

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025

VILLAGE OF KEY BISCAYNE
ISLAND PARADISE
1991
FLORIDA

VILLAGE OF KEY BISCAYNE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2025

Prepared By

The Finance Department

VILLAGE OF KEY BISCAYNE, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2025

		PAGES
I.	**INTRODUCTORY SECTION (UNAUDITED)**	
	Letter of Transmittal	i-iii
	Village Officials	iv
	Certificate of Achievement for Excellence in Financial Reporting	v
	Organizational Chart	vi
II.	**FINANCIAL SECTION**	
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis (Required Supplementary Information)	4-13
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
	Statement of Net Position	14
	Statement of Activities	15
	Fund Financial Statements:	
	Governmental Fund Financial Statements:	
	Balance Sheet	16
	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
	Statement of Revenues, Expenditures, and Changes in Fund Balances	18
	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
	Proprietary Fund Financial Statements:	
	Statement of Net Position	20
	Statement of Revenues, Expenses, and Changes in Net Position	21
	Statement of Cash Flows	22
	Fiduciary Fund Financial Statements:	
	Statement of Fiduciary Net Position	23
	Statement of Changes in Fiduciary Net Position	24
	Notes to the Basic Financial Statements	25-50
III.	**REQUIRED SUPPLEMENTARY INFORMATION (Other Than MD&A):**	
	Budgetary Comparison Schedule – General Fund	51
	Budgetary Comparison Schedule - Transportation Special Revenue Fund	52
	Budgetary Comparison Schedule - PROS Land Trust Special Revenue Fund	53
	Budgetary Comparison Schedule - Building Fund	54
	Notes to Budgetary Comparison Schedule	55
	Schedule of Changes in the Village's Net Pension Liability (Asset) and Related Ratios – Pension Trust Fund	56
	Schedule of Village Contributions – Pension Trust Fund	57
	Schedule of Investment Returns – Pension Trust Fund	58
	Schedule of Changes in Total OPEB Liability and Related Ratios	59
IV.	**SUPPLEMENTARY INFORMATION:**	
	Budgetary Comparison Schedule – Capital Improvements Fund	60

VILLAGE OF KEY BISCAYNE, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2025

		PAGES
V.	**STATISTICAL SECTION (UNAUDITED)**	
	Net Position by Component	61
	Changes in Net Position	62-63
	Fund Balances of Governmental Funds	64
	Changes in Fund Balances of Governmental Funds	65
	General Governmental Tax Revenues by Source	66
	Net Assessed Value and Estimated Actual Value of Taxable Property	67
	Property Tax Rates – Direct and Overlapping Governments	68
	Principal Property Taxpayers	69
	Property Tax Levies and Collections	70
	Ratios of Outstanding Debt by Type	71
	Ratios of General Bonded Debt Outstanding	72
	Direct and Overlapping Governmental Activities Debt	73
	Pledged Revenue Coverage	74
	Demographic and Economic Statistics	75
	Principal Employers	76
	Full-Time Equivalent City Government Employees by Function	77
	Operating Indicators by Function/Program	78
	Capital Asset Statistics by Function/Program	79
VI.	**COMPLIANCE SECTION**	
	Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	80
	Independent Auditors' Report on Compliance for the State Project, and on Internal Control Over Compliance Required by the Chapter 10.550, Rules of the Auditor General	81-82
	Schedule of Expenditures of State Financial Assistance	83
	Notes to Schedule of State Financial Assistance	84
	Schedule of Findings and Questioned Costs	85-86
	Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	87-88
	Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes	89

I. INTRODUCTORY SECTION

Village Council
Joe I. Rasco, *Mayor*
Oscar Sardiñas, *Vice Mayor*
Michael F. Bracken
Franklin H. Caplan
Edward London
Nancy Stoner
Fernando A. Vazquez

Village Manager
Steven C. Williamson

June 30, 2026

To the Honorable Mayor, Members of the Village
Council and Citizens of the Village of Key Biscayne:

Florida Statutes require that all units of local government publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States and in accordance with Government Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby present the Annual Comprehensive Financial Report (ACFR) of the Village of Key Biscayne for the fiscal year ended September 30, 2025.

This report consists of management's representation concerning the finances of the Village of Key Biscayne. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this Report. To provide a reasonable basis for making these representations, management of the Village of Key Biscayne has established a comprehensive internal framework that is designed both to protect the Village's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Key Biscayne's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village of Key Biscayne'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.

The firm of Caballero, Fierman, Llerena, & Garcia, LLP, licensed certified public accountants, has audited the Village of Key Biscayne's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the Village of Key Biscayne for the fiscal year ended September 30, 2025 are free of material misstatements.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village of Key Biscayne's financial statements for the fiscal year ended September 30, 2025 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village of Key Biscayne's MD&A can

88 West McIntyre Street • Key Biscayne, Florida 33149 (305) 365-5511 • www.keybiscayne.fl.gov
MISSION STATEMENT: "TO PROVIDE A SAFE, QUALITY COMMUNITY ENVIRONMENT FOR ALL ISLANDERS THROUGH RESPONSIBLE GOVERNMENT."

be found immediately following the independent auditors' report.

Profile of the Government
The Village of Key Biscayne, incorporated in 1991, is located on the southernmost barrier island of the United States, Miami-Dade County, Florida approximately 7.5 miles off the coast of Miami, Florida. The Village of Key Biscayne occupies a land area of 1.25 square miles situated between Crandon Park and Bill Baggs State Recreation Area. The Village serves a population of more than 14,500. The Village of Key Biscayne receives tax levies on real and personal property located inside its boundaries.

The Village of Key Biscayne operates under the council-manager form of government. Policymaking and legislative authority are vested in a governing council consisting of the mayor and six other council members. The Council is responsible for, among other things, passing ordinances and resolutions, adopting the annual budget, appointing the Village Manager, the Village Clerk, and the Village Attorney. The Village Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the daily operations of the government, and for appointing the heads of various departments.

The Village of Key Biscayne offers a wide range of services, including police: fire and emergency medical service: public works; a full-service building, planning and zoning department; parks and recreation activities; solid waste collection; and a comprehensive storm water management system. Certain other services are provided through the Miami Dade County Public Schools and through Miami-Dade County. The County provides library, water and sewer, and public transportation, among other services.

The annual budget serves as a foundation for the Village of Key Biscayne's financial planning and control. All departments of the Village are required to submit requests for appropriations to the Village Manager and these requests are the initiation of developing the proposed budget. The Village Manager then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the Village's fiscal year. The appropriated budget is prepared by fund and department. No department may legally expend in excess of the amount appropriated for that department within an individual fund. The Village Manager may make transfers of appropriations within a department. Transfers of appropriations between departments or funds require the approval of the Village Council. The Village Council approves supplemental appropriations. An annual appropriated budget is adopted for the General Fund, the Transportation Special Revenue Fund, the PROS Land Trust Special Revenue Fund, the Capital Improvements Fund, and the Building Fund. Budget to actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. The general fund, budget to actual report, is presented in the required supplementary information section of this report.

Local Economy
The Village of Key Biscayne enjoys a favorable economic environment and local indicators point to continued future stability. This exclusive community is comprised of well-educated and involved citizens who take a genuine interest in the social, business, cultural and governing aspects of their Village. The Village is comprised of affluent exclusive residential housing stock and shopping centers. There is no industrial area in the community.

Expenditures / Long-Term Financial Planning
The Village utilizes a comprehensive living projection five years into the future to assess revenue trends and expenditure needs to assure a balanced stable financial program avoiding millage rate increases while addressing the various goals and objectives of the community. Additionally, the Village has modified its 5-Year Capital Plan by prioritizing needs based on its expected available resources determined by its 5-Year financial forecast. This effort is also identifying capital purchases that will be needed to continue its critical core public safety services, as well as other departmental needs.

Financial Policies
The Village of Key Biscayne has policies on Debt Limitation, Emergency Reserve Funds and Commitments and Assignments of surplus funds. The allocation of surplus funds between Committed and Assigned fund balance is made at the discretion of the Village Council. Other externally restricted funds are noted as Restricted.

Awards and Acknowledgements
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Key Biscayne for its Annual Comprehensive Financial Report (ACFR) for the fiscal

year ended September 30, 2024. This was the thirty-second consecutive year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of all departments of the Village of Key Biscayne. We would like to express our appreciation to all members of all of the departments who assisted and contributed to the preparation of this report. Appreciation is also extended to the Mayor and the Village Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Key Biscayne's finances.

Respectfully submitted,

Steven C. Williamson
Village Manager

Benjamin L. Nussbaum, CPA
Chief Financial Officer

88 West McIntyre Street • Key Biscayne, Florida 33149 (305) 365-5511 • www.keybiscayne.fl.gov

VILLAGE OF KEY BISCAYNE, FLORIDA

VILLAGE OFFICIALS

AS OF SEPTEMBER 30, 2025

VILLAGE COUNCIL

Joe I. Rasco, Mayor
Oscar Sardiñas, Vice Mayor

Michael F. Bracken, Councilmember
Franklin H. Caplan, Councilmember
Edward London, Councilmember
Nancy Stoner, Councilmember
Fernando A. Vazquez, Councilmember

VILLAGE MANAGER

Steven C. Williamson

VILLAGE CLERK

Jocelyn B. Koch

VILLAGE ATTORNEY

Weiss Serota Helfman Cole + Bierman, PL.

CHIEF FINANCIAL OFFICER

Benjamin L. Nussbaum, CPA, CGMA, CPPT

INDEPENDENT AUDITORS

Caballero Fierman Llerena & Garcia, LLP

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Key Biscayne
Florida

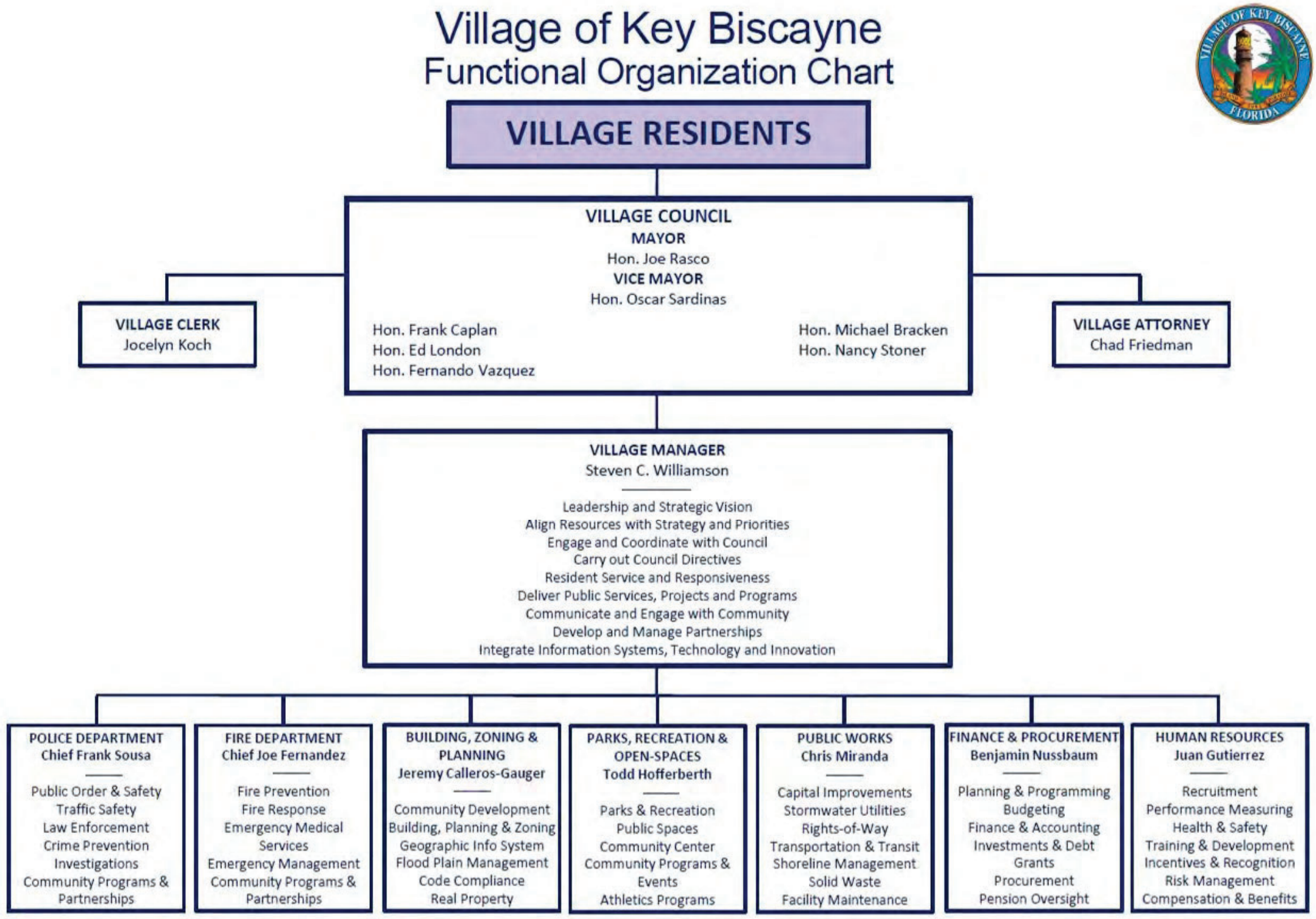
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024



Executive Director/CEO

Village of Key Biscayne
Functional Organization Chart



II. FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

CFLG Accountants Advisors

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Village Council and Village Manager
Village of Key Biscayne, Florida

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

8950 SW 74th Court I Suite 1210 I Miami, FL 33156
T: 305.662.7272 I F: 305.662.4266 I CFLGCPA.COM

- 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 on pages 4–13, the budgetary comparison information on pages 51–55, and the required supplementary information for the pension trust fund and Other Post-Employment Benefits on pages 56–59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 budgetary comparison schedule for the capital improvements fund and schedule of expenditures of state financial assistance, as required by Chapter 10.550, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and is 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 budgetary comparison schedule for the capital improvements fund, and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

8950 SW 74th Court **I** Suite 1210 **I** Miami, FL 33156
T: 305.662.7272 **I F:** 305.662.4266 **I CFLGCPA.COM**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2026

8950 SW 74th Court **I** Suite 1210 **I** Miami, FL 33156
T: 305.662.7272 **I F:** 305.662.4266 **I CFLGCPA.COM**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The Management's Discussion and Analysis of the Village of Key Biscayne, Florida (the Village), is intended to provide an overview and analysis of the Village's financial position and changes in financial position for the fiscal year ended September 30, 2025. We encourage readers to consider information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i-iii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Village of Key Biscayne exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year, resulting in a net position balance of $140,843,308 an increase of $6,350,937, or 5%.

- At the close of the current fiscal year, the Village's governmental activities reported an ending net position of $136,052,401, an increase of $7,023,442, or 5% in comparison with the prior year.

- In the General Fund, revenues and other financing sources exceeded expenditures by $6,873,343.

Overview of the Financial Statements
This discussion and analysis is intended to serve as an introduction to the Village of Key Biscayne's basic financial statements. The Village of Key Biscayne's basic financial statements comprise three components:
1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary and other information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village of Key Biscayne's finances, in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the Village of Key Biscayne that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the Village of Key Biscayne include general government, public works, police, fire, parks and recreation and building, zoning and planning.

The government-wide financial statements include only the Village of Key Biscayne itself (known as the *primary government*).

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Key Biscayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village of Key Biscayne has three fund categories: governmental funds, proprietary funds and a fiduciary fund.

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

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

The Village of Key Biscayne maintains five governmental funds: the general fund; and three special revenue funds, one for Transportation, one for Parks Recreation Open Space (PROS) Land Trust, one for Building Department activities; and a Capital Improvement Projects Fund.

The Village of Key Biscayne adopts an annual appropriated budget for its general fund and the transportation special revenue fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 to 19 of this report.

Proprietary Funds. The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its Stormwater and Solid Waste Collection operations. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs and operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village has one Fiduciary fund, its Pension Trust Fund for police officers and firefighters. Other Village employees participate in a defined contribution plan, which is not part of the Village's financial statements.

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the basic financial statements. The notes provide additional information that is ***essential*** to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-50. The notes should always be read in conjunction with the financial statements themselves because they contain relevant, useful, and expanded information that cannot always be communicated on the face of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including budgetary comparisons and the Village's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees.

Required supplementary information can be found on pages 51-59 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Key Biscayne, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $140,843,308 at the close of the most recent fiscal year.

The portion of the Village's net position that reflects its net investment in capital assets (e.g., land and equipment) is $87,976,838. The Village of Key Biscayne uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Net Position

A Summary of the Village's Net Position is presented in Table A-1 and a Summary of the Changes in Net Position is presented in Table A-2.

Table A - 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	$ 62,976,986	$ 48,984,011	$ 6,901,366	$ 4,498,740	69,878,352	$ 53,482,751
Capital assets, net	95,889,843	95,093,583	4,962,074	5,318,012	100,851,917	100,411,595
Total Assets	158,866,829	144,077,594	11,863,440	9,816,752	170,730,269	153,894,346
Deferred Outflows of Resources	8,330,855	11,794,955	--	--	8,330,855	11,794,955
Current liabilities	6,941,803	4,943,325	1,021,296	578,691	7,963,099	5,522,016
Noncurrent liabilities	9,575,356	14,623,150	6,051,237	3,774,649	15,626,593	18,397,799
Total Liabilities	16,517,159	19,566,475	7,072,533	4,353,340	23,589,692	23,919,815
Deferred Inflows of Resources	14,628,124	7,277,115	--	--	14,628,124	7,277,115
Net investment in capital assets	89,493,037	87,688,395	(1,516,199)	1,543,363	87,976,838	89,231,758
Restricted	4,720,082	4,391,608	--	--	4,720,082	4,391,608
Unrestricted	41,839,282	36,948,956	6,307,106	3,920,049	48,146,388	40,869,005
Total Net Position	$ 136,052,401	$ 129,028,959	$ 4,790,907	$ 5,463,412	$ 140,843,308	$ 134,492,371

As demonstrated in Table A-1, Summary of Net Position, the Village's Net Position increased by $6,350,937. Of the Village's total net position of $140,843,408, $87,976,838 represents the net investment in capital assets, $4,720,082 is restricted (primarily comprised of $2,551,171 for open space land trust, $116,164 for law enforcement, and $2,052,747 for building and zoning), and $41,146,388 is unrestricted and available to meet the Village's ongoing service delivery needs and financial obligations. The unrestricted component grew by $7.3million, or 5%, compared to the prior year, and now stands at 34% of total net position.

Net Position (continued)

Table A - 2
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ 6,292,590	$ 5,646,313	$ 3,284,674	$ 3,091,612	$ 9,577,264	$ 8,737,925
Operating grants and contributions	140,357	674,874	--	--	$ 140,357	$ 674,874
Capital grants and contributions	2,561,221	953,140	--	67,624	$ 2,561,221	$ 1,020,764
General revenues:						
Property taxes	31,355,838	30,091,060	--	--	$ 31,355,838	$ 30,091,060
Utility taxes	2,849,775	2,745,059	--	--	$ 2,849,775	$ 2,745,059
Communications services tax	779,678	745,421	--	--	$ 779,678	$ 745,421
Franchise fees	1,497,300	1,489,255	--	--	$ 1,497,300	$ 1,489,255
Unrestricted intergovernmental revenue	4,124,095	4,053,945	--	--	$ 4,124,095	$ 4,053,945
Investment income and miscellaneous	2,769,520	2,910,347	251,668	344,939	$ 3,021,188	$ 3,255,286
Total Revenues	52,370,374	49,309,414	3,536,342	3,504,175	55,906,716	52,813,589
Transfers	2,077,500	1,389,941	(2,077,500)	(1,389,941)	--	--
Total General Revenues, Contributions, and Transfers	54,447,874	50,699,355	1,458,842	2,114,234	55,906,716	52,813,589
Expenses						
General government	4,359,649	3,372,196	--	--	$ 4,359,649	$ 3,372,196
Public Safety	22,009,636	18,209,652	--	--	$ 22,009,636	$ 18,209,652
Parks and Recreation	8,332,529	4,388,042	--	--	$ 8,332,529	$ 4,388,042
Public Works	9,852,058	14,886,946	--	--	$ 9,852,058	$ 14,886,946
Building, Zoning and Planning	2,767,280	1,948,013	--	--	$ 2,767,280	$ 1,948,013
Interest on long-term debt	103,280	132,606	--	--	$ 103,280	$ 132,606
Stormwater	--	--	1,155,291	1,003,258	$ 1,155,291	$ 1,003,258
Solid waste collection	--	--	976,056	950,820	$ 976,056	$ 950,820
Total Expenses	47,424,432	42,937,455	2,131,347	1,954,078	$ 49,555,779	$ 44,891,533
Change in Net Position before transfers	4,945,942	6,371,959	1,404,995	1,550,097	6,350,937	7,922,056
Transfers	2,077,500	1,389,941	(2,077,500)	(1,389,941)	--	--
Changes in Net Position	7,023,442	7,761,900	(672,505)	160,156	6,350,937	7,922,056
Net Position, Beginning	129,028,959	121,267,059	5,463,412	5,303,256	134,492,371	126,570,315
Net Position - Ending	$ 136,052,401	$ 129,028,959	$ 4,790,907	$ 5,463,412	$ 140,843,308	$ 134,492,371

Governmental activities generated total revenues of $52.4 million in fiscal year 2025, an increase of $3.1 million, or 6.3%, compared to $49.3 million in the prior year. Property taxes remained the dominant revenue source at $31.4 million, representing 57.6% of total governmental revenues and increasing $1.3 million, or 4.2%, driven by growth in taxable assessed values across the Village despite a reduction in the millage rate from 3.1245 to 2.9794 mills.

Charges for services increased $646,277, or 11%, to $6.3 million, reflecting the utilization of community center programs, higher fire transport fee collections, and increased zoning and site plan review activity.

Capital grants and contributions rose to $2.6 million from $953,140 in the prior year, a 169% increase, reflecting grant reimbursements associated with the Village's beach renourishment and resiliency infrastructure initiatives. Investment income and miscellaneous revenues declined by $140,827, or 5%, as the Federal Reserve's benchmark rate decreased throughout fiscal year 2025, though rates remained at historically elevated levels relative to prior years.

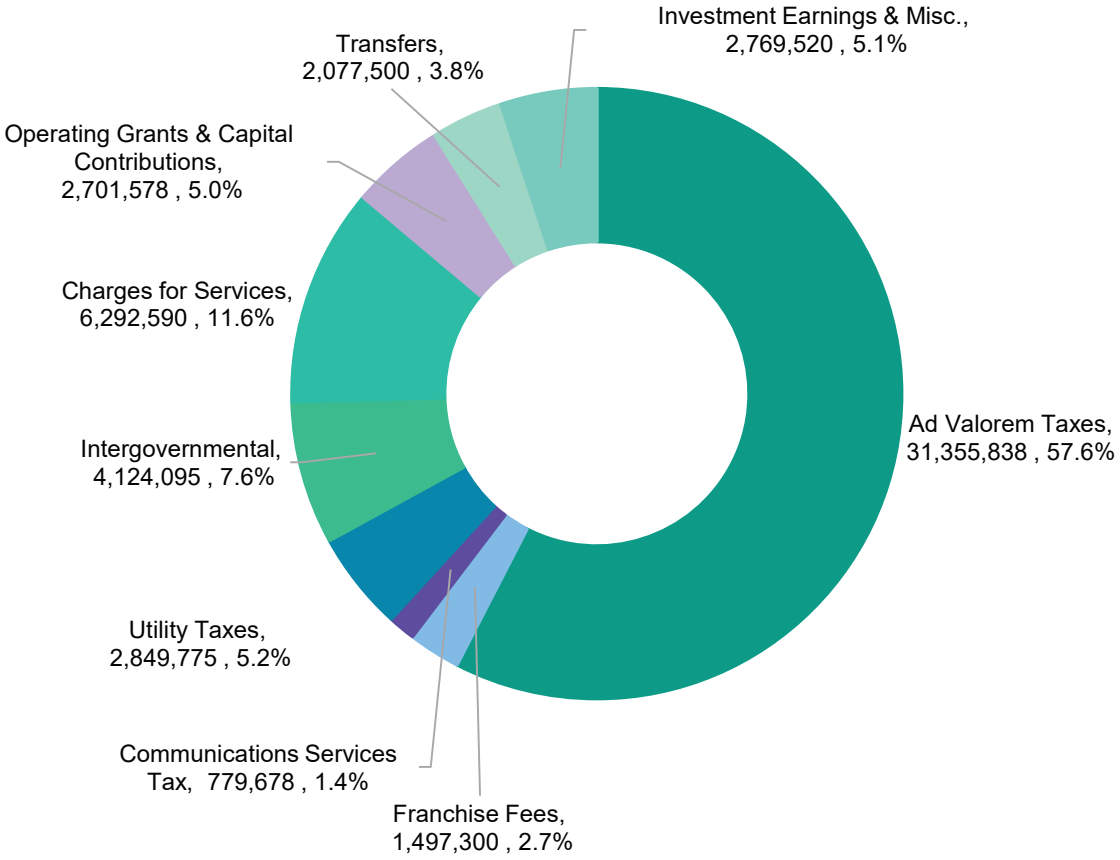
Total governmental expenses were $47.4 million in fiscal year 2025, an increase of $4.5 million, or 10%, compared to $42.9 million in fiscal year 2024 primarily due to one-time capital projects and changes in personnel costs.

Public Safety remained the largest expense category at $22 million (46% of total governmental expenses), increasing $3.8 million (21%) year over year. The growth was driven by IT costs related to the implementation of a new dispatch and records management system, combined with higher personnel costs and capital outlays for replacement vehicles and equipment, including a fire truck and cardiac monitors.

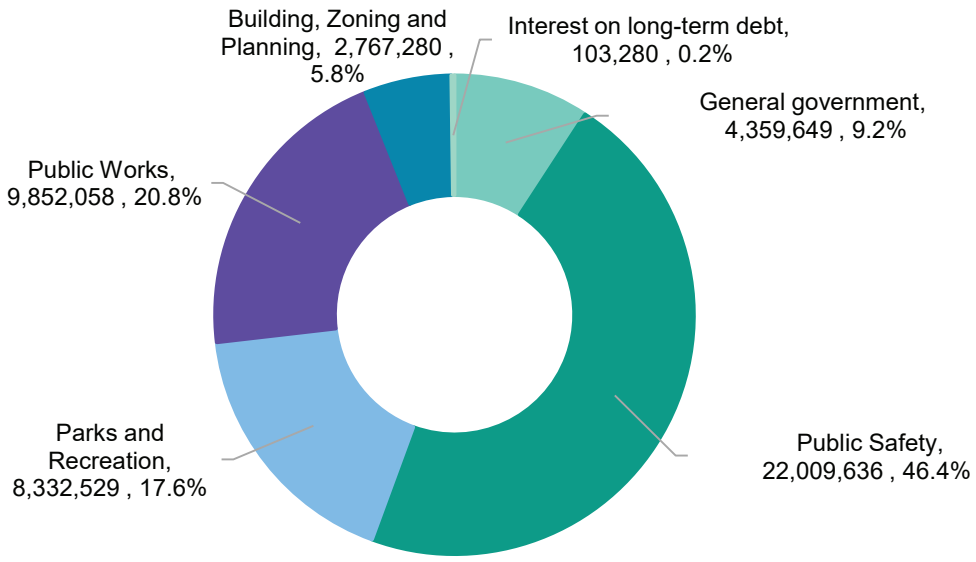
Parks and Recreation expenses increased $3.9 million, or 90%, to $8.3 million, primarily due to capital improvement projects, including the installation of turf at the St. Agnes athletic field and the replacement of playground and basketball equipment.

Public Works expenses decreased $5.0 million, or 34%, to $9.9 million, primarily reflecting the transition of the Village's Resilient Infrastructure Program Strategy and Integrated Implementation Plan from its planning phase which was substantially completed and expensed in fiscal year 2024. The decline also reflects the non-recurrence of beach renourishment costs incurred in fiscal year 2024 that were not required in fiscal year 2025.

Revenues by Source - Governmental Activities



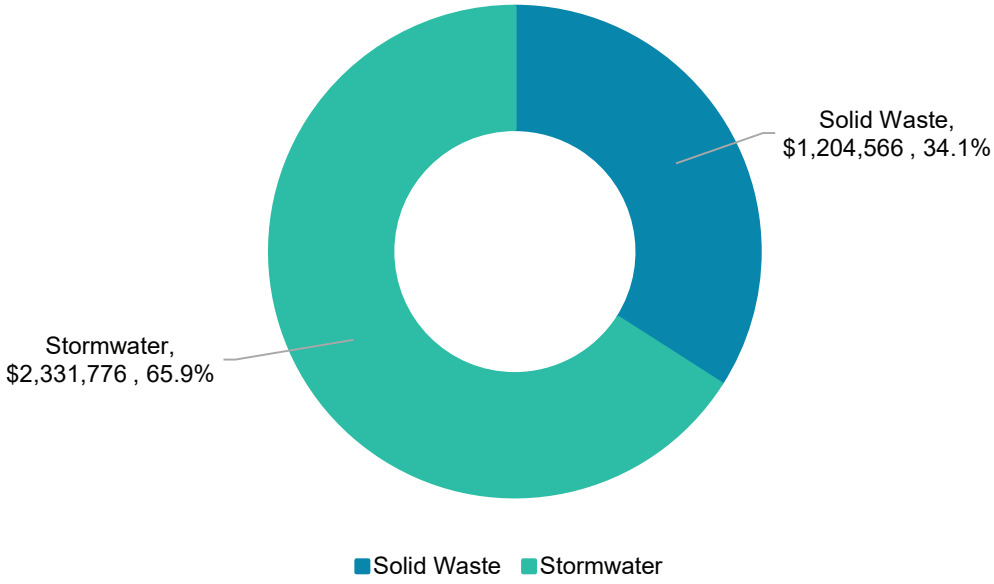
Expenses - Governmental Activities



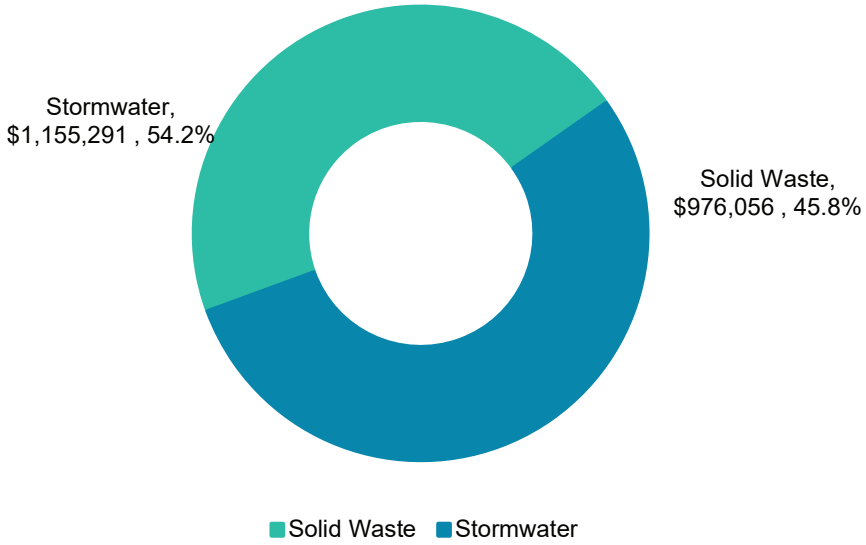
Business-type Activities

Business-type activities decreased the Village's net position by $672,505. Stormwater Utility System Fund Net Position decreased by $901,015. The Fund transferred $2,077,500 into the Capital Improvement Fund to subsidize a portion of the Resilient Infrastructure, Integration Strategy & Implementation Plan. The Solid Waste fund increased its Net Position by $228,510 due to an increase in bank interest and the continued collection efforts of past due amounts. The pie charts below illustrate the various sources of revenues and expenditures of the business-type activities:

Revenues by Source - Business-Type Activities



Expenses - Business-Type Activities



Governmental funds. The focus of the Village of Key Biscayne's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

At the end of the current fiscal year, fund balance of the General Fund was $31,869,410. The change in fund balance in the General Fund increased approximately $2.33 million when compared to prior year due to the increase in ad-valorem, utilities taxes, and communication services taxes.

The Village's Assigned and Committed General Fund balances, amount to $31.2 million, or roughly 81% of the fiscal year 2025 General Fund expenditures.

A summary of the general fund's balance sheet and statement of revenues, expenditures and changes in fund balance is presented in Table B-1 and B-2 for September 30, 2025 and 2024, is as follows:

Table B-1
Summary of General Fund Balance Sheet

	2025	2024
Total Assets	$ 35,240,795	$ 31,928,330
Total Liabilities	$ 3,371,385	$ 2,388,763
Fund Balance		
Nonspendable	582,789	187,849
Restricted	116,164	70,966
Committed	4,300,000	4,000,000
Assigned	26,870,457	25,280,752
Total Fund Balance	31,869,410	29,539,567
Total Liabilities and Fund Balance	$ 35,240,795	$ 31,928,330

Table B-2
Summary of General Fund Statement of
Revenues, Expenditures and Changes in Fund Balances

	2025	2024
Total Revenues	$ 45,368,366	$ 44,099,613
Total Expenditures	38,495,023	36,605,925
Excess of Revenues over Expenditures	6,873,343	7,493,688
Total Other Financing Sources (Uses)	(4,543,500)	(5,843,341)
Change in Fund Balance	$ 2,329,843	$ 1,650,347

Overall, total General Fund revenues in fiscal year 2025 were $45,368,366, an increase of $1,268,753, compared to fiscal year 2024 amount of $44,099,613, or 2.9%. This was primarily due to an increase in ad valorem revenue. Expenditures totaled $38,495,023 for fiscal year 2025, an increase of $1,889,098, or 5.2%, compared to fiscal year 2024 amount of $36,605,925 due to a rise in personnel costs.

The Transportation Special Revenue Fund was established to account for the construction and future maintenance of the Village's roadways, and transit services. The local option gas tax funds maintenance and debt service. The transportation surtax revenue funds transit services and transportation projects. In fiscal year 2025, the Transportation Fund reported an ending balance of $2,337,232, an increase of $18,388, or 0.8%, from the prior year balance of $2,318,844.
The increase reflects growth in intergovernmental revenues, partially offset by higher transit operating costs for the Freebee transportation service and a budgeted transfer of $250,000 to the Capital Improvement Fund. Fiscal year 2025 marked the final payment and full retirement of the Transportation Tax Revenue Refunding Bonds, Series 2011, eliminating all remaining debt within the fund.

The Parks, Recreation, and Open Space (PROS) Land Trust Fund was established for use in acquiring parks and recreational lands for parks and open space purposes. The fund receives 1% of all ad-valorem revenue. At the end of fiscal year 2025, the PROS Land Trust Fund shows a fund balance of $5,691,401.

The Capital Improvement Fund historically receives an annual budgeted transfer of surplus funds from the General Fund to pay for capital improvements. Fiscal year 2025 received net transfers in of $6,996,000. The Fund reflected a fund balance of $7,596,237, which was made up of various projects detailed in the annually adopted Capital Improvement Plan. Most projects customarily span a five-year period while others are revolving. Additional detail regarding these projects is described in the Capital Asset section below.

The Building Fund was established to account for the costs and enforcement of the Florida Building Code. At September 30, 2025, the Building Fund reported an ending balance of $2,052,747, an increase of $283,276, or 16.0%, from the prior year balance of $1,769,471. Total revenues of $2,577,824 were funded primarily by licenses and permit fees of $2,435,362, representing 94.5% of total revenues, reflecting continued strong building and permitting activity across the Village.

General Fund Budgetary Highlights

The General Fund had a favorable $4,569,943 to actual performance, representing additional revenues over expenditures, but before operating transfers out to other funds. Notable highlights were:

Revenues
Interest revenue exceeded budget by $828,368, or 64.1%, due to higher than expected interest rates. Although the Federal Reserve's benchmark rate decreased throughout fiscal year 2025, rates remained at historically elevated levels

Charges for services revenues were $299,416, or 10.6%, higher than budgeted revenues due to increased usage of community center services, increasing collection of fire transport fees, and increased zoning and site plan review activity.

Expenditures
General Fund total governmental expenditures were $2,225,991, or 5.5%, below budget, with Public Works accounting for $875,626 of the savings as several roadway and facility maintenance projects were deferred to prioritize other projects.

Capital Assets

As of September 30, 2025, the Village's capital assets, net of accumulated depreciation, amounted to $100,851,917 compared to $100,411,595 for the prior year.

Additional information on the Village's capital assets can be found in Note 6 on pages 36-37 of this report.

Debt Administration

At September 30, 2025, the Village had bonded debt outstanding of $12,653,273 (composed of $6,175,000 in governmental activities and $6,478,273 of business-type activities) compared to $11,179,837 as of September 30, 2024.

Additional information on the Village's long-term debt can be found in Note 7 on pages 37-40 of this report.

Economic Factors and Risks

The businesses that exist on the island are generally supportive retail operations or those related to tourism. While tourism activity contributes to local economic conditions, the Village's revenues are anchored in residential property taxes, which represented 68.4% of General Fund revenues in fiscal year 2025. The Village's millage rate for fiscal year 2025 and fiscal year 2024 is 2.9794 and 3.1245, respectively.

The Village of Key Biscayne is located on the island of Key Biscayne and is just east of the City of Miami. Because of its low elevation, it is a greater risk of storm surge from hurricanes and also for rising ocean levels.

Approximately 30% of the Village's residents are under 18, compared to just 19% statewide. Meanwhile, parents aged 35-55 make up the next largest age group at 32%. The median household income is $181,505 and the median home value is $1,575,300. The median rent expense is greater than $3,500 monthly. More than 73% of residents over 25 hold a bachelor's degree or higher, and 47% of households earn over $200,000 annually.

With more residents and visitors, demand for public infrastructure and services has increased. The Village's roads, parks, bike lanes, sidewalks, and public facilities are all experiencing heavier use. Additionally, residents rely on essential services like police, fire, and the building department, while community programs and facilities, such as those offered by the Community Center, continue to see high participation.

The Village has 7,381 workers, with about 55% of them driving alone to work. The average travel time to work is 23.7 minutes. Most workers who live in the Village work elsewhere. Sixty-two percent of the workers are white collar, and the unemployment rate was 2.3%. Seventy percent of the population is of Hispanic origin and 24% is White, not Hispanic or Latino.

Undiversified Tax Base and limits on homestead property growth. The Village's tax base is roughly 95% residential and 5% commercial. This makes the Village exposed to movements in the residential property markets. Further, 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. 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.

Labor and Economic Pressures. Inflation and broader economic uncertainty continue to drive increases in personnel costs, materials, and contracted services. The Village addresses these pressures through budget reviews and ongoing evaluation of service delivery efficiencies.

Reliance upon Intergovernmental Revenue. The Village received $4.1 million in revenue from other governments during fiscal year 2025, or about 9.1% of General Fund total revenues. Since the Village does not directly control the assessment 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. The Village has the capacity to raise its tax rates to more than offset the loss of these other governmental revenues.

Environmental Risks. The Village is located on an island between Biscayne Bay 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, hurting tourism and reducing property values. The Village is concerned with rising sea levels. Sea levels are increasing, and we are concerned about the impact to our island. Mitigating the impact to sea level rise could have a considerable financial impact on the Village and its property owners. Additionally, demand for property that would be adversely affected by rising sea levels may be reduced, affecting the Village's tax base. The Village is actively implementing its resiliency program, including utility undergrounding, beach nourishment, and the Zone 1 roadway and stormwater improvements currently under construction, funded in part by the General Obligation bond referendum approved by voters in November 2020.

Requests for Information

This financial report is designed to provide a general overview of the Village of Key Biscayne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Village Manager, 88 West McIntyre Street, Key Biscayne, Florida, 33149.

BASIC FINANCIAL STATEMENTS

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash	$ 51,511,099	$ 6,814,023	$ 58,325,122
Receivables, net	2,217,954	87,343	2,305,297
Prepaid items	582,789	-	582,789
Net pension asset	8,557,996	-	8,557,996
Restricted assets:			
Cash	40,448	-	40,448
Investments	66,700	-	66,700
Capital assets not being depreciated	42,371,826	-	42,371,826
Capital assets being depreciated, net	53,518,017	4,962,074	58,480,091
Total assets	158,866,829	11,863,440	170,730,269
DEFERRED OUTFLOWS OF RESOURCES			
Pension	8,266,955	-	8,266,955
Other post employment benefits (OPEB)	63,900	-	63,900
Total deferred outflows of resources	8,330,855	-	8,330,855
LIABILITIES			
Accounts payable and accrued liabilities	4,397,337	594,260	4,991,597
Unearned revenue	474,790	-	474,790
Noncurrent liabilities:			
Due within one year:			
Compensated absences	930,467	-	930,467
Subscription	106,577	-	106,577
OPEB liability	31,632	-	31,632
Debt, including bonds and loans payable	1,001,000	427,036	1,428,036
Due in more than one year:			
Compensated absences	3,691,226	-	3,691,226
Subscription	115,229	-	115,229
Debt, including bonds and loans payable	5,174,000	6,051,237	11,225,237
OPEB liability	594,901	-	594,901
Total liabilities	16,517,159	7,072,533	23,589,692
DEFERRED INFLOWS OF RESOURCES			
Pension	14,332,459	-	14,332,459
Other post employment benefits (OPEB)	295,665	-	295,665
	14,628,124	-	14,628,124
NET ASSETS			
Net investment in capital assets	89,493,037	(1,516,199)	87,976,838
Restricted for:			
Building and zoning	2,052,747	-	2,052,747
Law enforcement	116,164	-	116,164
Open space land trust	2,551,171	-	2,551,171
Unrestricted	41,839,282	6,307,106	48,146,388
Total net position	$ 136,052,401	$ 4,790,907	$ 140,843,308

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 4,359,649	$ 175,501	$ -	2,365,670	$ (1,818,478)	$ -	$ (1,818,478)
Police	10,930,899	37,525	-	-	(10,893,374)	-	(10,893,374)
Fire	11,078,737	108,301	-	-	(10,970,436)	-	(10,970,436)
Public works	9,852,058	-	-	195,551	(9,656,507)	-	(9,656,507)
Building, zoning and planning	2,767,280	2,842,069	-	-	74,789	-	74,789
Parks and recreation	8,332,529	3,129,194	140,357	-	(5,062,978)	-	(5,062,978)
Interest on long-term debt	103,280	-	-	-	(103,280)	-	(103,280)
Total governmental activities	47,424,432	6,292,590	140,357	2,561,221	(38,430,264)	-	(38,430,264)
Business-type activities:							
Stormwater	1,155,291	2,136,061	-	-	-	980,770	980,770
Solid waste	976,056	1,148,613	-	-	-	172,557	172,557
Total business-type activities	2,131,347	3,284,674	-	-	-	1,153,327	1,153,327
	$ 49,555,779	$ 9,577,264	$ 140,357	$ 2,561,221	$ (38,430,264)	$ 1,153,327	$ (37,276,937)
General revenues:							
Property taxes					$ 31,355,838	$ -	$ 31,355,838
Franchise fees based on gross receipts					1,497,300	-	1,497,300
Utility taxes					2,849,775	-	2,849,775
Communications services tax					779,678	-	779,678
Unrestricted intergovernmental revenue					4,124,095	-	4,124,095
Unrestricted investment earnings					2,493,001	251,668	2,744,669
Miscellaneous					276,519	-	276,519
Transfers					2,077,500	(2,077,500)	-
Total general revenues and transfers					45,453,706	(1,825,832)	43,627,874
Change in net position					7,023,442	(672,505)	6,350,937
Net position, beginning of year					129,028,959	5,463,412	134,492,371
Net position, end of year					$ 136,052,401	$ 4,790,907	$ 140,843,308

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Transportation Special Revenue	PROS Land Trust Special Revenue	Capital Improvements	Building	Total Governmental Funds
ASSETS						
Cash	$ 32,875,658	$ 2,152,460	$ 5,691,401	$ 8,586,907	$ 2,204,673	$ 51,511,099
Receivables, net	1,675,200	260,507	-	282,247	-	2,217,954
Prepaid items	582,789	-	-	-	-	582,789
Restricted cash	40,448	-	-	-	-	40,448
Restricted investments	66,700	-	-	-	-	66,700
Total assets	$ 35,240,795	$ 2,412,967	$ 5,691,401	$ 8,869,154	$ 2,204,673	$ 54,418,990
LIABILITIES						
Accounts payable and accrued liabilities	$ 2,896,595	$ 75,735	$ -	$ 1,272,917	$ 151,926	$ 4,397,173
Unearned revenue	474,790	-	-	-	-	474,790
Total liabilities	3,371,385	75,735	-	1,272,917	151,926	4,871,963
FUND BALANCES						
Non-spendable	582,789	-	-	-	-	582,789
Restricted	116,164	-	2,551,171	-	2,052,747	4,720,082
Committed	4,300,000	-	3,140,230	-	-	7,440,230
Assigned	26,870,457	2,337,232	-	7,596,237	-	36,803,926
Total fund balances	31,869,410	2,337,232	5,691,401	7,596,237	2,052,747	49,547,027
Total liabilities and fund balances	$ 35,240,795	$ 2,412,967	$ 5,691,401	$ 8,869,154	$ 2,204,673	$ 54,418,990

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

Fund balances - total governmental funds (Page 16)	$	49,547,027
Amounts reported for governmental activities in the Statement of Net Position are different as a result of:		
Capital assets used in governmental activities are financial resources and therefore are not reported in the governmental funds.		95,889,843
Long-term liabilities, including accrued interest payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Long term debt		(6,175,000)
Subscription		(221,806)
Accrued interest payable		(164)
Compensated absences		(4,621,693)
Other post-employment benefit (OPEB)		(626,533)
Pension		8,557,996
Deferred inflows/outflows of resources reported in the statement of net position: period and therefore are not reported in the governmental funds.		
Other post-employment benefit (OPEB)		(231,765)
Pension		(6,065,504)
Net position of governmental activities (Page 14)	$	136,052,401

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General	Transportation Special Revenue	PROS Land Trust Special Revenue	Capital Improvements	Building	Total Governmental Funds
REVENUES:						
Property taxes	$ 31,042,282	$ -	$ 313,556	$ -	$ -	$ 31,355,838
Utility taxes	2,849,775	-	-	-	-	2,849,775
Communications services tax	779,678	-	-	-	-	779,678
Franchise fees	1,497,300	-	-	-	-	1,497,300
Licenses and permits	370,296	-	-	-	2,435,362	2,805,658
Intergovernmental	3,079,739	1,214,560	-	-	-	4,294,299
Charges for services	3,113,316	-	-	-	44,744	3,158,060
Interest	2,121,306	103,623	268,072	-	96,893	2,589,894
Grants	329,739	152,312	-	2,098,726	-	2,580,777
Miscellaneous income	184,935	-	-	-	825	185,760
Total revenues	45,368,366	1,470,495	581,628	2,098,726	2,577,824	52,097,039
EXPENDITURES:						
Current:						
General government	4,343,702	962,757	-	-	-	5,306,459
Fire	10,005,543	-	-	-	-	10,005,543
Police	10,234,799	-	-	-	-	10,234,799
Public works	5,340,955	-	-	1,096,676	-	6,437,631
Zoning and planning	541,508	-	-	-	2,105,107	2,646,615
Parks and recreation	6,497,607	-	-	-	-	6,497,607
Capital outlay	345,753	-	-	5,705,008	-	6,050,761
Debt Service:						
Principal	1,095,067	237,187	-	-	53,413	1,385,667
Interest and fiscal charges	90,089	2,163	-	-	11,028	103,280
Total expenditures	38,495,023	1,202,107	-	6,801,684	2,169,548	48,668,362
Excess (Deficiency) of revenues over expenditures	6,873,343	268,388	581,628	(4,702,958)	408,276	3,428,677
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	6,996,000	-	6,996,000
Transfers out	(4,543,500)	(250,000)	-	-	(125,000)	(4,918,500)
Total other financing sources and uses	(4,543,500)	(250,000)	-	6,996,000	(125,000)	2,077,500
Net change in fund balances	2,329,843	18,388	581,628	2,293,042	283,276	5,506,177
Fund balances, beginning of the year	29,539,567	2,318,844	5,109,773	5,303,195	1,769,471	44,040,850
Fund balances, end of year	$ 31,869,410	$ 2,337,232	$ 5,691,401	$ 7,596,237	$ 2,052,747	$ 49,547,027

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Amounts reported for governmental activities in the statement of activities are different as a result of:	
Net change in fund balances - total governmental funds (Page 18)	$ 5,506,177
Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Expenditures for capital outlays	6,050,761
Less current year depreciation	(4,903,292)
Amounts reported as capital outlay not included in capital assets (not capitalized)	(345,753)
The net effect of miscellaneous transactions involving capital asset disposal	(5,456)
The issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Debt payments and related items	1,385,667
Some expenses reported in the statement of activities do not require current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(670,333)
Other post-employment benefit (OPEB)	5,054
Pension	617
Change in net position of governmental activities (Page 15)	$ 7,023,442

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Stormwater Utility System	Solid Waste	Totals
ASSETS			
Current assets:			
Cash	$ 5,676,336	$ 1,137,687	$ 6,814,023
Accounts receivable, net	59,139	28,204	87,343
Total current assets	5,735,475	1,165,891	6,901,366
Noncurrent assets:			
Capital assets being depreciated, net	4,962,074	-	4,962,074
Total noncurrent assets	4,962,074	-	4,962,074
Total assets	10,697,549	1,165,891	11,863,440
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	517,593	76,667	594,260
Total current liabilities	517,593	76,667	594,260
Noncurrent liabilities:			
Revenue bonds payable	6,478,273	-	6,478,273
Total noncurrent liabilities	6,478,273	-	6,478,273
Total liabilities	6,995,866	76,667	7,072,533
NET POSITION			
Net investment in capital assets	$ (1,516,199)	$ -	$ (1,516,199)
Unrestricted	5,217,882	1,089,224	6,307,106
Total net position	$ 3,701,683	$ 1,089,224	$ 4,790,907

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Stormwater Utility System	Solid Waste	Totals
Operating revenues:			
Charges for services	$ 2,136,061	$ 1,148,613	$ 3,284,674
Total operating revenues	2,136,061	1,148,613	3,284,674
Operating expenses:			
General and administrative	736,957	976,056	1,713,013
Depreciation	355,938	-	355,938
Total operating expenses	1,092,895	976,056	2,068,951
Operating income	1,043,166	172,557	1,215,723
Non-operating revenues (expenses):			
Interest income	195,715	55,953	251,668
Interest expense	(62,396)	-	(62,396)
Total non-operating revenues (expenses)	133,319	55,953	189,272
Gains before contributions and transfers	1,176,485	228,510	1,404,995
Transfers out	(2,077,500)	-	(2,077,500)
Change in net position	(901,015)	228,510	(672,505)
Net position, beginning of year	4,602,698	860,714	5,463,412
Net position, end of year	$ 3,701,683	$ 1,089,224	$ 4,790,907

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Stormwater Utility System	Solid Waste	Total
Cash flows from operating activities			
Receipts from customers and users	$ 2,076,922	$ 1,120,409	$ 3,197,331
Payments to suppliers	(724,439)	(973,005)	(1,697,444)
Net cash provided by operating activities	1,352,483	147,404	1,499,887
Cash flows from non-capital financing activities			
Transfers out	(2,077,500)	-	(2,077,500)
Net cash used in non-capital financing activities	(2,077,500)	-	(2,077,500)
Cash flows from capital and related financing activities			
Proceeds from Clean Water State Revolving Fund loan	3,120,855	-	3,120,855
Payment on long term debt	(417,231)	-	(417,231)
Interest and fees paid on long term debt	(62,396)	-	(62,396)
Net cash provided by capital and related financing activities	2,641,228	-	2,641,228
Cash flows from investing activities:			
Interest and other income	195,715	55,953	251,668
Net cash provided by investing activities	195,715	55,953	251,668
Net increase in cash	2,111,926	203,357	2,315,283
Cash, beginning of year	3,564,410	934,330	4,498,740
Cash, end of year	$ 5,676,336	$ 1,137,687	$ 6,814,023
Reconciliation of operating income/loss to net cash provided by operating activities:			
Operating income	$ 1,043,166	$ 172,557	$ 1,215,723
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	355,938	-	355,938
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable, net	(59,139)	(28,204)	(87,343)
Increase (decrease) in:			
Accounts payable and accrued liabilities	12,518	3,051	15,569
Total adjustments	309,317	(25,153)	284,164
Net cash provided by operating activities	$ 1,352,483	$ 147,404	$ 1,499,887

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
SEPTEMBER 30, 2025

ASSETS	
Cash	$ 11,907
Prepaid and other assets	1,807
Investments	
Money market funds	503,792
Mutual funds	70,588,626
Mutual funds held in the Share Plan	767,152
Mutual funds held in the DROP	957,414
Guaranteed interest fund held in the DROP	29,302
Guaranteed interest fund held in the Share Plan	56,497
Total investments	72,902,783
Receivables	
Accrued interest	1,785
Due from State	167,159
Total receivables	168,944
Total assets	73,085,441
LIABILITIES	
Accounts payable and accrued liabilities	18,262
Total liabilities	18,262
NET POSITION	
Net position restricted for pensions	$ 73,067,179

See notes to basic financial statements.

VILLAGE OF KEY BISCAYNE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

ADDITIONS	
Contributions:	
Plan members	$ 877,019
Village (including State)	1,682,376
Total contributions	2,559,395
Investment income:	
Net appreciation in fair value of investments	7,846,560
Net appreciation in fair value of investments (Share and DROP)	84,404
Interest and dividends	1,237,231
	9,168,195
Less: investment expenses	(45,232)
Net investment income	9,122,963
Total additions	11,682,358
DEDUCTIONS	
Benefits paid	2,941,504
DROP distributions	2,424,366
Share Plan distributions	222,025
Refund of participant contributions	33,198
Administrative expense	100,519
Total deductions	5,721,612
Change in net position	5,960,746
Net position restricted for pensions, beginning of year	67,106,433
Net position restricted for pensions, end of year	$ 73,067,179

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Key Biscayne, Florida (the "Village"), located in Miami-Dade County, is a political subdivision of the State of Florida. The Village, which was incorporated in 1991, operates under a Council-Manager form of government. In addition to the general government function, the Village provides its residents with public works, public safety (police and fire), parks and recreation, building, zoning and planning functions, sanitation and stormwater management. The Village does not provide educational or hospital facilities; those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. Revenue collected for sport programs by the community center are recognized as revenue when collected. 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:

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

Transportation Special Revenue Fund - The Transportation Special Revenue Fund accounts for the restricted revenues received from the transportation surtax and expenditures restricted for related transportation costs.

Parks and Recreational Open Space ("PROS") Land Trust Special Revenue Fund - The Parks and Recreational Open Space ("PROS") Land Trust Special Revenue Fund accounts for the restricted resources received for the acquisition of parks and recreational lands.

Capital Improvement Fund – The Capital Improvement Fund accounts for the acquisition or construction of various major capital projects.

Building Fund – The Building Fund accounts for the costs of enforcement of the Florida Building Code. The fund provides for the orderly processing of permits, performance of inspections in a timely and safe manner, and ensures that construction complies with the provisions of all applicable codes and ensures that all construction work has received building permits.

The Village reports the following major proprietary funds in the basic financial statements:

Stormwater Utility System Fund – The Stormwater Utility System Fund accounts for the construction and maintenance of the Village's stormwater system.

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

Additionally, the Village reports the following fiduciary fund types:

Pension Trust Fund – The Pension Trust Fund is used to account for the Village's single-employer defined benefit pension plan covering substantially all of its police officers and firefighters.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's stormwater utility, solid waste services and sanitary sewer construction funds are charges to customers for services. Operating expenses for enterprise funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position

1. Deposits and Investments

The Village's cash includes cash on hand; the certificates of deposit are included in investments. Substantially all other investments, including pension investments, are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Money market funds are reported at amortized cost.

The Village's and pension plan's investments are governed by their respective investment policies.

2. Interfund Receivables and Payables

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

3. 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 program expenditures/expenses are incurred. Allowances, if any, for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

4. Prepaids

Prepaids represent goods and services which are paid for in one period but benefit a future period. Prepaids are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. Prepaids for governmental fund types are reported as an asset of the fund with a corresponding amount recorded as non-spendable fund balance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (continued)

5. Capital Assets

Capital assets, which include property, plant and equipment, intangible and infrastructure assets (e.g., utility plant, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Tangible and intangible capital assets are defined by the Village as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. All infrastructure assets have been capitalized since inception of the Village.

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

Intangible assets consist of computer software, which was capitalized as an asset in prior years, and right of ways. The Village elected not to retroactively report all intangible assets.

The Village records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

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

Assets	Years
Buildings	25-50
Improvements other than buildings	10-50
Furniture, fixtures and equipment	10
Stormwater utility system	50
Sanitary sewer system	19

6. ***Unearned/Unavailable Revenue***

Unavailable revenue is recorded for governmental fund revenues that are not both measurable and available. The Village does not have any unavailable revenue at fiscal year-end. In addition, inflows that do not yet meet the criteria for revenue recognition, such as community center membership dues collected in advance, are recorded as unearned revenue in the government-wide and the fund financial statements. Business tax receipts collected in advance are classified as an unearned revenue in the government-wide and fund level financial statements.

7. ***Compensated Absences***

It is the Village's policy to permit employees to accumulate within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from Village service. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, a liability is recorded only for vacation and sick leave payouts for employee separations that occurred prior to fiscal year end and were subsequently paid with current available financial resources. The general fund typically is used to liquidate the liability for compensated absences.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (continued)

8. ***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as 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 as incurred.

9. ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports within its government-wide statement of net position, deferred outflows and deferred inflows related to the Village of Key Biscayne Police Officers and Firefighters Retirement Plan as a result of the net pension liability associated with the Plan measured as of September 30, 2023.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the government-wide statement of net position the Village reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of the Village of Key Biscayne Police Officers and Firefighters Retirement Plan and the Village's Other Post-Employment Benefits ("OPEB"). The amounts will be amortized over a five-year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable.

10. ***Fund Balance***

The Village follows accounting standards for fund balance reporting and governmental fund type definitions which establish criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The Village's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned. The Village reports the following classifications:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (continued)

10. ***Fund Balance (continued)***

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

Assigned fund balance. Assigned fund balances are amounts that are constrained by the 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. There is no formal policy which has been established by Council delegating this authority. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for the 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. The Village, based on its charter, is not permitted to have unassigned/unreserved fund balance in the general fund. See Note 8 for the detail of the amounts included in the various fund balance classifications.

11. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Village's capital assets reduced by accumulated depreciation and by any outstanding debt and deferred inflows/outflows incurred to acquire, construct or improve those assets, and also reduced by unexpended proceeds. Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows/outflows and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

13. Flow Assumptions

Fund Balance Flow Assumption
Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed and assigned fund balance). In order to calculate the amounts to report as restricted, committed and assigned 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (continued)

13. Flow Assumptions (continued)

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

E. Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Management has evaluated all leases and has concluded that it is immaterial to the financial statements. Therefore, the Lease and related disclosures have been excluded from these financial statements.

The Village recognizes subscription-based information technology arrangements (SBITAs) in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). At the commencement of a subscription term, the Village recognizes a subscription liability and an intangible right-to-use subscription asset for SBITAs with subscription terms greater than twelve months. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset is measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the commencement of the subscription term and certain implementation costs. The effect of the changes incorporated in the Village's 2025 financial statements are described in Note 7.

F. Implementation of New Accounting Principles

During the fiscal year ended September 30, 2025, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by requiring that liabilities for leave be recognized for leave that has not been used and for which the government has an obligation to pay employees. The Statement also establishes guidance for measuring the liability using the pay rates in effect as of the financial statement date and requires that certain salary-related payments associated with the payment of compensated absences be included in the measurement of the liability.

The implementation of GASB Statement No. 101 did not result in a significant change in the total liability reported for compensated absences by the Village. Accordingly, no restatement of beginning net position/fund balance was required.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS - VILLAGE

The Village's investment policy follows the requirements of Florida Statutes Chapter 218.415, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. The Village's investment policy authorizes investments in direct obligations of the U.S. Government, its agencies or instrumentalities. The Village is also authorized to invest in SEC registered money market mutual funds, insured or fully collateralized deposits, repurchase agreements secured by direct obligations of the U.S. Government, and authorized intergovernmental investment pools. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed. The Village maintains a separate investment policy for its pension plan.

Interest Rate Risk
Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Village's investment policy limits the maturities on fixed income holdings in the general and special revenue funds to two years and capital projects funds shall not exceed the lesser of the anticipated expenditures schedule for five years.

Credit Risk
State law and the Village's investment policy limits investments in bonds, U.S. treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Village is currently not invested in any of these types of investments.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

INVESTMENTS– PENSION PLAN

For the Village of Key Biscayne Police Officers and Firefighters Retirement Plan, Florida statutes and the Plan's investment policy authorize the Trustees to invest funds in various investments. A Master Custodian Agreement is maintained whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent. The current target allocation of these investments are as follows:

	Effective December 20, 2020		Prior to December 20, 2020	
Authorized Investments	Target %	Allowable Range	Target %	Allowable Range
Large-cap	60.0%	50% - 65%	45.0%	35% - 55%
Mid-cap	0.0%	0% - 15%	10.0%	5% - 15%
Small-cap	0.0%	0% - 10%	5.0%	0% - 10%
International equity	15.0%	5% - 20%	15.0%	5% - 25%
Private real estate	0.0%	0%	5.0%	2% - 8%
Fixed income bonds	15.0%	7% - 30%	10.0%	7% - 15%
Cash and cash equivalents	10.0%	7% - 20%	10.0%	7% - 15%
Total	100.0%		100.0%	

As of September 30, 2025, the Village's Pension Plan had the following fixed income investments with the corresponding maturities in its portfolio:

		Investment Maturities (In Years)			
Investments	Fair Value	Less Than 1	1-5	6-10	10+
Bond Mutual Funds	$ 17,051,717	$ -	$ 17,051,717	$ -	$ -

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS– PENSION PLAN (continued)

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

Credit Risk
State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy limits fixed income securities to a rating no lower than Standard & Poor's BBB or Moody's BAA (high yield and foreign bonds are exempt).

The Plan's fixed income securities which are subject to a rating, were all rated "BBB" or better under Standard & Poor's ratings.

Concentration of Credit Risk
The Plan's investment policy prohibits equity and fixed income securities concentrations greater than 5% and 10%, respectively, in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2025, the value of each position held in the Plan's portfolio comprised less than 5% of fiduciary net position.

RISKS AND UNCERTAINTIES

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

FAIR VALUE HIERARCHY

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

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

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

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

The following is a description of the fair value techniques for the Plan's investments.

Level 1 and Level 2 prices are obtained from various pricing sources by the Plan's custodian bank.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes common stock, foreign stock, and mutual funds.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (continued)

The Plan invests in a core real estate fund, which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value ("NAV") based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies, which include pricing models, discounted cash flow models, market appraisals, and similar techniques.

At present the Plan does not value any of its investments using Level 2 or Level 3 inputs.

The following is a summary of the fair value hierarchy of the Plan investments as of September 30, 2025:

		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual funds	$ 17,051,717	$ 17,051,717	$ -	$ -
Mutual fund equities	53,536,909	53,536,909	-	-
Mutual funds (DROP)	957,414	957,414	-	-
Mutual funds (Share)	767,151	767,151	-	-
Total Investments at Fair Value	$ 72,313,191	$ 72,313,191	$ -	$ -
Investment Measured at Net Asset Value ("NAV")				
Money market funds (exempt)	503,793			
Guaranteed interest fund (exempt)	85,799			
Total investments	$ 72,902,783			

GUARANTEED INTEREST FUND

The Village's Deferred Retirement Option Program (See Note 10) and the Village of Key Biscayne Firefighters' Share Plan elected to offer a Guaranteed Interest Fund ("GIF") to each respective Plan's participants managed by Great-West Life & Annuity Insurance Company (Great-West). The contract value of each respective Plan's assets in the GIF in respect of the participant accounts is determined as the value of the sum of contributions and deposits by and on behalf of participants allocated to the GIF plus interest credited to the Plan's assets less the sum of any amounts distributed and transferred from the GIF, as well as charges and fees and applicable taxes, if any. The value of the GIF in the Deferred Retirement Option Program and the Village of Key Biscayne Firefighters' Share Plan as of September 30, 2025 was $29,302 and $56,497, respectively.

The GIF is a general account product. The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. Interest crediting rate is reset quarterly. The average yield earned by the plan for the benefit responsive fund can be derived by averaging the quarterly gross interest rates for the fund over the year. The average for 2025 was 1.41%. The actual average yield earned by the plan for this benefit responsive fund for 2025 was 1.41%.

Certain events limit the fund's ability to transact at contract value, including premature termination of the contracts by the plan, plant closings, layoffs, plan termination, bankruptcy, mergers, and early retirement incentives. No such events existed during the year. The contracts allows each respective Plan to terminate the contract if the Plan Sponsor notifies Great-West in writing of its contract termination option at least 60 calendar days before the contract termination date.

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2025 for the Village's individual major funds, including the allowances for uncollectible accounts, are as follows:

	General	Transportation Special Revenue	Capital Improvements	Stormwater Utility System	Solid Waste	Total
Customers billed	$ -	$ -	$ -	$ 59,139	$ 28,204	$ 87,343
Intergovernmental	1,675,200	260,507	282,247	-	-	2,217,954
Gross receivables	1,675,200	260,507	282,247	59,139	28,204	2,305,297
Less: Allowance for uncollectibles	-	-	-	-	-	-
Net Total Receivables	$ 1,675,200	$ 260,507	$ 282,247	$ 59,139	$ 28,204	$ 2,305,297

NOTE 4 – PROPERTY TAXES

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the Village is certified by the Property Appraiser and the Village levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1. The millage rate assessed by the Village for the fiscal year ended September 30, 2025 was 2.9794.

Property taxes levied each November 1, by the Village and all other taxing authorities within the County, are centrally billed and collected by Miami-Dade County, with remittances to the Village of their proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the Village for its share of those receipts. At September 30, 2025, there were no material delinquent taxes.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2025 is as follows:

Interfund transfers:

Transfers Out	Transfers In	Amount
General	Capital Improvements	$ 4,543,500
Transportation	Capital Improvements	250,000
Building	Capital Improvements	125,000
Stormwater	Capital Improvements	2,077,500
		$ 6,996,000

The transfer out from the general fund was made to fund additional capital items which include but are not limited to the purchase of public safety vehicles, installing a Village-wide security and surveillance system, and funding for beach restoration and renourishment. The transfer out from the transportation fund was for the Crandon Blvd. & Harbor Project. The transfer out from the building fund was for a building department office renovation project. The transfer out from the stormwater fund was for the Immediate Flood Control & Mitigation Project.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated nor amortized:				
Land	$ 28,126,518	$ -	$ -	$ 28,126,518
Construction in progress	10,471,457	4,355,213	(581,362)	14,245,308
Total capital assets, not being depreciated nor amortized	38,597,975	4,355,213	(581,362)	42,371,826
Capitals assets, being depreciated and amortized:				
Buildings	26,064,612	-	-	26,064,612
Improvements other than buildings	58,074,310	561,692	-	58,636,002
Furniture, fixtures and equipment	15,811,206	1,369,465	(1,352,112)	15,828,559
Sanitary sewer system	18,808,259	-	-	18,808,259
Intangible right-of-use software arrangements	702,410	-	-	702,410
Total capital assets, being depreciated and amortized	119,460,797	1,931,157	(1,352,112)	120,039,842
Less accumulated depreciation and amortization for:				
Buildings	(11,150,395)	(527,188)	-	(11,677,583)
Improvements other than buildings	(25,378,152)	(2,298,210)	-	(27,676,362)
Furniture, fixtures and equipment	(13,263,087)	(620,861)	1,346,656	(12,537,292)
Sanitary sewer system	(12,868,808)	(989,908)	-	(13,858,716)
Intangible right-of-use software arrangements	(304,747)	(467,125)	-	(771,872)
Total accumulated depreciation and amortization	(62,965,189)	(4,903,292)	1,346,656	(66,521,825)
Total capital assets, being depreciated and amortized, net	56,495,608	(2,972,135)	(5,456)	53,518,017
Governmental Activities, capital assets, net	$ 95,093,583	$ 1,383,078	$ (586,818)	$ 95,889,843
Business-type Activities:				
Capitals assets, being depreciated:				
Stormwater utility system	13,780,791	-	-	13,780,791
Total capital assets, being depreciated	13,780,791	-	-	13,780,791
Less accumulated depreciation for:				
Stormwater utility system	(8,462,779)	(355,938)	-	(8,818,717)
Total accumulated depreciation	(8,462,779)	(355,938)	-	(8,818,717)
Total capital assets, being depreciated, net	5,318,012	(355,938)	-	4,962,074
Business-type Activities, capital assets, net	$ 5,318,012	$ (355,938)	$ -	$ 4,962,074

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged as functions/programs of the primary government as follows:

Governmental Activities	
General Government	$ 70,927
Police	458,388
Fire	372,019
Public Works	2,865,022
Building, Zoning and planning	12,447
Parks and recreation	1,124,489
Total depreciation expense - governmental activities	$ 4,903,292
Business-type Activities	
Stormwater	$ 355,938
Total depreciation expense - business-type activities	$ 355,938

NOTE 7 – LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and Loans Payable					
Transportation tax revenue refunding bonds, Series 2011	$ 237,188	$ -	$ (237,188)	$ -	$ -
Capital improvement revenue refunding, Series 2021	6,643,000	-	(918,000)	5,725,000	926,000
Fire Equipment revenue bond, Series 2021	525,000	-	(75,000)	450,000	75,000
Total Bonds and Loans Payable	7,405,188	-	(1,230,188)	6,175,000	1,001,000
Other Liabilities					
Subscriptions	377,285	-	(155,479)	221,806	106,577
Other post-employment benefit (OPEB)	517,265	109,268	-	626,533	31,632
Compensated absences	3,951,360	4,103,860	(3,433,527)	4,621,693	930,467
Total Other Liabilities	4,845,910	4,213,128	(3,589,006)	5,470,032	1,068,676
Governmental Activities Long-Term Liabilities	$12,251,098	$ 4,213,128	$(4,819,194)	$11,645,032	$ 2,069,676

**Direct Borrowings

Long-term obligations related to governmental activities, including pension and OPEB, are generally liquidated from the general fund.

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Capital Improvement Revenue Bonds, Series 2021

In January 2021, the Village issued $11,238,000 of Capital Improvement Revenue Refunding Bond, Series 2021 for the purpose of refinancing the (a) Capital Improvement and Land Acquisition Revenue Refunding Bonds, Series 2011; (b) Capital Improvement Revenue Bonds, Series 2011B; (c) School Improvement Revenue Bonds, (d) Series 2012; School Improvement Revenue Bonds, Series 2014; (e) Sewer Improvement Revenue Bonds, Series 2016. The bonds require the Village to appropriate in its annual budget, by amendment, if necessary, from non-ad valorem revenues lawfully available in each fiscal year of the Village, amounts sufficient to pay the principal and interest due on the Bond in accordance with its terms. The refunding reduced total debt service payments by $918,000. This resulted in an economic gain of $758,147. The bond is payable in semi-annual payments over years beginning on October 1, 2021 at an interest rate of 1.235% per annum. The loan matures on October 1, 2032.

Debt service requirements to maturity are as follows:

Fiscal Year Ending	Principal	Interest	Total
2026	926,000	59,268	985,268
2027	931,000	47,770	978,770
2028	929,000	36,297	965,297
2029-2032	2,939,000	49,289	2,988,289
	$5,725,000	$ 192,624	$ 5,917,624

Fire Equipment Revenue Bonds, Series 2021

In May 2021, the Village entered into a bond agreement in the amount of $750,000 for financing the fire equipment and paying costs of issuance of the bond. The bond is secured by a covenant to budget and appropriate Non-Ad Valorem revenues of the Village, all as further specified by subsequent resolution of the Village Council. The loan is payable in semi-annual payments over eleven years beginning on October 1, 2021 at an interest rate of 1.764% per annum. The loan matures on October 1, 2030.

Debt service requirements to maturity are as follows:

Fiscal Year Ending	Principal	Interest	Total
2026	75,000	6,615	81,615
2027	75,000	5,292	80,292
2028	75,000	3,969	78,969
2029-2030	225,000	3,969	228,969
	$ 450,000	$ 19,845	$ 469,845

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Bonds Payable					
Stormwater utility refunding and improvement revenue bonds, Series 2016	$ 2,632,000	$ -	$ (417,231)	$ 2,214,769	$ 427,036
Clean Water State Revolving Fund	1,142,649	3,120,855	-	4,263,504	-
Long-Term Liabilities	$ 3,774,649	$ 3,120,855	$ (417,231)	$ 6,478,273	$ 427,036

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2016

On October 7, 2016, the Village issued $5,668,152 of Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2016 for the purpose of refunding the Village's Stormwater Utility Refunding and Improvement Revenue Bonds, Series 2013, which provided the financing of improvements and replacements of drainage wells and outfalls for the Village's Stormwater Utility System. The Village has pledged stormwater utility fees. Stormwater utility fees totaled $2,136,061 for the fiscal year ended September 30, 2025. The bonds bear interest on the outstanding balance from their date of issuance payable semi-annually every October 1st and April 1st, commencing April 1, 2017, at an interest rate equal to 2.35% per annum. The bond matures on October 1, 2030. Principal is paid annually on each October 1, commencing on October 1, 2014.

Debt service requirements to maturity are as follows:

Fiscal Year Ending	Principal	Interest	Total
2026 *	-	52,591	52,591
2027	427,036	42,556	469,592
2028	437,072	32,285	469,357
2029-2030	1,350,661	32,784	1,383,445
	$ 2,214,769	$ 160,216	$ 2,374,985

* Debt service payment due on October 1, 2025 approximating $417,231 in principal was paid during fiscal year ended September 30, 2025.

Clean Water State Revolving Fund Loan, 2023

In May 2023, the Village entered into a loan agreement with the State of Florida Department of Environmental Protection for an up to $870,000 Planning loan from the Clean Water State Revolving Fund Loan Program to fund the Planning phase of the Village's Resilient Infrastructure Program Strategy and Integrated Implementation Plan. The loan is payable in semi-annual payments over 10 years in the amount of $50,341 beginning September 15, 2024 and ends on March 15, 2034. The loan is secured by the Village's Stormwater utility revenues and accrues interest at 2.29%. In February 2024, the Village entered into an amendment of the loan to add additional design activities not to exceed $3,492,980. Semi annual loan payments start April 15, 2026.

Revenue Bonds – Default Terms

In the event of default of payment of principal or interest with respect to the insured bonds when all or a portion becomes due, any registered owner of the insured bonds may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the bonds then outstanding. Certain bond obligations also provide that registered owners of the insured bonds may declare all payments of principal and accrued interest to be immediately due and payable, whereupon the same shall become immediately due and payable.

State Revolving Loan – Default Terms

In the event of default, the State of Florida Department of Environmental Protection (the Department) may accelerate the Village's repayment schedule or increase the interest rate by as much as 3% per annum on the unpaid principal of the loan. The Department may also notify the Village's financial market credit rating agencies and terminate future commitments to provide additional loans. The Department may pursue any available remedy by suit for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Subscriptions

In July 2022, the Village entered into a 5-year subscription-based information technology arrangement for public safety related software. The Village has used a 6.25% discount to determine the present value of the intangible right-to-use asset and SBITA liability. $103,279 has been recorded as intangible right-to-use software arrangement and $60,246 as accumulated amortization in capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for software met the criteria of a SBITA; thus, requiring it to be recorded by the Village as an intangible asset and a SBITA liability. The software arrangement will end in fiscal year 2028.

In June 2022, the Village entered into a 3-year subscription-based information technology arrangement for budgeting solution software. The Village has used a 6.25% discount to determine the present value of the intangible right-to-use asset and SBITA liability. $74,633 has been recorded as intangible right-to-use software arrangement and $74,633 as accumulated amortization in capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for software met the criteria of a SBITA; thus, requiring it to be recorded by the Village as an intangible asset and a SBITA liability. The software arrangement ended in fiscal year 2025.

In August 2022, the Village entered into a 5-year subscription-based information technology arrangement for permit software. The Village has used a 6.25% discount to determine the present value of the intangible right-to-use asset and SBITA liability. $285,688 has been recorded as intangible right-to-use software arrangement and $171,413 as accumulated amortization in capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for software met the criteria of a SBITA; thus, requiring it to be recorded by the Village as an intangible asset and a SBITA liability. The software arrangement will end in fiscal year 2027.

In September 2022, the Village entered into a 3-year subscription-based information technology arrangement for citizen engagement API software. The Village has used a 6.25% discount to determine the present value of the intangible right-to-use asset and SBITA liability. $36,751 has been recorded as intangible right-to-use software arrangement and $36,751 as accumulated amortization in capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for software met the criteria of a SBITA; thus, requiring it to be recorded by the Village as an intangible asset and a SBITA liability. The software arrangement ended in fiscal year 2025.

In September 2023, the Village entered into a 3-year subscription-based information technology arrangement for strategy software. The Village has used an 8.50% discount to determine the present value of the intangible right-to-use asset and SBITA liability. $59,856 has been recorded as intangible right-to-use software arrangement and $41,567 as accumulated amortization in capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for software met the criteria of a SBITA; thus, requiring it to be recorded by the Village as an intangible asset and a SBITA liability. The software arrangement will end in fiscal year 2026.

In November 2019, the Village entered into an 8-year subscription-based information technology arrangement for enterprise resource planning software. The Village has used a 6.25% discount to determine the present value of the intangible right-to-use asset and SBITA liability. $142,203 has been recorded as intangible right-to-use software arrangement and $82,516 as accumulated amortization in capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for software met the criteria of a SBITA; thus, requiring it to be recorded by the Village as an intangible asset and a SBITA liability. The software arrangement will end in fiscal year 2028.

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

Fiscal Year Ending	Principal	Interest	Total
2026	106,577	13,863	120,440
2027	115,229	7,202	122,431
	$ 221,806	$ 21,065	$ 242,871

NOTE 8 – FUND BALANCE CLASSIFICATIONS

As of September 30, 2025, fund balances in the governmental funds have been set aside for the following purposes. The Village, by its charter, cannot have any unassigned fund balance, therefore, many of the committed and assigned balances are established to fund current operations, such as working capital.

General Fund		
Nonspendable		
Prepaid items	$	582,789
Restricted		
Red light cameras		40,448
Law enforcement seizures		66,700
Parking fines		9,016
		116,164
Committed		
Emergencies		4,300,000
Assigned		
Compensated absences		2,419,035
Working capital (surplus)		24,451,422
		26,870,457
Total Fund Balance - General Fund	$	31,869,410
Transportation Special Revenue		
Assigned		
Transportation surtax	$	2,337,232
Total Fund Balance - Transportation Special Revenue	$	2,337,232
PROS Land Trust Special Revenue		
Restricted		
Open space land trust	$	2,551,171
Committed		
Open space land trust		3,140,230
Total Fund Balance - PROS Land Trust	$	5,691,401

NOTE 8 – FUND BALANCE CLASSIFICATIONS (CONTINUED)

Capital Improvements	
Assigned	
Capital improvements	$ 7,596,237
Total Fund Balance - Capital Improvements	$ 7,596,237
Building Fund	
Restricted	
Building permits	$ 2,052,747
Total Fund Balance - Building Fund	$ 2,052,747

NOTE 9 – DEFINED CONTRIBUTION PLANS

The Village, as a single-employer, contributes to the Village of Key Biscayne Money Purchase Plans, which are defined contribution plans created in accordance with Internal Revenue Code Section 401(a). The Plans are administered by a third party administrator. Under the first Plan, which is available to general employees, the Village contributes 12% and the employees contribute 6%. Under the second Plan, which is available only to the Village Manager, the Village contributes 12% and Village Manager contributions are not required. Under the third plan, which is available only to sworn or certified police officers and firefighters, there are currently no employee or employer contributions. Original participants still have vested funds deposited in the third Plan. Total employer contributions into the general employees and the Village Manager's plans were $747,641 and $30,342 for the fiscal year ended September 30, 2025, respectively. Amendments to the Plans must be authorized by the Village Council.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan Description

Effective October 1, 1997, the Village established the Village of Key Biscayne Police Officers and Firefighters Retirement Plan (a single-employer Public Employee Retirement System – "PERS") to provide pension benefits for its police officers and firefighters. The PERS is considered to be part of the Village's financial reporting entity and is included in the Village's financial reports as a pension trust fund. The Plan was created under Village Ordinance 97-21. The PERS is administered by a five-member Board of Trustees, comprised of two members appointed by Village Council, one member elected by/from the police officer members, one member elected by/from the firefighter members and the fifth member is chosen by the majority of the four Trustees and formally appointed by the Village Council. The latest available actuarial valuation is as of October 1, 2020. The PERS does not issue a publicly available stand-alone financial report for the Plan. The Plan received a favorable IRS determination letter dated September 12, 2014. Amendments to the Plan must be authorized by the Village Council.

Under this Plan, all full-time firefighters and police officers employed by the Village are eligible to participate. Prior to March 11, 2014 for firefighters and August 26, 2014 for police officers, the monthly retirement benefit was equal to 3% of the average final compensation for each year of service.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (continued)

As of March 11, 2014, the monthly retirement benefit for firefighters is equal to 3% of average final compensation for the first fifteen years of credited service; 4% of average final compensation for each year of credit service in excess of fifteen years; and 2.75% of average final compensation earned after March 10, 2014, and before October 1, 2017. After October 1, 2017, the monthly retirement benefit is equal to 3% of average final compensation for the remaining years of credited service.

As of August 26, 2014, the monthly retirement benefit for police officers is equal to 3% of average final compensation for each year of credited service earned before August 26, 2014 and 2.75% of average final compensation for each year of credit service earned after August 26, 2014. After October 1, 2017, the monthly retirement benefit is equal to 3% of average final compensation for each year of credited service. The calculation for the average final compensation is computed as one-twelfth of the average salary of the five highest years within the last ten years of credited service. Credited service is determined by the total number of years employed by the Village since August 1, 1993.

Prior to March 11, 2014 for firefighters and August 26, 2014 for police officers, vested employees could retire at the earlier of age 55 and the completion of five years of credited service or the age of 52 and the completion of 25 years of credited service, or at age 50 with 5 years of service with the benefit discounted 3% for each year under age 55. As of March 11, 2014 for firefighters and August 26, 2014 for police officers, vested employees may retire at the earlier of age 55 and the completion of ten years of credited service or the age of 52 and the completion of 25 years of credited service or when their age (computed in full months) plus credited service (computed in full months) equals 900 months (i.e. 75 years).

Administrative costs of the Plan are financed through investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Benefits and refunds are recorded when paid.

Based on the October 1, 2024 (date of the latest actuarial valuation), Plan membership consisted of the following:

Inactive plan members and beneficiaries currently receiving benefits	60
Inactive plan members entitled but not yet receiving benefits	1
Active plan members	69
Total Members	130

Funding Policy

The participant contribution rate is fixed by Ordinance at 10.5%.

The Village's contribution rate is adjusted each year to an amount equal to the total pension cost for the year, as determined by the most recent actuarial valuation, less the amount of revenue received from the State of Florida pursuant to Chapters 175 and 185 of the Florida Statutes. Effective March 11, 2014 for firefighter participants and August 26, 2014 for police officer participants, the Village's annual contribution into the Plan shall not exceed 20% of the Plan's covered payroll. As such, any required excess as determined by the actuarial valuation is covered by additional participant contributions. This funding policy is designed to limit the Village's exposure to contribute to the Plan. State contributions are recognized as a revenue and expenditure in the General Fund. The actuarial valuation dated October 1, 2023 provided the actuarially determined contribution for the fiscal year ended September 30, 2025.

The Village's (including the State) contribution rate was 21.87% of covered payroll for the fiscal year ended September 30, 2025 which was determined by the October 1, 2023 actuarial valuation.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Share Plan

In fiscal year 2009, the Village created the Village of Key Biscayne Firefighters' Share Plan (the "Share Plan"). Prior to March 11, 2014, the Share Plan was funded by premium tax revenues from the State of Florida in excess of the amounts used to satisfy funding requirements of the defined benefit plan of the firefighters. Effective March 11, 2014, the Share Plan was closed, and as such, all premium tax revenues received pursuant to Chapter 175 are transferred into the PERS to reduce the Village's contribution and no subsequent allocations were paid into the Share Plan. The Village has contracted Empower Retirement Advisory Services to provide certain administrative plan services. Benefits are paid to vested participants in a single lump sum or in equal installments. The investment balance of the Share Plan at September 30, 2025 is $823,649, which is accounted for in the pension trust fund.

DROP Program

In fiscal year 2009, the Village created a deferred retirement option program (DROP) for the benefit of the firefighters that have reached their normal retirement date. Election in the DROP is voluntary. The maximum period of participation is five years. The DROP is funded by the participants' retirement benefit that would be received if the participant had retired on the election date plus earnings thereon.

Retirement benefits from the DROP can be paid in a single lump sum payment; equal monthly installments or an annuity. The Village has contracted Empower Retirement Advisory Services to provide certain administrative plan services. As of September 30, 2025 there were seventeen (17) participants in the DROP. The balance in the DROP at September 30, 2025 is $986,716, which is accounted for in the pension trust fund.

NOTE 11 – NET PENSION LIABILITY (ASSET) OF THE VILLAGE

At September 30, 2025, the Village reported a net pension liability ("NPL") of $8,557,996, which was measured as of September 30, 2024 (GASB 68 measurement date). In accordance with GASB 67, information related to the net pension liability as of September 30, 2025 has also been disclosed.

	2025	2024
Total pension liability	$ 61,879,781	$ 58,548,437
Plan fiduciary net position	(73,067,179)	(67,106,433)
Net pension liability (asset)	$ (11,187,398)	$ (8,557,996)
Plan fiduciary net position as a percentage of total pension liability	118.08%	114.62%

NOTE 11 – NET PENSION LIABILITY (ASSET) OF THE VILLAGE (CONTINUED)

Changes in the Village's net pension liability for the fiscal year ended September 30, 2025 (measured as of September 30, 2024) is as follows:

	Police Officers and Firefighters		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balances - September 30, 2023	$ 58,548,437	$ 67,106,433	$ (8,557,996)
Changes for the Year:			
Service cost	1,647,774	-	1,647,774
Interest	4,189,154	-	4,189,154
Differences between actual and expected experience	2,507,177	-	2,507,177
Assumption changes	608,332	-	608,332
Benefit payments	(5,587,895)	(5,587,895)	-
Refunds	(33,198)	(33,198)	-
Contributions - employer (from Village)	-	760,497	(760,497)
Contributions - employer (from State)	-	921,879	(921,879)
Contributions - employee (including buyback contributions)	-	877,018	(877,018)
Net investment income (loss)	-	9,122,963	(9,122,963)
Administrative expense	-	(100,518)	100,518
Net Change	3,331,344	5,960,746	(2,629,402)
Ending Balances - September 30, 2024	$ 61,879,781	$ 73,067,179	$ (11,187,398)

Significant Actuarial Assumptions

The total pension liability of the Village was determined using the following actuarial assumptions:

Measurement Date:	September 30, 2025	September 30, 2024
Actuarial Valuation:	October 1, 2024	October 1, 2023
Interest rates:		
Single discount rate	7.30%	7.30%
Inflation rate	2.75%	2.75%
Salary Increases	3.50% to 9.25% depending on group and service, including inflation	3.50% to 9.25% depending on group and service, including inflation
Mortality Table	PUB-2010 Headcount Weighted Safety Below Median Employee Mortality Table for males (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Mortality Table for females (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Mortality Table for males (post-retirement), and the PUB-2010 Safety Healthy Retiree Mortality Table for females (post-retirement), with ages set forward one year for males and females, and with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.	PUB-2010 Headcount Weighted Safety Below Median Employee Mortality Table for males (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Mortality Table for females (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Mortality Table for males (post-retirement), and the PUB-2010 Safety Healthy Retiree Mortality Table for females (post-retirement), with ages set forward one year for males and females, and with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

NOTE 11 – NET PENSION LIABILITY (ASSET) OF THE VILLAGE (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rates of return on pension plan investments were determined based upon the historical average (means returns) which best-estimate ranges of expected future real rates of return. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return and investment expenses.

The long-term expected rate of return for the Plan was calculated by weighting the expected future rates of return of each asset class by the corresponding target allocation percentages. Best estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2025 and 2024 are summarized in the following table:

Asset Class	2025	2024
Domestic equity	6.60%	9.60%
International equity	8.20%	5.90%
Fixed income	1.70%	4.30%
Cash	1.10%	1.30%

Rate of Return

For the fiscal years ended September 30, 2025 and 2024, the annual money-weighted rate of return on Plan investments, net of investment expense, was 14.17% and 29.10%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Discount Rate

For the fiscal years ended September 30, 2025 and 2024, a single discount rate of 7.30% and 7.30%, respectively were used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments. The projection of cash flows used to determine this 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 actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Below is a table providing the sensitivity of the net pension liability (asset) to changes in the discount rate. In particular, the table presents the Village's net pension liability (asset), if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

As of September 30,	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.20%	7.20%	8.20%
2025	$ (4,496,260)	$(11,187,398)	$(16,841,528)
	6.43%	7.30%	8.30%
2024	$ (2,419,099)	$ (8,557,996)	$(13,741,813)

NOTE 11 – NET PENSION LIABILITY (ASSET) OF THE VILLAGE (CONTINUED)

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

For the fiscal year ended September 30, 2025, based on a September 30, 2024 measurement date, the Village recognized pension expense of approximately $695,900 related to the Plan. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Village contribution subsequent to year end	$ 1,682,376	$ -
Differences between expected and actual experience	854,431	646,257
Change of assumptions	677,849	35,841
Net difference between projected and actual earnings on pension plan investments	5,052,299	13,650,361
Total	$ 8,266,955	$ 14,332,459

The deferred outflow of resources, resulting from the Village's contributions to the Plan subsequent to the measurement date of September 30, 2024 in the amount of $1,682,376 will be recognized as a reduction of the Village's net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

Fiscal Year Ending September 30	Amount
2026	$ (1,920,772)
2027	(631,935)
2028	(2,973,383)
2029	(2,221,790)
	$ (7,747,880)

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Village provides an optional single employer defined benefit post-employment healthcare plan (the "OPEB Plan") to eligible individuals. The OPEB Plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the OPEB Plan conform to Florida Statutes, which are the legal authority for the plan. The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. The OPEB Plan has no assets and does not issue a separate financial report. As of the September 30, 2024 measurement date, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	3
Inactive plan members entitled but not yet receiving benefits	0
Active plan members	107
Total Members	110

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Village and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date	September 30, 2023
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	2.50%
Discount rate	3.81%
Projected salary increases	3.50% - 7.75%
Healthcare cost trend rate	Based on the Getzen Model, with trend starting at 2.5% (to reflect actual premium increases), followed by 6.%, and gradually decreasing to an ultimate trend rate of 4.0%.
Mortality	Mortality rates are the same as used in the July 1, 2023 actuarial valuation of the Florida Retirement System. 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.

The Village does not provide funding for any portion of the premiums after retirement; however, the Village recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs.

Changes in assumptions and other inputs include the change in the discount rate from 2.50% as of the beginning of the measurement period to 3.81% as of September 30, 2024. This change is reflected in the schedule of changes in total OPEB liability.

Total OPEB Liability and Changes in Total Liability

At September 30, 2025, the Village reported a total OPEB liability of $626,533 using a measurement date of September 30, 2024.

The detail of the changes in total OPEB liability for fiscal year 2025 is presented below:

	Total OPEB Liability
Beginning Balance - September 30, 2023	$ 517,265
Changes for the Year:	
Service cost	73,268
Interest on the total OPEB liability	26,711
Difference between expected and actual experience	-
Changes in assumptions and other inputs	36,514
Benefit payments	(27,225)
Net Change	109,268
Ending Balance - September 30, 2024	$ 626,533

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate or Healthcare Cost Trend Rate

The chart below presents the total OPEB liability of the Village, calculated using the discount rate of 3.81%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	2.81%	3.81%	4.81%
Total OPEB Liability	$674,415	$ 626,533	$582,389

The chart below presents the total OPEB liability of the Village, calculated using the healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$555,186	$ 626,533	$711,972

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

For the fiscal year ended September 30, 2024, the Village recognized an OPEB expense of $109,268. At September 30, 2025, the Village reported deferred outflows and inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 81,142
Change of assumptions and other inputs	32,268	214,523
Benefits Paid After the Measurement Date	31,632	-
	$ 63,900	$ 295,665

Deferred outflows and deferred inflows of resources will be recognized as follows:

Fiscal Year Ending September 30	Amount
2026	$ (73,401)
2027	(72,025)
2028	(57,236)
2029	(27,574)
2030	(22,825)
Thereafter	(10,336)
	$ (263,397)

NOTE 13 – 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 was no reduction in insurance coverage from coverages in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation

The Village is involved in several lawsuits incidental to its operations, the outcome of which, in the opinion of management and legal counsel, would not have a material adverse effect on the financial condition of the Village.

Grants Contingency

Federal and State programs in which the Village participates are subject to audit by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the financial condition of the Village.

Encumbrances

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though encumbered appropriations lapse at the end of the fiscal year, certain unfilled purchase orders of the current year are carried forward, and the following year's appropriations are likewise encumbered. At September 30, 2025, the Village had encumbrances of $4,253,663 in the Capital Improvements Fund related to ongoing capital projects. The Village had no other significant encumbrances outstanding in its other governmental funds at September 30, 2025.

Development Agreement Commitments

In connection with Resolution 2024-67, the Village approved a site plan for the Terra Acquisitions Florida, LLC development located at 301 Ocean Drive, subject to certain conditions, including monetary contributions by the developer to the Village.

Pursuant to the resolution, the applicant is required to provide a proportionate fair-share contribution of $6,366,577, which is to be held in a separate trust account and used exclusively for the acquisition or improvement of land for public recreation and open-space purposes. The contribution is due prior to, or simultaneously with, the earlier of (1) the issuance of the first temporary certificate of occupancy or certificate of occupancy for any principal building on the property, or (2) five years from the effective date of Resolution 2024-67. The applicant is also required to contribute $1,500,000 toward Holiday Colony neighborhood drainage improvements, payable within 18 months after receipt of a final, non-appealable site plan and variance approval, and $540,000 toward improvements to the intersection of Sonesta Drive and Crandon Boulevard, payable within 6 months after receipt of a final, non-appealable site plan and variance approval.

As of September 30, 2025, the conditions triggering payment had not been met. Accordingly, the Village had not recognized a receivable or revenue related to these commitments as of that date. No amounts associated with these commitments have been received by the Village as of September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 30,795,034	$ 30,795,034	$ 31,042,282	$ 247,248
Utility taxes/communications services tax	3,349,684	3,349,684	3,629,453	279,769
Franchise fees	1,525,000	1,525,000	1,497,300	(27,700)
Licenses and permits	276,000	276,000	370,296	94,296
Intergovernmental	2,886,909	2,886,909	3,079,739	192,830
Charges for services	2,813,900	2,813,900	3,113,316	299,416
Interest	1,292,938	1,292,938	2,121,306	828,368
Grants	45,000	45,000	329,739	284,739
Miscellaneous income	39,949	39,949	184,935	144,986
Carryover	2,315,500	2,315,500	-	(2,315,500)
Total revenues	45,339,914	45,339,914	45,368,366	28,452
EXPENDITURES:				
General government				
Elected officials	63,500	63,500	69,603	(6,103)
Village clerk	584,438	584,438	539,519	44,919
Administration	3,499,555	3,499,555	3,125,892	373,663
Village attorney	648,000	648,000	608,688	39,312
Total general government	4,795,493	4,795,493	4,343,702	451,791
Public safety				
Police	10,476,238	10,476,238	10,234,799	241,439
Fire	10,204,364	10,204,364	10,005,543	198,821
Total public safety	20,680,602	20,680,602	20,240,342	440,260
Public works	6,216,581	6,216,581	5,340,955	875,626
Building, zoning and planning	567,941	567,941	541,508	26,433
Parks and recreation				
Parks	2,272,505	2,272,505	2,123,700	148,805
Community center	3,660,304	3,660,304	3,580,366	79,938
Athletic division	1,021,377	1,021,377	793,541	227,836
Total parks and recreation	6,954,186	6,954,186	6,497,607	456,579
Debt service				
Principal	993,000	993,000	1,095,067	(102,067)
Interest and fiscal charges	78,642	78,642	90,089	(11,447)
Total debt service	1,071,642	1,071,642	1,185,156	(113,514)
Capital outlay	434,569	434,569	345,753	88,816
Total expenditures	40,721,014	40,721,014	38,495,023	2,225,991
Excess (deficiency) of revenues over (under) expenditures	4,618,900	4,618,900	6,873,343	2,254,443
Other financing sources (uses)				
Transfers out	(4,543,500)	(4,543,500)	(4,543,500)	-
Total other financing sources (uses)	(4,543,500)	(4,543,500)	(4,543,500)	-
Net change in fund balance	$ 75,400	$ 75,400	$ 2,329,843	$ 2,254,443

See notes to budgetary comparison schedules.

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Intergovernmental	$ 1,146,000	$ 1,146,000	$ 1,214,560	$ 68,560
Interest	82,997	82,997	103,623	20,626
Grants	-	-	152,312	152,312
Total revenues	1,228,997	1,228,997	1,470,495	241,498
EXPENDITURES:				
General government				
Transit	867,500	867,500	962,757	(95,257)
Total general government	867,500	867,500	962,757	(95,257)
Debt service				
Principal	237,187	237,187	237,187	-
Interest and fiscal charges	3,598	3,598	2,163	1,435
Total debt service	240,785	240,785	239,350	1,435
Total expenditures	1,108,285	1,108,285	1,202,107	(93,822)
Excess (deficiency) of revenues over (under) expenditures	120,712	120,712	268,388	147,676
Other financing sources (uses)				
Transfers out	(250,000)	(250,000)	(250,000)	-
Total other financing sources (uses)	(250,000)	(250,000)	(250,000)	-
Net change in fund balance	$ (129,288)	$ (129,288)	$ 18,388	$ 147,676

See notes to budgetary comparison schedules.

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROS LAND TRUST SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Property taxes	$ 311,061	$ 311,061	$ 313,556	$ 2,495
Interest	167,311	167,311	268,072	100,761
Total revenues	478,372	478,372	581,628	103,256
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	478,372	478,372	581,628	103,256
Net change in fund balance	478,372	478,372	581,628	103,256

See notes to budgetary comparison schedules.

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Licenses and permits	$ 2,457,500	$ 2,457,500	$ 2,435,362	$ (22,138)
Charges for services	33,000	33,000	44,744	11,744
Interest	60,630	60,630	96,893	36,263
Miscellaneous income	-	-	825	825
Total revenues	2,551,130	2,551,130	2,577,824	26,694
EXPENDITURES:				
Building, zoning and planning	2,376,721	2,376,721	2,105,107	271,614
Total building, zoning and planning	2,376,721	2,376,721	2,105,107	271,614
Debt service				
Principal	-	-	53,413	(53,413)
Interest and fiscal charges	-	-	11,028	(11,028)
Total debt service	-	-	64,441	(64,441)
Total expenditures	2,376,721	2,376,721	2,169,548	207,173
Excess (deficiency) of revenues over (under) expenditures	174,409	174,409	408,276	233,867
Other financing sources				
Transfers out	125,000	(125,000)	(125,000)	-
Total other financing sources	125,000	(125,000)	(125,000)	-
Net change in fund balance	$ 299,409	$ 49,409	$ 283,276	$ 233,867

See notes to basic financial statements.

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is prepared for the General Fund, the Transportation Special Revenue Fund, the PROS Land Trust Special Revenue Fund, the Capital Improvements Fund, and the Building Fund. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

(a) The Village Manager submits to Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature. Public hearings are conducted to obtain taxpayer comments.

(b) Prior to October 1, the budget is legally enacted through passage of an ordinance.

(c) Formal budgetary integration is employed as a management control device for the General Fund.

(d) The budgets for all governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP"), except for certain unbudgeted expenditures of prior year reserves.

(e) The Village Manager is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Village Council. The classification detail at which expenditures may not legally exceed appropriations is at the department level.

For the year ended September 30, 2025, expenditures exceeded appropriations as follows:

General Fund		
Debt service: principal	$	102,067
Debt service: interest and fiscal charges		11,447
Transportation Fund:		
General government	$	95,257
Building Fund:		
Debt service: principal		53,413
Debt service: interest and fiscal charges		11,028

These unfavorable variances were caused by unbudgeted costs related to unforeseen circumstances and occurrences during the year and were covered by revenues in excess of budget and unassigned fund balance.

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION TRUST FUND
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	September 30, 2019**	2018	2017	2016
Total Pension Liability:										
Service cost	$ 1,647,774	$ 1,424,877	$ 1,171,425	$ 938,205	$ 1,014,585	$ 1,102,891	$ 1,218,739	$ 1,019,667	$ 982,149	$ 892,483
Interest	4,189,154	4,192,031	4,266,834	4,070,457	3,923,498	3,717,180	3,485,951	3,044,406	2,815,914	2,655,690
Benefit changes	-	-	-	-	-	-	-	3,561,208	-	-
Difference between actual and expected experience	2,507,177	855,784	(1,233,765)	633,154	987,658	182,052	(159,538)	(636,655)	17,729	(678,816)
Assumption changes	608,332	549,578	264,092	497,644	(752,649)	242,220	228,644	194,414	608,244	368,874
Benefit payments	(5,587,895)	(7,354,909)	(3,235,961)	(2,671,091)	(2,884,785)	(1,343,040)	(1,224,821)	(1,456,886)	(1,060,547)	(570,278)
Refunds	(33,198)	(41,139)	(59,801)	(59,312)	(1,520)	(13,943)	(97,109)	(6,523)	(36,765)	(32,769)
Other (release of excess state reserves)	-	-	-	-	-	-	-	-	-	(206,710)
Net change in Total Pension Liability	3,331,344	(373,778)	1,172,824	3,409,057	2,286,787	3,887,360	3,451,866	5,719,631	3,326,724	2,428,474
Total Pension Liability-Beginning	58,548,437	58,922,215	57,749,391	54,340,334	52,053,547	48,166,187	44,714,321	38,994,690	35,667,966	33,239,492
Total Pension Liability-Ending (a)	$ 61,879,781	$ 58,548,437	$ 58,922,215	$ 57,749,391	$ 54,340,334	$ 52,053,547	$ 48,166,187	$ 44,714,321	$ 38,994,690	$ 35,667,966
Plan Fiduciary Net Position										
Contributions - employer (from Village)	$ 760,497	$ 695,985	$ 797,719	$ 791,832	$ 759,851	$ 1,268,147	$ 972,014	$ 814,693	$ 937,715	$ 322,848
Contributions - employer (from State)	921,879	873,047	758,628	591,018	600,173	559,089	536,767	870,899	-	397,294
Contributions - employee (including buyback contributions)	877,018	819,480	650,701	587,512	508,926	677,201	621,376	650,201	599,086	606,697
Net investment income (loss)	9,122,963	15,657,848	8,086,976	(8,304,445)	11,402,840	4,270,408	803,476	3,576,144	4,090,514	2,574,564
Benefit payments	(5,587,895)	(7,354,909)	(3,235,961)	(2,671,091)	(2,884,785)	(1,343,040)	(1,224,821)	(1,456,886)	(1,060,547)	(570,278)
Refunds	(33,198)	(41,139)	(59,801)	(59,312)	(1,520)	(13,943)	(97,109)	(6,523)	(36,765)	(32,769)
Administrative expense	(100,518)	(94,042)	(86,521)	(87,630)	(116,755)	(108,024)	(102,921)	(87,099)	(60,179)	(69,369)
Net Change in Plan Fiduciary Net Position	5,960,746	10,556,270	6,911,741	(9,152,116)	10,268,730	5,309,838	1,508,782	4,361,429	4,469,824	3,228,987
Plan Fiduciary Net Position - Beginning	67,106,433	56,550,163	49,638,422	58,790,538	48,521,804	43,211,966	41,703,184	37,341,755	32,871,931	29,642,944
Plan Fiduciary Net Position - Ending (b)	$ 73,067,179	$ 67,106,433	$ 56,550,163	$ 49,638,422	$ 58,790,534	$ 48,521,804	$ 43,211,966	* $ 41,703,184	$ 37,341,755	$ 32,871,931
Net Pension Liability (Asset) - Ending (a) - (b)	$ (11,187,398)	$ (8,557,996)	$ 2,372,052	$ 8,110,969	$ (4,450,200)	$ 3,531,743	$ 4,954,221	$ 3,011,137	$ 1,652,935	$ 2,796,035
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	118.08%	114.62%	95.97%	85.95%	108.19%	93.22%	89.71%	93.27%	95.76%	92.16%
Covered Payroll	$ 8,351,144	$ 7,523,990	$ 6,132,663	$ 5,493,472	$ 4,847,870	$ 5,556,330	$ 5,917,871	$ 6,192,393	$ 5,671,587	$ 5,778,063
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-133.96%	-113.74%	38.68%	147.65%	-91.80%	63.56%	83.72%	48.63%	29.14%	48.39%

* The Plan's fiduciary net position disclosed above does not agree to the pension trust statement of fiduciary net position due to the timing of recognition of the deferred inflow of resources reported in each year for actuarial purposes.

** Certain amounts related to the total pension liability and plan fiduciary net position for 2019 have been updated in the 2020 Comprehensive Annual Financial Report to consider timing and recognition of employer contributions for actuarial purposes.

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION TRUST FUND
SCHEDULE OF VILLAGE CONTRIBUTIONS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	926,852	720,142 *	206,710	5,778,063	12.46%
2017	937,715	937,715	-	5,671,587	16.53%
2018	1,032,174	1,685,592 **	(653,418) **	6,192,393	27.22%
2019	1,340,518	1,508,781 **	(168,263) **	5,917,871	25.50%
2020	1,186,442	1,827,236 **	(640,794) **	5,556,330	32.89%
2021	1,249,957	1,360,024	(110,067)	4,847,870	28.05%
2022	1,365,644	1,382,850	(17,206)	5,493,472	25.17%
2023	1,526,340	1,556,347	(30,007)	6,132,663	25.38%
2024	1,287,003	1,569,032	(282,029)	7,523,990	20.85%
2025	1,519,125	1,682,376	(163,251)	8,351,144	20.15%

* The contribution deficiencies for the fiscal years ending September 30, 2015 and September 30, 2016 were made up by the release of excess state contribution reserve funds and the use of prepaid employer contributions.

** A portion of this over-contribution resulted from recognizing previous years' prepaid (advance) employer contributions in the amount of $289,001 during fiscal year 2018, $520,921 during fiscal year 2019 and $520,921 during fiscal year 2020.

Methods and Assumptions Used to Determine Contribution Rate for the Fiscal Year Ended September 30, 2025:

Valuation Date	October 1, 2023
Notes	Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	6 years (single equivalent period); 24 years (longest period)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	3.50% to 9.25% depending on group and service, including inflation
Investment Rate of Return	7.30%
Experience studies	The most recent experience study was completed June 10, 2014. This experience study examined actual demographic and economic experience during the eight-year period ending September 30, 2013. Based on the results of this experience study, salary scale, withdrawal and retirement assumption changes were implemented effective September 30, 2014.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PUB-2010 Headcount Weighted Safety Below Median Employee Mortality Table for males (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Mortality Table for females (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Mortality Table for males (post-retirement), and the PUB-2010 Safety Healthy Retiree Mortality Table for females (post-retirement), with ages set forward one year for males and females, and with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION TRUST FUND
SCHEDULE OF INVESTMENTS RETURNS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	14.17%	29.10%	17.39%	-14.13%	24.51%	9.84%	3.15%	9.98%	13.02%	9.03%

VILLAGE OF KEY BISCAYNE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS

Measurement Date: September 30,	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service cost	$ 73,268	$ 62,587	$ 88,522	$ 91,539	$ 85,778	$ 71,395	$ 73,044	$ 75,574
Interest on the total OPEB liability	26,711	26,093	14,018	15,040	14,324	28,785	23,814	19,205
Changes in benefit terms	-	-	-	-	-	6,868	-	-
Difference between expected and actual experience	-	(39,126)	-	(61,119)	-	(60,445)	-	-
Changes in assumptions and other inputs	36,514	(49,668)	(102,007)	(17,059)	(1,946)	(291,665)	(24,054)	(26,144)
Benefit payments	(27,225)	(26,115)	(17,223)	(1,481)	-	-	-	(10,412)
Net change in Total OPEB Liability	109,268	(26,229)	(16,690)	26,920	98,156	(245,062)	72,804	58,223
Total OPEB liability-beginning	517,265	543,494	560,184	533,264	435,108	680,170	607,366	549,143
Total OPEB liability-ending	$ 626,533	$ 517,265	$ 543,494	$ 560,184	$ 533,264	$ 435,108	$ 680,170	$ 607,366
Covered-employee payroll	$ 10,196,243	$ 11,600,061	$ 10,061,140	$ 8,231,136	$ 8,819,774	$ 8,562,887	$ 11,015,562	$ 7,011,729
Total OPEB liability as a percentage of covered-employee payroll	6.14%	4.46%	5.40%	6.81%	6.05%	5.08%	6.17%	8.66%

Note: The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. The OPEB has no assets.

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (SUPPLEMENTARY INFORMATION)

VILLAGE OF KEY BISCAYNE, FLORIDA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Grants	$ 21,836,572	$ 21,836,572	$ 2,098,726	$ (19,737,846)
Total revenues	21,836,572	21,836,572	2,098,726	(19,737,846)
EXPENDITURES:				
Public works	2,491,500	2,491,500	1,096,676	1,394,824
Capital outlay	53,517,679	53,517,679	5,705,008	47,812,671
Total expenditures	56,009,179	56,009,179	6,801,684	49,207,495
Excess (deficiency) of revenues over (under) expenditures	(34,172,607)	(34,172,607)	(4,702,958)	29,469,649
Other financing sources				
Transfers in	6,996,000	6,996,000	6,996,000	-
Total other financing sources	6,996,000	6,996,000	6,996,000	-
Net change in fund balance	$ (27,176,607)	$ (27,176,607)	$ 2,293,042	$ 29,469,649

III. STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends *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:*	**61-65**
Revenue Capacity *These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.*	**66-70**
Debt Capacity *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.*	**71-74**
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.*	**75-77**
Operating Information *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.*	**78-79**

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

VILLAGE OF KEY BISCAYNE, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 51,961,356	$ 62,100,873	$ 70,944,473	$ 72,480,963	$ 77,859,231	$ 81,335,353	$ 82,237,371	$ 82,823,099	$ 87,688,395	$ 89,493,037
Restricted	3,425,433	2,665,724	2,078,112	8,639,324	3,529,727	4,464,863	3,558,888	4,368,196	4,391,608	4,720,082
Unrestricted	19,326,602	14,340,755	19,707,367	11,209,773	14,126,305	15,614,147	28,376,675	34,075,764	36,948,956	41,839,282
Total governmental activities net position	74,713,391	79,107,352	92,729,952	92,330,060	95,515,263	101,414,363	114,172,934	121,267,059	129,028,959	136,052,401
Business-type activities										
Net investment in capital assets	13,260,222	13,463,710	4,080,025	4,509,507	2,577,144	2,937,055	2,591,945	2,476,339	1,543,363	(1,516,199)
Unrestricted	651,997	(599,305)	(888,228)	(1,173,171)	1,529,482	1,567,387	2,163,283	2,826,917	3,920,049	6,307,106
Total business-type activities net position	13,912,219	12,864,405	3,191,797	3,336,336	4,106,626	4,504,442	4,755,228	5,303,256	5,463,412	4,790,907
Total government										
Net investment in capital assets	65,221,578	75,564,583	75,024,498	76,990,470	80,436,375	84,272,408	84,829,316	85,299,438	89,231,758	87,976,838
Restricted	3,425,433	2,665,724	2,078,112	8,639,324	3,529,727	4,464,863	3,558,888	4,368,196	4,391,608	4,720,082
Unrestricted	19,978,599	13,741,450	18,819,139	10,036,602	15,655,787	17,181,534	30,539,958	36,902,681	40,869,005	48,146,388
Total Government Net Position	$ 88,625,610	$ 91,971,757	$ 95,921,749	$ 95,666,396	$ 99,621,889	$ 105,918,805	$ 118,928,162	$ 126,570,315	$ 134,492,371	$ 140,843,308

VILLAGE OF KEY BISCAYNE, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 7,579,355	$ 4,536,855	$ 6,211,564	$ 5,343,922	$ 6,427,517	$ 4,519,281	$ 3,764,142	$ 3,596,268	$ 3,372,196	$ 4,359,649
Police	6,240,840	6,881,360	7,681,000	9,273,109	8,635,877	8,391,661	8,050,840	9,085,209	8,583,866	10,930,899
Fire	7,149,458	7,106,286	7,628,618	9,922,713	8,820,555	8,338,123	8,153,035	9,242,840	9,625,786	11,078,737
Public works	2,078,721	2,901,870	4,188,854	3,358,261	3,449,872	5,106,615	5,758,532	7,983,119	14,886,946	9,852,058
Building, zoning and planning	2,165,717	2,550,733	2,366,496	2,467,478	2,346,614	1,748,906	1,921,072	2,268,709	1,948,013	2,767,280
Parks and recreation	5,388,588	5,839,083	5,954,340	6,202,034	4,867,328	4,722,127	5,952,096	6,598,914	4,388,042	8,332,529
Interest on long-term debt	796,152	894,934	701,558	658,587	456,932	265,352	145,858	120,348	132,606	103,280
Total governmental activities	31,398,831	30,711,121	34,732,430	37,226,104	35,004,695	33,092,065	33,745,575	38,895,407	42,937,455	47,424,432
Business-type activities:										
Stormwater	934,223	1,060,705	1,234,916	856,653	1,108,192	1,233,970	1,583,772	1,260,601	1,003,258	1,155,291
Sanitary sewer	1,137,592	994,042	9,545,452	--	--	--	--	--	--	--
Solid waste	840,730	792,044	698,321	779,508	756,508	987,275	921,208	1,036,674	950,820	976,056
Total business-type activities	2,912,545	2,846,791	11,478,689	1,636,161	1,864,700	2,221,245	2,504,980	2,297,275	1,954,078	2,131,347
Total government expenses	$ 34,311,376	$ 33,557,912	$ 46,211,119	$ 38,862,265	$ 36,869,395	$ 35,313,310	$ 36,250,555	$ 41,192,682	$ 44,891,533	$ 49,555,779
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 147,693	$ 183,901	$ 161,527	$ 224,750	$ 185,995	$ 174,424	$ 113,021	$ 107,125	$ 103,196	$ 175,501
Police	--	3,571	68,809	21,559	--	11,444	19,668	22,778	16,867	37,525
Fire	165,106	162,683	191,529	161,450	158,932	165,001	158,263	91,193	71,203	108,301
Building, zoning and planning	2,714,085	1,338,485	1,216,539	1,639,820	1,151,242	2,040,375	2,433,676	2,807,001	2,642,418	2,842,069
Parks and recreation	3,033,636	3,142,475	3,377,137	2,766,189	2,850,865	1,280,258	2,494,045	2,399,153	2,812,629	3,129,194
Operating grants and contributions	54,331	59,412	53,210	62,174	323,185	534,166	6,696,786	327,662	674,874	140,357
Capital grants and contributions	867,197	873,734	1,733,691	475,058	1,516,214	1,972,818	796,926	600,101	953,140	2,561,221
Total governmental activities program revenues	6,982,048	5,764,261	6,802,442	5,351,000	6,186,433	6,178,486	12,712,385	6,355,013	7,274,327	8,994,168
Business-type activities:										
Charges for services:										
Stormwater	908,269	933,683	941,302	934,959	1,563,529	1,822,405	1,977,139	1,877,579	2,110,163	2,136,061
Solid waste	652,455	651,344	841,501	823,157	1,061,921	1,096,656	1,011,972	1,030,994	981,449	1,148,613
Capital grants and contributions:										
Stormwater	--	--	--	--	--	--	--	48,718	67,624	--
Operating grants and contributions:										
Stormwater	164,176	--	--	--	--	--	--	--	--	--
Total business-type activities program revenues	1,724,900	1,585,027	1,782,803	1,758,116	2,625,450	2,919,061	2,989,111	2,957,291	3,159,236	3,284,674
Total program revenues	$ 8,706,948	$ 7,349,288	$ 8,585,245	$ 7,109,116	$ 8,811,883	$ 9,097,547	$ 15,701,496	$ 9,312,304	$ 10,433,563	$ 12,278,842

(Continued)

VILLAGE OF KEY BISCAYNE, FLORIDA

CHANGES IN NET POSITION
(Continued)

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue										
Governmental activities	$ (24,416,783)	$ (24,946,860)	$ (27,929,988)	$ (31,875,104)	$ (28,818,262)	$ (26,913,579)	$ (21,033,190)	$ (32,540,394)	$ (35,663,128)	$ (38,430,264)
Business-type activities	(1,187,645)	(1,261,764)	(9,695,886)	121,955	760,750	697,816	484,131	660,016	1,205,158	1,153,327
Total net expense	$ (25,604,428)	$ (26,208,624)	$ (37,625,874)	$ (31,753,149)	$ (28,057,512)	$ (26,215,763)	$ (20,549,059)	$ (31,880,378)	$ (34,457,970)	$ (37,276,937)
General revenues										
Governmental activities:										
Taxes:										
Property taxes	$ 22,249,642	$ 24,202,255	$ 24,992,663	$ 25,400,645	$ 25,532,172	$ 25,242,898	$ 25,246,776	$ 27,732,422	$ 30,091,060	$ 31,355,838
Utility taxes	2,007,095	2,110,494	2,136,221	2,128,389	2,224,417	2,384,819	2,426,571	2,725,068	2,745,059	1,497,300
Franchise fees	603,889	479,194	655,599	192,753	837,835	1,216,940	1,394,685	1,558,676	1,489,255	2,849,775
Communications services tax	753,385	698,927	734,422	681,648	651,615	650,817	698,250	717,314	745,421	779,678
Intergovernmental	1,955,183	1,555,215	2,595,087	2,667,562	2,419,835	2,760,356	3,302,953	3,972,863	4,053,945	4,124,095
Investment earnings	111,484	78,443	37,503	146,404	193,943	42,446	344,819	2,351,276	2,846,910	2,493,001
Miscellaneous	81,516	184,489	244,650	257,811	143,648	214,403	131,137	326,900	63,437	276,519
Transfers	(382,883)	31,804	9,545,452	--	--	300,000	246,570	250,000	1,389,941	2,077,500
Total governmental activities	27,379,311	29,340,821	40,941,597	31,475,212	32,003,465	32,812,679	33,791,761	39,634,519	43,425,028	45,453,706
Business-type activities:										
Investment earnings	5,986	24,282	23,278	22,584	9,540		13,225	138,012	344,939	251,668
Capital Contributions from General Fund	--	221,472	--	--	--	--	--	--	--	--
Transfers	382,883	(31,804)	--	--	--	(300,000)	(246,570)	(250,000)	(1,389,941)	(2,077,500)
Total business-type activities	388,869	213,950	23,278	22,584	9,540	(300,000)	(233,345)	(111,988)	(1,045,002)	(1,825,832)
Total general revenues	$ 27,768,180	$ 29,554,771	$ 40,964,875	$ 31,497,796	$ 32,013,005	$ 32,512,679	$ 33,558,416	$ 39,522,531	$ 42,380,026	$ 43,627,874
Change in Net Position										
Governmental activities	$ 2,962,528	$ 4,393,961	$ 13,011,609	$ (399,892)	$ 3,185,203	$ 5,899,100	$ 12,758,571	$ 7,094,125	$ 7,761,900	$ 7,023,442
Business-type activities	(798,776)	(1,047,814)	(9,672,608)	144,539	770,290	397,816	250,786	548,028	160,156	(672,505)
Total change in Net Position	$ 2,163,752	$ 3,346,147	$ 3,339,001	$ (255,353)	$ 3,955,493	$ 6,296,916	$ 13,009,357	$ 7,642,153	$ 7,922,056	$ 6,350,937

VILLAGE OF KEY BISCAYNE, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Non-spendable	$ 443,084	$ 598,248	$ 914,616	$ 1,289,448	$ 588,364	$ 2,002,158	$ 2,272,341	$ 388,023	$ 187,849	$ 582,789
Restricted	2,795,695	1,950,591	1,254,841	1,125,496	214,093	209,257	1,007,717	177,572	70,966	116,164
Committed	11,606,197	12,034,340	4,090,000	4,000,000	3,378,792	3,753,411	4,000,000	4,000,000	4,000,000	4,300,000
Assigned	13,104,992	16,263,027	10,962,611	8,692,560	12,618,656	14,849,239	14,892,021	23,323,625	25,280,752	26,870,457
Unreserved	--	179	--	--	--	--	--	--	--	--
Total General Fund	27,949,968	30,846,385	17,222,068	15,107,504	16,799,905	20,814,065	22,172,079	27,889,220	29,539,567	31,869,410
All other governmental funds										
Non-spendable						139,658	127,046	51,218	77,741	--
Restricted	--	715,133	823,271	2,036,456	3,315,634	4,255,606	2,551,171	4,190,624	4,320,642	4,603,918
Committed	629,740	--	7,214,656	7,465,162	4,188,550	3,106,141	1,483,623	1,972,978	2,558,602	3,140,230
Assigned	414,264	--	1,008,170		931,349	--	12,030,782	9,265,266	7,544,298	9,933,469
Unreserved, reported in:										
Special revenue fund	--	825,896	--			--	--	--	--	--
Capital projects funds	(2,114,581)	(6,305,354)	--	2,291,441	--	--	--	--	--	--
Total Other Governmental Funds	(1,070,577)	(4,764,325)	9,046,097	11,793,059	8,435,533	7,501,405	16,192,622	15,480,086	14,501,283	17,677,617
Total Governmental Funds	$ 26,879,391	$ 26,082,060	$ 26,268,165	$ 26,900,563	$ 25,235,438	$ 28,315,470	$ 38,364,701	$ 43,369,306	$ 44,040,850	$ 49,547,027

VILLAGE OF KEY BISCAYNE, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Ad valorem taxes	$ 22,249,642	$ 24,202,255	$ 24,992,663	$ 25,400,645	$ 25,532,172	$ 25,242,898	$ 25,246,776	$ 27,732,422	$ 30,091,060	$ 31,355,838
Franchise fees	603,889	479,194	655,599	192,753	837,835	1,216,940	1,394,685	1,558,676	1,489,255	1,497,300
Utility taxes/communication services tax	2,760,480	2,809,421	2,870,643	2,810,037	2,876,032	3,035,636	3,124,821	3,442,382	3,490,480	3,629,453
Licenses and permits	2,484,872	1,239,116	1,211,159	1,658,676	1,251,238	2,160,920	2,456,645	2,830,404	2,673,941	2,880,658
Intergovernmental revenue	2,822,380	2,428,949	3,462,454	3,137,920	2,880,064	3,239,021	3,448,541	4,154,474	4,238,794	4,294,299
Charges for services	3,548,985	3,591,999	3,804,382	3,155,092	3,095,796	1,510,582	2,762,028	2,596,846	2,972,372	3,158,060
Grants	54,331	59,412	881,210	62,174	1,378,020	2,024,668	7,348,124	746,152	1,443,422	2,505,777
Investment income	111,484	78,443	37,503	146,404	193,943	42,446	344,820	2,351,276	2,846,905	2,589,894
Contributions	--	--	38,325	4,700	1,150	3,651	--	--	--	--
Miscellaneous	81,516	184,489	244,650	257,811	143,648	214,403	131,136	326,900	63,185	185,760
Total revenues	34,717,579	35,073,278	38,198,588	36,826,212	38,189,898	38,691,165	46,257,576	45,739,532	49,309,414	52,097,039
Expenditures										
Current:										
General government	3,783,031	3,265,030	3,755,605	3,789,714	4,188,227	4,012,461	3,707,294	4,177,018	4,833,766	5,306,459
Fire	6,895,590	6,882,673	7,499,587	8,203,230	8,773,421	8,289,169	8,545,023	8,849,154	9,826,202	10,005,543
Police	5,957,079	6,621,521	7,603,393	7,656,656	8,371,181	8,081,652	8,250,924	8,584,324	9,266,542	10,234,799
Public works	1,873,594	2,683,504	3,968,495	2,093,899	2,185,127	2,850,923	3,501,360	4,702,041	7,412,539	6,437,631
Building, planning and zoning	2,074,777	2,476,950	2,336,937	2,446,847	2,336,759	1,739,882	2,020,492	2,172,066	2,466,381	2,646,615
Parks and recreation	4,754,626	5,073,774	5,071,372	5,074,847	3,990,395	3,720,647	5,200,801	5,499,421	6,367,293	6,497,607
Capital outlay	6,938,850	6,567,150	3,278,569	2,063,481	5,261,062	5,149,308	3,018,956	5,268,116	8,126,773	6,050,761
Intergovernmental:										
Payment under interlocal agreement	2,390,330	--	--	--	--	--	--	--	--	--
Debt service:										
Principal	3,294,521	3,459,733	3,771,867	4,183,733	4,264,048	13,740,574	2,058,435	2,309,710	1,595,709	1,385,667
Interest and other fiscal charges	822,575	777,099	726,658	681,407	484,803	314,517	151,630	120,348	132,606	103,280
Total expenditures	38,784,973	37,807,434	38,012,483	36,193,814	39,855,023	47,899,133	36,454,915	41,682,198	50,027,811	48,668,362
Excess (deficiency) of revenues over expenditures	(4,067,394)	(2,734,156)	186,105	632,398	(1,665,125)	(9,207,968)	9,802,661	4,057,334	(718,397)	3,428,677
Other financing sources (uses)										
Issuance of debt - SBITA	--	--	--	--	--	--	--	697,271	--	--
Transfers in	4,260,203	2,327,481	15,604,398	4,292,381	608,971	1,425,000	10,774,166	1,111,942	7,858,282	6,996,000
Transfers out	(4,643,086)	(2,295,677)	(15,604,398)	(4,292,381)	(608,971)	(1,125,000)	(10,527,596)	(861,942)	(6,468,341)	(4,918,500)
Bonds issued	--	--	--	--	--	11,988,000	--	--	--	--
Payment for interlocal agreement	--	--	--	--	--	--	--	--	--	--
Refunding bonds issued	--	--	--	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--	--	--	--
Proceeds from sale of capital assets	--	--	--	--	--	--	--	--	--	--
Capital lease proceeds	--	1,905,021	--	--	--	--	--	--	--	--
Total other financing sources (uses)	(382,883)	1,936,825	--	--	--	12,288,000	246,570	947,271	1,389,941	2,077,500
Net Change in Fund Balances	$ (4,450,277)	$ (797,331)	$ 186,105	$ 632,398	$ (1,665,125)	$ 3,080,032	$ 10,049,231	$ 5,004,605	$ 671,544	$ 5,506,177
Debt service as a percentage of non-capital expenditures	14%	14%	13%	14%	93%	43%	73%	7%	4%	3%

VILLAGE OF KEY BISCAYNE, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Ad Valorem Taxes	Franchise Taxes	Utility Taxes	Inter-governmental	Communications Services Tax	Total
2016	22,249,642	603,889	2,007,095	2,822,380	753,385	28,436,391
2017	24,202,255	479,194	2,110,494	2,428,949	698,927	29,919,819
2018	24,992,663	655,599	2,136,221	3,462,454	734,422	31,981,359
2019	25,400,645	192,753	2,128,389	3,137,920	681,648	31,541,355
2020	25,532,172	837,835	2,224,417	2,880,064	651,615	32,126,103
2021	25,242,898	1,216,940	2,384,819	2,093,545	650,817	31,589,019
2022	25,246,776	1,394,685	2,426,571	3,448,541	698,250	33,214,823
2023	27,732,422	1,558,676	2,725,068	4,154,474	717,314	36,887,954
2024	30,091,060	1,489,255	2,745,059	4,238,794	745,421	39,309,589
2025	31,355,838	1,497,300	2,849,775	4,294,299	779,678	40,776,890

Source: Village of Key Biscayne Finance Department.

VILLAGE OF KEY BISCAYNE, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Tax Roll Year	Real Property		Personal Property	Total Net Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property			
2016	2015	7,291,699,676	393,809,175	36,239,673	7,721,748,524	3.0000
2017	2016	7,875,742,931	425,303,529	38,238,417	8,339,284,877	3.0000
2018	2017	7,962,888,123	644,814,648	39,067,113	8,646,769,884	3.0000
2019	2018	7,836,337,042	646,215,902	50,072,756	8,532,625,700	3.1000
2020	2019	7,601,429,447	665,456,261	43,770,985	8,310,656,693	3.1950
2021	2020	7,471,332,211	687,911,722	43,407,550	8,202,651,483	3.2022
2022	2021	7,534,990,701	687,522,209	46,599,237	8,269,112,147	3.1990
2023	2022	8,620,560,149	428,498,635	47,436,400	9,096,495,184	3.1533
2024	2023	9,479,626,891	445,426,490	53,463,851	9,978,517,232	3.1245
2025	2024	10,266,459,617	669,218,483	54,205,072	10,989,883,172	2.9794

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

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

VILLAGE OF KEY BISCAYNE, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

		Village of Key Biscayne			Overlapping Rates (1)										
					Miami-Dade County				Miami-Dade Schools			Florida	South		Total
Fiscal	Tax Roll	General	Debt	Total	Operating	Debt Service	Library District	Total County	Operating	Debt Service	Total School	Inland Navigation	Florida Water		Direct and Overlapping
Year	Year	Operations	Service	Village	Millage	Millage	Millage	Millage	Millage	Millage	Millage	District	Management	Other	Rates
2016	2015	3.0000	-	3.0000	4.6669	0.4500	0.2840	5.4009	7.4130	0.1990	7.6120	0.0320	0.1459	0.7092	16.9000
2017	2016	3.0000	-	3.0000	4.6669	0.4000	0.2840	5.3509	7.1380	0.1840	7.3220	0.0320	0.1359	0.6948	16.5356
2018	2017	3.0000	-	3.0000	4.6669	0.4000	0.2840	5.3509	6.7740	0.2200	6.9940	0.0320	0.1275	0.6498	16.1542
2019	2018	3.1000	-	3.1000	4.6669	0.4640	0.2840	5.4149	6.5040	0.2290	6.7330	0.0320	0.1210	0.6135	16.0144
2020	2019	3.1950	-	3.1950	4.6669	0.4780	0.2840	5.4289	7.0250	0.1230	7.1480	0.0320	0.1150	0.6323	16.5512
2021	2020	3.2022	-	3.2022	4.6669	0.4780	0.2840	5.4289	6.9360	0.1930	7.1290	0.0320	0.1103	0.6079	16.5103
2022	2021	3.1990	-	3.1990	4.6669	0.5075	0.2840	5.4584	6.8290	0.1800	7.0090	0.0320	0.1061	0.6511	16.4556
2023	2022	3.1533	-	3.1533	4.6202	0.4853	0.2812	5.3867	6.4240	0.1650	6.5890	0.0320	0.0948	0.6353	15.8911
2024	2023	3.1245	-	3.1245	4.5740	0.4355	0.2812	5.2907	6.5660	0.1330	6.6990	0.0288	0.0948	0.6353	15.8731
2025	2024	2.9794	-	2.9794	4.5740	0.4271	0.2812	5.2823	6.4680	0.1340	6.6020	0.0288	0.0948	0.6353	15.6226

Note: All millage rates are based on $1 for every $1,000 of assessed value.

Sources: Village of Key Biscayne Finance Department and Miami-Dade County Property Appraiser's Office.

(1) Overlapping rates are those of local and county governments that apply to property owners within the Village of Key Biscayne. Not all overlapping rates apply to all Village of Key Biscayne property owners (i.e., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

VILLAGE OF KEY BISCAYNE, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

2025				2016			
Taxpayer	Net Taxable Value	Rank	Percent of Total Village Net Assessed Value	Taxpayer	Net Taxable Value	Rank	Percent of Total Village Net Assessed Value
Environmental Resilient Communities LLC	$ 157,850,000	1	1.44%	GB Hotel Partners LTD	$ 64,500,000	1	0.84%
GB JT Hotel Partners	100,375,000	2	0.91%	Red Dragon's Sands LTD	25,808,748	2	0.33%
Galleria of Key Biscayne Inc	29,720,000	3	0.27%	Galleria of Key Biscayne Inc	23,205,985	3	0.30%
United Real Estate Ventures Inc	2,947,022	4	0.03%	Edgardo Defortuna	19,311,292	4	0.25%
Edgardo Defortuna	24,105,559	5	0.22%	United Real Estate Ventures, Inc.	18,624,111	5	0.24%
Timothy Bryan	23,384,375	6	0.21%	Vali Key LLC	14,300,000	6	0.19%
400 South Mashta LLC	21,808,007	7	0.20%	Consultation Key Biscayne LLC	14,300,000	7	0.19%
Inigo N. Ardid	20,894,386	8	0.19%	260 Cape Florida LLC	14,297,167	8	0.19%
Benjamin Leon Jr	20,603,221	9	0.19%	Key Biscayne Presbyterian Church	14,000,000	9	0.18%
Harbor 5K LLC	19,930,319	10	0.18%	JLK Global Fund US Inc	13,500,000	10	0.17%
	$ 421,617,889		3.84%		$ 221,847,303		2.87%

VILLAGE OF KEY BISCAYNE, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		*Collections in Subsequent Year's	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	23,165,246	22,249,642	96.05%	--	22,249,642	96.05%
2017	25,017,855	24,202,255	96.74%	--	24,202,255	96.74%
2018	25,940,310	24,992,663	96.35%	--	24,992,663	96.35%
2019	26,451,140	25,400,645	96.03%	--	25,400,645	96.03%
2020	26,552,548	25,532,172	96.16%	--	25,532,172	96.16%
2021	26,266,531	25,242,898	96.10%	--	25,242,898	96.10%
2022	26,452,890	25,246,776	95.44%	--	25,246,776	95.44%
2023	28,683,978	27,732,422	96.68%	--	27,732,422	96.68%
2024	31,177,877	30,091,060	96.51%	--	30,091,060	96.51%
2025	32,743,258	31,355,838	95.76%	--	31,355,838	95.76%

Source: Village of Key Biscayne Finance Department and Miami-Dade County Tax Collector's Office.

* Management decision to record all delinqent property tax collections in year received

VILLAGE OF KEY BISCAYNE, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities				Business-type Activities			
	General Obligation Bonds	Revenue Bonds	Loans Payable	SBITA Liability [1]	Revenue Bonds	Loans Payable	Total	Debt Per Capita
2016	--	24,969,498	--	--	9,135,000	167,484	34,271,982	2,659
2017	--	21,731,237	--	--	8,464,278	143,485	30,339,000	2,347
2018	--	21,532,747	--	--	5,296,354	--	26,829,101	2,082
2019	--	17,833,939	944,242	--	4,578,783	--	23,356,964	1,818
2020	--	13,980,120	475,657	--	4,207,301	--	18,663,078	1,453
2021	--	11,288,399	--	--	3,827,089	--	15,115,488	1,021
2022	--	9,040,629	--	--	3,437,943	--	12,478,572	861
2023	--	8,856,721	--	--	3,039,651	--	11,896,372	824
2024	--	7,405,188	--	377,285	3,774,649	--	11,557,122	802
2025	--	6,175,000	--	221,806	6,478,273	--	12,875,079	852

(1) The Village adopted GASB Statement No. 96 in fiscal year 2024.

VILLAGE OF KEY BISCAYNE, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

The Village does not have general obligation debt.

VILLAGE OF KEY BISCAYNE, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Government Unit	2025 Net Debt Outstanding	2025 Percentage Applicable to the Village of Key Biscayne (1)	2025 Amount Applicable to the Village of Key Biscayne
Direct:			
Village of Key Biscayne	$ 6,175,000	100.00%	$ 6,175,000
Overlapping debt:			
Miami-Dade County	2,310,220,000	2.33%	53,844,458
Miami-Dade County School Board	1,108,558,000	1.95%	21,654,592
Subtotal, Overlapping Debt			75,499,050
Total Direct and Overlapping Debt			$ 81,674,050

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Key Biscayne. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the Village's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

VILLAGE OF KEY BISCAYNE, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Revenues	Less: Ad Valorem Revenues	Less: Restricted Revenues	Net Available Revenues	Debt Service		Coverage
					Principal	Interest	
2016	33,624,225	(22,249,642)	(2,924,627)	8,449,956	3,290,810	822,575	2.05
2017	33,978,319	(24,202,255)	(1,139,353)	8,636,711	3,309,969	777,099	2.11
2018	36,001,337	(24,742,737)	(2,068,580)	9,190,020	3,480,363	726,658	2.18
2019	35,440,707	(25,146,639)	(2,029,896)	8,264,172	3,871,893	681,407	1.81
2020	35,822,594	(25,276,850)	(1,886,115)	8,659,629	4,264,048	484,803	1.82
2021	35,797,232	(24,990,469)	(3,023,958)	7,782,805	1,752,574	314,517	3.77
2022	44,307,239	(24,994,309)	(9,523,348)	9,789,582	2,058,435	151,630	4.43
2023	40,973,352	(27,455,098)	(1,109,068)	12,409,186	2,309,710	120,348	5.11
2024	44,099,613	(29,790,149)	(1,565,038)	12,744,426	1,595,709	132,606	7.37
2025	45,368,366	(31,042,282)	(1,277,644)	13,048,440	1,385,667	103,280	8.76

Source: Village of Key Biscayne Finance Department.

VILLAGE OF KEY BISCAYNE, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Year	Population (1)	Median Household Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)
2016	12,888	145,723	50,377	5.6%
2017	12,924	129,321	83,093	4.5%
2018	12,887	119,920	63,614	3.4%
2019	12,846	134,626	78,678	2.3%
2020	12,846	162,579	83,607	12.6%
2021	14,809	151,310	79,292	4.5%
2022	14,487	167,990	79,743	2.3%
2023	14,435	173,015	87,271	2.3%
2024	14,414	172,604	97,329	2.3%
2025	15,111	192,714	110,129	3.4%

Sources:

(1) City-data.com; Bureau of Economic & Business Research, University of Florida.

(2) United States Bureau of Labor Statistics

VILLAGE OF KEY BISCAYNE, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Employer	Employees (1)	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Ritz Carlton Key Biscayne (1)	30	1	not known	1,500 #	1	not known
Village of Key Biscayne	143	2	not known	119	3	not known
Winn Dixie Stores, Inc.	101	3	not known	250	2	not known
All remaining employers are of an extremely small number						
Total	274			1,869		

Notes: (1) In 2025, the Ritz Carlton Key Biscayne was closed for renovations.

Source: Village of Key Biscayne Finance Department.

VILLAGE OF KEY BISCAYNE, FLORIDA

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Employees										
General government	10	10	10	12	12	13	14	14	14	14
Public safety	84	87	87	87	87	88	89	90	90	92
Building, planning and zoning	14	16	16	14	14	12	14	13	13	13
Public works	4	5	5	6	6	6	10	10	10	10
Parks and recreation	11	11	12	11	11	11	12	12	14	14
Total Number of Employees	123	129	130	130	130	130	139	139	141	143

Source: Village of Key Biscayne Finance Department

VILLAGE OF KEY BISCAYNE, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety:										
Police:										
Police FTE's	45	47	47	47	47	47	48	48	48	50
Police calls for service	29,427	32,031	30,927	23,608	16,991	20,590	41,587	47,461	47,874	43,546
Parking violations	552	2,287	400	374	167	283	385	346	320	579
Traffic violations	956	1,531	986	1,468	701	688	1,139	2,491	959	3,594
Fire:										
Fire FTE's	41	41	42	40	40	41	41	41	41	42
Fire incidents	1,908	1,529	1,884	1,650	1,651	1,928	1,950	1,925	2,245	1,943
Fire inspections performed	770	995	991	1,150	836	1,497	2,264	2,027	2,369	1,497
Planning and development:										
Building permits issued	3,501	3,746	2,935	2,658	1,688	2,630	2,687	2,968	736	2,406
Business tax receipts issued	1,219	1,088	1,896	1,356	872	729	893	921	855	1,066
Inspections conducted (1)	13,726	11,740	12,225	10,890	6,960	8,188	9,105	9,708	10,219	10,531
Lien searches issued (1)	422	352	458	425	465	1,094	723	394	367	398
Culture and recreation:										
Number of building users	4,179	4,274	4,693	3,728	371	3,247	3,760	3,912	3,866	4,074
Solid waste:										
Residential accounts	1,260	1,251	1,280	1,280	1,284	1,334	1,334	1,287	1,287	1,287

Sources: Various Village Departments.

Notes: (1) Data not available prior to FY 2016

2023- An error occurred last year where the system was counting invoices twice.

2024- System is showing some businesses expried when they should not be. Notices go out before 10/01/24.

VILLAGE OF KEY BISCAYNE, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units/divisions	3	3	3	3	3	3	3	3	3	3
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Transportation:										
Miles of streets	22	22	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8
Number of street lights	300	300	300	300	300	300	300	317	314	314
Number of traffic signals	4	4	6	6	6	6	6	7	7	7
Culture and recreation:										
Parks	4	4	4	4	6	6	6	6	6	6
Parks acreage	10	10	14.5	14.5	15.15	15.15	15.15	15.15	15.15	15.15
Community center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1

Sources: Various Village Departments.

VI. COMPLIANCE SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor, Village Council and Village Manager
Village of Key Biscayne, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Key Biscayne, Florida (the Village), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 30, 2026.

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 Village'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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2026

8950 SW 74th Court I Suite 1210 I Miami, FL 33156
T: 305.662.7272 I F: 305.662.4266 I CFLGCPA.COM

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE STATE PROJECT, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Mayor, Village Council and Village Manager
Village of Key Biscayne, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the Village of Key Biscayne, Florida's (the Village) compliance with the types of compliance requirements identified as subject to audit in the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Village's major state projects for the fiscal year ended September 30, 2025. The Village's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state projects for the fiscal year ended September 30, 2025.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, Rules of the Auditor General of the State of Florida. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major state project as a whole.

8950 SW 74th Court I Suite 1210 I Miami, FL 33156
T: 305.662.7272 I F: 305.662.4266 I CFLGCPA.COM

Auditors' Responsibilities for the Audit of Compliance (Continued)

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Villages internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2026

8950 SW 74th Court **I** Suite 1210 **I** Miami, FL 33156
T: 305.662.7272 **I F:** 305.662.4266 **I CFLGCPA.COM**

VILLAGE OF KEY BISCAYNE, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

State Grantor, Pass-through Grantor, Program or Cluster Title	*CSFA Number*	*Contract/Grant Number*	*Expenditures*
Florida Department of Environmental Protection:			
Beach Management Funding Assistance Program	37.003		$ 57,470
Resilient Florida Program	37.098		35,330
Biscayne Bay Water Quality Improvement Grant	37.112		422,650
Florida Recreation Development Assistance Program	37.017		112,500
Total Florida Department of Environmental Protection			**627,950**
Florida Department of Transportation			
Public Transit Service Development Program	55.012		152,312
Total Public Transit Service Development Program			**152,312**
Total Expenditures of State Financial Assistance			**$ 780,262**

VILLAGE OF KEY BISCAYNE, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Village of Key Biscayne, Florida, (the Village) for the fiscal year ended September 30, 2025. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General of the State of Florida. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in financial position, or cashflows of the Village.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported in the Schedule are reported on the modified accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Chapter 10.550, Rules of the Auditor General of the State of Florida wherein certain types of expenses are not allowable or are limited as a reimbursement. Pass-through entity names are presented where available.

VILLAGE OF KEY BISCAYNE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	*Unmodified*
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiencies identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

State Financial Assistance

Internal control over major state projects:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiencies identified?	____ Yes __X__ None reported
Type of auditors' report issued on compliance for major state projects:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General?	____ Yes __X__ No

Identification of major state projects:

CSFA Number	State Project or Cluster
37.112	Biscayne Bay Water Quality Improvement Grant
55.012	Public Transit Service Development Program

Dollar threshold used to distinguish between Type A and Type B programs:	State	$300,000
Auditee qualified as low risk auditee?	____ Yes __X__ No	

VILLAGE OF KEY BISCAYNE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor, Village Council and Village Manager
Village of Key Biscayne, Florida

Report on the Financial Statements

We have audited the financial statements of the Village of Key Biscayne, Florida (the Village), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 30, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditors' Report on Compliance for the State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report 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 June 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Village of Key Biscayne, Florida was incorporated by the Laws of Florida Chapter 2889. There are no component units related to the Village.

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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

8950 SW 74th Court I Suite 1210 I Miami, FL 33156
T: 305.662.7272 I F: 305.662.4266 I CFLGCPA.COM

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 the review of financial information provided by same. This assessment was done as of the fiscal year end.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Village did operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Village's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Village, a list of all program administrators and third-party administrators that administered the program.

The PACE program was administered by Florida PACE Funding Agency.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Village, the full names and contact information of each such program administrator and third-party administrator.

The contact information for the program administrator is as follows: Wendi Leach, Executive Director, Email: Info@FloridaPACE.gov, Phone: (850) 400-PACE.

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 have any such findings.

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2026

8950 SW 74th Court I Suite 1210 I Miami, FL 33156
T: 305.662.7272 I F: 305.662.4266 I CFLGCPA.COM

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor, Village Council and Village Manager
Village of Key Biscayne, Florida

We have examined the Village of Key Biscayne, Florida (the Village), compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2024 to September 30, 2025. Management of the Village is responsible for the Village 's compliance with those 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 American Institute of Certified Public Accountants. 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.

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 requirements of Section 218.415 Florida Statutes during the period of October 1, 2024 to September 30, 2025.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2026

8950 SW 74th Court I Suite 1210 I Miami, FL 33156
T: 305.662.7272 I F: 305.662.4266 I CFLGCPA.COM

Village of Key Biscayne

(305) 365 - 8900 | keybiscayne.fl.gov