Village Manager submits to the Village Council a proposed operating and capital budget for the fiscal year beginning the following October 1st. The budget includes proposed revenues and expenditures with an explanation regarding each expenditure that is not of a routine nature.
- b) Two public hearings are conducted to obtain taxpayer and citizen comments.
- c) Prior to September 30th, the budget is legally enacted through passage of an ordinance or resolution.
- d) At the request of the Village Manager, the Council may, by resolution, transfer any unspent appropriated balance from one activity or department to another. This typically occurs as a mid-year budget amendment or end of year budget amendment.
- e) Budgeted amounts reflected in the accompanying financial statements are as originally adopted and as amended.
- f) Appropriations lapse at year-end, except grants and capital improvements which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS

**BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN**

	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service cost	\$ 656,197	\$ 547,042	\$ 511,875	\$ 397,466	\$ 389,223	\$ 283,241	\$ 287,964
Interest	1,192,594	1,121,125	997,443	941,414	946,114	842,798	865,195
Difference between actual and expected experience	(146,976)	232,029	524,845	392,032	(774,055)	97,731	-
Changes of assumptions	-	701,152	637,728	380,153	550,516	903,212	-
Benefit payments	(610,472)	(608,845)	(601,429)	(580,345)	(559,166)	(723,310)	(361,172)
Refunds	(65,172)	(25,800)	(55,304)	(91,020)	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>1,026,171</b>	<b>1,966,703</b>	<b>2,015,158</b>	<b>1,439,700</b>	<b>552,632</b>	<b>1,403,672</b>	<b>791,987</b>
<b>Total Pension Liability – Beginning</b>	<b>20,422,396</b>	<b>18,455,693</b>	<b>16,440,535</b>	<b>15,000,835</b>	<b>14,448,203</b>	<b>13,044,531</b>	<b>12,252,544</b>
<b>Total Pension Liability – Ending (a)</b>	<b>21,448,567</b>	<b>20,422,396</b>	<b>18,455,693</b>	<b>16,440,535</b>	<b>15,000,835</b>	<b>14,448,203</b>	<b>13,044,531</b>
<b>Plan Fiduciary Net Position</b>							
Contributions – employer/state	\$ 1,052,612	\$ 957,499	\$ 793,089	\$ 745,642	\$ 622,677	\$ 565,619	\$ 671,605
Contributions – member	162,333	124,099	126,093	103,551	78,154	69,983	89,677
Net Investment income	1,071,430	569,622	964,907	1,252,600	995,129	(83,165)	798,212
Benefit payments	(610,472)	(608,845)	(601,429)	(580,345)	(559,166)	(723,310)	(361,172)
Refunds	(65,172)	(25,800)	(55,304)	(91,020)	-	-	-
Administrative expense	(64,839)	(54,941)	(53,293)	(54,150)	(54,775)	(63,251)	(27,338)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,545,892</b>	<b>961,634</b>	<b>1,174,063</b>	<b>1,376,278</b>	<b>1,082,019</b>	<b>(234,124)</b>	<b>1,170,984</b>
<b>Plan Fiduciary Net Position – Beginning</b>	<b>14,777,318</b>	<b>13,815,684</b>	<b>12,641,621</b>	<b>11,265,343</b>	<b>10,183,324</b>	<b>10,417,448</b>	<b>9,246,464</b>
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>16,323,210</b>	<b>14,777,318</b>	<b>13,815,684</b>	<b>12,641,621</b>	<b>11,265,343</b>	<b>10,183,324</b>	<b>10,417,448</b>
<b>Net Pension Liability – Ending (a) – (b)</b>	<b>\$ 5,125,357</b>	<b>\$ 5,645,078</b>	<b>\$ 4,640,009</b>	<b>\$ 3,798,914</b>	<b>\$ 3,735,492</b>	<b>\$ 4,264,879</b>	<b>\$ 2,627,083</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.10%	72.36%	74.86%	76.89%	75.10%	70.48%	79.86%
Covered Payroll	\$ 2,029,163	\$ 1,551,238	\$ 1,576,163	\$ 1,332,178	\$ 1,251,987	\$ 1,360,903	\$ 1,726,458
Net Pension Liability as a Percentage of Covered Payroll	252.58%	363.91%	294.39%	285.17%	298.37%	313.39%	152.17%

Assumption changes: For 2021 the mortality rates were changed to the same as used by the Florida Retirement System for classes other than Special Risk. See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2015 through 2021 are available.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS

**BAL HARBOUR POLICE OFFICERS' PENSION PLAN**

	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service cost	\$ 667,911	\$ 592,730	\$ 613,120	\$ 627,129	\$ 553,181	\$ 410,248	\$ 346,348
Interest	2,246,668	2,210,418	2,097,099	2,041,709	1,860,042	1,811,845	1,800,823
Change in excess state money	-	-	-	-	(20,337)	-	-
Changes of benefit terms	-	-	-	-	-	(673,655)	-
Differences between expected and actual experience	55,771	(597,774)	864,085	71,973	474,826	25,401	-
Changes of assumptions	(47,199)	818,183	801,021	-	935,656	-	-
Other adjustments	25,667	(9,660)	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,647,433)	(1,681,923)	(2,402,714)	(1,666,151)	(1,587,483)	(1,988,455)	(810,802)
<b>Net Change in Total Pension Liability</b>	<b>1,301,385</b>	<b>1,331,974</b>	<b>1,972,611</b>	<b>1,074,660</b>	<b>2,215,885</b>	<b>(414,616)</b>	<b>1,336,369</b>
<b>Total Pension Liability – Beginning</b>	<b>30,106,555</b>	<b>28,774,581</b>	<b>26,801,970</b>	<b>25,727,310</b>	<b>23,511,425</b>	<b>23,926,041</b>	<b>22,589,672</b>
<b>Total Pension Liability – Ending (a)</b>	<b>31,407,940</b>	<b>30,106,555</b>	<b>28,774,581</b>	<b>26,801,970</b>	<b>25,727,310</b>	<b>23,511,425</b>	<b>23,926,041</b>
<b>Plan Fiduciary Net Position</b>							
Contributions – employer	1,429,097	1,440,569	1,283,722	1,090,340	1,412,053	1,267,776	972,601
Contributions – state	67,617	60,588	105,199	-	48,213	48,213	44,490
Contributions – employee	209,654	204,080	197,911	209,065	207,719	173,806	133,415
Net investment income	2,858,469	1,355,299	2,674,490	1,967,324	1,378,398	349,967	1,966,648
Benefit payments, including refunds of member contributions	(1,647,433)	(1,681,923)	(2,402,714)	(1,666,151)	(1,587,483)	(1,988,455)	(810,802)
Administrative expense	(97,786)	(86,303)	(95,490)	(82,083)	(86,042)	(90,015)	(78,730)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,819,618</b>	<b>1,292,310</b>	<b>1,763,118</b>	<b>1,518,495</b>	<b>1,372,858</b>	<b>(238,708)</b>	<b>2,227,622</b>
<b>Plan Fiduciary Net Position – Beginning</b>	<b>24,013,170</b>	<b>22,720,860</b>	<b>20,957,742</b>	<b>19,439,247</b>	<b>18,066,389</b>	<b>18,305,097</b>	<b>16,077,475</b>
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>26,832,788</b>	<b>24,013,170</b>	<b>22,720,860</b>	<b>20,957,742</b>	<b>19,439,247</b>	<b>18,066,389</b>	<b>18,305,097</b>
<b>Net Pension Liability – Ending (a) – (b)</b>	<b>4,575,152</b>	<b>6,093,385</b>	<b>6,053,721</b>	<b>5,844,228</b>	<b>6,288,063</b>	<b>5,445,036</b>	<b>5,620,944</b>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 85.43%	 79.76%	 78.96%	 78.19%	 75.56%	 76.84%	 76.51%
Covered Payroll	\$ 2,096,536	\$ 2,040,801	\$ 1,979,108	\$ 2,090,649	\$ 2,077,194	\$ 2,168,613	\$ 1,334,157
Net Pension Liability as a Percentage of Covered Payroll	218.22%	298.58%	305.88%	279.54%	302.72%	251.08%	421.31%

Assumption changes: For 2021, the discount rate was decreased from 7.5% to 7.25% and the mortality tables were updated to those used in the Florida Retirement System's July 1, 2019 FRS Valuation for special risk employees. See Note 8 for further information

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2015 through 2021 are available.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND RELATED RATIOS

**BAL HARBOUR VILLAGE EXCESS BENEFIT PLAN**

	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Interest on the total pension liability	\$ 52,267	\$ 52,077	\$ 60,210	\$ 59,631	\$ 56,322
Difference between actual and expected experience	(55,252)	(98,115)	14,829	10,635	1,860
Changes of assumptions	20,673	386,030	310,002	(140,081)	(134,713)
Benefit payments	(65,780)	(64,175)	(62,610)	(61,083)	(59,593)
Net Change in Total Pension Liability	(48,092)	275,817	322,431	(130,898)	(136,124)
Total Pension Liability – Beginning	2,201,625	1,925,808	1,603,377	1,734,275	1,870,399
Total Pension Liability – Ending	<u>\$ 2,153,533</u>	<u>\$ 2,201,625</u>	<u>\$ 1,925,808</u>	<u>\$ 1,603,377</u>	<u>\$ 1,734,275</u>
<b>Covered Payroll</b>	not applicable	not applicable	not applicable	not applicable	not applicable
<b>Total Pension Liability as a Percentage of Covered Payroll</b>	not applicable	not applicable	not applicable	not applicable	not applicable

Assumption changes: For 2021, the discount rate was decreased from 2.41 to 2.19% and the mortality table was updated to the PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System for Regular Class Members in their July 1, 2020 valuation report. See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2017 through 2021 are available.

# BAL HARBOUR VILLAGE, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED SCHEDULES OF EMPLOYER CONTRIBUTIONS

<b>BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN</b>	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,068,711	\$ 1,052,612	\$ 957,499	\$ 793,089	\$ 745,642	\$ 622,677	\$ 565,619	\$ 497,853
Contributions in Relation to the Actuarially Determined Contribution	1,068,711	1,052,612	957,499	793,089	745,642	622,677	565,619	671,605
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (173,752)
Covered Payroll	\$ 2,557,263	\$ 2,029,163	\$ 1,551,238	\$ 1,576,163	\$ 1,332,178	\$ 1,251,987	\$ 1,360,903	\$ 1,726,458
Contributions as a Percentage of Covered Payroll	41.79%	51.87%	61.72%	50.32%	55.97%	49.74%	41.56%	38.90%

### Notes to Schedule of Contributions

Valuation Date	October 1, 2019
Notes	Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Closed, Level Percent of Pay Method
Remaining Amortization Period	20 years
Asset Valuation Method	5-year Smoothed Market Value: Difference between the expected and actual return on market value of assets phased in over a period of five (5) years (at the rate of 20% per year), adjusted to be no greater than 120% and no less than 80% of the fair market value
Inflation	2.25% per year
Salary Increases	Age-based salary increase table with values ranging from 3.15% - 6.75%, including inflation
Investment Rate of Return	5.75% per year compounded annually, net of investment expenses, including inflation
Retirement Age	Experience-based table of rates based on year of eligibility
Mortality	The same as used by the Florida Retirement System for classes other than Special Risk, described as follows: RP-2000 Combined Healthy Mortality (Pre-Retirement) and RP-2000 Healthy Annuitant (Post-Retirement) rates used: Females: 100% White Collar adjustment, generationally projected from year 2000 using Scale BB. Males: 50% White Collar / 50% Blue Collar adjustment, generationally projected from year 2000 using Scale BB. The pre-retirement death assumptions were changed to those used by the Florida Retirement System in its July 1, 2018 valuation.

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2014 through 2021 are available.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULES OF EMPLOYER CONTRIBUTIONS

**BAL HARBOUR POLICE OFFICERS' PENSION PLAN**

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,616,888	\$ 1,484,107	\$ 1,489,108	\$ 1,388,921	\$ 1,340,039	\$ 1,231,003	\$ 1,284,001	\$ 1,004,620
Contributions in Relation to the Actuarially Determined Contribution	1,614,513	1,496,714	1,501,157	1,388,921	1,090,340	1,460,266	1,315,261	1,017,091
Contribution Deficiency (Excess)	\$ 2,375	\$ (12,607)	\$ (12,049)	\$ -	\$ 249,699	\$ (229,263)	\$ (31,260)	\$ (12,471)
Covered Payroll	\$ 2,161,913	\$ 2,096,536	\$ 2,040,801	\$ 1,979,108	\$ 2,090,649	\$ 2,077,194	\$ 2,168,613	\$ 1,334,157
Contributions as a Percentage of Covered Payroll	74.68%	71.39%	73.56%	70.18%	52.15%	70.30%	60.65%	76.23%

**Notes to Schedule of Contributions**

Valuation Date October 1, 2019

Notes Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal Cost Method

Amortization Method Closed, Level Percent of Pay Method

Remaining Amortization Period 20 years (as of 10/01/2019).

Asset Valuation Method Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric five-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market.

Inflation 2.5% per year

Salary Increases 7.0% per year up to the assumed retirement age

Investment Rate of Return 7.25%, net of pension plan investment expense, including inflation

Fund Earnings 7.25% per year, compounded annually, net of investment related expenses

Payroll Increase 0.0% per year

Cost-of-Living Adjustment 2.5% per year

Retirement Age Earlier of age 55 and 10 years of service or age 57, regardless of service, or 20 years of service, regardless of age. Members at the assumed retirement age are assumed to continue employment for one more year.

Early Retirement None

Mortality Healthy Active Lives: Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Healthy Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. 75% of active deaths are assumed to be service-incurred.

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2014 through 2021 are available.



**BAL HARBOUR VILLAGE, FLORIDA**  
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULES OF INVESTMENT RETURNS

	2021	2020	2019	2018	2017	2016	2015	2014
<b>BAL HARBOUR EMPLOYEES' PENSION PLAN</b>								
Annual Money-Weighted Rate of Return, Net of Investment Expense	19.11%	7.17%	3.65%	6.89%	10.43%	9.90%	-0.87%	8.59%
<b>BAL HARBOUR POLICE OFFICERS' PENSION PLAN</b>								
Annual Money-Weighted Rate of Return, Net of Investment Expense	14.73%	11.58%	5.76%	12.55%	9.99%	7.65%	1.83%	12.04%

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2014 through 2021 are available.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
Schedule of Changes in the Total OPEB Liability

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 78,851	\$ 78,851	\$ 60,520	\$ 61,563
Interest cost	38,931	38,931	44,190	39,361
Differences between expected and actual experience	-	-		
Changes in assumptions	29,973	29,973	(26,655)	(36,296)
Benefit payments	(104,947)	(104,947)	(90,177)	(51,268)
<b>Net change in total OPEB liability</b>	42,808	42,808	(12,122)	13,360
<b>Total OPEB Liability - beginning</b>	1,277,840	1,235,032	1,247,154	1,233,794
<b>Total OPEB Liability - ending</b>	<u>\$ 1,320,648</u>	<u>\$ 1,277,840</u>	<u>\$ 1,235,032</u>	<u>\$ 1,247,154</u>
 <b>Covered payroll</b>	 \$ 6,640,185	 \$ 6,417,541	 \$ 5,974,274	 \$ 5,416,800
 <b>Total OPEB Liability as a percentage of covered payroll</b>	 <b>20%</b>	 <b>20%</b>	 <b>21%</b>	 <b>23%</b>

Assumptions changes: For 2021, the discount rate decreased from 2.75% to 2.41%.

The schedule is presented to illustrate the requirements of GASB 75. Currently, only data for the fiscal years 2018 through 2021 are available to be presented.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM PLANS

<b>Florida Retirement System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Villages' proportion of the net pension liability	0.003183%	0.003659%	0.002846%	0.000583%
Village's proportionate share of the net pension liability	\$ 240,452	\$ 1,585,931	\$ 980,181	\$ 175,516
Village's covered payroll	\$ 544,676	\$ 511,616	\$ 387,351	\$ 77,050
Village's proportionate share of the net pension liability as a percentage of its covered payroll	44.15%	309.98%	253.05%	227.79%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	82.61%	82.61%	84.26%
<b>Health Insurance Subsidy Program</b>				
Villages' proportion of the net pension liability	0.00153900%	0.00147411%	0.00115183%	0.00023600%
Village's proportionate share of the net pension liability	\$ 188,724	\$ 179,986	\$ 129,589	\$ 24,967
Village's covered payroll	\$ 544,676	\$ 511,616	\$ 387,351	\$ 77,050
Village's proportionate share of the net pension liability as a percentage of its covered payroll	34.65%	35.18%	33.46%	32.40%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.63%	2.63%	2.15%

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years presented are available.

**BAL HARBOUR VILLAGE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED  
SCHEDULE OF VILLAGE CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PLANS

<b>Florida Retirement System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 121,265	\$ 121,577	\$ 88,252	\$ 16,607
Contributions in relation to the contractually required contribution	(121,265)	(121,577)	(88,252)	(16,607)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Village's covered payroll	\$ 602,638	\$ 509,007	\$ 443,167	\$ 136,738
Contributions as a percentage of covered payroll	20.12%	23.89%	19.91%	12.15%
<b>Health Insurance Subsidy Program</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 9,044	\$ 8,495	\$ 6,431	\$ 1,279
Contributions in relation to the contractually required contribution	(9,044)	(8,495)	(6,431)	(1,279)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Village's covered payroll	\$ 602,638	\$ 509,007	\$ 443,167	\$ 136,738
Contributions as a percentage of covered payroll	1.50%	1.67%	1.45%	0.94%

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years presented are available.

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**COMBINING FUND FINANCIAL  
STATEMENTS AND SCHEDULE - UNAUDITED**

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**BAL HARBOUR VILLAGE, FLORIDA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	State Law Enforcement Special Revenue	Federal Law Enforcement Special Revenue	Security District Special Revenue	Total Non-Major Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 770,799	22,531	\$ 1,418,534	\$ 2,211,864
Receivables, net	-	-	11,880	\$ 11,880
Total assets	770,799	22,531	1,430,414	2,223,744
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Accounts payable and accrued liabilities	-	-	50,390	50,390
<b><u>Fund balance:</u></b>				
Restricted:				
State and federal law enforcement	770,799	22,531	-	793,330
Security district	-	-	1,380,024	1,380,024
Total fund balances	770,799	22,531	1,380,024	2,173,354
Total liabilities and fund balances	\$ 770,799	\$ 22,531	\$ 1,430,414	\$ 2,223,744

**BAL HARBOUR VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	State Law Enforcement Special Revenue	Federal Law Enforcement Special Revenue	Security District Special Revenue	Total Non-Major Governmental Funds
Revenues:				
Special assessments	\$ -	\$ -	\$ 919,422	\$ 919,422
Licenses and permits	-	-	64,302	64,302
Investment earnings	770	-	1,675	2,445
Total revenues	<u>770</u>	<u>-</u>	<u>985,399</u>	<u>986,169</u>
Expenditures:				
General government	5,010	-	598,599	603,609
Capital outlay	35,521	-	10,585	46,106
Total expenditures	<u>40,531</u>	<u>-</u>	<u>609,184</u>	<u>649,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,761)</u>	<u>-</u>	<u>376,215</u>	<u>336,454</u>
Net change in fund balance	(39,761)	-	376,215	336,454
Fund balance, beginning	810,560	22,531	1,003,809	1,836,900
Fund balance, ending	<u>\$ 770,799</u>	<u>\$ 22,531</u>	<u>\$ 1,380,024</u>	<u>\$ 2,173,354</u>



**BAL HARBOUR VILLAGE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SECURITY DISTRICT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$ 909,338	\$ 909,338	\$ 919,422	\$ 10,084
Licenses and permits	-	-	64,302	64,302
Investment earnings	-	-	1,675	1,675
Total revenues	909,338	909,338	985,399	76,061
Expenditures:				
General government	689,654	699,654	598,599	101,055
Capital outlay	160,000	150,000	10,585	139,415
Total expenditures	849,654	849,654	609,184	240,470
Excess of revenues over expenditures	59,684	59,684	376,215	316,531
Net change in fund balance	\$ 59,684	\$ 59,684	\$ 376,215	\$ 316,531

**BAL HARBOUR VILLAGE, FLORIDA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

SEPTEMBER 30, 2021

	General Employees Pension	Police Officers Pension	Totals
<b><u>ASSETS</u></b>			
Cash	\$ -	\$ 137,959	\$ 137,959
Investments, at fair value:			
Money market mutual funds	89,467	713,500	802,967
Equity mutual funds	13,531,939	-	13,531,939
Bond mutual funds	6,078,172	-	6,078,172
U.S. Government obligations	-	4,162,765	4,162,765
Corporate bonds	-	608,710	608,710
Mortgage-backed securities	-	2,879,188	2,879,188
Large cap equities	-	19,606,321	19,606,321
Real estate investments		2,735,898	2,735,898
Total cash and investments	<u>19,699,578</u>	<u>30,844,341</u>	<u>50,543,919</u>
Accrued interest receivable	10,538	34,248	44,786
Contributions receivable	6,890	17,167	24,057
Prepaid expenses	4,085	137,886	141,971
Total assets	<u>19,721,091</u>	<u>31,033,642</u>	<u>50,754,733</u>
<b><u>LIABILITIES</u></b>			
Accounts payables	<u>14,928</u>	<u>59,377</u>	<u>74,305</u>
<b><u>NET POSITION</u></b>			
Net position restricted for pension benefits	<u>\$ 19,706,163</u>	<u>\$ 30,974,265</u>	<u>\$ 50,680,428</u>

**BAL HARBOUR VILLAGE, FLORIDA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General Employees Pension	Police Officers Pension	Totals
<b>ADDITIONS</b>			
Contributions:			
Village	\$ 1,068,711	\$ 1,546,824	\$ 2,615,535
Employees	204,581	216,191	420,772
State	-	67,689	67,689
Total contributions	<u>1,273,292</u>	<u>1,830,704</u>	<u>3,103,996</u>
Investment income:			
Interest, dividends and other income	366,420	380,952	747,372
Net change in the fair value of investments	<u>3,024,466</u>	<u>3,797,077</u>	<u>6,821,543</u>
	3,390,886	4,178,029	7,568,915
Less investment expenses	<u>(20,432)</u>	<u>(180,651)</u>	<u>(201,083)</u>
Net investment income	<u>3,370,454</u>	<u>3,997,378</u>	<u>7,367,832</u>
Other income	-	66,985	66,985
Total additions	<u>4,643,746</u>	<u>5,895,067</u>	<u>10,538,813</u>
<b>DEDUCTIONS</b>			
Benefits payments	778,949	1,643,202	2,422,151
Administrative expenses	77,480	110,388	187,868
Lump sum DROP distributions	<u>404,364</u>	<u>-</u>	<u>404,364</u>
Total deductions	<u>1,260,793</u>	<u>1,753,590</u>	<u>3,014,383</u>
Change in net position	3,382,953	4,141,477	7,524,430
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
Beginning	<u>16,323,210</u>	<u>26,832,788</u>	<u>43,155,998</u>
Ending	<u>\$ 19,706,163</u>	<u>\$ 30,974,265</u>	<u>\$ 50,680,428</u>



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## **STATISTICAL SECTION - UNAUDITED**

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## STATISTICAL SECTION

This part of Bal Harbour Village's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. These schedules include:</i>	<b>99-103</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	<b>104-108</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>	<b>109-114</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	<b>115-116</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	<b>117-118</b>

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





## BAL HARBOUR VILLAGE, FLORIDA

NET POSITION BY COMPONENT – UNAUDITED  
 LAST TEN FISCAL YEARS  
 (Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government activities:										
Net investment in capital assets	\$ 10,341,047	\$ 10,745,368	\$ 10,540,631	\$ 9,735,309	\$ 2,706,557	\$ 31,630,842	\$ 32,114,123	\$ 33,150,693	\$ 54,484,061	\$ 56,384,097
Restricted	4,147,049	5,064,897	5,871,135	5,659,681	5,112,055	5,035,027	5,156,817	9,635,715	10,125,644	10,912,192
Unrestricted	8,766,748	8,858,923	11,864,368	6,474,732	7,510,264	9,322,579	12,019,793	13,780,660	13,834,008	21,837,755
Total governmental activities net position	<u>\$ 23,254,844</u>	<u>\$ 24,669,188</u>	<u>\$ 28,276,134</u>	<u>\$ 21,869,722</u>	<u>\$ 15,328,876</u>	<u>\$ 45,988,448</u>	<u>\$ 49,290,733</u>	<u>\$ 56,567,068</u>	<u>\$ 78,443,713</u>	<u>\$ 89,134,044</u>
Business-type activities:										
Net Invested in capital assets	\$ 6,243,708	\$ 603,883	\$ 1,914,085	\$ 2,674,221	\$ 4,448,041	\$ 13,717,215	\$ 15,826,763	\$ 17,139,918	\$ 17,940,383	\$ 18,603,172
Unrestricted	2,044,968	8,455,727	8,110,121	8,372,874	8,356,699	9,802,290	8,711,616	10,143,185	10,473,847	10,188,810
Total business-type activities net position	<u>\$ 8,288,676</u>	<u>\$ 9,059,610</u>	<u>\$ 10,024,206</u>	<u>\$ 11,047,095</u>	<u>\$ 12,804,740</u>	<u>\$ 23,519,505</u>	<u>\$ 24,538,379</u>	<u>\$ 27,283,103</u>	<u>\$ 28,414,230</u>	<u>\$ 28,791,982</u>
Primary government:										
Net Invested in capital assets	\$ 16,584,755	\$ 11,349,251	\$ 12,455,436	\$ 12,409,530	\$ 7,154,598	\$ 45,348,057	\$ 47,940,886	\$ 50,290,811	\$ 72,424,444	\$ 74,987,269
Restricted	4,147,049	5,064,897	5,871,135	5,659,681	5,112,055	5,035,027	5,156,817	9,635,715	10,125,644	10,912,192
Unrestricted	10,811,716	17,314,650	19,974,489	14,847,606	15,896,963	19,124,869	20,731,409	23,923,845	24,307,855	32,026,565
Total primary government net position	<u>\$ 31,543,520</u>	<u>\$ 33,728,798</u>	<u>\$ 38,301,060</u>	<u>\$ 32,916,817</u>	<u>\$ 28,163,616</u>	<u>\$ 69,507,953</u>	<u>\$ 73,829,112</u>	<u>\$ 83,850,371</u>	<u>\$ 106,857,943</u>	<u>\$ 117,926,026</u>

## BAL HARBOUR VILLAGE, FLORIDA

CHANGES IN NET POSITION – UNAUDITED  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 3,844,820	\$ 3,858,620	\$ 4,143,524	\$ 4,187,109	\$ 4,629,417	\$ 5,863,429	\$ 5,617,805	\$ 6,456,473	\$ 7,040,358	\$ 6,604,179
Public safety	8,887,246	5,607,676	5,739,694	6,161,865	6,605,925	6,064,111	6,568,155	6,635,010	8,227,790	7,026,299
Community services	1,634,541	1,792,239	1,811,359	1,881,892	1,963,975	2,081,680	2,193,271	2,539,431	2,264,482	2,018,345
Tourism development	3,316,761	3,120,890	2,909,298	3,523,612	3,479,071	3,351,037	3,629,100	3,539,890	2,304,237	1,879,376
Total government activities expenses	17,683,368	14,387,639	14,611,550	15,754,478	16,678,388	17,360,257	18,008,331	19,170,804	19,836,867	17,528,199
Business-type activities:										
Water and sewer	3,509,216	2,800,180	2,527,403	2,920,314	3,567,105	3,300,056	3,333,587	3,800,127	3,791,346	4,189,214
Total business-type activities	3,509,216	2,800,180	2,527,403	2,920,314	3,567,105	3,300,056	3,333,587	3,800,127	3,791,346	4,189,214
Total primary government expenses	21,192,584	17,187,819	17,138,953	18,674,792	20,245,493	20,660,313	21,341,918	22,970,931	23,628,213	21,717,413
Program revenues:										
Government activities:										
Charges for services:										
General government	2,480,346	2,711,878	3,086,654	3,048,718	2,645,886	3,510,905	4,392,385	3,996,536	4,448,128	5,546,973
Public safety	1,709,421	645,339	904,073	919,762	1,103,188	669,672	407,099	914,305	559,142	849,682
Community services	-	115,466	193,847	-	-	-	-	-	-	-
Operating grants and contributions	534,769	-	-	-	-	-	-	-	-	2,102,721
Capital grants and contributions	120,623	-	243,000	-	138,308	29,020,077	(20,077)	3,025,000	20,000,000	616,900
Total governmental activities and program revenues	4,845,159	3,472,683	4,427,574	3,968,480	3,887,382	33,200,654	4,779,407	7,935,841	25,007,270	9,116,276
Business-type activities:										
Charges for services										
Water and sewer	3,657,474	3,351,332	3,547,076	4,323,705	4,438,684	4,183,763	4,276,844	4,392,761	4,294,451	4,543,188
Capital grants and contributions	-	259,470	-	-	1,009,698	9,783,539	7,041	2,057,840	658,232	-
Total business-type activities program revenues	3,657,474	3,610,802	3,547,076	4,323,705	5,448,382	13,967,302	4,283,885	6,450,601	4,952,683	4,543,188
Total primary government program revenues	8,502,633	7,083,485	7,974,650	8,292,185	9,335,764	47,167,956	9,063,292	14,386,442	29,959,953	13,659,464

(Continued)

## BAL HARBOUR VILLAGE, FLORIDA

### CHANGES IN NET POSITION – UNAUDITED

(Continued)

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense) revenue:										
Business type activities	148,258	810,622	1,019,673	1,403,391	1,881,277	10,667,246	950,298	2,650,474	1,161,337	353,974
Total primary government net expense	(12,689,951)	(10,104,334)	(9,164,303)	(10,382,607)	(10,909,729)	26,507,643	(12,278,626)	(8,584,489)	6,331,740	(8,057,949)
General revenues and other changes in net assets:										
Governmental activities										
Taxes:										
Ad-valorem taxes	5,801,487	6,797,002	6,781,637	7,591,502	7,193,763	8,195,619	10,010,648	10,139,283	10,258,510	9,824,672
Franchise fees based on gross receipts and utility taxes	1,745,365	1,463,181	1,688,621	1,513,181	1,528,901	1,590,867	1,601,350	1,613,151	1,518,958	1,587,850
Unrestricted intergovernmental revenue	659,868	580,399	638,806	631,608	629,457	731,511	756,387	1,012,413	1,083,278	888,970
Tourism tax	2,118,487	3,229,946	3,600,359	3,448,249	3,423,437	3,331,088	3,825,266	4,526,248	2,777,408	4,813,175
Unrestricted investment earnings	65,632	33,000	29,531	53,748	50,747	84,091	150,075	203,734	129,251	50,802
Miscellaneous	838,409	165,772	992,008	22,701	957,404	855,999	609,934	1,003,220	848,977	1,936,785
Transfers	60,000	60,000	60,000	60,000	-	-	18,722	13,449	89,660	-
Total governmental activities	11,289,248	12,329,300	13,790,962	13,320,989	13,783,709	14,789,175	16,972,382	18,511,498	16,706,042	19,102,254
Business-type activities										
Unrestricted investment earnings	48,636	20,312	5,643	22,461	19,205	47,519	87,298	107,699	59,450	23,778
Transfers	(60,000)	(60,000)	(60,000)	(60,000)	-	-	(18,722)	(13,449)	(89,660)	-
Total business-type activities	(11,364)	(39,688)	(54,357)	(37,539)	19,205	47,519	68,576	94,250	(30,210)	23,778
Total primary government	11,277,884	12,289,612	13,736,605	13,283,450	13,802,914	14,836,694	17,040,958	18,605,748	16,675,832	19,126,032
Change in net position										
Governmental activities	(1,548,961)	1,414,344	3,606,946	2,480,201	992,703	30,629,572	3,743,458	7,276,535	21,876,445	10,690,331
Business-type activities	136,894	770,934	965,316	1,162,238	1,900,482	10,714,765	1,018,874	2,744,724	1,131,127	377,752
Total primary government	\$ (1,412,067)	\$ 2,185,278	\$ 4,572,262	\$ 3,642,439	\$ 2,893,185	\$ 41,344,337	\$ 4,762,332	\$ 10,021,259	\$ 23,007,572	\$ 11,068,083

## BAL HARBOUR VILLAGE, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS – UNAUDITED  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Restricted	\$ -	\$ 328,373	\$ 306,477	\$ 284,306	\$ 368,934	\$ 368,934	\$ 368,934	\$ 3,025,000	\$ 3,000,000	\$ 500,000
Non-spendable	70,569	5,000	3,199	3,199	-	-	-	64,996	77,752	110,627
Assigned	2,350,075	2,147,395	2,505,746	3,839,071	5,155,978	5,634,930	6,309,833	9,493,556	12,700,628	22,520,890
Unassigned	8,158,253	8,348,881	10,904,188	12,090,936	10,960,921	12,890,324	15,247,427	15,216,033	14,037,405	12,149,328
Total general fund	<u>\$ 10,578,897</u>	<u>\$ 10,829,649</u>	<u>\$ 13,719,610</u>	<u>\$ 16,217,512</u>	<u>\$ 16,485,833</u>	<u>\$ 18,894,188</u>	<u>\$ 21,926,194</u>	<u>\$ 27,799,585</u>	<u>\$ 29,815,785</u>	<u>\$ 35,280,845</u>
All other government funds:										
Reserved, reported in:										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 2,680	\$ 13,750
Restricted:										
Tourism fund	-	-	-	3,262,914	3,090,456	3,110,249	3,318,691	4,737,680	5,291,064	8,225,088
Other governmental funds	-	-	-	2,112,461	2,021,599	1,924,778	1,868,126	1,869,535	1,834,400	2,173,354
Restricted	4,147,049	4,736,524	5,564,658	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,147,049</u>	<u>\$ 4,736,524</u>	<u>\$ 5,564,658</u>	<u>\$ 5,375,375</u>	<u>\$ 5,112,055</u>	<u>\$ 5,035,027</u>	<u>\$ 5,186,817</u>	<u>\$ 6,610,715</u>	<u>\$ 7,128,144</u>	<u>\$ 10,412,192</u>

\* Restricted Fund Balance includes Capital Projects, Tourism, State Law Enforcement, and Security Fund balances.

\*\*Assigned fund balance includes amounts for future capital projects (\$17.19 pensions (\$3.5M), future claims (\$500k), and for building and zoning future costs. Prior year balances primarily represent monies set aside for future capital projects; as well as post-employment benefits and pensions.

## BAL HARBOUR VILLAGE, FLORIDA

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS – UNAUDITED

#### LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Ad valorem taxes	\$ 5,801,487	\$ 6,797,002	\$ 6,781,637	\$ 7,591,502	\$ 7,193,763	\$ 8,195,619	\$ 10,010,648	\$ 10,139,283	\$ 10,258,510	\$ 9,824,672
Utility taxes and franchise fees	1,745,365	1,784,020	2,005,201	1,834,540	1,840,407	1,880,227	1,601,350	1,882,756	1,794,819	1,821,576
Licenses and permits	934,557	1,004,325	1,598,837	1,537,695	1,296,318	2,186,908	2,287,708	2,703,831	2,259,810	2,851,772
Special assessments	775,357	932,338	614,015	413,953	407,333	424,346	603,159	592,950	688,946	919,422
Intergovernmental	1,315,260	375,026	516,073	462,333	456,259	442,151	756,387	742,808	807,417	3,374,865
Charges for services	770,432	775,215	873,802	1,097,070	942,235	899,651	1,025,384	1,175,889	1,499,372	1,775,779
Tourist tax	2,118,487	3,229,946	3,600,359	3,448,249	3,423,437	3,331,088	3,825,266	4,526,248	2,777,408	4,813,175
Fines and forfeitures	1,680,847	642,947	869,783	915,108	1,101,657	663,240	383,907	914,305	554,154	849,682
Investment earnings	86,484	33,157	28,403	30,374	50,924	84,248	150,219	203,734	129,251	50,802
Developer contribution	733,730	87,009	965,561	662,463	834,922	840,852	500,000	3,525,000	459,011	1,139,456
Grants	-	-	243,000	-	-	-	-	-	-	-
Miscellaneous	112,401	80,998	61,855	50,729	123,836	21,422	132,982	503,220	394,954	797,329
<b>Total revenues</b>	<b>16,074,407</b>	<b>15,741,983</b>	<b>18,158,526</b>	<b>18,044,016</b>	<b>17,671,091</b>	<b>18,969,752</b>	<b>21,277,010</b>	<b>26,910,024</b>	<b>21,623,652</b>	<b>28,218,530</b>
<b>Expenditures:</b>										
General government	3,389,462	3,766,627	3,948,411	4,187,109	5,040,926	4,982,816	5,026,069	5,203,742	5,742,688	6,000,598
Public safety	8,960,847	5,471,270	5,620,615	6,110,890	6,484,618	5,929,379	6,140,275	6,596,510	6,999,460	7,286,884
Solid waste	774,206	613,773	613,773	610,333	615,626	613,849	610,507	682,978	697,872	695,588
Road and streets	438,505	819,193	787,614	924,503	977,257	948,261	1,154,994	1,290,374	1,112,096	1,099,784
Parks and recreation	374,765	331,742	389,739	347,056	328,956	405,336	314,807	416,337	286,594	84,589
Tourism development	3,251,469	3,114,011	2,902,419	3,523,612	3,373,729	3,317,701	3,593,659	3,510,355	2,275,996	1,853,605
Capital outlay	69,488	815,299	208,299	50,975	362,101	31,581	627,704	1,807,579	1,966,352	2,405,753
<b>Debt service:</b>										
Principal	-	21,627	21,896	-	266,861	330,309	660,052	80,718	93,024	38,594
Interest	-	8,214	7,675	-	95,699	110,772	13,869	7,591	5,601	4,027
<b>Total expenditures</b>	<b>17,258,742</b>	<b>14,961,756</b>	<b>14,500,441</b>	<b>15,754,478</b>	<b>17,545,773</b>	<b>16,670,004</b>	<b>18,141,936</b>	<b>19,596,184</b>	<b>19,179,683</b>	<b>19,469,422</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(1,184,335)</b>	<b>780,227</b>	<b>3,658,095</b>	<b>2,289,538</b>	<b>125,318</b>	<b>2,299,748</b>	<b>3,135,074</b>	<b>7,313,840</b>	<b>2,443,969</b>	<b>8,749,108</b>
<b>Other financing sources (uses):</b>										
Bonds issued/ lease	350,000	-	-	-	29,527	31,581	-	-	-	-
Transfers in	120,000	120,000	120,000	125,000	314	-	18,722	13,449	89,600	-
Transfers out	(60,000)	(60,000)	(60,000)	(65,000)	(314)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>410,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>29,527</b>	<b>31,581</b>	<b>18,722</b>	<b>13,449</b>	<b>89,600</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (774,335)</b>	<b>\$ 840,227</b>	<b>\$ 3,718,095</b>	<b>\$ 2,349,538</b>	<b>\$ 154,845</b>	<b>\$ 2,331,329</b>	<b>\$ 3,153,796</b>	<b>\$ 7,327,289</b>	<b>\$ 2,533,569</b>	<b>\$ 8,749,108</b>
<b>Debt service expenditures as a % of noncapital expenditures</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>3%</b>	<b>4%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>

**BAL HARBOUR VILLAGE, FLORIDA****GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE – UNAUDITED**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

Fiscal Year Ended September 30,	Tax Roll Year	Ad Valorem Taxes	Franchise Fees and Utility Taxes	Tourism Tax	Total
2012	2011	\$ 5,801,487	\$ 1,745,365	\$ 2,118,487	\$ 9,665,339
2013	2012	6,797,002	1,784,020	3,229,946	11,810,968
2014	2013	6,781,637	2,005,201	3,600,359	12,387,197
2015	2014	7,591,502	1,687,146	3,448,249	12,726,897
2016	2015	7,193,763	1,528,901	3,423,437	12,146,101
2017	2016	8,195,619	1,590,867	3,331,088	13,117,574
2018	2017	10,010,648	1,601,350	3,825,266	15,437,264
2019	2018	10,139,283	1,613,151	4,526,247	16,278,681
2020	2019	10,258,510	1,518,958	2,777,408	14,554,876
2021	2020	9,824,672	1,587,850	4,813,175	16,225,697

## BAL HARBOUR VILLAGE, FLORIDA

### GENERAL FUND GOVERNMENTAL REVENUES BY SOURCE – UNAUDITED LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Taxes	Inter- Governmental	Licenses and Permits	Charges for Service	Fines and Forfeitures	Investment Earnings	Other	Developer Contribution	Total
2012	\$ 7,546,852	\$ 780,491	\$ 934,557	\$ 759,772	\$ 507,366	\$ 48,525	\$ 87,318	\$ 93,544	\$ 10,758,425
2013	8,581,022	375,026	1,004,325	745,540	642,947	28,546	48,777	87,009	11,513,192
2014	8,786,838	516,073	1,598,837	827,112	869,783	24,568	269,227	965,561	13,857,999
2015	9,278,648	462,333	1,537,695	992,051	915,108	22,221	45,798	662,463	13,916,317
2016	12,457,607	456,259	1,296,318	1,349,568	1,101,657	50,924	123,836	834,922	17,671,091
2017	13,406,934	442,151	2,186,908	1,323,997	663,240	84,248	21,422	840,852	18,969,752
2018	11,913,189	455,196	2,287,708	1,025,384	383,907	109,746	109,934	500,000	16,785,064
2019	12,022,039	742,808	2,703,831	1,175,889	914,305	148,867	125,042	3,525,000	21,357,781
2020	12,053,329	807,417	2,229,867	1,499,372	553,545	98,481	336,294	459,011	18,037,316
2021	11,646,248	3,374,865	2,787,470	1,775,779	849,682	40,941	771,060	1,139,456	22,385,501

## BAL HARBOUR VILLAGE, FLORIDA

### TOTAL VALUE AND ESTIMATED ACTUAL ASSESSED VALUE OF TAXABLE PROPERTY – UNAUDITED LAST TEN CALENDAR YEARS

Calendar Year	Residential Property	Commercial Property	Personal Property	Other Property	Total Estimated Actual Value	Exemptions	Net Assessed Value	Total Direct Tax Rate (a)	Net Assessed Value as a Percentage of Estimated Actual Value
2012	\$ 2,188,130,203	\$ 250,911,836	\$ 40,696,631	\$ 134,178,126	\$ 2,613,916,796	\$ 273,296,550	\$ 2,343,445,178	2.4468	89.65%
2013	2,823,731,833	566,152,958	35,164,780	91,428,428	3,516,477,999	348,237,714	3,168,240,285	2.2678	90.10%
2014	2,823,731,833	566,152,958	35,164,780	91,428,428	3,516,477,999	348,237,714	3,168,240,285	1.9192	90.10%
2015	3,389,022,070	532,009,772	75,795,113	-	3,996,826,955	42,378,896	3,954,448,059	2.0611	98.94%
2016	4,630,037,791	576,530,305	74,345,511	8,793,501	5,289,707,108	1,040,402,108	4,249,305,000	1.9654	80.33%
2017	4,887,875,474	549,764,276	85,089,223	13,079,086	5,535,808,059	1,102,076,500	4,433,731,559	1.9654	80.09%
2018	5,499,313,271	553,901,409	80,038,174	103,762,729	6,237,015,583	922,809,073	5,314,206,510	1.9654	85.20%
2019	5,418,035,388	601,166,952	84,448,270	63,952,817	6,167,603,427	668,781,338	5,498,822,089	1.9654	89.16%
2020	5,332,307,758	642,413,314	80,740,683	74,886,913	6,130,348,668	630,230,842	5,500,117,826	1.9654	89.72%
2021	4,901,373,815	639,222,999	79,630,705	83,869,382	5,704,096,901	427,106,395	5,276,990,506	1.9654	92.51%

(a) Miami Dade Property Appraiser

Note: Property taxes are for a calendar year, while tax rates are for fiscal years.

Note: Total Values are compared to assessed values both provided by the Miami-Dade County Property Appraiser.



# BAL HARBOUR VILLAGE, FLORIDA

## PRINCIPAL PROPERTY ASSESSED VALUES – UNAUDITED

	Fiscal Year 2021			
	Market Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
St. Regis Hotel and Condominiums (Seldar)	\$ 1,065,119,244	\$ 1,064,119,244	1	20.28%
Oceana	878,469,448	878,019,448	2	16.72%
One Bal Harbour /Ritz Carlton Complex	563,102,585	561,452,085	3	10.72%
Bal Harbour Shops Complex	293,072,883	293,072,883	4	5.58%
Balmoral Complex	281,027,646	277,315,146	5	5.35%
The Majestic Complex	269,161,697	267,109,697	6	5.12%
Harbour House Complex	215,739,659	214,038,659	7	4.11%
Bal Harbour Tower Complex	214,693,427	212,741,427	8	4.09%
Bal Harbour 101	165,792,181	162,934,681	9	3.16%
Bellini	157,287,783	156,337,283	10	2.99%
Total	\$ 4,103,466,553	\$ 4,087,140,553		78.12%

### Notes:

- The ten properties with the highest assessed values comprise 78.12% of the total taxable value for the Village as a whole.
- 37% of the percent of total taxable value for 2021, is within 2 of the 10 highest taxable value.
- Properties ranked #1 and #2 did not exist 10 years ago, this indicates significant assessed value growth due to oceanfront development within the Village, as these properties comprise just over half of the top 10 value for the Village.

# BAL HARBOUR VILLAGE, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTIONS – UNAUDITED LAST TEN FISCAL YEARS

Fiscal Years Ended September 30,	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy		Distribution of Prior Year Levy	Total Collections to Date	
	Gross Levy	Discount	Net Levy	Amount	Percentage of Levy		Amount	Percentage of Net Levy
2012	\$ 5,733,942	\$ 229,358	\$ 5,504,584	\$ 5,710,150	99.59%	\$ 166,963	\$ 5,877,113	102.50%
2013	7,194,529	287,781	6,906,748	6,637,686	92.26%	218,692	6,856,378	95.30%
2014	7,009,092	303,842	6,705,250	6,705,250	95.67%	76,387	6,781,637	96.75%
2015	8,146,491	554,989	7,591,502	7,591,502	93.19%	221,412	7,812,914	95.91%
2016	8,351,584	1,161,483	7,190,101	7,190,101	86.09%	3,662	7,193,763	86.14%
2017	8,715,056	838,213	7,876,843	7,876,843	90.38%	318,776	8,195,620	94.04%
2018	10,444,541	522,227	9,922,314	9,656,475	92.45%	354,173	10,010,648	95.85%
2019	10,808,734	541,718	10,267,016	9,704,307	89.78%	434,976	10,139,283	93.81%
2020	10,599,003	329,568	10,269,435	9,869,362	93.12%	389,148	10,258,510	96.79%
2021	10,103,870	251,043	9,852,827	9,493,585	93.96%	331,087	9,824,672	97.24%

*\*The total property tax collections exceed the percent of levy in 2012 as Delinquent Ad Valorem proceeds from prior years were distributed by the Tax Collector in that period. Subsequent year distribution are after completion of appeals.*

*\*\*The 'Discount' increase since 2015 reflects Value Adjustment Board clearance of appeal backlogs, resulting in a compounding affects in the subsequent year. Per State TRIM requirements, the Village must budget Ad Valorem proceeds at 95%, up to a 4.0% discount is provided for early payment in November.*

# BAL HARBOUR VILLAGE, FLORIDA

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS – UNAUDITED  
(Per \$1,000 of Taxable Value)  
LAST TEN FISCAL YEARS

		Direct Rate Village	Overlapping Rates										Total Direct & Overlapping Rates
			School District		State			Miami-Dade County		Special Districts			
Fiscal Years Ended September 30,	Tax Roll Year	Operating and Total Millage	Operating Millage/Voted Operating	Debt Service Millage	Everglades Project	South Florida Water Management District	Florida Inland Navigation District	Operating Millage	Debt Service Millage	Children's Trust	Fire & Rescue	Fire Debt	
2012	2011	2.4468	7.7650	0.2400	0.0613	0.3676	0.0345	4.7035	0.2850	0.5000	2.4496	0.0131	18.8664
2013	2012	2.2678	7.765	0.2330	0.0613	0.3676	0.0345	4.7035	0.2850	0.5000	2.4496	0.0131	18.6804
2014	2013	1.9192	7.644	0.3330	0.0587	0.3523	0.0345	4.7035	0.4220	0.5000	2.4496	0.0124	18.4292
2015	2014	2.0611	7.775	0.1990	0.0548	0.1577	0.0345	4.6669	0.4500	0.5000	2.4207	0.0114	18.3311
2016	2015	1.9654	7.413	0.1990	0.0506	0.1459	0.0320	4.6669	0.4500	0.5000	2.4207	0.0086	17.8521
2017	2016	1.9654	6.774	0.2200	0.0441	0.1275	0.0320	4.6669	0.4000	0.4673	2.4207	0.0075	17.1254
2018	2017	1.9654	6.504	0.2290	0.0417	0.1209	0.0320	4.6669	0.4644	0.4415	2.4207	0.0000	16.8865
2019	2018	1.9654	7.025	0.1230	0.0397	0.1152	0.0320	4.6669	0.4780	0.4680	2.4207	0.0000	17.3339
2020	2019	1.9654	6.936	0.1930	0.038	0.1103	0.0320	4.6669	0.4780	0.4507	2.4207	0.0000	17.2910
2021	2020	1.9654	6.829	0.1800	0.0365	0.1061	0.0320	4.6669	0.5075	0.5000	2.4207	0.0000	17.2441

Source: Miami-Dade County Property Appraiser's Office

# BAL HARBOUR VILLAGE, FLORIDA

## RATIOS OF OUTSTANDING DEBT BY TYPE – UNAUDITED LAST TEN FISCAL YEARS

Fiscal Years Ended September 30,	Governmental Activities			Business-type Activities			Total Primary Government	Per Capita Personal Income (1)	Percentage of Total Personal Income	Population	Net Debt per Capita
	General Obligation (GO) Bonds	Revenue Bonds	Capital Lease	Outstanding Non-GO Bonds	Note Payable	Capital Lease					
2012	\$ -	\$ 350,000	\$ -	\$ 9,039,725	\$ -	\$ -	\$ 9,389,725	\$ 54,512	5.79%	2,976	\$ 3,155
2013	-	328,373	-	8,443,447	-	-	8,771,820	46,814	6.43%	2,915	3,009
2014	-	304,953	-	7,841,243	-	-	8,146,196	46,814	6.09%	2,855	2,853
2015	-	281,240	1,228,329	7,231,514	-	41,873	8,782,956	52,081	5.86%	2,877	3,053
2016	-	240,499	1,110,950	6,630,895	-	27,923	8,010,267	52,081	5.66%	2,716	2,949
2017	-	217,770	780,795	6,004,248	-	47,414	7,050,227	53,856	4.82%	2,716	2,596
2018	-	194,758	143,935	5,369,769	-	37,199	5,745,661	53,856	3.40%	3,134	1,833
2019	-	171,458	86,517	4,727,363	-	27,421	5,012,819	57,585	2.86%	3,039	1,649
2020	-	147,867	17,084	4,076,926	8,096,000	16,509	12,354,386	69,567	2.04%	3,004	4,113
2021	-	123,982	2,375	3,418,360	7,565,000	2,374	11,112,091	69,567	5.16%	3,093	3,593

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

(1) Population and Income Estimates from the 2018 US Census American Community Survey – Fact Finder; 2020 population current BEBR estimates.

# **BAL HARBOUR VILLAGE, FLORIDA**

## **RATIOS OF BONDED DEBT OUTSTANDING – UNAUDITED LAST TEN FISCAL YEARS**

Fiscal Years Ended September 30,	Gross Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Assessed Value of Taxable Property	Ratio of Net Bonded Debt to Assessed Value	Population	Net Bonded Debt per Capita (1)
2012	\$ 9,389,725	\$ -	\$ 9,389,725	\$ 2,343,445,178	0.401%	2,976	\$ 3,155
2013	8,771,820	-	8,771,820	3,168,240,285	0.277%	2,915	3,009
2014	8,146,196	-	8,146,196	3,168,240,285	0.257%	2,855	2,853
2015	7,512,754	-	7,512,754	3,954,448,059	0.190%	2,877	2,611
2016	6,871,394	-	6,871,394	4,249,305,000	0.162%	2,716	2,530
2017	6,222,018	-	6,222,018	4,433,731,559	0.140%	2,716	2,291
2018	5,564,527	-	5,564,527	5,314,206,510	0.105%	3,314	1,679
2019	4,898,821	-	4,898,821	5,498,822,089	0.089%	3,039	1,612
2020	4,224,793	-	4,224,793	5,500,117,826	0.077%	3,004	1,406
2021	3,542,342	-	3,542,342	5,276,990,506	0.067%	3,093	1,145

(1) Population & Income Estimates from the 2018 US Census American Community Survey – Fact Finder; 2020 population current BEBR estimates.

## BAL HARBOUR VILLAGE, FLORIDA

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT – UNAUDITED SEPTEMBER 30, 2021

	Debt Outstanding	Percentage Applicable to Bal Harbour Village (1)	Share of Direct & Overlapping Debt
<b>Jurisdiction</b>			
<b>Direct</b>			
Bal Harbour Village	\$ 126,357	100.00%	\$ 126,357
<b>Overlapping:</b>			
Miami-Dade Board of County Commissioners (2)	18,266,801,000	1.63%	297,748,856
Miami-Dade County School Board (3)	3,330,170,000	1.49%	49,619,533
Subtotal, overlapping debt	<u>21,596,971,000</u>		<u>347,368,389</u>
Total direct and overlapping	<u><u>\$ 21,597,097,357</u></u>		<u><u>\$ 347,494,746</u></u>

**Notes:**

(1) Based on ratio of assessed taxable value obtained from Miami-Dade County Property Appraiser 2019 roll.

(2) Source: Most recent data available for Miami-Dade County is as of September 2019.

(3) Source: Miami-Dade County School Board 2019 CAFR.

The Town Charter does not establish a legal debt limit nor does the Florida Statutes impose a limit.

# **BAL HARBOUR VILLAGE, FLORIDA**

## **LEGAL DEBT MARGIN INFORMATION – UNAUDITED LAST TEN FISCAL YEARS**

Note: Neither the Village Charter nor State Law establish a legal debt margin.

**BAL HARBOUR VILLAGE, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

**CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2011 – UNAUDITED**

Fiscal Years Ended September 30:	Pledged Revenues	Additional Appropriated Revenues, Not From Ad Valorem, Water and Sewer System	Additional Appropriated Revenues, Not From Ad Valorem, General Fund	Total Revenue Pledged or Appropriated	Total Debt Service Required	Coverage	Required Coverage
2012	\$ 236,983	\$ 846,340	\$ -	\$ 1,083,323	\$ 846,340	1.28	0.00
2013	245,818	822,757	-	1,068,575	852,598	1.25	0.00
2014	303,065	-	815,305	1,118,370	844,876	1.32	0.00
2015	295,314	-	837,058	1,132,371	837,058	1.35	0.00
2016	295,833	-	800,121	1,095,954	829,141	1.32	0.00
2017	290,807	-	792,386	1,083,193	821,126	1.32	0.00
2018	295,374	-	784,555	1,079,929	813,010	1.33	0.00
2019	315,888	-	776,625	1,092,513	804,793	1.36	0.00
2020	277,554	-	760,469	1,038,023	788,050	1.32	0.00
2021	326,136	-	752,238	1,078,374	779,521	1.38	0.00

1. Pledged Revenues Include State Revenue Sharing, 1/2¢ Sales Tax Sharing, and Alcoholic Beverage License Shared Revenues.
2. To the extent pledged revenues are insufficient, the Village promises to budget and appropriate any difference.
3. The debt was originally issued for both Water and Sewer capital needs and General Fund capital needs.



# BAL HARBOUR VILLAGE, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS – UNAUDITED LAST TEN CALENDAR (OR FISCAL) YEARS

Calendar Year	Population		School Enrollment	Unemployment Rate	Personal Income (Expressed in Thousands)	
	Village	County			Total	Per Capita
		(a)	(b)	(c)	(d)	(e)
2012	2,976	2,541,928	349,945	9.4%	162,227,712	54,512
2013	2,915	2,540,172	353,152	8.4%	185,737,970	63,718
2014	2,855	2,613,962	353,152	5.6%	193,226,400	67,680
2015	2,877	2,693,117	349,152	6.2%	149,837,037	52,081
2016	2,716	2,700,794	355,269	5.2%	141,451,996	52,081
2017	2,716	2,727,606	356,086	4.6%	146,272,896	53,856
2018	3,134	2,751,796	418,498	4.7%	168,784,704	53,856
2019	3,134	2,761,581	350,040	3.2%	180,471,390	57,585
2020	3,004	2,716,940	347,069	9.7%	208,979,268	69,567
2021 (f)	3,093	2,701,767	334,400	4.9%	215,170,731	69,567

### Note:

- (a) Source: Bureau of Economic and Business Research, University of Florida
- (b) Source: Miami-Dade County Public Schools, Florida (county wide)
- (c) Source: U.S. Bureau of Labor Statistics
- (d) Source: U.S. Department of Labor – Annual Rate
- (e) Source U.S. Census American Community Survey – Fact Finder.
- (f) County population estimates updated from Census Quick – Facts, Village estimate from Beacon Council profile. Total Personal Income computed using population and per capita data.

**BAL HARBOUR VILLAGE, FLORIDA**  
**PRINCIPAL EMPLOYERS 2019 – UNAUDITED**

Employer	2021			2012		
	Employees	Rank	Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	36,279	1	2.73%	44,132	1	3.39%
Miami-Dade County	25,502	2	1.92%	26,351	2	2.02%
Federal Government	19,200	3	1.44%	19,400	3	1.49%
Florida State Government	17,100	4	1.29%	17,600	4	1.35%
University of Miami, Inc	12,818	5	96.00%	13,233	6	1.02%
Baptist Health Systems of South FL	11,353	6	85.00%	14,865	5	1.14%
American Airlines	11,031	7	83.00%	9,000	9	0.69%
Jackson Health System	9,797	8	74.00%	10,809	7	0.83%
Publix Supermarket	4,604	9	35.00%	10,800	8	0.83%
City of Miami	3,997	10	30.00%	-	-	-
Florida International University	-	-	-	8,000	10	0.61%
Total Labor Force Employment	<u>1,329,511</u>		<u>410.38%</u>	<u>1,303,121</u>		

Source: The Beacon Council, Miami, Florida, Most recent data available.  
 Miami-Dade County Comprehensive Financial Report.  
 Miami-Dade County Public Schools Statistical Highlights.

**BAL HARBOUR VILLAGE, FLORIDA**
**OPERATING INDICATORS BY FUNCTION/PROGRAM – UNAUDITED  
LAST TEN FISCAL YEARS**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General government:</b>										
Non-sworn personnel	30	38	38	48.5	48.5	49	49	53	53	54
Square miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles
Elections:	0	0	0							
Registered voters	1,663	1,780	1705	1,724	1,612	1,732	1,855	1,855	1,426	2,139
Votes cast in last election	220	1,317	103	795	n/a	1,360	1,125	1,101	1,101	785
Ordinances prepared and adopted	6	9	9	8	6	8	11	14	9	8
Resolutions prepared and adopted	17	16	99	108	58	59	85	68	73	84
Commission minutes prepared/approved	15	20	20	15	15	15	15	13	12	14
<b>Public safety:</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn employees	25	22	22	25	25	25	25	24	24	25
Calls for service handled	3,644	3,929	4,542	5,822	7,373	7,628	6,554	7,239	2,913	2,976
Traffic accidents handled	135	116	126	268	171	168	136	136	123	150
Traffic citations/warnings issued	4,438	4,090	3,982	3,961	3,783	3,028	3,509	3,370	2,825	4,060
Part 1 crimes reported	80	75	75	110	95	87	82	90	99	121
Arrests	51	50	50	82	122	130	90	89	78	78
<b>Building:</b>										
Permits issued	1,123	1,426	1,258	1,149	951	1,101	1,416	1,382	1,007	1,283
Value of construction	\$ 21,849,415	\$ 42,119,493	\$ 79,100,703	\$ 320,670,729	\$ 44,154,727	\$ 69,946,011	\$ 62,116,337	\$ 95,880,509	\$ 112,808,867	\$ 86,901,861
Business tax receipts issued	133	106	253	253	194	277	291	251	221	208
<b>Physical environment:</b>										
Miles of streets	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles	3.03 miles
<b>Culture/recreation:</b>										
Facilities	2	2	2	2	2	2	2	2	2	2
Park acreage	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres	.44 acres

**Source:**

Various Village departments

Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.

2016 personnel figures reflect all full-time positions not just those positions which are filled as reported in prior periods.

One single building applicaton comprises \$232,696,144 of the construction value for 2015.

## BAL HARBOUR VILLAGE, FLORIDA

### CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government activities:										
General government:										
Miles of streets	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Square feet of buildings	21,200	21,200	21,200	21,200	21,200	21,200	21,200	26,818	26,818	17,286
Public safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Acres of parks	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Number of parks	1	1	1	1	1	1	1	1	1	1
Acres of beaches	12.73	12.73	12.73	12.73	12.73	12.73	12.73	12.73	12.73	12.73

Source: Village of Bal Harbour, Florida