



BAL HARBOUR

- VILLAGE -

BAL HARBOUR VILLAGE, FLORIDA

655 96th STREET, BAL HARBOUR, FLORIDA 33154

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

BAL HARBOUR VILLAGE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Prepared by the Finance Department

BAL HARBOUR VILLAGE, FLORIDA

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INTRODUCTORY SECTION

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March 31, 2025

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, 2024, 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 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.

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Occupying a land area of approximately 0.6 square miles, the Village population is 3,035 and has 219 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 and is underway. 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 which will be completed early FY 2025 with partial developer funding, conveyance of property to the Village in FY 2022, and construction of a new Village Hall funded 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 began towards the latter part of FY 2022.

Additional capital improvements on the horizon include the Governmental reconstruction of the Harbour Front Park - Jetty-Cutwalk; the new Village Hall and the continued rehabilitation of the Village Utility Infrastructure. The capital improvements collectively enhance the favorable international image of the Village, and adds 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.

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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 a 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 to be implemented becomes the responsibility of this Office. The Village Clerk reports to the Village Manager.

Finance Department. This Department is responsible for Financial and Budget 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.

Public Works and Beautification Department. This Department combines the Public Works, Greenspace Management and compliance, Water & Sewer Utility Operations and capital management activities and is responsible for the Village's facilities and infrastructure maintenance, beach maintenance, solid waste and recycling and landscaping efforts.

Recreation, Arts & Culture Department. This Department is created to centralize recreation, arts & culture activities and services previously offered in other departments and expand upon them to meet the growing needs of the Village.

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 (except the Utility Master Plan) administration of consulting services and construction contracts for the development of new construction projects, improvement of existing Village owned facilities as well as interdepartmental capital improvements.

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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 include enhanced banking controls, proper segregation of duties between accounts payables, receivables and cash receipt processing, the timely reconciliation of banking and other 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 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.

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The Bal Harbour Experience

At the Village Council retreat in February 2024, the Council reaffirmed its commitment to our vision first established in 2019. Our vision for Bal Harbour Village is that we will be the safest residential community, with a beautiful environment and unparalleled destinations and amenities, providing uniqueness and elegance 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, elegant, curated and refined community.

The four elements which denote the essence of the Bal Harbour Experience are reflected as follows:



Beautiful Environment - Fusing casual elegance with tranquil coastal living presented through the lens of secluded beaches, lush landscaping, serene public spaces, well-detailed sidewalks and rights of way, and jogging paths incorporated into the native environment. These signature amenities reflect the standards the community expects and sets the tone which one recognizes upon arriving in Bal Harbour, and long to return to once gone.

Destination & Amenities - Elevated experiences and unhurried bliss are the distinctive hallmarks of our Village delivered through exquisite luxury hotels, inspiring culinary selections, and celebrated high-end shopping. A waterfront park, iconic Jetty, and our beautiful beaches add to the lure of our breathtaking setting.

Unique & Elegant - Residents and guests balance sun and sea drenched escapes with our curated events designed for discerning connoisseurs of all ages. Creative public art features, our acclaimed Museum Access Program featuring curated tours, culinary festivals, movies under the stars, and excursions to limited engagement events set our enclave apart in delivering a tranquil and refined lifestyle.

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Safety - Anchored by our focus on a Community Policing model, where our officers are staffed, trained and motivated to provide excellent service and safety to our residents and guests in a pleasant, engaging, and friendly manner. The visible presence of our officers, investment in state-of-the-art technology and incorporation of innovative policing strategies ensure that our community remains safe at all times, as well as a recognized 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, visit, and play in. Each of the four elements that contribute to the Bal Harbour Experience are primarily supported by a Village Department as follows:

- Beautiful Environment led by the Public Works and Beautification Department and supported by the Capital Improvement Projects.
- Destination & Amenities led by the Tourism Department and supported by the Recreation, Arts & Culture Department.
- Unique & Elegant led by the Recreation, Arts & Culture Department and supported by the Tourism Department.
- Safety led by the Police and Building Departments who each contribute to the promise of safety in our community.

Furthermore, these elements and the Vision for our Village rest 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

At our annual Village Council retreats, we have an opportunity to revisit and discuss our priorities to ensure that they remain relevant. During this year's retreat, our review and prioritization exercise resulted in a reaffirmation of the order of importance of these priorities as in prior years.

Our priority areas of focus remain consistent with previous years and are ranked in the following order: (1) Safety, (2) Beautiful Environment, (3) Modernized Public Facilities and Infrastructure, (4) Resilient and Sustainable Community, (5) Destination and Amenities, and (6) Unique and Elegant.

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 have embarked upon an ambitious capital project plan partially 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

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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.

CIP accomplishments and initiatives for Fiscal Year 2024 are outlined below:

- New Waterfront Park - The New Waterfront Park project includes Community Center (12,163sf) playground, water feature/splashpad, landscape & hardscape. Community Center Concept design was developed through Community input and approved by Village Council in 2018. The New Waterfront Park project is expected to be completed in phases: Phase A includes a state-of-the-art community center with multi-purpose spaces that can be utilized for events and recreation programming, an indoor playground for toddlers, two outdoor playgrounds, a splash pad, fitness stations, a dock, basketball courts and an open lawn for play and performances. In December 2023 we proudly opened the doors to the Bal Harbour Waterfront Park. The Waterfront Park opened in a timely manner despite the lingering challenges from supply-chain issues. Phase B design and construction will proceed a few years later upon completion of the New Village Hall and demolition of the current Village Hall Building. The current preliminary concept proposes the ground floor as a parking area serving the park, with a second-floor open air basketball deck (or enclosed basketball/multipurpose recreation center). In addition, the design of the proper adaptive reuse of the current basketball court area is to be determined. The total projected cost for Phase A is estimated to be \$22.5 million, of which \$8.3 million is funded through developer contributions, grants and rental income.
- Harbour Front Park - Jetty-Cutwalk 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. The project is well underway and the contract management was awarded to Whiting Turner & Ebsary team at the July council meeting. This project is projected to award construction in Fiscal Year 2025. The total projected cost is estimated to be \$23.0 million, of which \$21.9 million will be funded through developer contributions, grants revenues and resort tax funds.
- 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. Various phases of the overall project are yet to be funded. The total projected costs committed to date is estimated to be \$43.3

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million, of which \$24.1 million will be funded through debt financing, grants revenues, and special assessment funding from the Security and Landscape area.

- Various machinery and equipment- Includes implementation costs for the building new software, vehicles and equipment.

Looking forward, major new capital initiatives to commence or continue in fiscal year 2025 include wrap-up of Phase A of the new Waterfront Park, construction award of the Harbour Front Park - Jetty-Cutwalk project, continued implementation of the Utility Master Plan, and planning efforts toward the New Village Hall. All told, the identified anticipated cost of these capital improvements total \$137.2 million, with funding identified for all but \$28.6 million of future year improvements, as summarized below. Approximately \$77.0 of the total project costs have been/or will be funded by debt, grants and developer contributions.

FY 2025-2029 Capital Budget and 5-Year Capital Improvement Program

	Budget							
	Previous Years	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Future Years	Total
FUNDING SOURCE								
General Fund:								
Miami-Dade General Obligation Bond Fund	\$ 8,117,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,117,200
Developer Contributions - Bal Harbour Shops (PPS)	3,500,000	-	-	-	-	-	-	3,500,000
Developer Contributions - Bal Harbour Shops (Village Hall)	19,923,318	3,400,000	-	-	-	-	-	23,323,318
Developer Contributions - Bal Harbour Shops (Other)	2,000,000	-	-	-	500,000	-	-	2,500,000
Developer Contributions - Other	1,100,000	1,000,000	1,000,000	-	-	-	-	3,100,000
Suntrust/Truist Rent	2,353,999	733,172	744,170	755,333	766,662	778,162	-	6,131,498
Interlocal Contribution - Other	-	-	-	-	-	-	-	-
Miscellaneous Revenue - Grants	9,867,857	-	1,000,000	-	-	-	-	10,867,857
Budget Allocation	969,340	-	-	-	-	-	-	969,340
Appropriation of Fund Balance/Carryover	15,147,413	1,034,051	358,223	-	-	-	-	16,539,687
Village 2011 Bond Escrow Funds	368,933	-	-	-	-	-	-	368,933
Total General Fund	63,348,060	6,167,223	3,102,393	755,333	1,266,662	778,162	-	75,417,833
Resort Tax Fund:								
Appropriation of Fund Balance/Carryover	4,250,000	-	1,500,000	-	-	-	-	5,750,000
Total Resort Tax Fund	4,250,000	-	1,500,000	-	-	-	-	5,750,000
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	3,625,660	1,200,000	-	-	-	-	-	4,825,660
Village 2011 Bond Escrow Funds	3,221,300	-	-	-	-	-	-	3,221,300
Village 2020 Utility Revenue Note	8,438,108	-	-	-	-	-	-	8,438,108
TBD - (Grants, Debt Issuance, etc.)	-	-	-	-	-	-	10,546,200	10,546,200
Total Utility Fund	24,956,868	1,200,000	-	-	-	-	10,546,200	36,703,068
Security and Landscape Assessment Fund:								
Appropriation of Fund Balance/Carryover	1,302,000	-	-	-	-	-	-	1,302,000
Total Security and Landscape Assessment Fund	1,302,000	-	-	-	-	-	-	1,302,000
TBD	300,000	-	(300,000)	-	-	6,050,000	12,000,000	18,050,000
TOTAL FUNDING SOURCE	\$ 94,156,928	\$ 7,367,223	\$ 4,302,393	\$ 755,333	\$ 1,266,662	\$ 6,828,162	\$ 22,546,200	\$ 137,222,901
EXPENDITURE BY PROJECT								
Parks and Public Spaces Operations Facility	\$ 3,164,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,164,704
Waterfront Park (Phase A)	21,156,869	1,372,223	-	-	-	-	-	22,529,092
Harbour Front Park - Jetty/Cutwalk	18,614,489	1,000,000	3,385,511	-	-	-	-	23,000,000
96th Street Plaza	3,100,000	3,400,000	-	16,823,318	-	-	-	23,323,318
New Village Hall	50,000	-	-	-	-	6,050,000	-	6,100,000
Waterfront Park (Phase B)	200,000	-	-	-	-	-	TBD	200,000
Collins Avenue Beautification	50,000	-	-	-	-	-	12,000,000	12,050,000
BeachSide Landscape	50,000	-	-	-	-	-	TBD	50,000
Utility Infrastructure - Sewer, Water and Stormwater Improvements	31,120,260	1,595,000	-	TBD	TBD	TBD	10,546,200	43,261,460
TBD:								
Use of Suntrust/Truist Funds	-	-	744,170	755,333	766,662	778,162	-	3,044,327
Use of Shop Funds	-	-	-	-	500,000	-	-	500,000
TOTAL EXPENDITURE	\$ 77,506,322	\$ 7,367,223	\$ 4,129,681	\$ 17,578,651	\$ 1,266,662	\$ 6,828,162	\$ 22,546,200	\$ 137,222,901

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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 and satisfy any related debt and funds 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 Village 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 Village of Miami Beach by the Village, for this reason their rates directly affect the rates the Village charges to our customers.

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 have 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 is included in a separate section.

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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, 2023. 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 tenth 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

- VILLAGE -

BAL HARBOUR

- V I L L A G E -

VILLAGE OFFICIALS

MAYOR

Jeffrey P. Freimark

VICE MAYOR

Seth E. Salver

COUNCIL MEMBERS

Buzzy Sklar
Alejandro Levy
David Wolf

VILLAGE MANAGER

Jorge M. Gonzalez

VILLAGE CLERK

Dwight S. Danie

VILLAGE ATTORNEY

Weiss Serota Helfman Cole &
Bierman

CHIEF FINANCIAL OFFICER

Claudia Dixon

CONTROLLER

Tom Pham

BUDGET COMMITTEE

Necca Logan, Chair
Johnathan Kader
Andrew Shechtel
Raj Singh
Raymond Slate

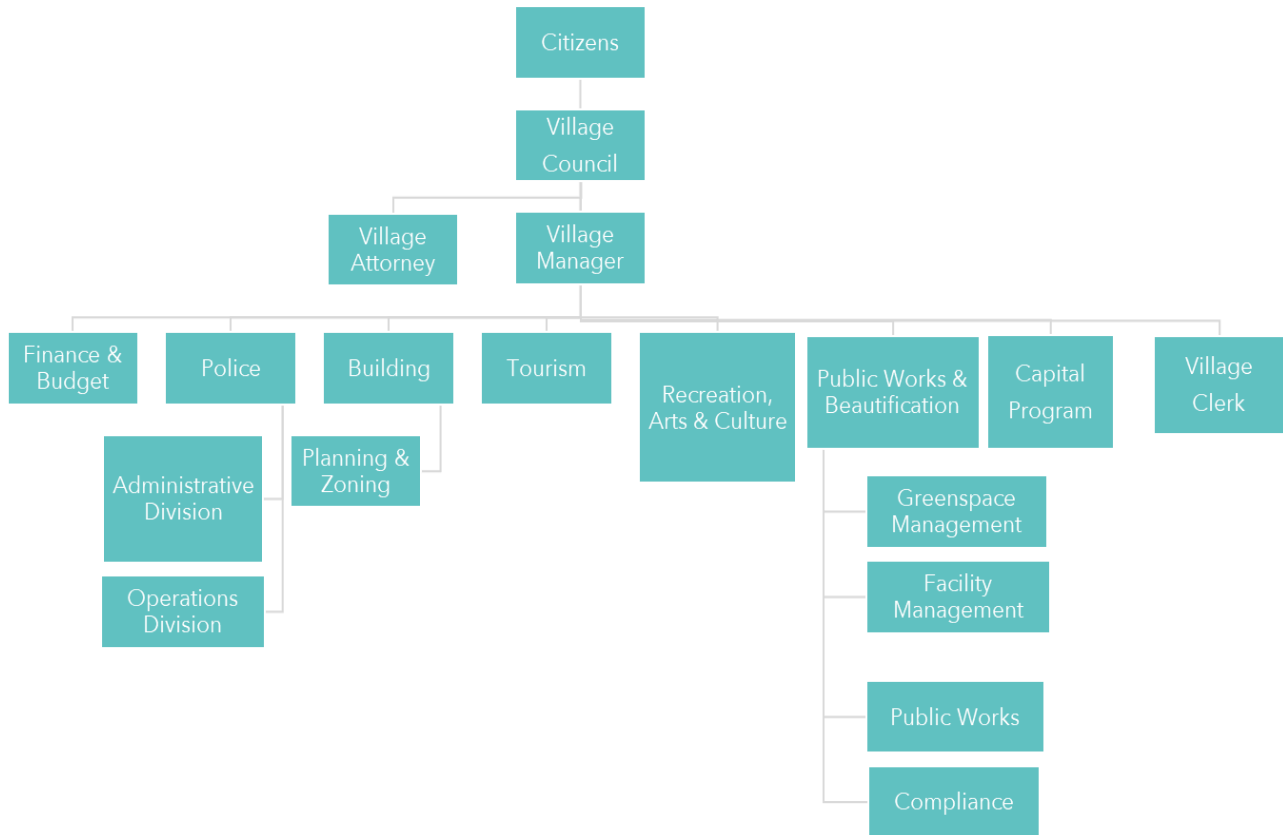
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Bal Harbour Village Organization Chart



BAL HARBOUR

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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, 2023

Christopher P. Morill

Executive Director/CEO

BAL HARBOUR

- VILLAGE -

FINANCIAL SECTION

BAL HARBOUR
- VILLAGE -

INDEPENDENT AUDITORS' REPORT

BAL HARBOUR
- VILLAGE -

Independent Auditor's Report

RSM US LLP

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bal Harbour Village, Florida (the Village), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2024, 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.

We did not audit the financial statements of the Bal Harbour Village Police Officers' Pension Plan, which represent 56%, 56% and 48%, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Bal Harbour Village Police Officers' Pension Plan, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, 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 Village's internal control over financial reporting and compliance.

RSM US LLP

Fort Lauderdale, Florida
March 31, 2025

BAL HARBOUR
- VILLAGE -

MANAGEMENT DISCUSSION AND ANALYSIS
MD&A - UNAUDITED

BAL HARBOUR
- VILLAGE -

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, 2024. 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 2024

- At the close of the fiscal year, the total assets and deferred outflows of the Village exceeded its liabilities and deferred inflows by \$187.2 million (*net position*), this reflects a 6.3% increase over the prior fiscal year. Of this amount, \$51.0 million (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors, reflecting a 7.4% increase over FY 2023. Unrestricted net position is comprised of \$44.9 million in governmental activities and \$6.1 million in business-type activities.
- At the close of the fiscal year, the total assets are \$213.9 million, reflecting a 4.3% increase, total liabilities are \$31.2 million, reflecting a decrease of 9.7% over the prior year, with deferred pension, post-employment and lease related inflows and outflows of resources resulting in a net of \$4.5 million deferred outflow of resources net of inflows.
- At the close of the fiscal year, the Village's governmental activities ended with a net position of \$155.2 million, and the business-type activities (*Water & Sewer Fund*) ended with a net position of \$32.0 million. The combined net position ending reflects an increase of \$11.2 million over 2023, comprised of \$5.7 million *attributable to cash and cash equivalents and investments*, \$11.7 million *in capital assets*, a decrease of \$3.3 million in liabilities, and a net decrease in pension and lease related deferred outflows of resources net of inflows of \$2.3 million.
- At year end, the change in net position of governmental activities totals \$9.9 million, the change is comprised of an increase of \$7.3 million in cash and cash equivalents & investments, an increase of \$10.0 million in capital assets, an decrease of \$1.0 million in lease and pension related deferred outflows net of inflows, and an decrease of \$.9 million in net pension liability and other post-employment benefit liabilities.
- At the close of the fiscal year, the Village governmental funds reported combined fund balances of \$74.5 million, an increase of \$9.6 million in comparison to the prior fiscal year. The *committed fund balance* of \$16.3 represents primarily the unused portion of funds received from Bal Harbour Shops for the future new Village Hall capital project. The *unassigned fund balance* is \$20.1 million, or 27.0% and 35.3% 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 \$1.1 million to \$36.4 million. The increase is the result of an additional \$1.3 million in ad valorem tax and \$1.3 million in investment earnings receipts, offset by a current year a decrease of \$2.0 million in developer contributions which are non-recurring by nature.

- At the close of the fiscal year, ending net position for the water and sewer proprietary fund is \$32.0 million, reflecting a change in net position over 2023 of \$1.3 million. Unrestricted net position for the fund is \$6.0 million or 19.1% 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 Fiduciary Funds is \$61.6 million, an increase of \$11.4 million in comparison to fiscal year 2023. The increase is driven by an overall increase in the fair value of investments for fiduciary funds.

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 issues, (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 4*).

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 subsidies 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, recreation, arts & culture, 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 101*).

The fund financial statements also allow the government to address its fiduciary (or trust) funds (*see pages 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 24 to 25*) is the same as the business-type activities column on the government-wide financial statement, the government major funds total (*page 21*) 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. 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 on September 30, 2024 by \$187.2 million.

Summary Statement of Net Position

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Activities</u>		<u>Activities</u>					
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Change</u>
Current and other assets	\$ 80,816	\$ 73,196	\$ 7,166	\$ 8,772	\$ 87,982	\$ 81,968	\$ 6,014	7.3%
Capital assets	92,636	91,426	33,258	31,612	125,894	123,038	2,856	2.3%
Total assets	173,452	164,622	40,424	40,384	213,876	205,006	8,870	4.3%
Deferred Outflows of Resources	6,962	10,139	188	334	7,150	10,473	(3,323)	-31.7%
Current and other liabilities	2,101	3,473	733	773	2,834	4,246	(1,412)	-33.3%
Non-current liabilities	20,502	21,174	7,842	9,091	28,344	30,265	(1,921)	-6.3%
Total liabilities	22,603	24,647	8,575	9,864	31,178	34,511	(3,333)	-9.7%
Deferred Inflows of Resources	2,608	4,793	-	101	2,608	4,894	(2,286)	-46.7%
Net investment in capital assets	92,208	89,456	25,925	23,002	118,133	112,458	5,675	5.0%
Restricted	18,036	16,074	-	-	18,036	16,074	1,962	12.2%
Unrestricted	44,950	39,791	6,112	7,751	51,062	47,542	3,520	7.4%
Total net position	\$ 155,194	\$ 145,321	\$ 32,037	\$ 30,753	\$ 187,231	\$ 176,074	\$ 11,157	6.3%

As summarized above, the statement of net position for the Village reflects an increase of \$11.2 million which is made up of a \$1.9 million increase to restricted net position primarily resulting from excess revenues over expenditures for the Resort Tax and Security District Funds; and a \$5.7 million in net investment in capital assets consisting primarily of the new Waterfront Park Construction Project costs; and the Utility Master Plan Project costs.

A large portion of the Village's net position reflects its investment in capital assets (e.g., land, building, and equipment) \$118.1 million. Net investment in capital assets is the portion of net position 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 \$18.0 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 \$51.0 million, with \$44.9 million for governmental activities and \$6.1 million for business-type activities. This is due to the results of current year operations.

The statement of net position ending for the Village in fiscal year 2024 is \$187.2 million, the most notable change is within net investment in capital assets of the Governmental Activities resulting from the capital investments in the new Waterfront Park and the Utility Master Plan projects.

CURRENT YEAR IMPACTS

Statement of Activities

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2024	2023	2024	2023	2024	2023		
Revenues:								
Program revenues:								
Charges for services	\$ 14,913	\$ 15,225	\$ 5,527	\$ 5,228	\$ 20,440	\$ 20,453	\$ (13)	-0.1%
Operating grants and contributions	170	144	-	-	170	144	26	18.1%
Capital grants and contributions	1,011	75	-	-	1,011	75	936	1248.0%
General revenue:								
Taxes	14,227	12,952	-	-	14,227	12,952	1,275	9.8%
Other	6,030	6,850	395	350	6,425	7,200	(775)	-10.8%
Total revenues	36,351	35,246	5,922	5,578	42,273	40,824	1,449	3.5%
Expenses:								
General government	8,280	5,180	-	-	8,280	5,180	3,100	59.8%
Public safety	9,547	10,014	-	-	9,547	10,014	(467)	-4.7%
Public works, solid waste and beautification	4,188	3,939	-	-	4,188	3,939	249	6.3%
Tourism	2,033	1,527	-	-	2,033	1,527	506	33.1%
Recreation, arts and culture	2,427	1,157	-	-	2,427	1,157	1,270	109.8%
Interest on long-term debt	3	8	-	-	3	8	(5)	-62.5%
Water and sewer	-	-	4,638	4,217	4,638	4,217	421	10.0%
Total expenses	26,478	21,825	4,638	4,217	31,116	26,042	5,074	19.5%
Changes in net position	9,873	13,421	1,284	1,361	11,157	14,782	(3,625)	-24.5%
Net position - beginning	145,321	131,900	30,753	29,392	176,074	161,292	14,782	9.2%
Net position - ending	\$ 155,194	\$ 145,321	\$ 32,037	\$ 30,753	\$ 187,231	\$ 176,074	\$ 11,157	6.3%

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.

Governmental activities:

Governmental activities net position increased by \$9.8 million. Key elements of the change are as follows:

Governmental activities revenues consisted of program revenues of \$16.1 million which included grants and contributions of \$1.2 million; and general revenues of \$20.3 million for a total of \$36.4 million.

Property tax revenue for general purposes was \$12.0 million and represents 33.1% of total revenues. This was a slight increase of \$1.3 million or 11.9% from the prior year due to an overall increase in property tax values. 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 increased from \$5.77 billion in 2022 to \$6.28 billion, an increase of 8.8%. The Village's operating millage rate for 2024 was 1.9654 mills same as prior year.

Charges for services which represent 41.0% of total revenues were \$14.9 million. This amount is a decrease of \$.3 million or 2.1% 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 fees which represents 38.0% of charges for services was \$5.7 million, which is a decrease of \$0.1 million or 2.0% 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 (including 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 \$1.8 million for the year. Intergovernmental revenue increased by \$.9 million or 93.8% from the prior year. The revenues are derived from federal, state and county grantors for various Village initiatives, such as capital project and other grants.

Developer contributions decreased by \$2.0 million. This represents a reduction in prior year unrestricted developer contributions.

Unrestricted investment earnings increased by \$1.3 million as a result of more favorable conditions in the investment market.

Governmental activities expense consisted of functional expenses for the Village's general government, public safety, solid waste, Recreation, arts & culture, tourism development and interest on long-term debt. These functional expenses amounted to \$26.5 million. Significant portions of these expenses were in the public safety, general government and public works and beautification functions.

General government function expense was \$8.3 million and represents 31.3% of total expense and increased \$3.1 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 \$9.5 million and represents 36.0% 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 \$.5 million or 4.7% from the prior year. The decrease in public safety expenditures is primarily related to decreased pension expenditures resulting from an increase in net investment income to the Police Pension Plan for the measurement date of September 30, 2023.

Recreation, arts & culture function expense was \$2.4 million and represents 9.1% of total expenses. This function was revitalized and reprogramed in FYE 2023 to centralize several activities and services which were previously offered through other Village Departments and expand upon and enhance those services to meet the growing needs of the Village.

Tourism development expense was \$2.0 million and represents 7.7% of total expenses. The tourism development services function includes programming of tourism activities with the objective to generate on-going and incremental resort tax funds to be used for increasing the quality of life, 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 \$1.3 million. Operating revenues increased by \$0.3 million or 5.4% and operating expenses increased by \$.4 million from the prior year. The monthly water and sewer rates include fees to cover debt service on \$7.3 million of the outstanding water and sewer revenue bond, note and lease payable. The water rate charged to Village customers is \$5.77 per 1,000 gallons consumed with a 3,000 gallon minimum monthly charge. The sewer rate charged to Village customers is \$10.28 per 1,000 gallons consumed with a 3,000 gallon minimum monthly charge.

Village Highlights

The Village concluded fiscal year 2024 with an increase (\$3.5 million) to unrestricted net position ending at \$51.0 million, and an increase of total net position by 6.3% to \$187.2 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, 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.

During 2024, progress has been made on the Villages capital improvement projects, including the completion of the Bal Harbour Waterfront Park which provides 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/96th Street-end construction project which is expected to be awarded in FYE 2025; 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, the 2017 Zika outbreak and 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 2024 millage rate of 1.9654 was maintained making it the eighth 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 \$1.8 million dollars in revenue from other governments during FY2024. 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 decreased by \$0.1 million. The Village receives about 46.4% of its Tourism funding from one venue. 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. The Resort Tax Funding allocated for beautification, greenspace, and other resort tax eligible activities such as special events and community activities is equivalent to an additional 0.54

mills, if the services and activities were funded within the General Fund through ad valorem revenue.

- **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 38.7% of the Village's General Fund total 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, 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 increased by \$1.3 million due to an increase property sales and new construction that occurred during Calendar 2022. Unrestricted investment earnings increased by \$1.3 million because of more favorable conditions in the investment market.

The Security District assessment rate decreased from \$4,000 to \$3,500 per single family resident unit to over the prior year in order to enhance services to the residents of the area. This resulted in an overall increase in special assessment revenue of \$246 thousand or 13.3%.

Expenses

All of the Village's General Fund operating departments and activities concluded the fiscal year within budgeted appropriations, with expenditures less than budgeted. The Village continues to experience inflationary impacts for retirement and contractual related increases all while maintaining the provision of the current level of municipal services.

At the close of the fiscal year, the net pension liability for the Village is \$16.7 million for the 4 retirement plans and the excess benefit plan. This reflects a decrease of \$.9 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 \$1.7 million, and for the Police Officers' Pension Plan that value was \$1.4 million. Decreases 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 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 until age 65 which can be used to pay for health insurance at the Village or outside. Effective October 16, 2021, the monthly amount is increased to \$450 for eligible police officers retiring after that date under provisions of normal retirement. An OPEB analysis was completed for 2024 indicating a liability of \$1.0 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 2024, with the alternative approach of relining sewer pipes as opposed to excavation and replacement.

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 fiscal policies, Bal Harbour Village continues to maintain a very strong financial position in all of our funds.

Governmental Funds

As of the year end, the Governmental Funds (*as presented on the balance sheet*) reported total fund balance of \$74.5 million, with the General Fund ending balance of \$56.9 million. The Resort Tax Fund ended the year with \$13.6 million in fund balance, an increase of \$1.2 million in comparison to the prior year. Total Fund Balances are \$56.9 million for the General Fund, \$13.6 million for Resort Tax and \$3.9 million for non-major funds, these funds, include the Security District Fund, Federal Law Enforcement and the State Forfeiture Fund.

Enterprise Fund

The Water and Sewer Fund net position at year end is \$32.0 million, an increase of \$1.3 million in comparison to fiscal year 2023. Capital Assets continued to see improvements made to the underground water and wastewater Utility Master Plan ongoing project, with the addition of \$2.2 million of improvements, increasing capital assets to \$33.3 million. Operating revenue increased by \$0.3 million over the prior year, and operating expense increased by \$0.4 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the close of the fiscal year, governmental activities capital assets, net of depreciation is \$92.6 million, net capital assets for business-type activities are \$33.3 million, for a combined net book value of \$125.9 million in capital assets categorized as land, construction in progress, building, furniture and equipment, right-to-use assets 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 49.

Long-Term Debt

Long-term liabilities, which consist of a bond, note, leases, SBITA, compensated absences, pension and OPEB liabilities, decreased by \$1.9 million from the previous year for governmental and business-type activities combined. At the close of 2024, the Village had \$26.4 million in outstanding long-term obligations, of which \$2.4 million is due during fiscal year 2025. The ending balance is comprised of \$1.4 million from Revenue Bonds issued in 2010, \$5.9 million Utility Revenue Note issued in 2020, net pension liability for the Village's 4 retirement plans, the excess benefit plan and 1 other post-employment benefit liabilities comprise \$17.7 million, compensated absences comprise \$1.3 million, and right to use leases total \$88 thousand. The current year portion of all debt is budgeted within the 2024 operating budget of the Village.

For additional information on the Village's long-term debt, see Note 7 beginning on page 51.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village, through disciplined approach to resource allocation, careful management practices and conservative fiscal policies, maintains a healthy financial position to provide the quality services deserved by our constituents.

The redevelopment plans for the Village's Business District and various residential projects enhanced the economic outlook for the Village. The property tax millage rate for fiscal year 2024 was maintained at 1.9654 mills per \$1,000 of assessed valuation.

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 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.

A recurring challenge for the Village is 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, 2024, Bal Harbour Shops contributed 5.0% 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 recently 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 adjusted to pass-through anticipated increases from our wholesale service providers, from \$5.48/1,000 to \$5.77/1,000 gallons of water consumed with a 3,000-gallon minimum monthly charge; wastewater rates increased from \$9.89/1,000 to \$10.28/1,000 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 will result in renewed water, sewer, and stormwater infrastructure with a 30-year lifespan. Our Utility Infrastructure Improvement Project (UIIP) work continues to make progress. On the north end, this past year, all planned improvements inclusive of milling and paving were completed in the phases 3a, b, and c locations, with permit closeout actions in phase 3a, and c pending. In addition, water system service connections in the phase 5a, b and c locations were completed with curb/gutter work initiated and milling and paving to begin in early 2025 at the phase 5a locations. At the phase 6a, b locations, water service connections began at the start of FY 25 with curb/gutter and milling/paving anticipated to be completed prior to the end of FY 2025.

The phase 5b, c, and 7 stormwater conveyance and pump station upgrades are currently in the regulatory permitting phase and pre-construction procurement activities are anticipated to be conducted during the late spring of 2025, with construction actions to follow. And finally, our Public Works & Beautification staff all received new and continuing training this past year to maintain existing and newly constructed Village Facilities and Infrastructure, with courses and certifications related to safety, utilities, water delivery, and wastewater, sanitary and stormwater collections.

The Village benefitted from a beach renourishment truck project that widened the beaches throughout the Village in 2014 and a supplemental nourishment in 2019. The Village is currently coordinating with Miami-Dade County, the State of Florida and the United States Army Corps of Engineers to conduct a new beach nourishment of 220,000 cubic yards of sand during the summer of 2025. 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. Also, this year the vegetation of the beach/service path was adjusted to provide greater pedestrian access and install additional Seagrape trees to provide an expanded shade canopy in this area.

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 96th Street, Bal Harbour Village, Florida 33154, or call telephone (305) 866-4633.

BAL HARBOUR
- VILLAGE -

BASIC FINANCIAL STATEMENTS

BAL HARBOUR
- VILLAGE -

BAL HARBOUR VILLAGE, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities	Business- type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 38,228,553	\$ 4,411,252	\$ 42,639,805
Investments	37,841,558	1,753,475	39,595,033
Receivables, net	1,746,941	890,727	2,637,668
Lease receivable	2,418,956	-	2,418,956
Due from other governments	362,929	-	362,929
Prepaid expenses	208,362	-	208,362
Restricted assets:			
Cash – customer deposits	-	110,464	110,464
Capital assets not being depreciated	85,883,869	14,679,628	100,563,497
Capital assets being depreciated, net	6,751,864	18,578,641	25,330,505
Total assets	173,443,032	40,424,187	213,867,219
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related items	6,884,692	188,090	7,072,782
Other post-employment benefits related items	77,407	-	77,407
Total deferred outflows of resources	6,962,099	188,090	7,150,189
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	2,101,686	243,196	2,344,882
Due to other governments	-	380,144	380,144
Customer deposits	-	110,464	110,464
Unearned revenue	1,896,525	12,548	1,909,073
Non-current liabilities:			
Due within one year	1,050,080	1,303,597	2,353,677
Due in more than one year	301,341	6,087,066	6,388,407
Net pension liability – excess benefit plan	1,761,242	-	1,761,242
Net pension liability – defined benefit plans	14,507,324	438,783	14,946,107
Total other post-employment benefit liabilities due in more than one year	985,406	-	985,406
Total liabilities	22,603,604	8,575,798	31,179,402
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Lease related	2,363,897	-	2,363,897
Pension related items	243,618	-	243,618
Total deferred inflows of resources	2,607,515	-	2,607,515
<u>NET POSITION</u>			
Net investment in capital assets	92,208,068	25,924,814	118,132,882
Restricted for:			
Capital projects	500,000	-	500,000
Tourism development	13,597,202	-	13,597,202
State law enforcement	697,386	-	697,386
Security district	3,241,553	-	3,241,553
Unrestricted	44,949,803	6,111,665	51,061,468
Total net position	\$ 155,194,012	\$ 32,036,479	\$ 187,230,491

See Notes to Financial Statements.

BAL HARBOUR VILLAGE, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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	\$ 8,278,892	\$ 7,930,137	\$ -	\$ 703,114	\$ 354,359	\$ -	\$ 354,359
Public safety	9,546,632	1,322,411	-	-	(8,224,221)	-	(8,224,221)
Solid waste	753,536	-	-	-	(753,536)	-	(753,536)
Public works & beautification	3,434,419	-	169,700	307,635	(2,957,084)	-	(2,957,084)
Recreation, arts & culture	2,427,150	-	-	-	(2,427,150)	-	(2,427,150)
Tourism development	2,033,052	5,659,962	-	-	3,626,910	-	3,626,910
Interest on long-term debt	2,895	-	-	-	(2,895)	-	(2,895)
Total governmental activities	26,476,576	14,912,510	169,700	1,010,749	(10,383,617)	-	(10,383,617)
Business-type activities:							
Water and sewer	4,638,737	5,527,438	-	-	-	888,701	888,701
Total business-type activities	4,638,737	5,527,438	-	-	-	888,701	888,701
Total	\$ 31,115,313	\$ 20,439,948	\$ 169,700	\$ 1,010,749	(10,383,617)	888,701	(9,494,916)
General revenues:							
Property taxes					11,976,316	-	11,976,316
Franchise fees based on gross receipts					873,987	-	873,987
Utility taxes					1,124,004	-	1,124,004
Communications services tax					252,276	-	252,276
Unrestricted developer contribution					1,000,000	-	1,000,000
Unrestricted intergovernmental revenue					667,245	-	667,245
Unrestricted investment earnings					3,540,017	395,332	3,935,349
Miscellaneous					822,782	-	822,782
Total general revenues					20,256,627	395,332	20,651,959
Change in net position					9,873,010	1,284,033	11,157,043
Net position, beginning					145,321,002	30,752,446	176,073,448
Net position, ending					\$ 155,194,012	\$ 32,036,479	\$ 187,230,491

See Notes to Financial Statements.

BAL HARBOUR VILLAGE, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	Resort Tax	Aggregate Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 26,945,534	\$ 7,271,141	\$ 4,011,878	\$ 38,228,553
Investments	31,682,396	6,159,162	-	37,841,558
Receivables, net	1,350,560	394,874	1,507	1,746,941
Lease receivable	2,418,956	-	-	2,418,956
Due from other governments	351,379	-	11,550	362,929
Prepaid items	205,248	3,114	-	208,362
Total assets	62,954,073	13,828,291	4,024,935	80,807,299
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,784,601	\$ 231,089	\$ 85,996	\$ 2,101,686
Unearned revenue	1,896,525	-	-	1,896,525
Total liabilities	3,681,126	231,089	85,996	3,998,211
DEFERRED INFLOWS OR RESOURCES				
Lease related	2,363,897	-	-	2,363,897
Total deferred inflows of resources	2,363,897	-	-	2,363,897
Fund balances:				
Non-Spendable - Prepays	205,248	3,114	-	208,362
Restricted:				
Capital projects	500,000	-	-	500,000
Tourism development	-	13,594,088	-	13,594,088
State and federal law enforcement	-	-	697,386	697,386
Security district	-	-	3,241,553	3,241,553
Committed:				
Capital projects	16,252,185	-	-	16,252,185
Assigned:				
Excess benefits plan	1,761,242	-	-	1,761,242
Other post-employment benefits and leave time	985,406	-	-	985,406
Red light camera claims	500,000	-	-	500,000
Building and zoning	500,000	-	-	500,000
Capital projects	16,126,575	-	-	16,126,575
Unassigned:				
General fund	20,078,394	-	-	20,078,394
Total fund balances	56,909,050	13,597,202	3,938,939	74,445,191
Total liabilities, deferred inflows of resources and fund balances	\$ 62,954,073	\$ 13,828,291	\$ 4,024,935	\$ 80,807,299
Total fund balances				\$ 74,445,191
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				92,635,733
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				6,718,481
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.				
Revenue bonds, leases and SBITAs				(131,572)
Compensated absences				(1,219,849)
Other post-employment benefits liabilities				(985,406)
Net pension liability				(16,268,566)
Net position of governmental activities				\$ 155,194,012

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, 2024

	General	Resort Tax	Aggregate Non-major Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	\$ 11,976,316	\$ -	\$ -	\$ 11,976,316
Other local taxes	2,250,267	-	-	2,250,267
Resort tax	-	5,659,962	-	5,659,962
Licenses and permits	3,823,269	-	257,836	4,081,105
Developer contribution	1,000,000	-	-	1,000,000
Fines and forfeitures	1,322,411	-	-	1,322,411
Charges for services	2,232,677	-	-	2,232,677
Special assessments	-	-	1,616,355	1,616,355
Intergovernmental	1,847,694	-	-	1,847,694
Investment earnings	2,831,062	583,230	125,725	3,540,017
Miscellaneous	806,353	25,185	-	831,538
Total revenues	28,090,049	6,268,377	1,999,916	36,358,342
Expenditures:				
Current:				
General government	7,001,523	-	934,439	7,935,962
Public safety	7,836,612	360,750	-	8,197,362
Solid waste	753,536	-	-	753,536
Public works & beautification	1,443,555	1,795,080	-	3,238,635
Recreation, arts and culture	1,434,833	990,065	-	2,424,898
Tourism development	-	1,962,802	-	1,962,802
Capital outlay	1,940,434	-	263,374	2,203,808
Debt Service:				
Principal	91,395	-	-	91,395
Interest	1,882	-	-	1,882
Total expenditures	20,503,770	5,108,697	1,197,813	26,810,280
	7,586,279	1,159,680	802,103	9,548,062
Other financing sources:				
Leases (as leasee)	85,523	-	-	85,523
Total other financing sources	85,523	-	-	85,523
Net change in fund balances	7,671,802	1,159,680	802,103	9,633,585
Fund balances, beginning	49,237,248	12,437,522	3,136,836	64,811,606
Fund balances, ending	\$ 56,909,050	\$ 13,597,202	\$ 3,938,939	\$ 74,445,191

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, 2024

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

Net change in fund balances – total governmental funds	\$ 9,633,585
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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	(804,272)
Expenditures for capital assets	2,023,511
Gain on sale of assets	(9,769)
 Issuance of debt (lease)	 (85,523)

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	\$ 1,190,963	
Net pension liability – excess benefit plan	(346,470)	
Compensated absences	(142,526)	
Revenue bonds, SBITA and lease principal payments	91,395	
Total other post-employment benefits liabilities	40,562	833,924

Deferred outflow of resources and deferred inflow of resources related to pensions and OPEB are not recognized in the governmental funds	(1,718,446)
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Change in net position of governmental activities	\$ 9,873,010
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See Notes to Financial Statements.

BAL HARBOUR VILLAGE, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

SEPTEMBER 30, 2024

	<u>Water & Sewer</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 4,411,252
Investments	1,753,475
Receivables, net	890,727
Restricted assets:	
Restricted Cash – customer deposits	110,464
Total current assets	<u>7,165,918</u>
Noncurrent assets:	
Capital assets not being depreciated	14,679,628
Capital assets being depreciated, net	18,578,641
Total noncurrent assets	<u>33,258,269</u>
Total assets	<u>40,424,187</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension related items	<u>188,090</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable and accrued liabilities	243,196
Due to other governments	380,144
Customer deposits	110,464
Unearned Revenue	12,548
Compensated absences	46,719
Bonds, notes, SBITA and leases payable	1,256,878
Total current liabilities	<u>2,049,949</u>
Noncurrent liabilities:	
Net pension liability	438,783
Compensated absences	13,862
Bonds, notes, SBITA and leases payable	6,073,204
Total noncurrent liabilities	<u>6,525,849</u>
Total liabilities	<u>8,575,798</u>
<u>NET POSITION</u>	
Net investment in capital assets	25,924,814
Unrestricted	6,111,665
Total net position	<u>\$ 32,036,479</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, 2024

	<u>Water & Sewer</u>
Revenues	
Operating revenues:	
Charges for sales and services:	
Water sales	\$ 2,796,625
Sewer sales	2,716,747
Fines and penalties	2,630
Miscellaneous	11,436
Total operating revenues	<u>5,527,438</u>
Operating expenses:	
Materials, supplies and administration	687,838
Wastewater treatment charges	1,240,571
Water purchases	1,057,307
Depreciation	539,749
Personnel services	977,525
Total operating expenses	<u>4,502,990</u>
Operating income	<u>1,024,448</u>
Nonoperating revenues (expenses):	
Interest income	395,332
Interest expense	(135,747)
Total nonoperating revenues (expenses)	<u>259,585</u>
Change in net position	1,284,033
Net position, beginning	<u>30,752,446</u>
Net position, ending	<u>\$ 32,036,479</u>

See Notes to Financial Statements.

BAL HARBOUR VILLAGE, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Water & Sewer</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 5,507,076
Payments from other government	29,075
Payments to suppliers	(3,053,023)
Payments to employees	(940,674)
Net cash provided by operating activities	<u>1,542,454</u>
Cash flows from capital and related financing activities:	
Principal payments on bonds and leases	(1,241,324)
Purchase and construction of capital assets	(2,185,677)
Interest paid on capital debt	(135,747)
Net cash used in capital and related financing activities	<u>(3,562,748)</u>
Cash flows from investing activities:	
Interest received	395,332
Proceeds from sale of investments	833,849
Net cash provided by investing activities	<u>1,229,181</u>
Net decrease in cash and cash equivalents	(791,113)
Cash and cash equivalents, beginning	<u>5,312,829</u>
Cash and cash equivalents, ending	<u>\$ 4,521,716</u>
Cash and cash equivalents per statement of net position:	
Unrestricted	\$ 4,411,252
Restricted	110,464
	<u>\$ 4,521,716</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,024,448
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	539,749
Changes in operating assets, liabilities and deferred outflows/inflows:	
(Increase) decrease in:	
Receivables	(19,007)
Deferred outflows – pensions	146,063
Increase (decrease) in:	
Accounts payable and accrued liabilities	(67,307)
Due to other governments	29,075
Compensated absences	8,949
Customer deposits	(1,355)
Deferred inflows – pensions	(100,669)
Net pension liability	(17,492)
Net cash provided by operating activities	<u>\$ 1,542,454</u>
Noncash Investing, Capital and Financing Activities:	
Capital construction related liabilities	\$ 3,373

See Notes to Financial Statements.

BAL HARBOUR VILLAGE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	<u>Pension Trust Funds</u>	<u>Pending Forfeitures Custodial Fund</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ -	\$ 301,248
Investments:		
Money market mutual funds	1,002,042	-
Mutual funds	9,877,400	-
Bond index funds	5,917,888	-
U.S. Government obligations	6,148,961	-
Corporate bonds	2,739,616	-
Foreign bonds	175,000	-
Large cap equities	24,704,916	-
Real estate investments	3,221,458	-
Infrastructure investments	1,066,582	-
Foreign stock	6,340,304	-
Total investments	61,194,167	-
Accrued interest receivable	104,928	-
Contributions receivable	95,154	-
Prepaid expenses	4,334	-
Total assets	61,398,583	301,248
<u>LIABILITIES</u>		
Accounts payable and other liabilities	133,143	-
<u>NET POSITION</u>		
Net position restricted for pension benefits	61,265,440	-
Restricted for other governments	-	301,248
	61,265,440	301,248

See Notes to Financial Statements.

BAL HARBOUR VILLAGE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Pension Trust Funds	Pending Forfeitures Custodial Fund
<u>ADDITIONS</u>		
Contributions:		
Village	\$ 3,045,521	\$ -
Employees	457,799	-
State	95,154	-
Total contributions	3,598,474	-
Investment income:		
Interest and dividends	1,238,352	-
Net appreciation in the fair value of investments	10,006,865	-
	11,245,217	-
Less investment expenses	(213,416)	-
Net investment income	11,031,801	-
Total additions	14,630,275	-
<u>DEDUCTIONS</u>		
Benefits payments	2,896,285	-
Lump sum DROP distributions	156,594	-
Administrative expenses	177,300	-
Total deductions	3,230,179	-
Change in net position	11,400,096	-
<u>Net position</u>		
Beginning	49,865,344	301,248
Ending	\$ 61,265,440	\$ 301,248

See Notes to Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

BAL HARBOUR
- VILLAGE -

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 Charter of the Village of Bal Harbour, as enacted by Laws of Fla., 1947, Chapter 24386, and amended as authorized by state law and § 5.03 of the Home Rule Charter of Miami-Dade County, Florida. 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, recreation arts & culture 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.

The accompanying financial statements include those of the Village and those of its fiduciary (pension trust) component units. Component units are legally separate organizations for which the Village is financially accountable or organizations that should be included in the Village's financial statements because of the nature and significance of their relationship with the Village. Additional information on all these legally separate entities can be found in the notes to the 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.

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)

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.

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 other than the fiduciary fund. 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, leases, other post-employment benefits and pension costs, are recorded when payment is due.

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)

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.

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 fund:

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.

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)

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.

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. Custodial funds are prepared under the economic resources measurement focus and the accrual basis of accounting. These funds cannot be used to support the Village's own programs, and therefore, are not reflected in the government-wide financial statements.

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.

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)

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.

For the fiscal year beginning October 1, 2023, the Village implemented the following GASB Statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections* improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which results in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information is provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements results in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. The adoption of GASB 100 did not impact the Village's financial position or results of operations.

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

- GASB Statement No. 101, *Compensated Absences* will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the Village with its year ending September 30, 2025.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures* establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The statement will be effective for the Village with its year ending September 30, 2025.
- The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024, aims to enhance the effectiveness of governmental financial reporting by making targeted improvements to key components, including Management's Discussion and Analysis (MD&A), presentation of proprietary fund statements, and budgetary comparison information. The statement will be effective for the Village with its year ending September 30, 2026.
- The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024, requires state and local governments to separately disclose information about specific types of capital assets, including lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, as well as capital assets held for sale, to enhance financial reporting transparency and comparability. The statement will be effective for the Village with its year ending September 30, 2026.

The impact of the adoption of the above statements on the Village is not yet known.

D. Cash, Cash Equivalents and Investments

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

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.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash, Cash Equivalents and Investments (Continued)

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. Generally, these are quoted market prices. Investments, including restricted investments, consist of mutual funds, U.S. Government securities, corporate debt and equity securities, mortgage-backed securities, asset-backed securities and securities of governmental agencies unconditionally guaranteed by the U.S. Government. Investments with Florida PRIME are recorded at amortized costs.

Level 1 and 2 prices are obtained from third party pricing sources and each Plan custodian's bank 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, foreign stocks and mutual funds. 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 are valued at NAV per share, as provided by the investment fund manager. The Plans are 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 customer water and sewer deposits as restricted assets.

H. Capital Assets

Capital assets, which include land, property, plant, equipment, intangible right-to-use assets and SBITA, 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.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use intangible right-to-use assets, SBITA, and infrastructure of the primary government are depreciated/amortized 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
Right-to-use leased equipment	3-20
Subscription-Based Information Technology Arrangements	3-5

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, except for prepaid bond insurance cost. 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, 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 consumption of net assets that applies 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 assets that applies to future periods and will be recognized as revenue in the future period to which it applies. Currently, there are deferred inflows related to pensions and leases in this category.

N. Unearned Revenues

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental fund financial statements.

Unearned revenues in the government-wide and governmental funds financial statements at year end are for grant and resort tax revenue received in advance.

O. 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.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

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.

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 \$1.8 million and \$1.0 million, respectively, in the General Fund; and \$16.1 million for future capital projects. Committed fund balance of \$16.3 million in the General Fund are primarily for the future new Village Hall capital project. 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 \$20.1 million or 95.3% of the General Fund fiscal year 2024 budgeted operating expenditures.

P. 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.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Net Position (Continued)

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.

Q. Leases and Subscription-Based Information Technology Arrangement (SBITA)

Leases

The Village is a lessee for noncancellable lease of equipment. The Village recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Village recognizes lease liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its estimated useful life or the lease term.

Key estimates and judgments related to leases and SBITA include how the Village determines (1) the discount rate it uses to discount the expected lease and SBITA payments to present value, (2) lease and SBITA term, and (3) lease and SBITA payments.

- The Village uses the interest rate charged by the vendor as the discount rate. When the interest rate charged is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease and SBITA term includes the noncancellable period of the lease and SBITA. Lease and SBITA payments included in the measurement of the lease and SBITA liability are composed of fixed payments and purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Leases (Continued)

The Village is a lessor for a noncancellable lease of a building. The Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Village initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments due from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SBITA

The Village has recorded SBITA assets and liabilities in accordance with GASB Statement No. 96 - *SBITA*. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. The costs of normal maintenance and repairs that do not add to the values of the assets or materially extend the asset lives are not capitalized and are expensed as incurred. The Village monitors changes in circumstances that would require a remeasurement of its SBITAs and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability. SBITA assets are reported with other capital assets and SBITA lease liabilities are reported with long-term debt on the statement of net position.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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 mills. The fiscal year 2024 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 significant delinquent property taxes as of September 30, 2024, 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, 2024, cash and investments of the primary government and the fiduciary funds consisted of the following:

	<u>Balance</u>
Primary Government	
Cash and cash equivalents	\$ 42,758,941
Investments	39,595,033
Total cash, cash equivalents and investments	<u>\$ 82,353,974</u>
Fiduciary Funds	
Cash and cash equivalents	\$ 301,248
Investments	61,194,167
Total cash, cash equivalents and investments	<u>\$ 61,495,415</u>

Deposits

The carrying amounts of the Village's cash deposits were \$18,034,446 as of September 30, 2024. 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 Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; Security and Exchange Commission registered money market funds with the highest credit quality ratings from a nationally recognized rating agency; interest bearing time deposits or savings accounts in qualified public depositories (as defined in Section 280.02, Florida Statutes) and direct obligations of the U.S. Treasury.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

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.

As of September 30, 2024, the Village had the following investments:

Investment Type	Fair Value	Weighted Average Duration (Years)	Credit Rating
Florida PRIME	\$ 14,245,601	0.20	AAAm
United States Treasury Notes	39,595,033	3.48	Aaa
Money market mutual funds	4,330,456	Daily	Aaa
Total	<u>\$ 58,171,090</u>		

Note: Florida PRIME and the money market mutual funds are included as cash equivalents in the financial statements.

As of September 30, 2024, the Village's investments were categorized as follows:

Investment Type	Amount	Level 1	Level 2
United States Treasury Notes	\$ 39,595,033	\$ -	\$ 39,595,033

Investments not at fair value:

Florida PRIME (Measured at NAV)	14,245,601
Money market mutual funds (measured at amortized cost)	4,330,456
	<u>\$ 58,171,090</u>

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2024, was 39 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 Standard & Poor's 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. In accordance with its investment policy, as a general rule the Village manages its exposure to declines in fair values by limiting the maximum maturity length of investments to three years. The years to maturity of each debt security held is disclosed previously in the notes to the financial statements.

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 credit rating of each debt security held, is disclosed previously in the notes to the financial statements.

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, 2024, other than US Treasury securities which are not considered to have concentration risk, the value (at the time a security is purchased) of each position held in any single 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. The Village is in compliance with this policy at year end.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

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.

The Board of Trustees of the Bal Harbour Village General Employees' Pension Plan & Trust (the Plan) adopted an amended Investment Policy on April 18, 2024. The Board of Trustees has opted to invest in index funds, actively managed hedge strategy & infrastructure mutual funds, and actively managed real estate fund with a 1933 Act Non-Traded Perpetual Life REIT structure. All of these investments are permitted in the Investment Policy Statement. 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 and permitted ranges, 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, 2024:

Investment Type	Balance	General Employees Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Mutual funds:				
Bond index funds	\$ 5,917,888	\$ 5,917,888	\$ -	\$ -
Large cap domestic stock Mutual funds	12,524,688	12,524,688	-	-
Foreign stocks	1,233,359	1,233,359	-	-
Foreign bonds	2,664,869	2,664,869	-	-
	175,000	175,000	-	-
Total Investments at Fair Value	22,515,804	22,515,804	-	-
Investments not at Fair Value				
Real estate investments (measured at NAV)	887,174			
Infrastructure investments (measured at NAV)	1,066,582			
Money market funds (measured at amortized cost)	267,511			
Total Investments	\$ 24,737,071			

Alternative real-estate and infrastructure investments in the limited partnership are valued at NAV per share, as provided by the investment fund manager. The Plan is permitted to establish the fair value of an investment in a nongovernmental entity that does not have a 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.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments - General Employees' Pension Plan (Continued)

The fair value of the Plan's investment in real-estate and infrastructure investments are measured using the NAV per share (or equivalent) valuation technique in accordance with GASB 72. The Plan's fair value of its investment in real-estate and infrastructure investments was \$887,174 and \$1,066,582, respectively, as of September 30, 2024, and there are no unfunded commitments. The Plan may request redemption of its holdings in the real estate fund monthly, provided the Plan has no unfunded commitments outstanding. The infrastructure fund redemptions can be requested daily.

The real-estate investment is a balanced portfolio of high-quality real estate assets spanning four major U.S. Property types. The objective of the Fund is to deliver consistent monthly income and capture long-term value appreciation across the portfolio.

The infrastructure investment is a balanced portfolio of U.S. and non-U.S equity securities issued by infrastructure companies including utilities, pipelines, toll roads, airports, railroads, marine ports, telecommunications companies, and other infrastructure companies. The investment objective of the Fund is to seek to achieve total return through investments in these assets.

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. The portfolio's current fixed income exposure is through investments in mutual funds; however, the investment policy also permits use of separately managed accounts.

As of September 30, 2024, the Plan had the following fixed income investments and maturities:

	Fair Value	General Employees' Plan Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More than 10 years
Mutual funds:					
Bond index funds	\$ 5,917,888	\$ -	\$ 2,885,219	\$ 3,032,669	\$ -
Foreign bonds	175,000	-	150,000	25,000	-
Total	\$ 6,092,888	\$ -	\$ 3,035,219	\$ 3,057,669	\$ -

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 majority (over 90%) of the portfolio's investments are in mutual funds. Therefore, the portfolio bears similar credit risk to the aggregate market.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

The majority (approximately 90%) of the portfolio's investments are in index mutual funds. Therefore, the majority of the portfolio represents the total diversification provided in the markets that the index funds mirror. The remaining approximately 10% of the portfolio is invested in alternative investment assets (hedge strategy, infrastructure, and real estate) that have lower correlations to the traditional equities & fixed income.

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, 2024:

Authorized Investments	Allowable Range %	Target %
Domestic Equity	45% - 65%	50%
Fixed Income	10% - 35%	25%
Foreign Securities	5% - 15%	10%
Private Real Estate	0% - 20%	15%

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, 2024:

	Police Plan		
	Fair Value Measurements Using		
	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Fixed income securities:			
U.S. government obligations	\$ 6,148,961	\$ 3,933,204	\$ 2,215,757
Corporate bonds	2,739,616	-	2,739,616
Total Fixed Income Securities	8,888,577	3,933,204	4,955,373
Equity securities:			
Large cap domestic stock	12,180,228	12,180,228	-
Foreign stocks	3,675,435	3,675,435	-
Mutual Funds	8,644,042	8,644,042	-
Total Equity securities	24,499,705	24,499,705	-
Total Investments at Fair Value	33,388,282	28,432,909	4,955,373
Investments not at Fair Value			
Real estate investments (measured at NAV)	2,334,284		
Money market funds (measured at amortized cost)	734,530		
Total Investments	\$ 36,457,096		

Custodial Risk

Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of financial failure. The Plan maintains a master custodian agreement, whereby the investment securities are held by a financial institution acting as the Plan's agent. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts and in the name of the Plan.

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments, as well as investments bond in mutual funds, external investment pools and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy does not currently set a parameter on the duration of its fixed income securities. As of September 30, 2024, 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	\$ 6,148,961	\$ 124,376	\$ 3,113,609	\$ 695,219	\$ 2,215,757
Corporate bonds	2,739,616	-	1,218,950	1,197,156	323,510
Total	\$ 8,888,577	\$ 124,376	\$ 4,332,559	\$ 1,892,375	\$ 2,539,267

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 Standard & Poor's BBB or Moody's Baa. This Plan's fixed income investments had the following Standard & Poor's or Moody's ratings:

Rating	Fair Value
AA+	\$ 6,148,961
A	116,600
A-	969,773
BBB+	898,020
BBB	755,223
	<u>\$ 8,888,577</u>

Concentration of Credit Risk

The Plans' investment policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company. As of September 30, 2024, the Plan is in compliance with the established investment policy.

NOTE 4. RECEIVABLES AND LEASE RECEIVABLE

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	\$ 962,353	\$ 394,874	\$ -	\$ 1,507	\$ 1,358,734
Accounts	388,207	-	890,727	-	1,278,934
Gross receivables	1,350,560	394,874	890,727	1,507	2,637,668
Less allowance for uncollectible	-	-	-	-	-
Net receivables	<u>\$ 1,350,560</u>	<u>\$ 394,874</u>	<u>\$ 890,727</u>	<u>\$ 1,507</u>	<u>\$ 2,637,668</u>

The Village is a lessor of commercial property. At September 30, 2024, the Village lease receivable was \$2.4 million and a deferred inflow of resources of \$2.4 million related to leases was reported.

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, 2024, follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 32,028,959	\$ -	\$ -	\$ -	\$ 32,028,959
Land easements	29,000,000	-	-	-	29,000,000
Construction in progress	24,218,495	1,738,045	-	(1,101,630)	24,854,910
Total capital assets not being depreciated	85,247,454	1,738,045	-	(1,101,630)	85,883,869
Capital assets being depreciated:					
Buildings	4,762,910	-	-	150,055	4,912,965
Improvements other than buildings	3,074,109	-	-	207,623	3,281,732
Right-to-use leased asset	95,361	-	(15,844)	-	79,517
Furniture, fixtures and equipment	3,946,093	199,943	(96,753)	506,077	4,555,360
SBITA	28,645	85,523	-	237,875	352,043
Total capital assets being depreciated	11,907,118	285,466	(112,597)	1,101,630	13,181,617
Less accumulated depreciation for:					
Buildings	(1,789,965)	(137,058)	-	-	(1,927,023)
Improvements other than buildings	(1,539,930)	(117,302)	-	-	(1,657,232)
Right-to-use leased asset	(48,076)	(29,573)	15,844	-	(61,805)
Furniture, fixtures and equipment	(2,340,790)	(402,992)	86,984	-	(2,656,798)
SBITA	(9,548)	(117,347)	-	-	(126,895)
Total accumulated depreciation	(5,728,309)	(804,272)	102,828	-	(6,429,753)
Total capital assets being depreciated, net	6,178,809	(518,806)	(9,769)	1,101,630	6,751,864
Governmental activities capital assets, net	\$ 91,426,263	\$ 1,219,239	\$ (9,769)	\$ -	\$ 92,635,733

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, 2024, follows:

Business-type activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 6,545,190	\$ -	\$ -	\$ -	\$ 6,545,190
Construction in progress	6,033,416	2,101,022	-	-	8,134,438
Total capital assets not being depreciated	<u>12,578,606</u>	<u>2,101,022</u>	<u>-</u>	<u>-</u>	<u>14,679,628</u>
Capital assets being depreciated:					
Buildings	1,091,429	-	-	-	1,091,429
Furniture, fixtures and equipment	96,516	63,800	-	-	160,316
Water/sewer system	21,488,031	20,855	-	-	21,508,886
Right-to-use leased asset	24,455	-	-	-	24,455
Total capital assets being depreciated	<u>22,700,431</u>	<u>84,655</u>	<u>-</u>	<u>-</u>	<u>22,785,086</u>
Less accumulated depreciation for:					
Buildings	(59,120)	(27,287)	-	-	(86,407)
Furniture, fixtures and equipment	(51,309)	(11,580)	-	-	(62,889)
Water/sewer system	(3,544,759)	(495,128)	-	-	(4,039,887)
Right-to-use leased asset	(11,508)	(5,754)	-	-	(17,262)
Total accumulated depreciation	<u>(3,666,696)</u>	<u>(539,749)</u>	<u>-</u>	<u>-</u>	<u>(4,206,445)</u>
Total capital assets being depreciated, net	<u>19,033,735</u>	<u>(455,094)</u>	<u>-</u>	<u>-</u>	<u>18,578,641</u>
Business-type activities capital assets, net	<u>\$ 31,612,341</u>	<u>\$ 1,645,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,258,269</u>

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ended September 30, 2024, was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 367,633
Public safety	168,353
Road, streets, and parks	195,784
Recreation, arts & culture	2,252
Tourism development	70,250
Total depreciation expense - governmental activities	\$ 804,272
Business-type activities:	
Water and sewer	\$ 539,749

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
\$ 40,000	\$ 45,000	\$ 70,000	\$ 155,000

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 \$10,000,000. 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 semi-annually 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, 2024 on the Bonds was 5.13%.

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, 2020, the Village issued the Series 2020 Utility Revenue Note in the amount of \$8,096,000. The Note bears interest on the outstanding principal balance from their date of issuances, payable semiannually on each March 31 and September 30 (the Interest Payment Dates) at an interest rate equal to 1.29% per annum. The Village pledged that it would charge such rates, fees and other charges of the Utility System to 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, 2024, 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	\$ 1,443,387	1.040%	\$ 753,289
Series 2020 Utility Note	To Fund Water and sewer projects	\$ 8,096,000	\$ 5,930,000	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, 2024 are as follows:

Revenue Bond:

Current revenue pledged	\$434,316
Current debt service	\$753,289
Total future revenue pledged	\$1,497,615

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)	173%

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued)

Note Payable:

Current revenue pledged	\$1,024,448
Current debt service	\$635,497
Total future revenue pledged	\$6,358,847
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)	62%

Long-term liabilities activity for the fiscal year ended September 30, 2024, for governmental and business-type activities follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds - Direct placement	\$ 75,311	\$ -	\$ (24,793)	\$ 50,518	\$ 25,102
Obligations under leases and SBITA	62,133	85,523	(66,602)	81,054	52,775
Compensated absences	1,077,323	884,192	(741,666)	1,219,849	972,203
Total OPEB liability	1,025,968	53,598	(94,160)	985,406	77,407
Net pension liability - defined benefit plans	15,698,287		(1,190,963)	14,507,324	-
Net pension liability - excess benefit plan	1,414,772	275,633	70,837	1,761,242	-
Total governmental activities, long-term liabilities	\$ 19,353,794	\$ 1,298,946	\$ (2,047,347)	\$ 18,605,393	\$ 1,127,487
Business-type activities:					
Revenue bonds - Direct placement	\$ 2,076,435	\$ -	\$ (683,566)	\$ 1,392,869	\$ 692,109
Note payable - Direct placement	6,482,000	-	(552,000)	5,930,000	559,000
Obligations under leases	12,971	-	(5,758)	7,213	5,769
Compensated absences	51,632	32,812	(23,863)	60,581	46,719
Net pension liability - defined benefit plans	456,275	-	(17,492)	438,783	-
Total business-type activities, long-term liabilities	\$ 9,079,313	\$ 32,812	\$ (1,282,679)	\$ 7,829,446	\$ 1,303,597

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. The Village's outstanding note payable contains a provision that in the event of default, the interest rate shall be the then current interest rate on the Note at the time of the event of default plus 2%, provided such interest rate is not in excess of the maximum rate permitted by law.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued)

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

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

Revenue Bond - Direct Placement:

Fiscal Years Ended September 30:	Principal	Interest	Total
2025	\$ 717,211	\$ 36,078	\$ 753,289
2026	726,176	18,150	744,326
	<u>\$ 1,443,387</u>	<u>\$ 54,228</u>	<u>\$ 1,497,615</u>

Note payable - Direct Placement:

Fiscal Years Ended September 30:	Principal	Interest	Total
2025	\$ 559,000	\$ 76,497	\$ 635,497
2026	567,000	69,285	636,285
2027	574,000	61,972	635,972
2028	581,000	54,567	635,567
2029	589,000	47,072	636,072
2030 - 2034	3,060,000	119,454	3,179,454
	<u>\$ 5,930,000</u>	<u>\$ 428,847</u>	<u>\$ 6,358,847</u>

The Village leases certain assets from various third parties. The assets leased include vehicles and equipment. Payments are generally fixed monthly with any related operating costs excluded from the lease liability. Lease asset activity of the Village is included in Note 5.

The Village obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly.

The future principal and interest lease and SBITA liability balances as of September 30, 2024, were as follows:

Years Ending September 30:	Leases	SBITA	Total
2025	\$ 22,604	\$ 34,871	\$ 57,475
2026	2,778	28,482	31,260
Total lease and SBITA payments	25,382	63,353	88,735
Less amount representing interest	(107)	(361)	(468)
Lease and SBITA payable	<u>\$ 25,275</u>	<u>\$ 62,992</u>	<u>\$ 88,267</u>

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

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 pursuant to legal requirements. 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.

For the purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and 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 2006. The Excess Benefit Plan is not included in a trust.

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 at rickrivera@pensionfl.com or calling (786) 303-3488. The General Employees' Plan does not issue separate financial statements.

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 reached 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, 2022 respectively, and the actuarial valuation date is September 30, 2024 for the Excess Benefit Plan:

	Police General	Officer's	Excess Benefit
Inactive plan members and beneficiaries currently receiving benefits	34	26	1
Inactive plan members entitled to but not yet receiving benefits	12	-	-
Active plan members	42	14	-
Total members	<u>88</u>	<u>40</u>	<u>1</u>

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 restated on April 11, 2022, and are summarized as follows:

The Plan is administered by a Board of Trustees comprised of members of the Village Council and two General Employees.

Vesting

Benefits are fully vested after 10 years of credited service.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Plan (Continued)

Eligibility for Participation

Full-time employees hired before May 1, 2022, are eligible for benefits under the plan after completing one year of continuous employment from the anniversary date of the Plan, which is October 1. Full-time employees hired on or after May 1, 2022 are eligible for benefits under the plan. Eligibility for benefits under the plan were extended to include the Village Manager who was serving on May 1st, 2022; and members of the Village Council serving on May 1st, 2022 and elected to council thereafter.

Eligibility for Retirement

The Plan provides for normal retirement as follows:

Full-time employees hired before May 1, 2022; and the Village Manager who is serving on May 1, 2022 following the earlier of:

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

Full-time employees hired on or after May 1, 2022 following the earlier of:

- a) Age 62, with 5 years of service, or
- b) Age 60 with 25 years of service.

Members of the Village Council serving on May 1st, 2022 and elected to council thereafter following the earlier of:

- a) Age 57, with 8 years of service, or
- b) 20 years of credited service regardless of age.

Annual Retirement Benefit

The monthly retirement benefit for full-time employees hired before May 1, 2022 is equal to 3% of final average compensation (FAC) (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. The monthly retirement benefit for full-time employees hired on or after May 1, 2022 is equal to 2.5% of FAC (average of the highest 60 consecutive months of compensation, as defined, during the 10 years immediately preceding retirement or termination) times completed years and months of continuous employment.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Plan (Continued)

The monthly retirement benefit for the Village Manager is equal to 8% of FAC times credited service up to 5 years after May 1, 2022; and 4% of FAC in excess of 5 years. The monthly retirement benefit for Council Members is equal to 4% of FAC times credited service, but not more than 48%, if retiring with less than 20 years of service. The benefit payable to any council member who completes 20 consecutive years of employment as a Council member shall be 50% of FAC in accordance with section 112.048, Florida Statutes.

Cost of Living Adjustment

Retired participants hired before May 1, 2022 and elected to council thereafter, 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 or DROP entry, whichever occurs first and will continue to be paid each year thereafter. Retired full-time participants hired after May 1, 2022, except those who elect to take a lump sum distribution, will receive a 1.25% compounded annual COLA; commencing on the fifth-year anniversary of the retirement date or DROP entry, whichever occurs first 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.

Target Asset Mix

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
Domestic Bonds	25%
International Equity	10%
Other (FofHF, Infrastructure, Private Real Estate)	15%
	<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

Full-time 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. There is no contribution requirement for the Village Manager nor Council Members. The required employer contribution is actuarially determined as of October 1 of each year. The required employer contribution for the fiscal year ended September 30, 2024 was \$1,746,181 and was 40.87% of covered-employee payroll.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Plan (Continued)

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, 2024, the annual money-weighted rate of return on pension investments, net of pension plan investment income was 22.62%.

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 (loss) calculation are determined on a monthly basis.

Deferred Retirement Option Program

The Plan has a Deferred Retirement Option Program (DROP) for participants who are eligible to receive normal retirement. Council Members do not participate in the DROP. 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, 2024, there were 4 members who were enrolled under the DROP. The total liability for the members DROP account as of September 30, 2024 was \$397,285. 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)

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 December 1, 2016, 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, 2024, was determined based on the October 1, 2021 actuarial valuation and was 91.68% of covered payroll. The employer and state contribution for the fiscal year ended September 30, 2024 was \$1,299,340 and \$95,154, respectively.

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 before September 21, 2015, plus 3.0% for each year on or after September 21, 2015.
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 September 21, 2015 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:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
Domestic Bonds	25%
International Equity	10%
Other (FofHF, Infrastructure, Private Real Estate)	15%
Total	<u>100%</u>

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, 2024, the annual money-weighted rate of return (loss) on pension investments, net of pension plan investment income, was 21.02%.

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 loss 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, 2024, there were 3 participants enrolled under the DROP. The DROP balance as of September 30, 2024 is \$371,781. The DROP investment assets are included in the total investment balance presented on the Statement of Fiduciary Net Position.

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.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

Excess Benefit Plan (Continued)

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, 2022, with updated asset information as of September 30, 2023. The measurement date of the net pension liability for each plan was determined as of September 30, 2023. The actuarial valuation date for the Excess Benefit Plan was September 30, 2024, and the measurement date was September 30, 2024. 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 herein.

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	\$ 26,524,173	\$ 35,626,767	\$ 1,761,242
Fiduciary net position	(19,211,126)	(30,654,218)	-
Net pension liability	<u>\$ 7,313,047</u>	<u>\$ 4,972,549</u>	<u>\$ 1,761,242</u>
Fiduciary net position as % of total pension liability	72.43%	86.04%	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.

	General Employees' Plan	Police Officer's Pension Plan	Excess Benefit Plan
Valuation Date:	October 1, 2022	October 1, 2022	September 30, 2024
Measurement Date:	September 30, 2023	September 30, 2023	September 30, 2024
Inflation	2.50%	2.50%	2.50%
Annual Salary Increases	3.15% - 6.75%	4.5 - 15.0%	not applicable
Assumed Discount Rate	5.75%	7.00%	3.81%
Retirement Age	Experienced-based table of rates based on year of eligibility	Experience-based table of rates based on age and service.	not applicable
Mortality	The mortality rates are taken from the gender specific PUB-2010 Headcount Weighted Below Median Employee Tables (preretirement) and PUB-2010 Headcount Weighted Below Median Healthy Retiree Tables (post-retirement) set back one year for males with improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.	Mortality Tables for retirees and employees are the same as used by the Florida Retirement System (FRS) for its Special Risk Class in their July 1, 2022 actuarial valuation, described as Pub-2010 Headcount Weighted Safety Below Median Mortality Tables, set forward 1 year. Rates for beneficiaries are the same as for FRS Regular Class. Rates are generationally projected for all years after 2010 using SOA mortality improvement Scale MP-2018. These tables were adopted following an experience study published in 2019 covering the period July 1, 2013 through June 30, 2018.	Mortality rates are taken from the PUB-2010 Headcount-Weighted Mortality Tables issued by the Society of Actuaries set back 1 year for males with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. This is the same table as used by the Florida Retirement System (FRS) for Regular Class non K-12 Instructional members in their July 1, 2023 actuarial valuation.
Assumption Changes	None	None	For 2024, discount rate was changed from 4.63% as of 9/30/2023 to 3.81% as of 9/30/2024. Changes in future benefits payments were set to be the same as cost of living adjustment.

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:

General Employees' Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	6.9%
Domestic Bonds	25%	1.4%
International Equity	10%	5.9%
Cash equivalents	0%	1.0%
Other (FofHF, Infrastructure, Private Real Estate)	15%	4.0%
	<u>100%</u>	

Police Officer's Pension Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	6.9%
Domestic Bonds	25%	1.4%
International Equity	10%	5.9%
Other (FofHF, Infrastructure, Private Real Estate)	15%	4.0%
	<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 7.0% 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 7.0% 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 3.81%. 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.

<u>General Employees' Plan</u>	1% Decrease	Discount Rate	1% Increase
	4.75%	5.75%	6.75%
Net Pension Liability	\$ 11,295,509	\$ 7,313,047	\$ 4,118,202
<u>Police Officer's Pension Plan</u>	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 9,198,912	\$ 4,972,549	\$ 1,817,041
<u>Excess Benefit Plan</u>	1% Decrease	Discount Rate	1% Increase
	2.81%	3.81%	4.81%
Total Pension Liability	\$ 1,815,856	\$ 1,761,242	\$ 1,359,877

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, 2024, the Village recognized pension expenses (credits) of \$2,211,218, (\$1,290,701) and \$417,304, respectively, for its General Employees', Police and Excess Benefit Plans.

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	\$ 1,746,181	\$ -	\$ 1,394,494	\$ -
Differences between expected and actual experience	378,630	-	27,662	-
Net difference between projected and actual earnings on pension plan investments	1,010,026	-	1,146,084	-
	<u>\$ 3,134,837</u>	<u>\$ -</u>	<u>\$ 2,568,240</u>	<u>\$ -</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 ended September 30, 2025. 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
2025	\$ 449,129	\$ 198,613
2026	388,022	378,539
2027	732,308	801,777
2028	(180,803)	(205,183)
Total	<u>\$ 1,388,656</u>	<u>\$ 1,173,746</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:

	General Employees' Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2023	\$ 24,340,347	\$ 16,735,767	\$ 7,604,580
Changes for the year:			
Service cost	1,319,594	-	1,319,594
Interest	1,444,872	-	1,444,872
Changes in benefit terms	-	-	-
Differences between expected and actual experience	482,834	-	482,834
Contributions - employer	-	1,470,323	(1,470,323)
Contributions - employee	-	241,386	(241,386)
Net investment income (loss)	-	1,883,350	(1,883,350)
Benefit payments, including refunds of employee contributions	(1,063,474)	(1,063,474)	-
Administrative expense	-	(56,226)	56,226
Net changes	<u>2,183,826</u>	<u>2,475,359</u>	<u>(291,533)</u>
Balance at September 30, 2024	<u>\$ 26,524,173</u>	<u>\$ 19,211,126</u>	<u>\$ 7,313,047</u>

	Police Officer's Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2023	\$ 34,433,672	\$ 28,194,736	\$ 6,238,936
Changes for the year:			
Service cost	433,577	-	433,577
Interest	2,373,566	-	2,373,566
Differences between expected and actual experience	304,282	-	304,282
Contributions - employer	-	1,235,738	(1,235,738)
Contributions - employee	-	177,542	(177,542)
Contributions - State	-	86,396	(86,396)
Net investment income (loss)	-	2,981,280	(2,981,280)
Benefit payments, including refunds of employee contributions	(1,918,330)	(1,918,330)	-
Administrative expense	-	(103,144)	103,144
Net changes	<u>1,193,095</u>	<u>2,459,482</u>	<u>(1,266,387)</u>
Balance at September 30, 2024	<u>\$ 35,626,767</u>	<u>\$ 30,654,218</u>	<u>\$ 4,972,549</u>

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

	<u>Excess Benefit Plan</u>
	<u>Increase (Decrease)</u>
	Total Pension
	Liability
Balance at September 30, 2023	<u>\$ 1,414,772</u>
Changes for the year:	
Interest	63,864
Differences between expected and actual experience	(14,446)
Assumption changes	367,889
Benefit payments, including refunds of employee contributions	<u>(70,837)</u>
Net changes	<u>346,470</u>
Balance at September 30, 2024	<u><u>\$ 1,761,242</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.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued) **Plan Reporting as Required by GASB 67 - General Employees' Plan**

The General Employees' 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, 2024.

STATEMENT OF FIDUCIARY NET POSITION

ASSETS

Investments:

Money market funds	\$ 267,511
Mutual funds	1,233,359
U.S. government obligations	4,157,812
Corporate bonds	1,760,076
Foreign bonds	175,000
Large cap equities	12,524,688
Real estate investments	887,174
Infrastructure investments	1,066,582
Foreign stock	2,664,869
	<hr/>
	24,737,071
Prepaid expenses	4,334
Total assets	<hr/>
	24,741,405

Liabilities

Accounts payable	<hr/>
	22,430

NET POSITION

Net position restricted for pension benefits	<hr/>
	\$ 24,718,975

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

ADDITIONS

Village contributions	\$ 1,746,181
Employee contributions	305,688
Total contributions	<hr/>
	2,051,869
Investment income:	
Net investment income	4,605,438
Total addition	<hr/>
	6,657,307

DEDUCTIONS

Benefits paid and lump sum drop distributions	1,083,002
Administrative expenses	66,456
Total deductions	<hr/>
	1,149,458
Change in net position	5,507,849
<u>Net position restricted for pension benefits</u>	
Beginning of year	19,211,126
End of year	<hr/>
	\$ 24,718,975

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

Plan Reporting as Required by GASB 67 - General Employees' Plan (Continued)

The following disclosures for the Village's General Employees' Plan are required by GASB Statement 67, *Financial Reporting for Pension Plans*. However, the balance of the Net Pension Liability is not required to be reported on the Village's financial statements until September 30, 2025.

Employees Covered by benefit terms: As of October 1, 2023, the plan had the following membership:

Inactive plan members and beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	<u>53</u>
Total members	<u><u>100</u></u>

Net Pension Liability of the Village

The components of the net General Employees' Plan liability of the Village as of September 30, 2024 (measurement date), were as follows:

Total pension liability	\$ 28,929,839
Fiduciary net position	<u>(24,718,975)</u>
Net pension liability	<u><u>\$ 4,210,864</u></u>

Fiduciary net position as % of total pension liability	85.44%
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Actuarial assumptions: The total General Employees' Plan liability was determined by an actuarial valuation as of October 1, 2023 with updated asset information as of September 30, 2024, using the following assumptions, applied to all prior period included in the measurement:

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

Plan Reporting as Required by GASB 67 - General Employees' Plan (Continued)

	General Employees' Plan
Valuation Date:	October 1, 2023
Measurement Date:	September 30, 2024
Inflation	2.50%
Annual Salary Increases	3.15% - 6.75%
Assumed Discount Rate	5.75%
Retirement Age	Experienced-based table of rates based on year of eligibility
Mortality	<p>Sex distinct PUB-2010 Headcount Weighted Below Median Employee Tables for employees and PUB-2010 Headcount Weighted Below Median Retiree Tables for annuitants and beneficiaries. Rates for male participants are set back one year. Rates are generationally projected from 2010 using improvement scale MP 2018. These are the same rates as used by the Florida Retirement System (FRS), in their actuarial valuation as of July 1, 2022 for other than K-12 instructional Regular Class members.</p> <p>For disabled retirees, the mortality table used was the PUB-2010 Headcount-Weighted General Disabled Retiree Tables with ages set forward 3 years for males and females.</p>
Assumption Changes	None

The target asset allocation and best estimates of real rates of return for each major asset class as of September 30, 2024 (measurement date), are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	6.9%
Domestic Bonds	25%	1.4%
International Equity	10%	5.9%
Cash equivalents	0%	1.0%
Other (FofHF, Infrastructure, Private Real Estate)	15%	4.0%
	<u>100%</u>	

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (Continued)

Plan Reporting as Required by GASB 67 - General Employees' Plan (Continued)

Discount rate: The discount used to measure the liability was 5.75%. 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 plan 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 of the plan.

Sensitivity of the discount rate: The following presents the plan's net pension liability, calculated using a single discount rate, as well as what the 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.

	1% Decrease	Discount Rate	1% Increase
	4.75%	5.75%	6.75%
Net Pension Liability	\$ 8,764,296	\$ 4,210,864	\$ 959,302

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 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 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)

An 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).

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:

<u>Class, Initial Enrollment and Retirement Age/Years of Service</u>	<u>% Value</u>
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	3.33
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 2024 fiscal year were as follows:

Class	Percent of Gross Salary ⁽²⁾	
	Employee	Employer ⁽¹⁾
FRS, Regular	3.00%	11.91%
FRS, Special Risk	3.00%	27.83%
FRS, Elected Council Officers	3.00%	57.00%
FRS, Senior Management Service	3.00%	31.57%

(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 \$328,910 and employees' contributions amounted to \$32,683 for the fiscal year ended September 30, 2024.

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

On September 30, 2024, the Village reported a liability of \$2,246,973 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Village's proportionate share of the net pension liability was based on the Village's 2024 plan year contributions relative to the participating members. At June 30, 2024, the Village's proportionate share was 0.0058%. This is an increase of 0.00099 percentage points from its proportionate share measured at June 30, 2023.

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, 2024, the Village recognized pension expense of \$572,858 related to the Plan. In addition, the Village reported deferred outflows of resources related to pensions, from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 227,005	\$ -
Changes of Assumptions	307,968	-
Net difference between projected and actual earnings on FRS pension plan investments	-	149,345
Changes in proportion and differences between Village FRS contributions and proportionate share of contributions	582,035	44,371
Village FRS contributions subsequent to the measurement date	97,978	-
Total	<u>\$ 1,214,986</u>	<u>\$ 193,716</u>

The deferred outflows of resources totaling \$97,978, 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 ended September 30, 2025. 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:	
2025	\$ 145,318
2026	498,297
2027	161,500
2028	79,955
2029	38,222
	<u>\$ 923,292</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, 2024, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.50% average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table and varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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:

Asset Class	FRS			
	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investment	2.0%	6.6%	6.2%	8.7%
	<u>100.0%</u>			
Assumed inflation-mean			2.4%	1.5%

*Note: As outlined in the FRS Pension 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 6.70%. 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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	FRS		
	1% Decrease 5.70%	Discount Rate 6.70%	1% Increase 7.70%
Village's proportionate share of the FRS net pension liability	\$ 3,952,346	\$ 2,246,973	\$ 818,361

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, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, 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, 2024, the HIS contribution rate was 2.00%. 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 \$23,339 for the fiscal year ended September 30, 2024.

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

At September 30, 2024, the Village reported a net pension liability of \$413,538 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, 2024. The Village's proportionate share of the net pension liability was based on the Village's 2024 plan year contributions relative to the 2024 plan year contributions of all participating members. At June 30, 2024, the Village's proportionate share was 0.0028%. This is an increase of 0.00029 percentage points from its proportionate share measured at June 30, 2023.

For the fiscal year ended September 30, 2024, the Village recognized pension expense of \$63,573 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:

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,993	\$ 794
Changes of assumptions	7,319	48,958
Net difference between projected and actual earnings on HIS pension plan investments	-	150
Changes in proportion and differences between Village HIS contributions and proportionate share of contributions	136,508	-
Village HIS contributions subsequent to the measurement date	6,899	-
Total	<u>\$ 154,719</u>	<u>\$ 49,902</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 \$6,899, 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 ended September 30, 2025. 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:	
2025	\$ 37,818
2026	25,057
2027	14,451
2028	12,835
2029	6,627
Thereafter	1,130
Total	<u>\$ 97,918</u>

Actuarial Assumptions

The HIS plan's actuarial valuation was determined using the following actuarial assumptions as of July 1, 2024, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases, average including inflation	3.50%
Investment Rate of Return	3.93%

Mortality rates were based on the PUB-2010 base table with Projection scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability for the HIS Plan was 3.93%. 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 3.93%, 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%	Discount Rate	1%
	Decrease 2.93%	3.93%	Increase 4.93%
Village's proportionate share of the HIS net pension liability	\$ 470,760	\$ 413,538	\$ 366,035

Net Pension Liability, Deferred Inflow of Resources, and 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 (Credit)
General Employees' Pension Plan	\$ 7,313,047	\$ 3,134,837	\$ -	\$ 2,211,218
Police Pension Plan	4,972,549	2,568,240	-	(1,290,701)
Florida Retirement System (FRS plan)	2,246,973	1,214,986	193,716	572,858
Health Insurance Subsidy (HIS plan)	413,538	154,719	49,902	63,573
Total - defined benefit plans	14,946,107	7,072,782	243,618	1,556,948
Excess Benefit Plan	1,761,242	-	-	417,304
Total	\$ 16,707,349	\$ 7,072,782	\$ 243,618	\$ 1,974,252

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. Effective October 16, 2021 the monthly amount is increased to \$450 for eligible police officers retiring after that date under provisions of normal retirement. 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, 2024, the Village provided required contributions of \$94,160 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 until age 65 which can be used to pay for health insurance at the Village or outside. Effective October 16, 2021 the monthly amount was increased to \$450 for eligible police officers retiring after that date under provisions of normal retirement, as applicable.

Employees Covered by benefit terms, for the fiscal year ended September 30, 2024 and employee membership data related to the OPEB Plan is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees entitled to but not yet receiving benefit payments	58
Total	<u>70</u>

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, 2023.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2023 and rolled forward to the measurement date, using the following assumptions, applied to all prior periods included in the measurement:

Inflation rate	2.50%
Salary increases	6.00%
Discount rate	4.63%
Healthcare cost trend rates:	
Select rates	6.50% for FY beginning 2024, 6.25% for FY beginning 2025 and then gradually decreasing to an ultimate trend rate of 4.00%.

Mortality tables used in the July 1, 2023 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

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, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 4.63% (from 4.40%)
- premiums were updated based on information provided
- updated healthcare cost trend rates as described above.

Benefit Changes:

The schedule of changes in the Total OPEB Liability reflects an increase in the stipend from \$350 per month to \$450 per month paid by the Village to eligible Police Officers retiring under provisions of normal retirement after October 16, 2021.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2023	<u>\$ 1,025,968</u>
Changes for the year:	
Service cost	47,032
Interest	45,140
Changes of benefit terms	25,968
Differences between expected and actual experience	(94,447)
Change in assumptions	29,905
Benefit payments	<u>(94,160)</u>
Net changes	<u>(40,562)</u>
Balance at September 30, 2024	<u>\$ 985,406</u>

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, 2024:

	1% Decrease 3.63%	Discount Rate 4.63%	1% Increase 5.63%
Total OPEB Liability	\$ 1,049,117	\$ 985,406	\$ 926,217

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, 2024:

	Healthcare Cost		
	1% Decrease 5.5% down to 3.00%	Trend Rates 6.5% down to 4.00%	1% Increase 7.5% down to 5.00%
Total OPEB Liability	\$ 939,089	\$ 985,406	\$ 1,037,468

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

For the year ended September 30, 2024, the Village recognized a credit to expense of \$40,652. At September 30, 2024, the Village reported deferred outflows of resources related to the OPEB plan totaling \$77,407, 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, 2025.

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, 2024. 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:

Project	Spent to Date	Remaining Commitment
Bal Harbour Haulover Inlet Jetty	\$ 1,748,000	\$ 12,483,000
Utility Master Plan - Stormwater	1,642,940	5,668,000
Utility Master Plan - Utility Fund	17,949,700	519,470
Utility Master Plan - Security and Landscape	241,720	1,060,280
Village Hall	18,010	3,082,000
	<u>\$ 21,600,370</u>	<u>\$ 22,812,750</u>

The projects listed above are being financed through 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 funded 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. The developer is entitled to retain up to 50% of each quarterly payment of future parking surcharges, up to \$6 million, to offset the developer's contribution towards construction of the new Village Hall. The Village received \$292,258 in parking surcharge proceeds in fiscal year 2024.

BAL HARBOUR VILLAGE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10. COMMITMENTS AND CONTINGENCIES

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.

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.

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

BAL HARBOUR
- VILLAGE -

BAL HARBOUR VILLAGE, FLORIDA
BUDGETARY COMPARISON SCHEDULE – UNAUDITED
GENERAL FUND (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes:				
Property	\$ 11,727,132	\$ 11,727,132	\$ 11,976,316	\$ 249,184
Other local taxes	2,129,553	2,129,553	2,250,267	120,714
Licenses and permits	3,312,539	3,312,539	3,823,269	510,730
Developer contribution	3,900,000.00	3,900,000.00	1,000,000	(2,900,000)
Fines and forfeitures	937,810	937,810	1,322,411	384,601
Charges for services	1,908,606	1,908,606	2,232,677	324,071
Intergovernmental	2,222,415	15,906,441	1,847,694	(14,058,747)
Investment earnings	250,000	750,000	2,831,062	2,081,062
Miscellaneous	724,182	794,182	891,876	97,694
Total revenues	<u>27,112,237</u>	<u>41,366,263</u>	<u>28,175,572</u>	<u>(13,190,691)</u>
Expenditures:				
Current:				
General government:				
Legislative	415,682	415,682	387,423	28,259
Executive	1,634,834	1,634,834	1,369,808	265,026
Finance	953,156	953,156	908,093	45,063
General government	5,191,049	5,191,049	955,318	4,235,731
Building department	2,208,097	2,266,410	1,861,586	404,824
Information technology	539,518	615,754	465,367	150,387
Capital construction	1,416,038	16,363,567	1,801,470	14,562,097
Legal	442,000	842,000	805,422	36,578
Total general government	<u>12,800,374</u>	<u>28,282,452</u>	<u>8,554,487</u>	<u>19,727,965</u>
Public safety	8,927,618	9,343,379	7,923,519	1,419,860
Public works & beautification	4,544,988	8,769,563	2,581,053	6,188,510
Recreation, arts and culture	1,412,756	1,487,020	1,444,711	42,309
Total expenditures	<u>27,685,736</u>	<u>47,882,414</u>	<u>20,503,770</u>	<u>27,378,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(573,499)</u>	<u>(6,516,151)</u>	<u>7,671,802</u>	<u>14,187,953</u>
Net change in fund balance	<u>\$ (573,499)</u>	<u>\$ (6,516,151)</u>	<u>\$ 7,671,802</u>	<u>\$ 14,187,953</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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Resort tax	\$ 5,085,340	\$ 5,085,340	\$ 5,659,962	\$ 574,622
Investment earnings	75,000	330,000	583,230	253,230
Miscellaneous	25,000	25,000	25,185	185
Total revenues	<u>5,185,340</u>	<u>5,440,340</u>	<u>6,268,377</u>	<u>828,037</u>
Expenditures:				
Tourism & marketing	1,958,800	2,263,300	1,962,802	300,498
Beautification	2,001,800	2,039,000	1,795,080	243,920
Law enforcement	348,000	368,000	360,750	7,250
Recreation, arts & culture	1,121,800	1,121,800	990,065	131,735
Capital program	-	4,250,000	-	4,250,000
Total expenditures	<u>5,430,400</u>	<u>10,042,100</u>	<u>5,108,697</u>	<u>4,933,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245,060)</u>	<u>(4,601,760)</u>	<u>1,159,680</u>	<u>5,761,440</u>
Net change in fund balance	<u>\$ (245,060)</u>	<u>\$ (4,601,760)</u>	<u>\$ 1,159,680</u>	<u>\$ 5,761,440</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 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 all funds 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
LAST TEN YEARS

BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,534,209	\$ 1,319,594	\$ 812,433	\$ 914,119	\$ 656,197	\$ 547,042	\$ 511,875	\$ 397,466	\$ 389,223	\$ 283,241
Interest	1,582,221	1,444,872	1,322,540	1,251,834	1,192,594	1,121,125	997,443	941,414	946,114	842,798
Changes in benefit terms	-	-	205,037	-	-	-	-	-	-	-
Difference between actual and expected experience	372,238	482,834	295,697	811,023	(146,976)	232,029	524,845	392,032	(774,055)	97,731
Changes of assumptions	-	-	-	(570,329)	-	701,152	637,728	380,153	550,516	903,212
Benefit payments	(926,408)	(877,163)	(848,686)	(768,588)	(610,472)	(608,845)	(601,429)	(580,345)	(559,166)	(723,310)
Refunds	(156,594)	(186,311)	(118,575)	(414,725)	(65,172)	(25,800)	(55,304)	(91,020)	-	-
Net Change in Total Pension Liability	2,405,666	2,183,826	1,668,446	1,223,334	1,026,171	1,966,703	2,015,158	1,439,700	552,632	1,403,672
Total Pension Liability – Beginning	26,524,173	24,340,347	22,671,901	21,448,567	20,422,396	18,455,693	16,440,535	15,000,835	14,448,203	13,044,531
Total Pension Liability – Ending (a)	28,929,839	26,524,173	24,340,347	22,671,901	21,448,567	20,422,396	18,455,693	16,440,535	15,000,835	14,448,203
Plan Fiduciary Net Position										
Contributions – employer/state	\$ 1,746,181	\$ 1,470,323	\$ 1,295,078	\$ 1,068,711	\$ 1,052,612	\$ 957,499	\$ 793,089	\$ 745,642	\$ 622,677	\$ 565,619
Contributions – member	305,688	241,386	192,383	204,581	162,333	124,099	126,093	103,551	78,154	69,983
Net Investment income (loss)	4,605,438	1,883,350	(3,419,545)	3,350,705	1,071,430	569,622	964,907	1,252,600	995,129	(83,165)
Benefit payments	(926,408)	(877,163)	(848,686)	(768,588)	(610,472)	(608,845)	(601,429)	(580,345)	(559,166)	(723,310)
Refunds and lump sums	(156,594)	(186,311)	(118,575)	(414,725)	(65,172)	(25,800)	(55,304)	(91,020)	-	-
Administrative expense	(66,456)	(56,226)	(71,051)	(57,731)	(64,839)	(54,941)	(53,293)	(54,150)	(54,775)	(63,251)
Net Change in Plan Fiduciary Net Position	5,507,849	2,475,359	(2,970,396)	3,382,953	1,545,892	961,634	1,174,063	1,376,278	1,082,019	(234,124)
Plan Fiduciary Net Position – Beginning	19,211,126	16,735,767	19,706,163	16,323,210	14,777,318	13,815,684	12,641,621	11,265,343	10,183,324	10,417,448
Plan Fiduciary Net Position – Ending (b)	24,718,975	19,211,126	16,735,767	19,706,163	16,323,210	14,777,318	13,815,684	12,641,621	11,265,343	10,183,324
Committed:										
Net Pension Liability – Ending (a) – (b)	\$ 4,210,864	\$ 7,313,047	\$ 7,604,580	\$ 2,965,738	\$ 5,125,357	\$ 5,645,078	\$ 4,640,009	\$ 3,798,914	\$ 3,735,492	\$ 4,264,879
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.44%	72.43%	68.76%	86.92%	76.10%	72.36%	74.86%	76.89%	75.10%	70.48%
Covered-employee Payroll	\$ 4,272,100	\$ 3,448,325	\$ 2,371,363	\$ 2,557,263	\$ 2,029,163	\$ 1,551,238	\$ 1,576,163	\$ 1,332,178	\$ 1,251,987	\$ 1,360,903
Net Pension Liability as a Percentage of Covered-employee Payroll	98.57%	212.08%	320.68%	115.97%	252.58%	363.91%	294.39%	285.17%	298.37%	313.39%
Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015

See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 67 and GASB 68. The General Employees' Plan does not issue a stand-alone financial statement.

BAL HARBOUR VILLAGE, FLORIDA

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

BAL HARBOUR POLICE OFFICERS' PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 433,577	\$ 576,273	\$ 714,032	\$ 667,911	\$ 592,730	\$ 613,120	\$ 627,129	\$ 553,181	\$ 410,248	\$ 346,348
Interest	2,373,566	2,312,493	2,279,678	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	-	-	143,457	-	-	-	-	-	(673,655)	-
Differences between expected and actual experience	304,282	(39,233)	(157,031)	55,771	(597,774)	864,085	71,973	474,826	25,401	-
Changes of assumptions	-	-	589,671	(47,199)	818,183	801,021	-	935,656	-	-
	-	-	-	25,667	(9,660)	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,918,330)	(1,750,406)	(1,643,202)	(1,647,433)	(1,681,923)	(2,402,714)	(1,666,151)	(1,587,483)	(1,988,455)	(810,802)
Net Change in Total Pension Liability	1,193,095	1,099,127	1,926,605	1,301,385	1,331,974	1,972,611	1,074,660	2,215,885	(414,616)	1,336,369
Total Pension Liability – Beginning	34,433,672	33,334,545	31,407,940	30,106,555	28,774,581	26,801,970	25,727,310	23,511,425	23,926,041	22,589,672
Total Pension Liability – Ending (a)	35,626,767	34,433,672	33,334,545	31,407,940	30,106,555	28,774,581	26,801,970	25,727,310	23,511,425	23,926,041
Plan Fiduciary Net Position										
Contributions – employer	1,235,738	1,517,945	1,546,824	1,429,097	1,440,569	1,283,722	1,090,340	1,412,053	1,267,776	972,601
Contributions – state	86,396	138,864	67,689	67,617	60,588	105,199	-	48,213	48,213	44,490
Contributions – employee	177,542	207,133	216,191	209,654	204,080	197,911	209,065	207,719	173,806	133,415
Net investment income (loss)	2,981,280	(2,770,068)	4,064,363	2,858,469	1,331,926	2,674,490	1,967,324	1,378,398	349,967	1,966,648
Benefit payments, including refunds of member contributions	(1,918,330)	(1,750,406)	(1,643,202)	(1,647,433)	(1,691,583)	(2,402,714)	(1,666,151)	(1,587,483)	(1,988,455)	(810,802)
Administrative expense	(103,144)	(122,997)	(110,388)	(97,786)	(53,270)	(95,490)	(82,083)	(86,042)	(90,015)	(78,730)
Net Change in Plan Fiduciary Net Position	2,459,482	(2,779,529)	4,141,477	2,819,618	1,292,310	1,763,118	1,518,495	1,372,858	(238,708)	2,227,622
Plan Fiduciary Net Position – Beginning	28,194,736	30,974,265	26,832,788	24,013,170	22,720,860	20,957,742	19,439,247	18,066,389	18,305,097	16,077,475
Plan Fiduciary Net Position – Ending (b)	30,654,218	28,194,736	30,974,265	26,832,788	24,013,170	22,720,860	20,957,742	19,439,247	18,066,389	18,305,097
Net Pension Liability – Ending (a) – (b)	4,972,549	6,238,936	2,360,280	4,575,152	6,093,385	6,053,721	5,844,228	6,288,063	5,445,036	5,620,944
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.04%	81.88%	92.92%	85.43%	79.76%	78.96%	78.19%	75.56%	76.84%	76.51%
Covered-employee Payroll	\$ 1,775,415	\$ 2,071,335	\$ 2,161,913	\$ 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-employee Payroll	280.08%	301.20%	109.18%	218.22%	298.58%	305.88%	279.54%	302.72%	251.08%	421.31%

See Note 8 for further information.

This schedule is presented to illustrate the requirements of GASB 68.

BAL HARBOUR VILLAGE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS

BAL HARBOUR VILLAGE EXCESS BENEFIT PLAN

	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability								
Interest on the total pension liability	\$ 63,864	\$ 62,256	\$ 46,424	\$ 52,267	\$ 52,077	\$ 60,210	\$ 59,631	\$ 56,322
Difference between actual and expected experience	(14,446)	18,583	(77,941)	(55,252)	(98,115)	14,829	10,635	1,860
Changes of assumptions	367,889	(46,411)	(605,138)	20,673	386,030	310,002	(140,081)	(134,713)
Benefit payments	(70,837)	(69,110)	(67,424)	(65,780)	(64,175)	(62,610)	(61,083)	(59,593)
Net Change in Total Pension Liability	346,470	(34,682)	(704,079)	(48,092)	275,817	322,431	(130,898)	(136,124)
Total Pension Liability - Beginning	1,414,772	1,449,454	2,153,533	2,201,625	1,925,808	1,603,377	1,734,275	1,870,399
Total Pension Liability - Ending	\$ 1,761,242	\$ 1,414,772	\$ 1,449,454	\$ 2,153,533	\$ 2,201,625	\$ 1,925,808	\$ 1,603,377	\$ 1,734,275
Covered-employee Payroll	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
Total Pension Liability as a Percentage of Covered-employee Payroll	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable

Assumption changes: Discount rate was changed from 4.63% as of 9/30/2023 to 3.81% as of 9/30/2024 due to changes in the Fidelity's "20-Year Municipal GO AA Index" between the measurement dates. Changes in future benefits payments were set to be the same as cost of living adjustment. 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 2024 are available. The Excess Benefit Plan does not issue stand-alone financial statements. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this plan

BAL HARBOUR VILLAGE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED SCHEDULES OF EMPLOYER CONTRIBUTIONS LAST TEN YEARS

BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,746,181	\$ 1,470,323	\$ 1,295,078	\$ 1,068,711	\$ 1,052,612	\$ 957,499	\$ 793,089	\$ 745,642	\$ 622,677	\$ 565,619
Contributions in Relation to the Actuarially Determined Contribution	1,746,181	1,470,323	1,295,078	1,068,711	1,052,612	957,499	793,089	745,642	622,677	565,619
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee Payroll	\$ 4,272,100	\$ 3,448,325	\$ 2,371,363	\$ 2,557,263	\$ 1,551,238	\$ 1,576,163	\$ 1,575,163	\$ 1,332,178	\$ 1,251,987	\$ 1,360,903
Contributions as a Percentage of Covered-Employee Payroll	40.87%	42.64%	54.61%	41.79%	67.86%	60.75%	50.35%	55.97%	49.74%	41.56%

Notes to Schedule of Contributions

Valuation Date	October 1, 2022
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
Committed:	The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB- 2010 HeadcountWeighted Below Median Retiree Female Table (postretirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.

This schedule is presented to illustrate the requirements of GASB 68.

BAL HARBOUR VILLAGE, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 LAST TEN YEARS

BAL HARBOUR POLICE OFFICERS' PENSION PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,380,084	\$ 1,322,134	\$ 1,591,232	\$ 1,616,888	\$ 1,484,107	\$ 1,489,108	\$ 1,388,921	\$ 1,340,039	\$ 1,231,003	\$ 1,284,001
Contributions in Relation to the Actuarially Determined Contribution	1,394,494	1,322,134	1,656,809	1,614,513	1,496,714	1,501,157	1,388,921	1,090,340	1,460,266	1,315,261
Contribution Deficiency (Excess)	<u>\$ (14,410)</u>	<u>\$ -</u>	<u>\$ (65,577)</u>	<u>\$ 2,375</u>	<u>\$ (12,607)</u>	<u>\$ (12,049)</u>	<u>\$ -</u>	<u>\$ 249,699</u>	<u>\$ (229,263)</u>	<u>\$ (31,260)</u>
Covered-employee Payroll	\$ 1,521,103	\$ 1,775,415	\$ 2,071,335	\$ 2,161,913	\$ 2,096,536	\$ 2,040,801	\$ 1,979,108	\$ 2,090,649	\$ 2,077,194	\$ 2,168,613
Contributions as a Percentage of Covered-employee Payroll	91.68%	74.47%	79.99%	74.68%	71.39%	73.56%	70.18%	52.15%	70.30%	60.65%

Notes to Schedule of Contributions

Valuation Date October 1, 2022

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5% per year
Salary Increases	4.5% to 15.0% depending on service, including inflation
Investment Rate of Return	7.00%
Cost-of-Living Adjustment	2.5% per year
Retirement Age	Experience-based table of rates based on age and service.

Mortality Mortality Tables for retirees and employees are the same as used by the Florida Retirement System (FRS) for its Special Risk Class in their July 1, 2022 actuarial valuation, described as Pub-2010 Headcount Weighted Safety Below Median Mortality Tables, set forward 1 year. Rates for beneficiaries are the same as for FRS Regular Class. Rates are generationally projected for all years after 2010 using SOA mortality improvement Scale MP-2018. These tables were adopted following an experience study published in 2019 covering the period July 1, 2013 through June 30, 2018.

This schedule is presented to illustrate the requirements of GASB 68.

BAL HARBOUR VILLAGE, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED
 SCHEDULES OF INVESTMENT RETURNS (LOSS)
 LAST TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BAL HARBOUR GENERAL EMPLOYEES' PENSION PLAN										
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expense	22.62%	10.86%	16.37%	19.11%	7.17%	3.65%	6.89%	10.43%	9.90%	-0.87%
BAL HARBOUR POLICE OFFICERS' PENSION PLAN										
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expense	21.02%	10.59%	-8.85%	14.73%	5.76%	12.55%	12.32%	9.56%	7.42%	2.53%

This schedule is presented to illustrate the requirements of GASB 67.

BAL HARBOUR VILLAGE, FLORIDA

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 47,032	\$ 63,681	\$ 86,133	\$ 78,851	\$ 60,262	\$ 60,520	\$ 61,563
Interest cost	45,140	26,349	35,282	38,931	47,718	44,190	39,361
Change in benefit terms	25,968	-	-	-	-	-	-
Differences between expected and actual experience	(94,447)	-	(191,402)	-	251,892	-	-
Changes in assumptions	29,905	(152,673)	(63,260)	29,973	(106,810)	(26,655)	(36,296)
Benefit payments	(94,160)	(101,707)	(108,542)	(104,947)	(98,795)	(90,177)	(51,268)
Net change in total OPEB liability	(40,562)	(164,350)	(241,789)	42,808	154,267	(12,122)	13,360
Total OPEB Liability - beginning	1,025,968	1,190,318	1,432,107	1,389,299	1,235,032	1,247,154	1,233,794
Total OPEB Liability - ending	\$ 985,406	\$ 1,025,968	\$ 1,190,318	\$ 1,432,107	\$ 1,389,299	\$ 1,235,032	\$ 1,247,154
Covered-employee payroll	\$ 8,198,803	\$ 7,609,241	\$ 6,842,569	\$ 6,640,185	\$ 6,417,541	\$ 5,974,274	\$ 5,416,800
Total OPEB Liability as a percentage of covered-employee payroll	12%	13%	17%	22%	22%	21%	23%

Assumption changes: Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 4.63% (from 4.40%)
- premiums were updated based on information provided
- updated healthcare cost trend rates as described above.

Benefit Changes:

The schedule of changes in the Total OPEB Liability reflects an increase in the stipend from \$350 per month to \$450 per month paid by the Village to eligible Police Officers retiring under provisions of normal retirement after October 16, 2021.

This change is reflected in the Schedule of Changes in Total OPEB Liability. See Note 9 for further information.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan. The schedule is presented to illustrate the requirements of GASB 75. Currently, only data for the fiscal years 2018 through 2024 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
 LAST SEVEN YEARS

Florida Retirement System	2024	2023	2022	2021	2020	2019	2018
Villages’ proportion of the net pension liability	0.005808%	0.004818%	0.003625%	0.003183%	0.003659%	0.002846%	0.000583%
Village’s proportionate share of the net pension liability	\$ 2,246,973	\$ 1,919,858	\$ 1,348,956	\$ 240,452	\$ 1,919,858	\$ 980,181	\$ 175,516
Village’s covered-employee payroll	\$ 1,166,686	\$ 975,853	\$ 684,117	\$ 544,676	\$ 511,616	\$ 387,351	\$ 77,050
Village’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.594494%	196.736382%	197.181960%	44.145878%	375.253706%	253.047236%	227.794938%
Plan fiduciary net position as a percentage of the total pension liability	83.700000%	82.380000%	82.890000%	96.400000%	78.850000%	82.610000%	84.260000%
Health Insurance Subsidy Program	2024	2023	2022	2021	2020	2019	2018
Villages’ proportion of the net pension liability	0.002757%	0.002463%	0.001877%	0.001539%	0.001474%	0.001152%	0.000236%
Village’s proportionate share of the net pension liability	\$ 413,538	\$ 391,188	\$ 198,830	\$ 188,724	\$ 391,188	\$ 129,589	\$ 24,967
Village’s covered-employee payroll	\$ 1,166,686	\$ 975,833	\$ 684,117	\$ 544,676	\$ 511,616	\$ 387,351	\$ 77,050
Village’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.445527%	40.087597%	29.063742%	34.648855%	76.461252%	33.455187%	32.403634%
Plan fiduciary net position as a percentage of the total pension liability	4.800000%	4.120000%	4.810000%	3.560000%	3.000000%	2.630000%	2.150000%

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
LAST SEVEN YEARS

Florida Retirement System	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 328,910	\$ 231,781	\$ 154,704	\$ 121,265	\$ 121,577	\$ 88,252	\$ 16,607
Contributions in relation to the contractually required contribution	(328,910)	(231,781)	(154,704)	(121,265)	(121,577)	(88,252)	(16,607)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 1,230,640	\$ 1,021,698	\$ 748,354	\$ 602,638	\$ 509,007	\$ 443,167	\$ 136,738
Contributions as a percentage of covered-employee payroll	26.73%	22.69%	20.67%	20.12%	23.89%	19.91%	12.15%
Health Insurance Subsidy Program	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 23,339	\$ 16,203	\$ 11,359	\$ 9,044	\$ 8,465	\$ 6,431	\$ 1,279
Contributions in relation to the contractually required contribution	(23,339)	(16,203)	(11,359)	(9,044)	(8,465)	(6,431)	(1,279)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 1,230,640	\$ 1,021,698	\$ 748,354	\$ 602,638	\$ 509,007	\$ 443,167	\$ 136,738
Contributions as a percentage of covered-employee payroll	1.90%	1.59%	1.52%	1.50%	1.66%	1.45%	0.94%

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

**COMBINING FUND FINANCIAL
STATEMENTS AND SCHEDULE**

BAL HARBOUR
- VILLAGE -

BAL HARBOUR VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	State Law Enforcement Special Revenue	Federal Law Enforcement Special Revenue	Security District Special Revenue	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 674,855	22,531	\$ 3,314,492	\$ 4,011,878
Receivables, net	-	-	1,507	1,507
Due from other governments	-	-	11,550	11,550
Total assets	<u>674,855</u>	<u>22,531</u>	<u>3,327,549</u>	<u>4,024,935</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Accounts payable and accrued liabilities	-	-	85,996	85,996
<u>Fund balance:</u>				
Restricted:				
State and federal law enforcement	674,855	22,531	-	697,386
Security district	-	-	3,241,553	3,241,553
Total fund balances	<u>674,855</u>	<u>22,531</u>	<u>3,241,553</u>	<u>3,938,939</u>
Total liabilities and fund balances	<u>\$ 674,855</u>	<u>\$ 22,531</u>	<u>\$ 3,327,549</u>	<u>\$ 4,024,935</u>

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, 2024

	State Law Enforcement Special Revenue	Federal Law Enforcement Special Revenue	Security District Special Revenue	Total Non-Major Governmental Funds
Revenues:				
Special assessments	\$ -	\$ -	\$ 1,616,355	\$ 1,616,355
Licenses and permits	-	-	257,836	257,836
Investment earnings	725	-	125,000	125,725
Total revenues	<u>725</u>	<u>-</u>	<u>1,999,191</u>	<u>1,999,916</u>
Expenditures:				
General government	5,000	-	929,439	934,439
Capital outlay	1,322	-	262,052	263,374
Total expenditures	<u>6,322</u>	<u>-</u>	<u>1,191,491</u>	<u>1,197,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,597)</u>	<u>-</u>	<u>807,700</u>	<u>802,103</u>
Net change in fund balance	<u>(5,597)</u>	<u>-</u>	<u>807,700</u>	<u>802,103</u>
Fund balance, beginning	680,452	22,531	2,433,853	3,136,836
Fund balance, ending	<u>\$ 674,855</u>	<u>\$ 22,531</u>	<u>\$ 3,241,553</u>	<u>\$ 3,938,939</u>

BAL HARBOUR VILLAGE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SECURITY DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$ 1,596,200	\$ 1,596,200	\$ 1,616,355	\$ 20,155
Licenses and permits	50,000	50,000	257,836	207,836
Investment earnings	-	-	125,000	125,000
Total revenues	<u>1,646,200</u>	<u>1,646,200</u>	<u>1,999,191</u>	<u>352,991</u>
Expenditures:				
General government	1,218,350	1,218,350	929,439	288,911
Capital outlay	1,080,161	1,859,172	262,052	1,597,120
Total expenditures	<u>2,298,511</u>	<u>3,077,522</u>	<u>1,191,491</u>	<u>1,886,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(652,311)</u>	<u>(1,431,322)</u>	<u>807,700</u>	<u>2,239,022</u>
Net change in fund balance	<u>\$ (652,311)</u>	<u>\$ (1,431,322)</u>	<u>\$ 807,700</u>	<u>\$ 2,239,022</u>

BAL HARBOUR VILLAGE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2024

	General Employees Pension	Police Officers Pension	Totals
<u>ASSETS</u>			
Investments, at fair value:			
Money market funds	\$ 267,511	\$ 734,531	\$ 1,002,042
Mutual funds	1,233,359	8,644,041	9,877,400
Bond index funds	5,917,888	-	5,917,888
U.S. government obligations	-	6,148,961	6,148,961
Corporate bonds	-	2,739,616	2,739,616
Foreign bonds	175,000	-	175,000
Large cap equities	12,524,688	12,180,228	24,704,916
Real estate investments	887,174	2,334,284	3,221,458
Infrastructure investments	1,066,582	-	1,066,582
Foreign stock	2,664,869	3,675,435	6,340,304
Total investments	<u>24,737,071</u>	<u>36,457,096</u>	<u>61,194,167</u>
Accrued interest receivable	-	104,928	104,928
Contributions receivable	-	95,154	95,154
Prepaid expenses	4,334	-	4,334
Total assets	<u>24,741,405</u>	<u>36,657,178</u>	<u>61,398,583</u>
<u>LIABILITIES</u>			
Accounts payable	<u>22,430</u>	<u>110,713</u>	<u>133,143</u>
<u>NET POSITION</u>			
Net position restricted for pension benefits	<u>\$ 24,718,975</u>	<u>\$ 36,546,465</u>	<u>\$ 61,265,440</u>

BAL HARBOUR VILLAGE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Employees Pension	Police Officers Pension	Totals
ADDITIONS			
Contributions:			
Village	\$ 1,746,181	\$ 1,299,340	\$ 3,045,521
Employees	305,688	152,111	457,799
State	-	95,154	95,154
Total Contributions	<u>2,051,869</u>	<u>1,546,605</u>	<u>3,598,474</u>
Investment income:			
Interest, dividends and other income	484,620	753,732	1,238,352
Net appreciation in the fair value of investments	4,160,534	5,846,331	10,006,865
	<u>4,645,154</u>	<u>6,600,063</u>	<u>11,245,217</u>
Less investment expenses	(39,716)	(173,700)	(213,416)
Net investment income	<u>4,605,438</u>	<u>6,426,363</u>	<u>11,031,801</u>
Total additions	<u>6,657,307</u>	<u>7,972,968</u>	<u>14,630,275</u>
DEDUCTIONS			
Benefits payments	926,408	1,969,877	2,896,285
Lump sum DROP distributions	156,594	-	156,594
Administrative expenses	66,456	110,844	177,300
Total deductions	<u>1,149,458</u>	<u>2,080,721</u>	<u>3,230,179</u>
Change in net position	5,507,849	5,892,247	11,400,096
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning	<u>19,211,126</u>	<u>30,654,218</u>	<u>49,865,344</u>
Ending	<u>\$ 24,718,975</u>	<u>\$ 36,546,465</u>	<u>\$ 61,265,440</u>

STATISTICAL SECTION - UNAUDITED

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	107-111
Revenue Capacity <i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	112-117
Debt Capacity <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>	118-122
Demographic and Economic Information <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>	123-124
Operating Information <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>	125-126

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

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BAL HARBOUR VILLAGE, FLORIDA

NET POSITION BY COMPONENT – UNAUDITED

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities:										
Net investment in capital assets	\$ 9,735,309	\$ 2,706,557	\$ 31,630,842	\$ 32,114,123	\$ 33,150,693	\$ 54,484,061	\$ 56,384,097	\$ 78,957,002	\$ 89,456,010	\$ 92,208,068
Restricted	5,659,681	5,112,055	5,035,027	5,156,817	9,635,715	10,125,644	10,912,192	13,061,321	16,074,358	18,036,141
Unrestricted	6,474,732	7,510,264	9,322,579	12,019,793	13,780,660	13,834,008	21,837,755	39,882,293	39,790,634	44,949,803
Total governmental activities net position	\$ 21,869,722	\$ 15,328,876	\$ 45,988,448	\$ 49,290,733	\$ 56,567,068	\$ 78,443,713	\$ 89,134,044	\$ 131,900,616	\$ 145,321,002	\$ 155,194,012
Business-type activities:										
Net Invested in capital assets	\$ 2,674,221	\$ 4,448,041	\$ 13,717,215	\$ 15,826,763	\$ 17,139,918	\$ 17,940,383	\$ 18,603,172	\$ 20,244,622	\$ 23,001,633	\$ 25,924,814
Unrestricted	8,372,874	8,356,699	9,802,290	8,711,616	10,143,185	10,473,847	10,188,810	9,148,166	7,750,813	6,111,665
Total business-type activities net position	\$ 11,047,095	\$ 12,804,740	\$ 23,519,505	\$ 24,538,379	\$ 27,283,103	\$ 28,414,230	\$ 28,791,982	\$ 29,392,788	\$ 30,752,446	\$ 32,036,479
Primary government:										
Net Invested in capital assets	\$ 12,409,530	\$ 7,154,598	\$ 45,348,057	\$ 47,940,886	\$ 50,290,811	\$ 72,424,444	\$ 74,987,269	\$ 99,201,624	\$ 112,457,643	\$ 118,132,882
Restricted	5,659,681	5,112,055	5,035,027	5,156,817	9,635,715	10,125,644	10,912,192	13,061,321	16,074,358	18,036,141
Unrestricted	14,847,606	15,896,963	19,124,869	20,731,409	23,923,845	24,307,855	32,026,565	49,030,459	47,541,447	51,061,468
Total primary government net position	\$ 32,916,817	\$ 28,163,616	\$ 69,507,953	\$ 73,829,112	\$ 83,850,371	\$ 106,857,943	\$ 117,926,026	\$ 161,293,404	\$ 176,073,448	\$ 187,230,491

BAL HARBOUR VILLAGE, FLORIDA

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government	\$ 4,187,109	\$ 4,629,417	\$ 5,863,429	\$ 5,617,805	\$ 6,456,473	\$ 7,040,358	\$ 6,604,179	\$ 6,748,287	\$ 5,180,355	\$ 8,278,892
Public safety	6,161,865	6,605,925	6,064,111	6,568,155	6,635,010	8,227,790	7,026,299	4,934,100	10,013,843	9,546,632
Community services	1,881,892	1,963,975	2,081,680	2,193,271	2,539,431	2,264,482	2,018,345	2,037,813	5,095,973	6,615,105
Tourism development	3,523,612	3,479,071	3,351,037	3,629,100	3,539,890	2,304,237	1,879,376	3,477,619	1,527,281	2,033,052
Interest on long-term debt	-	-	-	-	-	-	-	3,757	8,111	2,895
Total government activities expenses	15,754,478	16,678,388	17,360,257	18,008,331	19,170,804	19,836,867	17,528,199	17,201,576	21,825,563	26,476,576
Business-type activities:										
Water and sewer	2,920,314	3,567,105	3,300,056	3,333,587	3,800,127	3,791,346	4,189,214	4,157,525	4,218,025	4,638,737
Total business-type activities	2,920,314	3,567,105	3,300,056	3,333,587	3,800,127	3,791,346	4,189,214	4,157,525	4,218,025	4,638,737
Total primary government expenses	18,674,792	20,245,493	20,660,313	21,341,918	22,970,931	23,628,213	21,717,413	21,359,101	26,043,588	31,115,313
Program revenues:										
Government activities:										
Charges for services:										
General government	3,048,718	2,645,886	3,510,905	4,392,385	3,996,536	4,448,128	5,546,973	6,450,109	8,279,914	7,930,137
Public safety	919,762	1,103,188	669,672	407,099	914,305	559,142	849,682	1,133,619	1,169,806	1,322,411
Community services	-	-	-	-	-	-	-	322,814	-	-
Operating grants and contributions	-	-	-	-	-	-	2,102,721	-	143,707	169,700
Capital grants and contributions	-	138,308	29,020,077	(20,077)	3,025,000	20,000,000	616,900	14,411,696	75,000	1,010,749
Total governmental activities and program revenues	3,968,480	3,887,382	33,200,654	4,779,407	7,935,841	25,007,270	9,116,276	22,318,238	9,668,427	10,432,997
Business-type activities:										
Charges for services										
Water and sewer	4,323,705	4,438,684	4,183,763	4,276,844	4,392,761	4,294,451	4,543,188	4,693,354	5,227,676	5,527,438
Capital grants and contributions	-	1,009,698	9,783,539	7,041	2,057,840	658,232	-	-	-	-
Total business-type activities program revenues	4,323,705	5,448,382	13,967,302	4,283,885	6,450,601	4,952,683	4,543,188	4,693,354	5,227,676	5,527,438
Total primary government program revenues	8,292,185	9,335,764	47,167,956	9,063,292	14,386,442	29,959,953	13,659,464	27,011,592	14,896,103	15,960,435

(Continued)

Committed:

BAL HARBOUR VILLAGE, FLORIDA

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense) revenue:										
Business type activities	1,403,391	1,881,277	10,667,246	950,298	2,650,474	1,161,337	353,974	535,829	1,009,651	888,701
Total primary government net expense	(10,382,607)	(10,909,729)	26,507,643	(12,278,626)	(8,584,489)	6,331,740	(8,057,949)	5,652,491	(11,147,485)	(15,154,878)
General revenues and other changes in net assets:										
Governmental activities										
Taxes:										
Ad-valorem taxes	7,591,502	7,193,763	8,195,619	10,010,648	10,139,283	10,258,510	9,824,672	9,769,187	10,707,645	11,976,316
Franchise fees based on gross receipts and utility taxes	1,513,181	1,528,901	1,590,867	1,601,350	1,613,151	1,518,958	1,587,850	1,793,918	1,992,170	1,997,991
Unrestricted intergovernmental revenue	631,608	629,457	731,511	756,387	1,012,413	1,083,278	888,970	887,173	987,177	919,521
Tourism tax	3,448,249	3,423,437	3,331,088	3,825,266	4,526,248	2,777,408	4,813,175	5,931,450	5,775,431	5,659,962
Unrestricted investment earnings	53,748	50,747	84,091	150,075	203,734	129,251	50,802	378,644	2,245,931	3,540,017
Miscellaneous	22,701	957,404	855,999	609,934	1,003,220	848,977	1,936,785	18,889,538	3,869,168	1,822,782
Transfers	60,000	-	-	18,722	13,449	89,660	-	-	-	-
Total governmental activities	13,320,989	13,783,709	14,789,175	16,972,382	18,511,498	16,706,042	19,102,254	37,649,910	25,577,522	25,916,589
Business-type activities										
Unrestricted investment earnings	22,461	19,205	47,519	87,298	107,699	59,450	23,778	64,977	350,007	395,332
Transfers	(60,000)	-	-	(18,722)	(13,449)	(89,660)	-	-	-	-
Total business-type activities	(37,539)	19,205	47,519	68,576	94,250	(30,210)	23,778	64,977	350,007	395,332
Total primary government	13,283,450	13,802,914	14,836,694	17,040,958	18,605,748	16,675,832	19,126,032	37,714,887	25,927,529	26,311,921
Change in net position										
Governmental activities	2,480,201	992,703	30,629,572	3,743,458	7,276,535	21,876,445	10,690,331	42,766,572	13,420,386	9,873,010
Business-type activities	1,162,238	1,900,482	10,714,765	1,018,874	2,744,724	1,131,127	377,752	600,806	1,359,658	1,284,033
Total primary government	\$ 3,642,439	\$ 2,893,185	\$ 41,344,337	\$ 4,762,332	\$ 10,021,259	\$ 23,007,572	\$ 11,068,083	\$ 43,367,378	\$ 14,780,044	\$ 11,157,043

BAL HARBOUR VILLAGE, FLORIDA

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Restricted	\$ 284,306	\$ 368,934	\$ 368,934	\$ 368,934	\$ 3,025,000	\$ 3,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Committed	-	-	-	-	-	-	-	14,956,228	15,404,915	16,252,185
Non-spendable	3,199	-	-	-	64,996	77,752	110,627	159,584	154,094	205,248
Assigned	3,839,071	5,155,978	5,634,930	6,309,833	9,493,556	12,700,628	22,520,890	18,168,600	15,063,017	19,873,223
Unassigned	12,090,936	10,960,921	12,890,324	15,247,427	15,216,033	14,037,405	12,149,328	15,426,172	18,115,222	20,078,394
Total general fund	<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>	<u>\$ 49,210,584</u>	<u>\$ 49,237,248</u>	<u>\$ 56,909,050</u>
All other government funds:										
Reserved, reported in:										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 2,680	\$ 13,750	\$ -	\$ -	\$ 3,114
Assigned	-	-	-	-	-	-	-	-	-	-
Restricted:										
Tourism fund	3,262,914	3,090,456	3,110,249	3,318,691	4,737,680	5,291,064	8,225,088	10,731,699	12,437,522	13,594,088
Other governmental funds	2,112,461	2,021,599	1,924,778	1,868,126	1,869,535	1,834,400	2,173,354	2,377,019	3,136,836	3,938,939
Restricted	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 13,108,718</u>	<u>\$ 15,574,358</u>	<u>\$ 17,536,141</u>

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

**Assigned fund balance includes amounts for future capital projects (\$11.6M), post-employment benefits and pensions (\$2.4M), future claims (\$500k) and for building and zoning future costs (\$500k). Prior year balances primarily represent monies set aside for future capital projects; as well as post-employment benefits and pensions.

BAL HARBOUR VILLAGE, FLORID

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Ad valorem taxes	\$ 7,591,502	\$ 7,193,763	\$ 8,195,619	\$ 10,010,648	\$ 10,139,283	\$ 10,258,510	\$ 9,824,672	\$ 9,769,187	\$ 10,707,645	\$ 11,976,316
Utility taxes and franchise fees	1,834,540	1,840,407	1,880,227	1,601,350	1,882,756	1,794,819	1,821,576	2,040,665	2,244,410	2,250,267
Licenses and permits	1,537,695	1,296,318	2,186,908	2,287,708	2,703,831	2,259,810	2,851,772	3,712,216	4,416,406	4,081,105
Special assessments	413,953	407,333	424,346	603,159	592,950	688,946	919,422	936,960	1,863,178	1,616,355
Intergovernmental	462,333	456,259	442,151	756,387	742,808	807,417	3,374,865	2,244,936	953,644	1,847,694
Charges for services	1,097,070	942,235	899,651	1,025,384	1,175,889	1,499,372	1,775,779	1,800,933	2,000,330	2,232,677
Tourist tax	3,448,249	3,423,437	3,331,088	3,825,266	4,526,248	2,777,408	4,813,175	5,931,450	5,775,431	5,659,962
Fines and forfeitures	915,108	1,101,657	663,240	383,907	914,305	554,154	849,682	1,133,619	1,139,698	1,322,411
Investment earnings	30,374	50,924	84,248	150,219	203,734	129,251	50,802	378,644	2,245,931	3,540,017
Developer contribution	662,463	834,922	840,852	500,000	3,525,000	459,011	1,139,456	18,056,228	3,005,000	1,000,000
Grants	-	-	-	-	-	-	-	-	-	-
Miscellaneous	50,729	123,836	21,422	132,982	503,220	394,954	797,329	833,310	889,708	831,538
Total revenues	18,044,016	17,671,091	18,969,752	21,277,010	26,910,024	21,623,652	28,218,530	46,838,148	35,241,381	36,358,342
Expenditures:										
General government	4,187,109	5,040,926	4,982,816	5,026,069	5,203,742	5,742,688	6,000,598	6,330,899	6,986,278	7,935,962
Public safety	6,110,890	6,484,618	5,929,379	6,140,275	6,596,510	6,999,460	7,286,884	7,191,216	7,511,217	8,197,362
Solid waste	610,333	615,626	613,849	610,507	682,978	697,872	695,588	718,066	748,468	753,536
Road and streets	924,503	977,257	948,261	1,154,994	1,290,374	1,112,096	1,099,784	1,102,699	3,009,325	3,238,635
Recreation, arts & culture	347,056	328,956	405,336	314,807	416,337	286,594	84,589	58,737	1,157,141	2,424,898
Tourism development	3,523,612	3,373,729	3,317,701	3,593,659	3,510,355	2,275,996	1,853,605	3,447,643	1,460,109	1,962,802
Capital outlay	50,975	362,101	31,581	627,704	1,807,579	1,966,352	2,405,753	11,371,017	11,833,506	2,203,808
Debt service:										
Principal	-	266,861	330,309	660,052	80,718	93,024	38,594	44,785	58,349	91,395
Interest	-	95,699	110,772	13,869	7,591	5,601	4,027	3,757	3,543	1,882
Total expenditures	15,754,478	17,545,773	16,670,004	18,141,936	19,596,184	19,179,683	19,469,422	30,268,819	32,767,936	26,810,280
Excess (deficiency) of revenue over expenditures	2,289,538	125,318	2,299,748	3,135,074	7,313,840	2,443,969	8,749,108	16,569,329	2,473,445	9,548,062
Other financing sources (uses):										
C Bonds issued/ lease	-	29,527	31,581	-	-	-	-	59,936	18,859	85,523
Transfers in	125,000	314	-	18,722	13,449	89,600	-	-	-	-
Transfers out	(65,000)	(314)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	60,000	29,527	31,581	18,722	13,449	89,600	-	59,936	18,859	85,523
Net change in fund balance	\$ 2,349,538	\$ 154,845	\$ 2,331,329	\$ 3,153,796	\$ 7,327,289	\$ 2,533,569	\$ 8,749,108	\$ 16,629,265	\$ 2,492,304	\$ 9,633,585
Debt service expenditures as a % of noncapital expenditures	0.0%	2.2%	2.7%	4.0%	0.5%	0.6%	0.3%	0.3%	0.3%	0.4%

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
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
2022	2021	9,769,187	1,793,918	5,931,450	17,494,555
2023	2022	10,707,645	1,992,170	5,775,431	18,475,246
2024	2023	11,976,316	1,997,991	5,659,962	19,634,269

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
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
2022	11,809,852	2,244,936	3,623,795	1,800,933	1,133,619	310,407	777,228	18,056,228	39,756,998
2023	12,952,055	953,644	4,215,547	2,000,330	1,139,698	1,756,643	830,421	3,005,000	26,853,338
2024	14,226,583	1,847,694	3,823,269	2,232,677	1,322,411	2,831,062	806,353	1,000,000	28,090,049

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
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%
2022	4,943,014,024	644,559,447	75,770,056	125,262,853	5,788,606,380	525,530,237	5,263,076,143	1.9654	90.92%
2023	5,619,165,383	804,786,659	85,946,837	168,164,818	6,678,063,697	903,861,821	5,774,201,876	1.9654	86.47%
2024	7,223,782,431	922,520,409	99,768,954	194,860,787	8,440,932,581	2,160,099,225	6,280,833,356	1.9654	74.41%

(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 2023

	Market Assessed <u>Value</u>	Taxable Assessed <u>Value</u>	<u>Rank</u>	Percentage of Total Taxable <u>Assessed Value</u>
St. Regis Hotel and Condominiums (Seldar)	\$ 1,098,278,213	\$ 1,097,278,213	1	17.69%
Oceana	1,077,462,428	1,076,312,428	2	17.35%
One Bal Harbour /Ritz Carlton Complex	630,953,378	629,198,378	3	10.14%
Bal Harbour Shops Complex	311,767,865	311,767,865	4	5.03%
The Majestic Complex	310,470,716	308,240,716	6	4.97%
Balmoral Complex	290,694,949	286,874,949	5	4.62%
Bal Harbour Tower Complex	268,376,211	266,356,211	7	4.29%
Harbour House Complex	263,928,564	261,947,097	8	4.22%
Bal Harbour 101	223,652,345	220,707,345	9	3.56%
Bellini	186,643,355	185,338,355	10	2.99%
Total	\$ 4,662,228,024	\$ 4,644,021,557		74.86%

Notes:

- a. The ten properties with the highest assessed values comprise 74.86% of the total taxable value for the Village as a whole.
- b. 35.04% of the percent of total taxable value for 2023, is within 2 of the 10 highest taxable value.
- c. 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
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%	3,661	7,193,762	86.14%
2017	8,715,056	838,213	7,876,843	7,876,843	90.38%	318,776	8,195,619	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%
2022	10,166,564	339,717	9,826,847	9,514,720	93.59%	254,467	9,769,187	96.09%
2023	11,014,124	232,938	10,781,186	10,289,091	93.42%	418,554	10,707,645	97.22%
2024	12,374,630	647,498	11,727,132	11,552,109	93.35%	424,207	11,976,316	96.78%

**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%, Committed:*

BAL HARBOUR VILLAGE, FLORIDA

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

Fiscal Years Ended September 30,	Tax Roll Year	Direct Rate	Overlapping Rates											Total Direct & Overlapping Rates
		Village	School District	State			Miami-Dade County		Special Districts					
		Operating and Total Millage	Operating Millage/Voted Operating	Debt Service Millage	Everglades Project	South Florida Water Management District	Okeechobee Basin	Florida Inland Navigation District	Operating Millage	Debt Service Millage	Children's Trust	Fire & Rescue	Fire Debt	
2015	2014	2.0611	7.775	0.1990	0.0548	0.1577	0.1717	0.0345	4.6669	0.4500	0.5000	2.4207	0.0114	18.5028
2016	2015	1.9654	7.413	0.1990	0.0506	0.1459	0.1586	0.0320	4.6669	0.4500	0.5000	2.4207	0.0086	18.0107
2017	2016	1.9654	7.138	0.1840	0.0471	0.1359	0.1477	0.0320	4.6669	0.4000	0.5000	2.4207	0.0075	17.6452
2018	2017	1.9654	6.774	0.2200	0.0441	0.1275	0.1384	0.0320	4.6669	0.4000	0.4673	2.4207	0.0075	17.2638
2019	2018	1.9654	6.504	0.2290	0.0417	0.1209	0.1310	0.0320	4.6669	0.4644	0.4415	2.4207	-	17.0175
2020	2019	1.9654	7.025	0.1230	0.0397	0.1152	0.1246	0.0320	4.6669	0.4780	0.4680	2.4207	-	17.4585
2021	2020	1.9654	6.936	0.1930	0.038	0.1103	0.1192	0.0320	4.6669	0.4780	0.4507	2.4207	-	17.4102
2022	2021	1.9654	6.829	0.1800	0.0365	0.1061	0.1146	0.0320	4.6669	0.5075	0.5000	2.4207	-	17.3587
2023	2022	1.9654	6.424	0.1650	0.0327	0.0948	0.1026	0.0320	4.6202	0.4853	0.5000	2.3965	-	16.8185
2024	2023	1.9654	6.566	0.1330	0.0327	0.0948	0.1026	0.0288	4.574	0.4355	0.5000	2.3965	-	16.8293

Commit 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	Leases and SBITA	Outstanding Non-GO Bonds	Note Payable	Leases and SBITA					
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	5,012,759	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
2022	-	99,798	77,136	2,751,564	7,027,000	18,718	9,974,216	89,702	3.66%	3,037	3,284
2023	-	75,311	62,133	2,076,435	6,482,000	12,971	8,708,850	101,899	2.84%	3,035	2,869
2024	-	50,518	81,054	1,392,869	5,930,000	7,213	7,461,654	116,504	2.11%	3,021	2,470

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

Committed:

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)
2015	7,512,754	-	7,512,754	3,955,257,876	0.190%	2,877	2,611
2016	6,871,394	-	6,871,394	4,243,000,000	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
2022	2,851,362	-	2,851,362	5,263,076,143	0.054%	3,037	939
2023	2,151,746	-	2,151,746	5,774,201,876	0.037%	3,035	709
2024	1,443,387	-	1,443,387	6,280,833,356	0.023%	3,021	478

(1) Population & Income Estimates from the 2023 US Census AmericanCommunity Survey.

BAL HARBOUR VILLAGE, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT – UNAUDITED
SEPTEMBER 30, 2024

	Debt Outstanding	Percentage Applicable to Bal Harbour Village (1)	Share of Direct & Overlapping Debt
Jurisdiction			
Direct			
Bal Harbour Village	\$ 131,572	100.00%	\$ 131,572
Overlapping:			
Miami-Dade Board of County Commissioners (2)	20,388,432,000	1.48%	301,748,794
Miami-Dade County School Board (3)	3,119,262,000	1.23%	38,366,923
Subtotal, overlapping debt	23,507,694,000		340,115,716
Total direct and overlapping	\$ 23,507,825,572		\$ 340,247,288

Notes:

(1) Based on ratio of assessed taxable value obtained from Miami-Dade County Property Appraiser 2024 roll.

(2) Source: Miami-Dade County 2023 ACFR..

(3) Source: Miami-Dade County School Board 2024 ACFR.

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

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
2015	\$ 295,314	\$ -	\$ 837,058	\$ 1,132,372	\$ 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
2022	399,286	-	743,904	1,143,190	770,886	1.48	0.00
2023	447,574	-	735,467	1,183,041	762,142	1.55	0.00
2024	434,316	-	726,924	1,161,240	753,289	1.54	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 (a)			Total (d)	Per Capita (e)
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	3,093	2,701,767	334,400	4.9%	215,170,731	69,567
2022	3,037	2,662,777	329,337	2.3%	272,424,974	89,702
2023	3,035	2,673,837	335,725	2.5%	309,263,465	101,899
2023 (f)	3,021	2,774,841	337,112	2.9%	351,958,584	116,504

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 2024 – UNAUDITED

Employer	2024			2015		
	Employees	Rank	Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	34,765	1	2.49%	31,000	1	2.35%
Miami-Dade County	29,495	2	2.11%	24,692	2	1.87%
University of Miami, Inc	22,566	3	1.62%	13,864	5	1.05%
Federal Government	19,200	4	1.37%	19,300	3	1.47%
Florida State Gov't	17,100	5	1.22%	19,200	4	1.46%
Jackson Health System	14,249	6	1.02%	8,163	8	0.62%
Publix Supermarket	14,146	7	1.01%			0.00%
American Airlines	11,297	8	0.81%	11,773	7	0.89%
Amazon	7,583	9	0.54%			
Florida International University	6,597	10	0.47%	4,951	9	0.38%
Baptist Health Systems of South FL	-	-	-	13,369	6	1.02%
City of Miami	-	-	-	3,820	10	0.29%
Total Labor Force Employment	1,396,943		12.67%	1,317,045		

Source: The Beacon Council, Miami, Florida, Most recent data available.
 Miami-Dade County Comprehensive Financial Report 2014-15.
 Miami-Dade County Public Schools Statistical Highlights 2023-24.

BAL HARBOUR VILLAGE, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM – UNAUDITED
LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
General government:										
Non-sworn personnel	48.5	48.5	49	49	53	53	54	56	89	64
Square miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles	.6 miles
Elections:										
Registered voters	1,724	1,612	1,732	1,855	1,855	1,426	2,139	2,207	2,194	2,012
Votes cast in last election	795	n/a	1,360	1,125	1,101	1,101	785	937	937	1,541
Ordinances prepared and adopted	8	6	8	11	14	9	8	5	8	11
Resolutions prepared and adopted	108	58	59	85	68	73	84	111	81	99
Commission minutes prepared/approved	15	15	15	15	13	12	14	13	13	13
Public safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn employees	25	25	25	25	24	24	25	27	26	28
Calls for service handled	5,822	7,373	7,628	6,554	7,239	2,913	2,976	3,073	3,074	3,821
Traffic accidents handled	268	171	168	136	136	123	150	182	152	155
Traffic citations/warnings issued	3,961	3,783	3,028	3,509	3,370	2,825	4,060	10,005	12,738	1,091
Part 1 crimes reported	110	95	87	82	90	99	121	139	170	185
Arrests	82	122	130	90	89	78	78	65	75	92
Building:										
Permits issued	1,149	951	1,101	1,416	1,382	1,007	1,283	1,474	1,572	1,235
Value of construction	\$ 320,670,729	\$ 44,154,727	\$ 69,946,011	\$ 62,116,337	\$ 95,880,509	\$ 112,808,867	\$ 86,901,861	\$ 121,713,950	\$ 133,825,763	\$ 239,979,811
Business tax receipts issued	253	194	277	291	251	221	208	257	219	199
Physical environment:										
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
Culture/recreation:										
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	1.48

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	26,818	26,818	17,286	17,286	17,286	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	1.48
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

REPORTING SECTION

BAL HARBOUR

- VILLAGE -



**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

RSM US LLP

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bal Harbour Village, Florida (the Village), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 31, 2025. Our report includes a reference to other auditors who audited the financial statements of the Bal Harbour Village Police Officers' Pension Plan. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

RSM US LLP

Fort Lauderdale, Florida
March 31, 2025

BAL HARBOUR

- VILLAGE -

**Bal Harbour Village, Florida
Management Letter in Accordance
With Chapter 10.550, *Rules of the
Florida Auditor General*, and
Independent Accountant's Report
on Compliance with Section 218.415,
*Florida Statutes***

Fiscal Year Ended September 30, 2024

**Management Letter in Accordance With
Chapter 10.550, Rules of the Florida Auditor General**

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

Report on the Financial Statements

We have audited the 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, 2024, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 31, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 31, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and Members of the Village Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
March 31, 2025

BAL HARBOUR
- VILLAGE -



**Independent Accountant's Report
on Compliance with Section 218.415, Florida Statutes**

RSM US LLP

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

We have examined Bal Harbour Village, Florida's (the Village) compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies* (the specified requirements) during the period October 1, 2023 to September 30, 2024. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Village complied, in all material respects, with the specified requirements during the period October 1, 2023 to September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the Village Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
March 31, 2025