

TOWN OF CUTLER BAY, FLORIDA



Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TOWN OF CUTLER BAY, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared By
Robert Daddario, CPA
Finance Director

TOWN OF CUTLER BAY, FLORIDA

TABLE OF CONTENTS

SEPTEMBER 30, 2023

	<u>PAGES</u>
I. INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	i-xiii
GFOA Certificate of Achievement	xiv
List of Elected Town Officials	xv
Organizational Chart	xvi
II. FINANCIAL SECTION	
Independent Auditors' Report	1-3
Management's Discussion And Analysis (Required Supplementary Information)	4-28
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds	31
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	33
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Net Position – Proprietary Fund	35
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	36
Statement of Cash Flows – Proprietary Fund	37
Notes to Financial Statements	38-64
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	65
Budgetary Comparison Schedule – ARPA Fund	66
Budgetary Comparison Schedule – CITT Fund	67
Notes to Budgetary Comparison Schedule	68-69
Schedule of the Town's Proportionate Share of the Net Pension Liability – FRS	70
Schedule of the Town's Contributions – FRS	70
Schedule of the Town's Proportionate Share of the Net Pension Liability – HIS	71
Schedule of the Town's Contributions – HIS	71
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet – Non-major Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	73
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – Special Revenue Fund	74
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – Transportation Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – Sidewalks Fund	76
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – The Children's Trust Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – JPA-Franjo Road Fund	78
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – Lighting Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – Transit Fund	80
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs. Actual – DJJ Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget vs. Actual – Capital Projects (Parks) Fund	82
Schedule of Revenues, Expenses and Changes in Net Position - Budget vs. Actual – Stormwater Fund	83

TOWN OF CUTLER BAY, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2023
(CONTINUED)

III. STATISTICAL SECTION (Unaudited)

Net Position by Component	84
Changes in Net Position	85-86
Fund Balances of Governmental Funds	87
Changes in Fund Balances of Governmental Funds	88
General Governmental Tax Revenues by Source	89
Assessed Value and Estimated Actual Value of Taxable Property	90
Property Tax Rates Direct and Overlapping Governments	91
Principal Property Taxpayers	92
Property Tax Levies and Collections	93
Ratios of Outstanding Debt By Type	94
Direct and Overlapping Governmental Activities Debt	95
Demographic and Economic Statistics	96
Principal Employers	97
Full-Time Equivalent Town Government Employees by Function	98
Operating Indicators By Function	99
Capital Asset Statistics By Function/Program	100

IV. COMPLIANCE SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	101
Independent Auditors' report on Compliance for The Major Federal Program and on Internal control Over Compliance Required by the Uniform Guidance	102-103
Schedule of Expenditures of Federal Awards	104
Notes to Schedule of Expenditures of Federal Awards	105
Schedule of Findings and Questioned Costs	106-107
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	108-109
Independent Accountants' Report on Compliance pursuant to Section 218.415 Florida Statutes	110
Impact Fee Affidavit	111

INTRODUCTORY SECTION



OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

June 28, 2024

Dear Residents:

It is our pleasure to submit the Annual Comprehensive Financial Report (“ACFR”) for the Town of Cutler Bay, Florida, (“Town”) for the fiscal year ended September 30, 2023, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the Town Charter. The financial statements included in this report conform to generally accepted accounting principles in the United States of America (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. Town Management believes it has established a strong internal control environment which enables it to produce financial statements free of *material misstatement*. While no system of internal control can provide absolute assurance that errors or irregularities do not occur, we believe the control environment established by the Town provides reasonable assurance that it can produce financial statements that are free of material misstatement.

In accordance with Florida Statutes Section 218.39, the Town has engaged the firm of Caballero Fierman Llerena & Garcia, LLP, to perform the independent audit of the Town’s financial statements. The Independent Auditors’ Report is included in the financial section of this Annual Comprehensive Financial Report. 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 auditors concluded, based on their audit, that there was a reasonable basis for rendering an unmodified opinion on the Town’s financial statements for the fiscal year ended September 30, 2023, and that the financial statements are fairly presented in accordance with GAAP. The independent auditors found *no deficiencies* in internal control over financial reporting that would be considered material weaknesses, nor did they detect any instances of noncompliance or other matters that would be required to be reported under *Government Auditing Standards*.

The contents of the ACFR have been influenced by compliance with GASB pronouncements, including Statement 34 that has required the preparation of new government-wide financial statements on a full accrual basis of accounting for all funds as well as Management’s Discussion and Analysis (“MD&A”). The MD&A can be found immediately following the Independent Auditors’ Report.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

PROFILE OF THE GOVERNMENT

The Town is a political subdivision of the State of Florida located in Miami-Dade County (“County”) and was incorporated in November 2005. The Town operates under a Council-Manager form of government in which the Town elects five (5) Councilmembers, one of whom is elected as the Mayor and another of whom is elected as the Vice Mayor. Except for the initial election and terms of office as specified in the Town Charter, Councilmembers are elected for four-year terms. The Town Council determines the policies that guide the Town’s operations and hires a professional Town Manager to implement and administer these policies on a full-time basis. The Town provides a full range of municipal services including police protection, parks and recreation facilities, building and zoning, community development and planning, code compliance, Stormwater, and public works.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit proposed budgets to the Town Manager, who then makes any necessary revisions. The Town Manager then presents to the Town Council for their review a budget estimate of the expenditures and revenues of all the Town’s departments and divisions. Two (2) State mandated Public Hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. The budget is legally enacted prior to October 1st by adoption of a Resolution with a vote that conforms to State guidelines. The Town’s budget is approved by the Council at the departmental level; therefore, the Town Manager may amend the adopted budget for adjustments during the year within a department. The Town Council must approve all other budget adjustments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for the General Fund and each major special revenue fund for which an appropriated annual budget has been adopted. For all other major and non-major governmental funds and for the Stormwater Utility Fund (a proprietary fund) for which an appropriated annual budget has been adopted, this comparison is presented in the combining and individual fund section of this report.

[SPACE LEFT INTENTIONALLY BLANK]





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

INFORMATION USEFUL IN ASSESSING THE TOWN'S ECONOMIC CONDITION

Local Economy

The Town is located in southeast Florida, Miami-Dade County, and is primarily residential in nature. It comprises approximately ten (10) square miles with approximately 45,545 residents. The western-most area of the Town, located along the South Dixie Highway (U.S.1) corridor, is commercial in nature with retail, hotels, restaurants and office complexes.

The Town has been successful in providing a high quality of life for its residents by enhancing the level of services being offered. In addition to the increased efforts to enhance services, the Town has also provided competitive benefits to its employees, as recognition of the fact that, in order to continue to provide these valuable services, it must retain and reward its tenured employees.

Shortly after the Town's incorporation, changes to property taxation laws were enacted that had a negative impact on the taxable base upon which property tax revenue of the Town is calculated. Property values within the Town saw significant declines from 2008 through 2012, however, since 2012 property values within the Town have increased each year reflecting a gain of approximately 115% from the 2012 bottom. The Town's property values now exceed the previous property value peak in 2008. The Town has seen encouraging signs in building activity and new development within the Town in recent years which have extended into fiscal year 2024 with significant new planned projects in the planning/design phases.

The Town's economic development mission has two (2) major components: (1) direct communication and marketing; and (2) availability of non-financial incentives. Direct communication and marketing are a joint outreach effort that includes the elected body, the Town Manager and senior staff. The main objective of this effort is to identify and attract businesses to the Town that will provide added value to our economic base through the creation of new jobs, increase in the tax base, and services desired by Town residents and our existing business community. One of the ways of achieving this objective is through the Town's active participation in local and regional economic development organizations, forums and professional organizations whose mission is to promote the area's local economies. The non-financial incentives are divided into two (2) distinct programs:

- Expedited building permits, courtesy inspections, and accessibility to the Building Official and Senior Inspectors.
- In-house technical expertise and resources are made available to all development applicants during the planning and permitting process to ensure that approvals are completed within a reasonable timeframe and in a cost-effective manner.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

This incentive starts with the project's pre-application conference, and it ends with a project completion debriefing meeting. The intent of the project debriefing is to have a personal and candid dialogue with the applicants to assess the effectiveness of the Town development approval and permitting process. This dialogue allows the Town Manager and senior staff an opportunity to identify and prioritize those areas in the development approval process that need improvement and/or immediate attention. The goal is to ensure that all projects in the Town are completed consistent with the Town Code, building permit requirements, industry standards, and within schedule and budget.

The Town continues to work with developers to redevelop the Town's Brownfield areas. A "Brownfield" area site is defined by the U.S. Environmental Protection Agency ("EPA") as a contiguous area of one or more Brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution. A Brownfield site is defined as real property for which its expansion, redevelopment, or reuse may be complicated by actual or perceived environmental contamination. The new Publix Shopping Center on Old Cutler Road is a Brownfield redevelopment project, which led to the environmental remediation of 13 acres of commercial land. The Town's future municipal complex will be constructed on land designated as a Brownfield, which will allow remediation of an additional sixteen (16) acres with eligibility to obtain tax credits to offset the cost of cleanup.

In fiscal year 2023, there were no major changes to the Town's land use distribution, in comparison to prior years. A significant percentage of the Town's land (54%) is classified in the broad categories of residential and mixed land use. Currently, there is no acreage in the Town that are classified as "Industrial." This land use profile is similar to that of nearby municipalities in that the land uses are mostly comprised of residential properties relative to commercial, office and institutional uses.

The South Miami-Dade Performing Arts Center continued to be a major attraction for residents and visitors to the south Dade region, and a corner stone of the Town's cultural venue. This state-of-the-art building, designed to seat nearly 1,000 people, has hosted cultural events and musical performances that have attracted local, national and international talent to Cutler Bay and the South Dade community. This facility is located on six acres next to the South Miami-Dade Government Center. Both Town and County planners feel that the Arts Center will work as a catalyst for the continuing redevelopment of this important area.

The Town is home to the largest single redevelopment project in the southeastern United States - SouthPlace City Center (former site of Southland Mall, Sears, and Macy's). This seven (7)-year, \$1.5 billion initiative aims to transform an outdated suburban shopping mall into a walkable, mixed-use community. The project will feature 650,000 square feet of commercial space, 5,000 market-rate apartments, a specialty grocer, a 150-key hotel, 60,000 square feet of medical offices, and various food and beverage outlets. Amenities include a community amphitheater, green spaces, bike and golf cart paths, pedestrian trails, and trolley stops. It is expected to create 2,700 permanent jobs, over 3,000 construction jobs, and a \$1.5 billion regional economic impact.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

Fund Balance Stabilization

During Fiscal Year 2020, fund balance declined approximately \$4.4 million. Other than additional expenditures related to COVID-19, a substantial portion of which will be recovered through various grant assistance, other key drivers of the decline in fund balance relates to the “land swap” deal and continued restoration of Franjo Park.

The transaction in which the Town Hall properties were exchanged for a sixteen (16)-acre undeveloped parcel along Old Cutler Road (i.e., the “land swap” deal) closed in January 2020 and had an approximate \$3.6 million impact on fund balance (approximately \$3.2 million to close the transaction and another approximate \$420,000 in rent expense for the leaseback of the former Town Hall property). The construction portion of the Franjo Park restoration utilized approximately \$735,000 of fund balance in Fiscal Year 2020. While not impacting Fund Balance in Fiscal Year 2020, in Fiscal Year 2021, the Town closed on another land parcel, approximately 8.45 acres, along Old Cutler Road and SW 184 Street at a purchase price of \$8.45 million.

As a result of the major impacts to Fund Balance due to the foregoing matters, as well as to experiencing General Fund deficits in four of the past five years, Town staff worked with its Financial Advisor, Estrada Hinojosa & Co., to develop a plan (“Fund Balance Replenishment Plan”) to ensure that budgets going forward established millage rates sufficient to balance the budget, as well as to maintain fund balance at healthy levels.

The initial presentation to the Town Council was made in July 2020 with a follow up presentation in October 2021 and most recently in August of 2023. This multifaceted plan included increasing the millage rate over a two (2)-year period, restructuring existing debt, and issuing open-market debt securities to take advantage of relatively low historical interest rates.

In October 2020, the Town issued approximately \$12.9 million of open-market premium bonds which were intended to finance the aforementioned capital projects (i.e., the net cost of the land swap transaction, the Franjo Park restoration, and the anticipated 8.45-acre land parcel acquisition) which are capital in nature. These projects are long lived projects whose benefits will extend over decades. The intention of the issuance of these debt securities to fund these projects is that the cost should be spread over the decades in which current and future residents will enjoy the benefits. Funding them out of current resources penalizes current residents in that they would bear the full cost of the projects up front even though the projects are expected to benefit the community for decades.

As a result of enacting the Fund Balance Replenishment Plan, as well as through prudent management of expenditures, fund balance of the General Fund increased from \$13.7 million at September 30, 2020, to \$26.6 million at September 30, 2023, an approximate **94% increase**.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Opportunity Zones

The Federal Government Tax Cuts and Jobs Act of 2017 created “Opportunity Zones”, which provide, under certain conditions, for preferential tax treatment for new investments in designated economically distressed communities. Certain areas in the Town, including our Town Center District in which Town owned properties are located, are designated Opportunity Zones. This designation benefits the Town as it attempts to bring in new investment to facilitate the redevelopment of our commercial corridor. It also provides potential opportunities for the Town should it wish to sell any of its Town owned property, within this district.

To encourage development within the Opportunity Zones, the Town commissioned an economic prospectus that could be shared with the development community to attract development in line with the Town’s comprehensive plan. This prospectus, published in summer 2021, provides market characteristics development professionals evaluate in site selection, including Town average disposable income - \$76,069, median household income - \$76,702 and average household income - \$93,368; beyond this financial data, the report provided an in-depth analysis of redevelopment potential of the Southland Mall site.

The former Southland Mall site, comprising approximately 80 acres, was sold to a joint venture of Electra America and BH Group for just over \$160 million in May 2022. Future redevelopment plans for the mall site, which occupies the majority of the Town’s “Town Center” district include large-scale renovations and upgrades to the existing mall as well as redevelopment of the malls parking fields into a mixed-use residential neighborhood. (Please refer to “Local Economy” section on page three (3) of this document for details).

Transportation Initiatives

The Town continues to pursue grant and other funding opportunities to provide needed improvements to the Town, including funding for park land acquisition and improvements, road improvements and other public works projects. Over the past several years, the Town, pursuant to a Joint Project Agreement (JPA) with the County, in which the County provided funding of approximately \$18 million, successfully completed two (2) specified road improvement projects within the Town’s boundaries, Old Cutler Road (a State designated historic road) and Caribbean Boulevard, which is a main roadway that runs through the heart of town. The Town and the County recently agreed on a new approximately \$9 million JPA project for Franjo Road.

These roadway projects are a continuing example of a Complete Streets Model. This Complete Streets Model strives to improve public safety, ease traffic congestion, calm traffic, enhance pedestrian mobility, improve function and flow of mass transit and beautify the neighborhood with streetscape improvements. It will do so by reconstructing the two (2) lane road, and adding continuous storm





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

drainage, curb and gutter, enhanced lighting, traffic signalization and native landscaping. Pedestrian mobility and safety will be enhanced by adding sidewalks, tightening the corner radii, and shortening the pedestrians crossing route. Bicycle mobility will be enhanced by the provision of bike lanes adjacent to the travel lanes. Transit will be enhanced through the implementation of bus pullout bays. Traffic flow will be aided by the installation, where appropriate, of left turn lanes at specific intersections. This project is also consistent with the results of the Cutler Ridge Charrette, adopted by Miami Dade County prior to incorporation.

The Town has entered into another JPA with the County for the redevelopment of Franjo Road, a County owned road that runs through the center of the Town. Much like similar JPA projects for Old Cutler Road and Caribbean Blvd, the County is providing the majority of the funding for the project and the Town's contribution will come from its share of People's Transportation Plan surtax revenues. It is anticipated that construction will commence in July 2024.

In September 2018, the Town was notified that it was awarded a Strategic Miami Area Rapid Transit ("SMART") Plan Demonstration grant from the Florida Department of Transportation (through the Miami-Dade Transit Planning Organization). The grant aims to promote "on demand" transit opportunities. The Town will utilize the grant to implement Business Express Service shuttles that will operate during peak AM and PM business hours, transporting residents directly to the South-Dade Transitway. The project will help ease congestion by allowing Town residents to leave their vehicles at home and be shuttled to several transit stops along the South Dade Transitway. The grant award is \$192,500 per year for three (3) years - \$577,500 total over the three-year lifespan and required a Town match of \$192,500. The Town will utilize its transit related PTP surtax funds for match purposes. To date, the program has been a huge success. In fiscal year 2023, approximately \$690,300 was expended on this program with approximately \$200,600 being funded by the grant and approximately \$489,700 funded by Town PTP surtax funds.

The aforementioned PTP surtax funds are being received pursuant to an Interlocal agreement with the County (in February 2012) to allow the Town to receive funds from the PTP surtax. This PTP surtax was authorized in 2002 and is shared by the County (80%) and the incorporated municipalities (20%). Since the Town was incorporated after enactment of the PTP surtax, the County had not previously included the Town in the distribution of the funds raised by the PTP surtax. On an annual basis, at least 20% of the PTP surtax proceeds must be spent on transit related items. The remaining portion may be spent on transportation related items. Based on recent PTP surtax history, the Town anticipates receiving approximately \$2.5 million to \$3 million in PTP surtax funds annually.

Upon award of these funds, the Town immediately began using these PTP surtax funds to provide mobility enhancements to our residents. Since being awarded these funds, the transportation portion of the PTP surtax funds have been used for Town-wide road resurfacing projects, traffic calming projects, and to provide for the Town's share of costs on the previously noted JPA roadway projects, as well as on other transportation eligible projects.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

In September 2012, the Town commenced operation of a municipal circulator bus service within the Town's boundaries using the transit portion of the PTP surtax. Pursuant to an Interlocal agreement with the County, the County acquired a dedicated circulator bus on the Town's behalf using Federal stimulus funds and the County is operating and maintaining the circulator bus on the Town's behalf on a contractual basis.

In fiscal year 2013, the municipal circulator bus operated on a fixed route three (3) days per week. Ridership levels have increased steadily as word about the circulator bus spread around Town. As a result, in fiscal year 2014, the Town, pursuant to its agreement with the County, revised the circulator bus schedule such that it now operates six (6) days a week and nine (9) hours of operation per day. The average monthly ridership is approximately 4,500 riders per month.

Additionally, the Town has utilized the "transit" related PTP surtax funds for the design and construction of decorative bus shelters and benches. It is anticipated that these decorative shelters will be constructed throughout the Town, replacing older existing bus shelters with advertisement panels.

Town Hall Municipal Complex

In Fiscal Year 2020, the Town of Cutler Bay acquired approximately sixteen (16) acres of contiguous, vacant land through a land swap to eliminate high-density development along Old Cutler Road and develop the 16-acre Legacy Park and Municipal Complex. On January 9, 2020, the Town exchanged its Town Hall Properties and \$3 million in cash for the land owned by GCF Investments, Inc., in a transaction valued at \$17 million. Subsequently, on March 22, 2022, voters approved a General Obligation Bond for up to \$37 million to fund the construction of the park, community center, and municipal complex.

The Legacy Park and Municipal Complex is envisioned as a central hub for community engagement. On December 14, 2022, the Town Council approved the Master Plan for Legacy Park and the Municipal Complex, which includes a community center, municipal offices, and extensive park amenities. A subsequent Town Council Workshop on February 8, 2023, detailed the sustainable and resilient design elements of the project, such as green roofs, solar canopies, and elevated structures to mitigate sea level rise.

The majority of the property will be dedicated to a community-oriented park spanning twelve (12) acres, featuring shared-use paths, rolling hills, and educational native landscaping. The park is designed to become a significant destination within Miami-Dade County, with features including an open-air amphitheater/stage for community events. Community input was integral, with over twenty-five (25) Public Involvement meetings influencing the final design.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

To address environmental concerns, the buildings will be elevated three (3) feet above FEMA's Flood Elevation Requirements, and the park will function as a flood protection basin. The Town is also pursuing LEED certification and incorporating solar canopies, green roofs, and water features to establish a Green Resiliency Community Park.

These initiatives reflect the Town's commitment to sustainable development and community engagement, ensuring the Legacy Park and Municipal Complex will serve as a lasting asset for future generations.

Stormwater Initiatives

During fiscal year 2008, the Town commenced its stormwater utility operation after assuming that function from the County in the final quarter of that fiscal year. Since then, through September 30, 2023, the Town has completed approximately \$6.5 million of stormwater drainage improvement projects. These drainage projects, which were funded by a combination of grants and Town match funds and private contributions, will benefit the local area homeowners as they will help alleviate some of the known flood drainage issues in the area.

In Fiscal Year 2023, the Town completed the "Saga Bay 1.7" drainage project. This project added approximately \$1,034,000 to the Town's stormwater infrastructure (included in the total mentioned in the preceding paragraph) and it was funded with a \$600,000 State FDEP grant and funds transferred in from the CITT Fund.

In fiscal year 2019, the Town adopted a Watershed plan which enabled it to qualify for a Level three (3) status in the Community Rating System for flood insurance purposes. With this rating, Town residents will benefit from a 35% discount on their flood insurance premiums.

Parks and Recreation

The Town's recreation infrastructure and facilities that it received from the County are aging and need renovation and/or replacement. Following its Parks Master Plan, the Town completed approximately \$15.5 million in park improvements since incorporation, including the Lakes by the Bay Park project discussed below, as well as the restoration of Franjo Park following hurricane damage. These improvements were funded by a combination of sources, including grants, impact fees, insurance proceeds and other general fund sources. These improvements significantly upgraded the utility, functionality, and appearance of the park facilities.

In fiscal year 2010, the County transferred an additional parcel of land to the Town to be used as park land. This parcel, known as Lakes by the Bay Park encompasses approximately 49.3 acres, has been recorded by the Town at the County's historical cost at approximately \$345,000.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

This park was developed at a quicker pace than anticipated and opened to the public in December 2011 at a cost of approximately \$9 million (including the cost of the aforementioned land parcel).

This park, the largest in Town, provides both active and passive activities for Town residents. It is nestled near protected wetland areas, and it is anticipated that nature trails will be included as part of the park build out in the future. The development project was funded primarily with County provided funds. Since initial development, the Town added playground equipment for children at this park which included safety surfacing, a shade structure, and additional sidewalk capacity, a lightning detection system, and two (2) sand volleyball courts.

Franjo Park, which houses three (3) little league size baseball fields, was severely damaged in September 2017 by Hurricane Irma. Given the extent of damage and age of the park facility, the park needs to essentially be rebuilt from the ground up and brought up to code. These additional rebuild costs are not covered by insurance or FEMA reimbursement and, as a result, the Town has funded the restoration of this park with General Fund monies. The restoration was completed in fiscal year 2022 at a cost of approximately \$3.3 million.

In fiscal year 2023, the Town also completed the construction of a playground resurfacing project at a cost of approximately \$60,150, funded with ARPA grant funds and General Fund sources.

In October 2013, the Town accepted transfer of an additional (approximately 10-acre) park land parcel known as Blue Heron Park. This parcel is a passive park providing walking trails along a lakeside area and was improved by the Town to include outdoor exercise equipment stations along the walking trails.

In November 2021, the Town acquired an approximate 8.45-acre parcel along Old Cutler Road & SW 184th Street for \$8.45 million. This parcel is adjacent to protected wetlands and the intent of the Town Council was to ensure the parcel would not be developed, but rather preserved for conservation and resiliency purposes. Under consideration is the use of this parcel as a passive park and the establishment of a nature walking trail for educational purposes.

On December 1, 2023, the Town acquired an approximate 3.5-acre land parcel at the intersection of Old Cutler Road and SW 87th Avenue for a purchase price of \$8,482,000. The land parcel's intended use is as a passive park.

Interlocal Debt

The Town is required to pay the County its pro rata share for the Public Service Tax Revenue Bonds (i.e., the QNIP bonds) issued or authorized prior to the Town's incorporation. The payments for the fiscal year ended September 30, 2023, and 2022 were approximately \$321,081 and \$321,009, respectively. The Town's pro rate share of the debt was calculated and recorded in fiscal year 2010.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

As a condition of incorporation, the Town agreed that, until the bonds have been paid or provision made for their payment pursuant to the ordinance enacted by the County, the County shall have the right to receive and apply to debt service on the bonds of all the public service taxes, as defined, collected on behalf of the Town with respect to bonds outstanding at the time of the municipal incorporation. The Town's debt service obligations as to the bonds in each fiscal year shall be its pro rata share of such debt service obligation. The Town's pro rata share will be equal to that percentage of the total debt service accruing on the bonds in such fiscal year calculated by multiplying such total debt service by a fraction, the numerator of which will be the total amount of public service taxes collected within the boundaries of the unincorporated area comprising the boundaries of the Town during the fiscal year in which the Town incorporated and the denominator of which will be the total amount of public service taxes collected in the entire unincorporated area of the County. The balance of the public service taxes collected within the boundaries of the Town are remitted to the Town after the County satisfies the debt service requirements for the bonds.

Cash Management

The Town Council and Town Manager are fully charged with the security of the Town's funds and assets with the goal of maximizing return on surplus or idle cash. Cash management policies are clearly identified in the adopted budget documents and conform to regulations defined by the laws of the State of Florida. The Town's excess funds are invested primarily in interest bearing deposits in qualified public depositories.

The principal focus of cash management is to ensure the safety of the Town's cash while maximizing its return on investment. During fiscal year 2023 and 2022, in the General Fund, the Town earned approximately \$501,700 and \$56,200, respectively, in investment income. Interest rates were negatively impacted by the COVID-19 pandemic beginning in the third quarter of Fiscal Year 2020 and have continued at depressed levels into Fiscal Year 2022, although interest rates started to recover late in Fiscal Year 2022 and into Fiscal Year 2023.

The Town Council and Town Management closely monitor the resources available to the Town and its use. At September 30, 2023, the total fund balance of the General Fund is approximately \$26.6 million, an increase of approximately \$3.8 million from September 30, 2022. This total fund balance represents approximately 109% of total Fiscal Year 2023 general fund expenditures (and represents approximately 125% of Fiscal Year 2023 general fund expenditures excluding debt service and capital outlay).

Approximately \$26.3 million of the General Fund's total fund balance of \$26.6 million is classified as "unassigned" fund balance which is available for future appropriation by the Town Council for purposes it deems appropriate. This unassigned fund balance level represents approximately 108% of total Fiscal Year 2023 general fund expenditures (and represents approximately 123% of Fiscal Year 2023 general fund expenditures excluding debt service and capital outlay). The remainder of the General Fund's fund balance is classified as "non-spendable" (approximately \$260,150) to indicate that it is not available for new spending because it has already been committed for prepaid





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

expenses and as “restricted” (approximately \$83,450) because it can only be spent for specific purposes due to constitutional provisions or enabling legislation.

FINANCIAL POLICIES

It is the Town’s policy to annually adopt balanced budgets. The Town’s accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are generally determined by the Town Council upon the recommendations of the Town Manager and the Finance Director which are based upon established and accepted accounting policies and procedures as well as the number of funds required.

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

As a recipient of Federal, State and Local financial assistance, the Town is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level.

Other financial policies implemented by the Town include the development of policies and procedures manual, the establishment of guidelines for the recording of capital assets, the establishment a formal fund balance policy, and the use of the Town’s web site to disseminate budget documents and financial reports, including quarterly budget versus actual reports, to its citizens.

AWARDS AND ACKNOWLEDGEMENTS

The Governmental Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting (“Certificate of Achievement”) to the Town of Cutler Bay for its annual comprehensive financial report for the fiscal year ended September 30, 2022. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

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 we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Town's audit firm, Caballero Fierman Llerena & Garcia, LLP. We wish to express our appreciation to the Town staff for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

In closing, without the leadership and support of the Mayor and Town Council, the accomplishments and anticipated future successes noted in this report would not have been possible.

Respectfully submitted,

Rafael G. Casals,
Town Manager

Robert Daddario,
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Cutler Bay
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Executive Director/CEO

TOWN OF CUTLER BAY, FLORIDA
LIST OF ELECTED TOWN OFFICIALS
SEPTEMBER 30, 2023

Council-Manager Form of Government

TOWN COUNCIL

Tim Meerbott, Mayor

Michael P. Callahan, Vice Mayor

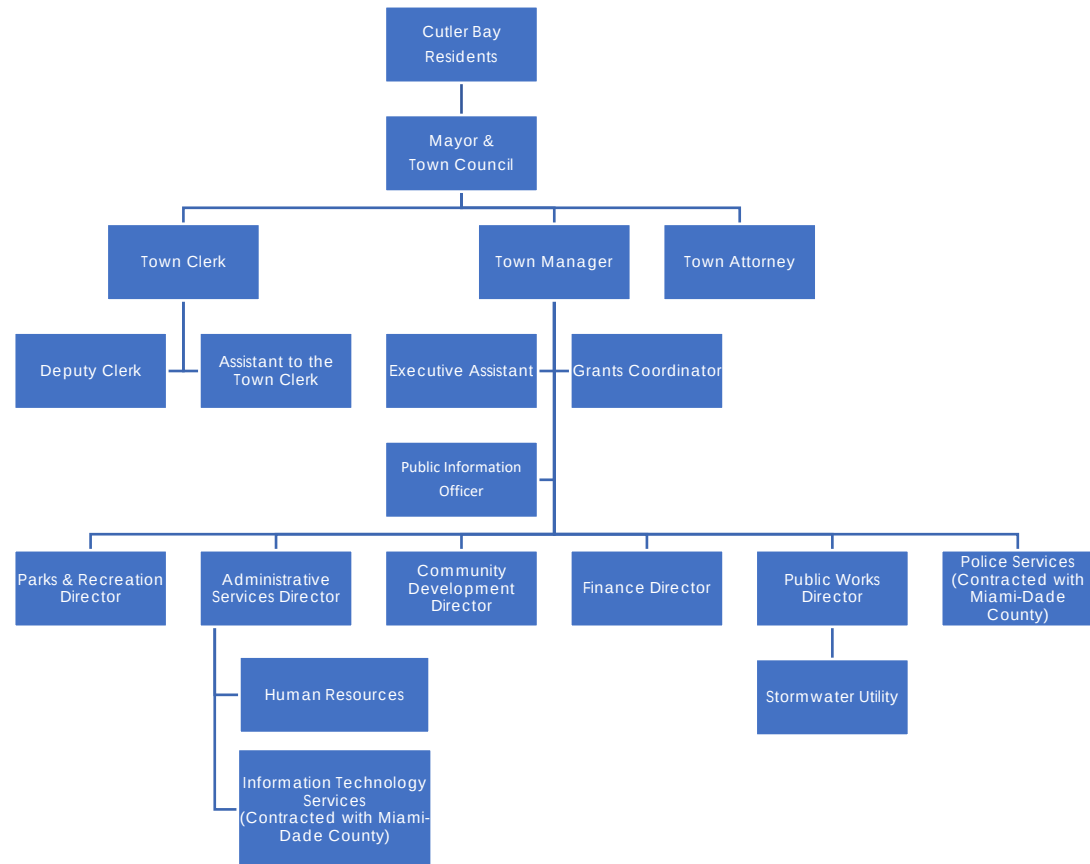
Robert Duncan, Councilmember, Seat 1

Suzy Lord, Councilmember, Seat 2

Richard Ramirez, Councilmember, Seat 3



Town of Cutler Bay Organizational Chart



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Town Council
Town of Cutler Bay, 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 Town of Cutler Bay, Florida (the "Town"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2023, 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules of the Town's net pension liabilities and contributions on pages 4-28 and 65-71 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 Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the Town of Cutler Bay (the "Town"), we offer in conjunction with the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023 with a comparative analysis with the prior fiscal year.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at September 30, 2023 by approximately \$70.37 million (net position). Of this amount, approximately \$21.28 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by approximately \$4.2 million from the total net position balance at September 30, 2022. The net increase results primarily from the Town's fiscal year 2023 operations.
- As of September 30, 2023, the Town's governmental funds reported combined ending fund balances of approximately \$34.15 million, an increase of approximately \$4.34 million from the September 30, 2022 balances, due primarily to the Town's current operations during the fiscal year offset by capital expenditures and debt service (an approximate \$5.67 million increase in fund balance), and offset by net transfers out (an approximate \$1.33 million decrease in fund balance). This combined fund balance represents 140.9% of combined governmental fund operating expenditures (excluding debt service and capital outlay).
- At September 30, 2023, unassigned fund balance for the General Fund was approximately \$26.3 million, or 108% of total General Fund expenditures, versus \$22.6 million and 107%, respectively, at September 30, 2022. The approximate \$3.7 million increase in unassigned fund balance results primarily from fiscal year 2022 operations (an approximate \$3.8 million increase) as well as by the changes in the composition of the other classifications of fund balance. The Town's unassigned fund balance at September 30, 2023 remains strong and is a positive indicator of the Town's financial health.
- At September 30, 2023, the General Fund's fund balance of approximately \$26.6 million is comprised of approximately \$260,150 classified as "Nonspendable", approximately \$83,450 classified as "Restricted", and approximately \$26.3 million classified as "Unassigned".
- The Town records the activity of its stormwater utility (a business type activity) in the Stormwater Fund, an enterprise fund. In fiscal year 2023, the stormwater utility's net position increased by approximately \$1,817,600. This increase resulted primarily from an operating loss of approximately \$300,240 which was generated from approximately \$1,018,730 in charges for services and approximately \$1,318,970 in operating expenses, including approximately \$275,340 in depreciation. Operating loss was offset by grants and contributions of approximately \$250,000 and transfers in of approximately \$1,923,470, offset by net non-operating expenses of approximately \$55,630, comprised of net interest expense.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Cutler Bay's basic financial statements. The basic financial statements are comprised of (a) government-wide financial statements, (b) fund financial statements, and (c) notes to the financial statements. This report also contains other supplementary 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 Town's finances, in a manner similar to a private-sector business.

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

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

The statement of activities presents information showing how the government'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 transactions that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements of the Town are principally supported by taxes and intergovernmental revenues (governmental activities), and also reflect the transfer of infrastructure assets to the Town from the County (park lands and related assets, roadways and sidewalks, and in the case of the stormwater utility fund, a business-type activity, stormwater system assets), as well as by user fees and charges which are intended to recover all or a significant part of the cost of providing services to residents (business-type activities). The governmental activities of the Town include general government, public safety, public works, parks and recreation, and community development. The Town has one business-type activity, the Stormwater Fund. The government-wide financial statements report only on the Town of Cutler Bay.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Cutler Bay, like other state and local governments, uses fund accounting to ensure and demonstrate accountability for the collection and use of public resources. The use of funds is an important tool for governments to demonstrate their compliance with the lawfully permitted use of resources. All of the funds of the Town can be divided into two categories, governmental funds and proprietary funds.

Governmental funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Cutler Bay maintains various governmental funds, some of which meet the criteria of major funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the ARPA Fund and the CITT Fund. These funds are considered major funds. The Town also maintains several other special revenue funds and a capital projects fund, none of which meet the criteria of major funds. The totals of these funds are presented in the aforementioned governmental fund statements in a separate column entitled "Other Governmental Funds", with the detail provided in supplemental combining financial statements.

The Town of Cutler Bay adopted an annual appropriated budget for its General Fund, its ARPA Fund and its CITT Fund. Budgetary comparison schedules have been provided for the General Fund, the ARPA Fund and the CITT Fund to demonstrate compliance with their respective budgets.

Proprietary funds

The Town maintains one proprietary fund for which the Town adopts an annual appropriated budget. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its stormwater operations.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Overview of the Financial Statements (Continued)

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Also, the combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

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 Town, net position increased approximately \$4.2 million during fiscal year 2023, primarily due from operations. As a result, assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources were approximately \$70.37 million and \$66.16 million, respectively, at September 30, 2023 and 2022. See the tables on pages 9 and 10 below.

The largest portion of the Town's assets at September 30, 2023 consists of capital assets (approximately \$65.33 million (net of accumulated depreciation), primarily roadways, sidewalks, park lands and related assets transferred to the Town by the County, park improvements made by the Town, stormwater assets transferred to the Town by the County, additional infrastructure developed by the Town, as well as a building and related land and ancillary assets related to the Town Hall site. The primary contributors to the increase in capital assets in fiscal year 2023 were the recording of vehicle – right to use assets as well as to increases to construction in progress for improvement projects related to stormwater drainage.

Other significant assets at September 30, 2023 and 2022 include cash, and receivables due from the County, the State of Florida (the "State"), and from various grants. Cash, totaling approximately \$54.75 million at September 30, 2023, increased approximately \$51.1 million from the fiscal 2022 total primarily resulting from fiscal year 2023 operating activities, adjusted for changes in the timing of the liquidation of assets and liabilities.

Receivables decreased approximately \$675,300 primarily as a result of the timing of reimbursements due from others. The primary components of this change are as follows:

- In the General Fund, there was a net decrease in receivables of approximately \$311,500. This related primarily to lower receivables at September 30, 2023 for taxes (approximately \$336,700), for grants (approximately \$3,600), and for amounts owed from the County for Interlocal debt changes (approximately \$24,900), offset by increased receivables for fees (primarily franchise fees) of approximately \$46,400. The balance of the difference is comprised of minor increases and decreases from other sources and are not considered material for further discussion.
- In the CITT Fund, there was a net increase in receivables of approximately \$302,400. While revenue derived from the CITT program was higher in fiscal year 2023, collections were slower at the end of fiscal year 2023 versus fiscal 2022, resulting in an increase in receivables of approximately \$200,400. The increase in receivables was offset by the recording of a receivable for revenues unavailable at the fiscal year end which were recorded as a deferred inflow of resources, the net change of this was an increase in receivables of approximately \$19,900.
- In Other Governmental Funds, receivables decreased approximately \$297,400, primarily due to:
 - The Town operates park programs for youths funded in part from The Children's Trust and the Department of Juvenile Justice (DJJ). As of fiscal year-end 2023, grant receivables from The Children's Trust were approximately \$10,000 more than the fiscal year-end 2022 balance. Also, there was an approximate \$8,500 decrease in the grant receivables from the DJJ versus the prior year end. These two park grants resulted in a net increase in receivables of approximately \$1,500.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

- The Town receives from the State a share of the 2nd Local Option Gas Tax, a capital grant recorded in the Special Revenue Fund that can only be used for specified capital projects. The receivable at the end of fiscal year 2023 was approximately \$1,800 less than the corresponding fiscal year 2022 balance.
- In fiscal year 2021, the Town commenced the design of a roadway project along Franjo Road being performed pursuant to a Joint Participation Agreement ("JPA") with Miami-Dade County (the "County"). The project is being accounted for in the JPA – Franjo Road Fund. At fiscal year end 2023, the Town had receivables of approximately \$83,900 due from the County for design cost reimbursement. Activity on this project in fiscal year 2022 was not as strong, and, as a result, the receivable due from the County at September 30, 2022 was only \$52,900, an increase in receivables of \$31,000.
- In fiscal year 2021, the Town commenced the operation of an "on demand" transit service in town, funded with a grant and a Town match of CITT Surtax funds. The project is being accounted for in the Transit Fund. At fiscal year-end 2023, the Town had receivables of approximately \$602,100 due from the grant and from CITT Surtax funds. This service experienced strong growth in fiscal year 2022 and, as a result, receivables at September 30, 2022 were approximately \$930,200, an approximate \$328,100 decrease over the year-end fiscal year 2022 balance.
- In the Stormwater Fund (a proprietary fund), receivables were approximately \$540,700 at fiscal year end 2023 versus \$909,500 at fiscal year end 2022, a decrease in receivables of approximately \$368,800. This resulted primarily from decreased grant receivables in the 2023 period (an approximate \$365,400 decrease), and decreased stormwater fee receivables in the 2023 period (an approximate \$3,400 decrease).

Receivables at September 30, 2023 and 2022 consist primarily of amounts due from the County (\$2,091,200 and \$2,257,100, respectively) as well as intergovernmental receivables due from the State (\$604,800 and \$631,900, respectively), and receivables from various grants (\$441,000 versus \$594,500, respectively). The remainder of the governmental activities receivables balance is comprised of balances from other miscellaneous sources (\$667,500 and \$627,400, respectively at September 30, 2023 and 2022). Stormwater Fund receivables were approximately \$540,700 at September 30, 2023 versus \$909,500 at September 30, 2022.

The receivables due from the County at September 30, 2023 and 2022 related primarily to the timing of property and utility taxes and CITT Surtax funds due the Town at those dates. The decrease in the fiscal year 2023 balance results primarily to receivables for property and ad valorem taxes being \$58,500 and \$247,900, respectively, less at fiscal year end 2023 versus the fiscal year end 2022 balance. Additionally, there was an approximate \$24,900 decrease in receivable due from the County related to amounts owed from the County for Interlocal debt changes. These decreases were offset by an increase in CITT Surtax receivables at September 30, 2023 versus September 30, 2022 (approximate \$156,700 increase). The balance of the change is the result of small, miscellaneous increases and decreases in various categories. These changes are not considered material for further discussion.

The receivables due from the State at September 30, 2023 and 2022 related primarily to sales taxes, local option gas taxes and communication services taxes due the Town at those dates. The net decrease in this receivable balance for the fiscal year 2023 period results primarily to decreases of approximately \$9,700 for sales taxes and \$16,100 for communication services taxes. The balance of the change is the result of small, miscellaneous increases and decreases in various categories. These changes are not considered material for further discussion.

Grant receivables at September 30, 2023 decreased approximately \$153,500 from the prior year end, due primarily to changes in grant activity. The Transit Fund experienced an approximate \$264,500 decrease in grant receivable as the grant for the Go Connect service was winding down. Additionally, there was a \$20,000 grant from private source in fiscal year 2022 for which there was no corresponding grant in fiscal year 2023. These decreases were offset by an increase in receivables at fiscal year end 2023 for the JPA-Franjo Road project (approximate \$31,000 increase), park specific grants (approximate \$7,000 increase), public safety specific grants (approximate \$10,900 increase), and, in the CITT Fund, a newly received grant for a 2nd circulator bus service (approximate \$82,100 increase).

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

The increase in other miscellaneous receivables at September 30, 2023 versus the September 30, 2022 balance is due primarily to an increase in receivables for franchise fees (an approximate \$38,300 increase). The balance of the difference is comprised of minor increases and decreases from different revenue sources. These changes are not considered material for further discussion.

In the Stormwater Fund, a proprietary fund, the decrease in receivables at September 30, 2023 versus the corresponding fiscal year 2022 period (approximately \$368,800), results primarily from decreased grant receivables in the 2023 period (an approximate \$365,400 decrease), and a decrease in net receivables for stormwater fee in the 2023 period (an approximate \$3,400 increase).

Deferred outflows of resources decreased approximately \$103,100 at September 30, 2023 versus the balance at September 30, 2022, resulting primarily from the changes required by the current year GASB 68 valuation.

Long-term debt decreased approximately \$47,000 primarily resulting from an increase in net pension liability pursuant to GASB 68, an increase in lease liability recorded pursuant to GASB 87, and an increase in compensated absences, offset by principal payments on the Town's notes payable, amortization of bond premium, and principal payments on the Town's Interlocal debt with the County for the QNIP bonds and Stormwater utility revenue bonds.

The approximate \$721,600 decrease in other liabilities primarily reflects (1) an approximate \$1,455,550 utilization of ARPA grant funds and corresponding decrease in ARPA grant funding received which has not yet been earned, (2) an approximate \$13,300 net decrease in other liabilities primarily reflecting a decrease in deposit liabilities (approximately \$15,100), offset by an approximate \$1,800 increase in permit surcharge reserves, and (3) an approximate \$8,900 decrease in accrued interest payable. These decreases were offset by an approximate \$756,150 increase in accounts payable.

The approximate \$756,150 increase in accounts payable relates primarily to the timing of vendor payments and are impacted by the timing of Town projects. The year-end fiscal 2023 increase in accounts payable results primarily from an approximate \$5,100 increase in accounts payable in the CITT Fund, an approximate \$723,900 increase in accounts payable in the General Fund, and an approximate \$262,700 increase in accounts payable in the Stormwater Fund, offset an approximate \$235,550 decrease in accounts payable in the non-major governmental funds.

- The changes in accounts payable in the General Fund, the CITT Fund, and the Stormwater Fund result primarily from the timing of payments to vendors between the fiscal years.
- The \$235,550 decrease in accounts payable in non-major governmental funds primarily reflects a decrease in accounts payable for (1) the Transit Fund related to the On Demand service (approximate \$239,900 decrease) and a decrease in accounts payable for the DJJ Fund (approximate \$3,300 decrease), offset by an approximate increase in accounts payable for the TCT Fund (approximate \$7,650 increase). These changes result primarily from the timing of payments to vendors between the fiscal years.

Deferred inflows of resources at September 30, 2023 reflects a decrease of approximately \$53,700 versus the balance at September 30, 2022 primarily as a result of an approximate \$43,800 decrease in pension expenses pursuant to the current year GASB 68 valuation, and an approximate \$9,900 decrease in deferred revenues.

(This Space Intentionally Left Blank)

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

Town of Cutler Bay Statement of Net Position September 30, (in thousands)							
	Governmental Activities		Business-type Activities		Total		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	Percent <u>Change</u>
Current and other assets	\$ 59,330	\$ 56,299	\$ 83	\$ (61)	\$ 59,413	\$ 56,238	5.6%
Capital assets	<u>53,654</u>	<u>55,258</u>	<u>11,675</u>	<u>9,756</u>	<u>65,329</u>	<u>65,014</u>	0.5%
Total assets	<u>112,984</u>	<u>111,557</u>	<u>11,758</u>	<u>9,695</u>	<u>124,742</u>	<u>121,252</u>	2.9%
 Deferred Outflows of Resources	 <u>1,245</u>	 <u>1,348</u>	 <u>-</u>	 <u>-</u>	 <u>1,245</u>	 <u>1,348</u>	 -7.6%
 Long-term debt	 28,713	 28,742	 905	 923	 29,618	 29,665	 -0.2%
Other liabilities	<u>25,001</u>	<u>25,985</u>	<u>692</u>	<u>429</u>	<u>25,693</u>	<u>26,414</u>	-2.7%
Total liabilities	<u>53,714</u>	<u>54,727</u>	<u>1,597</u>	<u>1,352</u>	<u>55,311</u>	<u>56,079</u>	-1.4%
 Deferred Inflows of Resources	 <u>308</u>	 <u>361</u>	 <u>-</u>	 <u>-</u>	 <u>308</u>	 <u>361</u>	 -14.7%
 Net position							
Net investment in capital assets	30,699	33,784	10,769	8,833	41,468	42,617	-2.7%
Restricted	7,616	7,089	-	-	7,616	7,089	7.4%
Unrestricted	<u>21,893</u>	<u>16,944</u>	<u>(608)</u>	<u>(490)</u>	<u>21,285</u>	<u>16,454</u>	29.4%
Total net position	<u>\$ 60,208</u>	<u>\$ 57,817</u>	<u>\$ 10,161</u>	<u>\$ 8,343</u>	<u>\$ 70,369</u>	<u>\$ 66,160</u>	6.4%

The balance of unrestricted net position (approximately \$21.29 million and \$16.45 million, respectively at September 30, 2023 and 2022) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2023 and 2022, the Town of Cutler Bay is able to report positive balances in all three categories of net position.

(This Space Intentionally Left Blank)

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

Governmental activities

Governmental activities increased net position by approximately \$2.39 million for the year ended September 30, 2023 versus an increase of approximately \$2.91 million for fiscal year 2022, representing the results of the Town's operations for the applicable fiscal periods.

Business-type activities

Business-type activities increased net position by approximately \$1.82 million for the year ended September 30, 2023 versus an increase in net position of approximately \$2.58 million for the year ended September 30, 2022, representing the results of the Town's operations of the stormwater utility.

Town of Cutler Bay Changes in Net Position For The Fiscal Year Ended (in thousands)							
	Governmental Activities		Business-Type Activities		Total		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Percent Change</u>
Revenues							
Program revenues:							
Charges for services	\$ 1,880	\$ 2,405	\$ 1,019	\$ 1,026	\$ 2,899	\$ 3,431	-15.5%
Operating grants and contributions	4,973	4,040	-	15	4,973	4,055	22.6%
Capital grants and contributions	277	242	250	600	527	842	-37.4%
General revenues:							
Taxes and franchise fees	24,291	22,307	-	-	24,291	22,307	8.9%
Other	<u>1,324</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>1,324</u>	<u>138</u>	859.4%
Total revenues	<u>32,745</u>	<u>29,132</u>	<u>1,269</u>	<u>1,641</u>	<u>34,014</u>	<u>30,773</u>	10.5%
Expenses							
General government	9,271	6,749	-	-	9,271	6,749	37.4%
Public safety	10,970	10,211	-	-	10,970	10,211	7.4%
Parks and recreation	4,125	3,429	-	-	4,125	3,429	20.3%
Community development	3,296	2,769	-	-	3,296	2,769	19.0%
Stormwater	-	-	1,374	1,424	1,374	1,424	-3.5%
Interest on long-term debt	<u>769</u>	<u>702</u>	<u>-</u>	<u>-</u>	<u>769</u>	<u>702</u>	9.5%
Total expenses	<u>28,431</u>	<u>23,860</u>	<u>1,374</u>	<u>1,424</u>	<u>29,805</u>	<u>25,284</u>	17.9%
Change in net position before transfers	4,314	5,272	(105)	217	4,209	5,489	-23.3%
Transfers	<u>(1,923)</u>	<u>(2,367)</u>	<u>1,923</u>	<u>2,367</u>	<u>-</u>	<u>-</u>	N/A
Increase (decrease) in net position	<u>2,391</u>	<u>2,905</u>	<u>1,818</u>	<u>2,584</u>	<u>4,209</u>	<u>5,489</u>	-23.3%
Net position, beginning	57,817	54,780	8,343	5,463	66,160	60,243	9.8%
Restatement	<u>-</u>	<u>132</u>	<u>-</u>	<u>296</u>	<u>-</u>	<u>428</u>	
Net position, beginning (as restated)	<u>57,817</u>	<u>54,912</u>	<u>8,343</u>	<u>5,759</u>	<u>66,160</u>	<u>60,671</u>	9.0%
Net position, ending	<u>\$ 60,208</u>	<u>\$ 57,817</u>	<u>\$ 10,161</u>	<u>\$ 8,343</u>	<u>\$ 70,369</u>	<u>\$ 66,160</u>	6.4%

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

Key elements in the changes in net position are as follows:

Governmental activities

- Taxes and franchise fees (\$24.3 million and \$22.3 million, respectively, for fiscal year 2023 and fiscal year 2022) comprised 74% and 77%, respectively, of total revenues of \$32.7 million and \$29.1 million for fiscal year 2023 and fiscal year 2022, respectively, with property taxes representing the largest single tax source (\$8.8 million and \$8 million in fiscal year 2023 and 2022, respectively). Total fiscal year 2023 revenues increased approximately 10.5%, due primarily to increases in property taxes (approximate \$774,000 increase), State shared revenues (approximate \$404,000 increase, primarily from sales taxes), utility taxes (approximate \$489,000 increase), and franchise fees (approximate \$316,000 increase).
- Charges for services in fiscal year 2023 decreased from fiscal year 2022 by approximately \$525,000 primarily as a result of increased (1) parks fees (approximately \$107,750), (2) other charges for services (approximately \$20,200), (3) school crossing guard fees (approximately \$9,050), and (4) CITT administrative fees (approximately \$11,900), offset by decreased (5) burglar alarm fees (approximately \$28,250), (6) building permits and zoning fees (approximately \$516,850), (7) lien search fees (approximately \$38,100, and (8) judgements and fines (approximately \$85,100). The balance of the decrease is the sum of other small increases and decreases between the years.
- Operating grants and contributions increased approximately \$933,000 primarily as a result of approximate increases of \$572,600 in the ARPA Fund related to revenue recognized for ARPA eligible grant expense and an approximate \$319,700 increase in CITT Surtax revenues. The balance of the increase is the sum of other small increases and decreases between the years.
- Capital grants and contributions increased approximately \$35,000, primarily related to increases in impact fees in 2nd local option gas taxes. The remaining change results primarily from minor increases and decreases in grant revenues related to several smaller grants in fiscal year 2023 versus fiscal year 2022.
- Taxes and franchise fees increased approximately \$1,984,000. The primary changes are discussed in the first point above.
- Other general revenues increased approximately \$1,186,000, primarily as a result of increased interest income of approximately \$964,200 earned in a more favorable interest rate environment. Additionally, the Town recorded other income of approximately \$228,000 resulting from the receipt of funds upon termination of its old vehicle fleet. The balance of the change is the sum of other small increases and decreases between the years.
- Operating and capital grants and contributions (\$4,973,000 and \$277,000 at September 30, 2023 and \$4,040,000 and \$242,000 at September 30, 2022, respectively) account for 16% and 14.7% of total revenues at September 30, 2023 and 2022, respectively. The amounts in both the fiscal year 2023 and fiscal year 2022 periods are comprised primarily of 2nd local option gas tax receipts, impact fees, CITT surtax funds and capital and non-capital project grant funds received by the Town.
- Charges for services account for 5.7% and 8.3% of total revenues for fiscal years 2023 and 2022, respectively. These amounts consist primarily of building and zoning fees, park service fees, rental income, and public safety fees and fines and forfeitures. Use of these funds is generally restricted to certain prescribed uses. The increase in these revenues in fiscal year 2023 is discussed in the bullet point above.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

- Expenses for governmental activities increased approximately \$4,571,000, resulting primarily from an approximate \$2,522,000 increase in expenses related to general government, an approximate \$759,000 increase in expenses related to public safety, an approximate \$527,000 increase in expenses related to community development, and an approximate \$696,000 increase in expenses related to parks and recreation, and an approximate \$67,000 increase in interest on long-term debt. The primary reasons for these changes are:
 - The increase in general government expenses results, in large part, from increased costs associated with the Town's ongoing roadway and transportation related projects, as follows:
 1. Expenses related to CITT surtax funded projects increased approximately \$343,800 in fiscal year 2023, primarily related to roadway resurfacing and traffic calming projects (approximately \$164,400), transit service with implementation of a second circulator bus (approximately \$166,100), and to CITT administrative fees (approximately \$11,900).
 2. Expenses related to the JPA – Franjo Road Fund decreased approximately \$36,900 as the project design phase wound down in fiscal year 2023.
 3. The Transportation Fund expended approximately \$10,500 more in fiscal year 2023 related to commencement of the design off a roadway project (approximate \$22,800 increase), offset by a grant funded transportation master plan update which was finalized during the prior fiscal year (approximate \$12,300 decrease).
 4. The Sidewalks Fund expenses were approximately \$789,300 more in fiscal year 2023 as ARPA funds were expended on sidewalk construction in the current fiscal year.
 5. Expenses for the Transit Fund increased by \$129,200 in fiscal year 2023 as a result of the popularity, and increased ridership, related to the Go Connect/On Demand service.

Non roadway/transportation project related items that contributed to the net change of general government expenses included an increase in depreciation expense (approximately \$166,100), pension expense (approximately \$311,600 based on the current year pension valuation), and compensated absences (approximately \$37,000). The increase in depreciation expense in fiscal year 2023 includes depreciation of a building – right to use asset and vehicles – right to use assets recorded pursuant to GASB 87.

Additionally, general government expenses increased approximately \$771,200 primarily as a result of:

1. The Town Attorney department expenditures increased approximately \$90,200 in fiscal year 2023 versus the fiscal year 2022 period. A portion of the increase is attributable to the provision of services related to the award and utilization of ARPA grant funding. The Town contracts for these services.
2. The Mayor & Council department expenditures increased approximately \$27,200 primarily due to cost of living pay changes, as well as increased payroll taxes, retirement contributions and life and health insurance premiums. There were other account balance increases and decreases that individually were not material for further analysis.
3. The Town Clerk department expenditures increased approximately \$10,200. The increase results primarily to an increase in salaries and benefits (approximate \$49,900 increase) due to merit and cost of living pay increases and increased life and health insurance premiums offset by a decrease in other contractual services (approximate \$40,800 decrease) due primarily to reduced election costs. There were other account balance increases and decreases that individually were not material for further analysis.
4. The Finance department expenditures decreased approximately \$20,200. The decrease reflects a decrease in salaries and benefits of approximately (40,300), reflecting a decrease in wages and related payroll taxes and retirement contributions of approximately \$44,600, offset by an increase in life and health insurance premiums of approximately \$4,300. The decrease in wages primarily reflects the reduction in salary for the Finance Director for working remotely. This net decrease was offset by an increase in audit and accounting fees of approximately \$9,500 (due to increased

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

Single Audit costs) and in repairs and maintenance of approximately \$8,000 (due to increased ERP software system maintenance costs). There were other account balance increases and decreases that individually were not material for further analysis.

5. The Public Works department expenditures increased approximately \$17,000 due primarily to increase in salaries and benefits (approximate \$8,000 increase) due to merit and cost of living pay increases and increased life and health insurance premiums and an increase in other contractual services (approximate \$63,500 increase) due to increased roadway maintenance projects in the current year, offset by a decrease in rentals and leases (approximate \$54,200 decrease) as a result of recording vehicle leases as debt service in the current year upon adoption of GASB 87. There were other account balance increases and decreases that individually were not material for further analysis.
6. The General Government department expenditures increased approximately \$646,800. The increase results primarily to (1) an increase in salaries and benefits (approximate \$90,800 increase) due primarily to merit and cost of living pay increases and increased life and health insurance costs, (2) an increase in property and casualty insurance (approximate \$41,300 increase) due primarily to increased property and liability insurance premiums in the Florida market, as well as to increased property values insured, and (3) an increase in other contractual services of approximately \$648,000 primarily related to increased expenditures for a Brownfield consultant and related services (approximate \$195,000 increase) and for GO Bond consultant services (approximate \$434,900 increase), offset by (4) a decrease in professional fees of approximately \$97,200 due primarily to reduced GO Bond outreach efforts, environmental assessment of the Town's future municipal complex site, and services of an environmental lobbyist and financial advisor, (5) a decrease in other current charges (approximate \$39,900 decrease) due primarily to a refund of grant funds received in the prior year. There were other account balance increases and decreases that individually were not material for further analysis.

The balance of the difference in general government expenses results from a combination of smaller changes in various accounts.

- Expenditures for public safety increased approximately \$759,000 primarily due to costs related to contracted police services with the County. Professional services, for local patrol and optional police services, increased approximately \$761,200, primarily as a result of increased union contract costs. Depreciation also increased approximately \$4,300. These increases were offset by a net decrease in various operating expenses, none of the changes for which are individually material.
- Expenses for parks and recreation expenses increased approximately \$696,000. Salaries and benefits increased (approximately \$385,200) primarily as a result of merit and cost of living pay changes, hiring of additional staff, including seasonal part-timers, as well as corresponding increases for payroll taxes, retirement contributions and life and health insurance premiums. Increased park activities and events resulted in an increase in contractual services (approximate \$48,600 increase) and repair and maintenance activities resulted in an increase (approximate \$70,200 increase) in this expenditure category. The Town also expended funds in fiscal year 2023 related to a State Active Adult grant resulting in increased expenditures of approximately \$61,400. These increases were offset by an approximate \$60,900 decrease in utility costs. The Town also has grant programs funded by The Children's Trust ("TCT") and the Department of Juvenile Justice ("DJJ"). During fiscal year 2023, the TCT programs had increased expenses of approximately \$3,900, while the DJJ program reflected a increase of approximately \$14,700. Additionally, increased expenses were incurred for pension expense (approximate \$240,200 increase due to the current year pension valuation) and compensated absences (approximate \$28,200 increase) offset by a decrease in depreciation (approximate \$87,200 decrease). The balance of the difference relates from a combination of smaller changes in various accounts.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

- Expenses for community development increased approximately \$527,000. Salaries and benefits increased (approximately \$243,900), primarily related to merit and cost of living pay changes, as well as increased payroll taxes, retirement contributions and life and health insurance premiums. Other contractual services expenditures increased approximately \$154,200 primarily related to increased amounts paid to the consulting firm that performs the Town's permit and inspection services. These increases were offset by an approximate \$17,900 decrease in professional services as a result of reduced use of planning professional services. Additionally, pension expense increased (approximately \$168,800) due to the current pension valuation, offset by decreased expenses for depreciation (approximately \$15,200). The balance of the difference relates from a combination of smaller changes in various accounts.
- Interest on long-term debt increased approximately \$67,000, primarily as a result of normal amortization of the Town's long-term debt, increased by interest recorded on the lease liabilities recorded pursuant to GASB 87.
- Transfers out decreased approximately \$443,600 reflecting decreased transfers out from the CITT Fund (a major governmental fund) and the ARPA Fund (a major governmental fund) to the Stormwater Fund (a proprietary fund) for use on the transportation/roadway related costs of drainage projects, as well as ARPA grant eligible projects.

Business-type activities

- Charges for services for stormwater fees, which represent 80.3% and 62.5% of total revenues for fiscal years 2023 and 2022, respectively, in the proprietary fund, resulted from the Town's operation of the stormwater utility within the Town's boundaries which commenced in the fourth quarter of fiscal 2008.
- Capital grants and contributions decreased approximately \$350,000 related to a grant awarded to the Town for the construction of a drainage improvement project which completed in fiscal year 2023, offset by the completion of a grant for another drainage improvement project that was completed in fiscal year 2022.
- Total expenses of the stormwater utility decreased approximately \$50,000 reflecting decreased operating expenses of approximately \$54,000, offset by increased interest expense of approximately \$4,000.

Operating expenses decreased primarily as a result of an approximate \$166,400 decrease in other contractual services, offset by increases in professional services (approximate \$20,400 increase), depreciation expense (approximate \$57,700 increase), and in salaries and benefits (approximate \$44,600 increase, due primarily to merit and cost of living increases with associated increases in retirement contributions and life and health insurance premiums). The balance of the difference relates from a combination of smaller changes in various accounts.

- Interest expense increased approximately \$4,000, primarily as a result of scheduled debt amortization and interest recorded on vehicles – right to use leases recorded pursuant to GASB 87.
- Transfers in decreased approximately \$443,600 reflecting decreased transfers in from the CITT Fund (a major governmental fund) for use on the transportation/roadway related costs of drainage projects (approximate \$159,300 decrease) and from the ARPA Fund (a major governmental fund) for use on ARPA eligible grant projects) approximate \$284,300 decrease).

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds

The Town of Cutler Bay uses fund accounting to ensure and demonstrate accountability for the collection and use of public resources.

Governmental funds

The focus of the Town of Cutler Bay's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2022, and 2022, the Town's governmental funds reported combined ending fund balances of \$34.15 million and \$29.8 million, respectively. The fiscal year 2023 operations increased fund balance by approximately \$4.34 million primarily from normal current operating activities (approximate \$8,823,000 increase), issuance of leases (approximately (\$595,300) and by transfers in (approximately \$1,676,750), offset by capital expenditures (approximately \$874,100), debt service (approximately \$2,283,600), and transfers out (approximately \$3,600,250).

Total revenues for fiscal year 2023 increased approximately \$4,395,300 from fiscal year 2022 levels, due primarily to several factors, as follows:

- Ad valorem revenues increased in fiscal year 2023 approximately \$774,400 as a result of increased property values and the timing of collections.
- Utility taxes increased approximately \$1,259,800 primarily as a result of the timing of collections and increased usage.
- Franchise fees increased approximately \$315,900 primarily due to enhanced revenues derived from the Town's franchise fee agreement directly with the utility provider commencing May 2020 upon termination of the Town's Interlocal agreement with the County, as well as improved solid waste franchise fee collections.
- Building activity in Town was impacted by the COVID-19 pandemic slowdowns in fiscal 2020 but rebounded in fiscal year 2021. Fiscal year 2022 saw continued improvement in building activity, but there was some pause in fiscal year 2023. There was a decrease in licenses and permit revenues in fiscal year 2023, versus fiscal year 2022, of approximately \$521,450. Building permit and zoning related fees decreased approximately \$516,850 and local business tax receipts and other licenses decreased approximately \$13,700, offset by an increase in other licenses of approximately \$9,100.
- Impact fees increased approximately \$24,400 relating to the timing of application for new project developments within Town subject to impact fee assessments.
- Intergovernmental revenues increased approximately \$1,388,200 primarily resulting from:
 1. Revenue from the CITT surtax funds increased approximately \$319,650 in fiscal year 2023 versus the 2021 period due primarily to the continued rebound from the impacts from COVID-19.
 2. Revenue recognized from the grant in the ARPA Fund increased approximately \$572,550 in fiscal year 2023 as ARPA grant related projects continued.
 3. The Transportation Fund had an approximate \$10,000 decrease in revenues primarily as a result of completion of a grant funded transportation master plan update.
 4. The Town is a recipient of two grants, one from The Children's Trust ("TCT") and one from the Department of Juvenile Justice ("DJJ"), to provide after school programs for children. Revenues from the TCT grant increased in fiscal year 2023 approximately \$3,900 and revenues from the DJJ grant increased approximately \$14,750.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

Governmental funds (Continued)

5. In fiscal year 2021, the Town commenced the design of a roadway improvement project along Franjo Road, being developed in conjunction with Miami-Dade County pursuant to a Joint Participation Agreement ("JPA"). The project is being accounted for in the JPA – Franjo Road Fund. The Town recorded revenues from the County pursuant to the JPA for the cost incurred during the 2023 and 2022 periods for design (approximately \$31,000 and \$74,000, respectively, a decrease of approximately \$43,000) resulting from the wind down of the design phase of the project.
 6. In fiscal year 2021, the Town commenced an "on demand" transit service funded by a grant with a Town match from CITT Surtax funds. The project is being accounted for in the Transit Fund. In fiscal year 2023, the Town recorded grant funds of approximately \$200,700, versus approximately \$192,400 in fiscal year 2022, an approximate increase of \$8,300.
 7. The Town experienced an approximate \$9,300 increase in the 2nd Local Option Gas tax restricted for use to capital items in fiscal year 2023 primarily due to the continued rebound from the impacts of COVID-19.
 8. The Town experienced increases in most State shared revenue categories, resulting in an increase in revenues of approximately \$403,400. Sales tax revenues increased approximately \$302,500, local option gas taxes increased approximately \$36,200, State revenue sharing increased approximately \$79,700, offset by a decrease in communication services taxes of approximately \$15,000.
 9. Revenues from grants increased approximately \$97,300, primarily related to culture and recreation grants received.
 10. Administrative fees from administering the CITT surtax funds program were approximately \$138,400 in fiscal year 2023, an increase of approximately \$11,900.
 11. The balance of the change in intergovernmental revenues relates primarily to increases and decreases in various smaller accounts.
- Charges for services increased approximately \$70,600, primarily due to increases in park fees (approximate \$107,700 increase) offset by decreases in lien search fees (approximate \$38,100 decrease). The balance of the change relates primarily to increases and decreases in various smaller accounts.
 - Fines and forfeitures decreased approximately \$85,100 resulting primarily from increased revenue from traffic enforcement fines (approximately \$28,900) offset by decreased code enforcement fines (approximately \$113,300). The balance of the change relates primarily to increases and decreases in various smaller accounts.
 - Interest income increased approximately \$964,200 due primarily to an improvement in the interest rate environment during fiscal year 2023, as well as to more interest earning deposits.
 - Miscellaneous revenues increased approximately \$204,200 primarily reflecting increases from proceeds from vehicle fleet terminations (approximately \$228,400) and rental income (approximately \$1,800), offset by decreases in contributions from private sources of approximately \$20,000, in lobbyist fees (approximately \$5,500), and other miscellaneous items (approximately \$500).
 - The balance of the net change is comprised of minor increases and decreases from various revenue sources.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

Governmental funds (Continued)

The Town's total debt service increased approximately \$144,900 in fiscal year 2023 versus the amounts in fiscal year 2022, reflecting the normal amortization of the Town's outstanding debt, and increased for debt service recorded by implementing GASB 87.

Capital expenditures increased approximately \$796,300 in fiscal year 2023 versus the fiscal year 2022 period primarily as a result of the following:

- Expenditures in the Capital Projects (Parks) Fund increased approximately \$48,000 reflecting completion of a playground resurfacing project in fiscal year 2023 (approximate \$60,200 increase in expenditures) offset by completion of the restoration of Franjo Park in fiscal year 2022 (approximate \$12,200 decrease in expenditures).
- In the Children's Trust Fund, approximately \$8,500 in expenditures were made in fiscal year 2023 for capital items pursuant to the grant. No such amounts were expended in the 2022 period.
- In the Lighting Fund, an LED lighting project at the Town's parks commenced and approximately \$19,900 was incurred in fiscal year 2023. No such amounts were expended in the 2022 period.
- In the Transportation Fund, approximately \$22,850 was incurred related to the commencement of a roadway project (design). No such amounts were expended in the 2022 period.
- In the General Fund:
 - a. Community development capital expenditures decreased approximately \$32,500 as a result of no capital expenditures in fiscal year 2023.
 - b. General government capital expenditures increased approximately \$594,300 primarily as a result of recording leased assets pursuant to GASB 87 (\$595,300) in fiscal year 2023.
 - c. Parks and recreation capital expenditures increased approximately \$102,500 resulting from increased computer purchases for various park programs, as well as from acquisition of pool related equipment and upgrades.
 - d. Public safety capital expenditures increased approximately \$32,800 reflecting the purchase of two club cars and a transportation trailer. No such amounts were expended in the 2022 period.

Transfers out (approximately \$3,600,250) reflect:

- transfers of CITT surtax funds (approximately \$1,894,850) from the CITT Fund to (1) the Transportation Fund (approximately \$22,850), (2) the Sidewalks Fund (approximately \$2,850), (3) the Transit Fund (approximately \$489,680), (4) the JPA-Franjo Road Fund (approximately \$6,100) and (5) the Stormwater Fund, a proprietary fund, (approximately \$1,373,370) to fund eligible transportation expenditures;
- transfer of grant funds (approximately \$1,455,550) from the ARPA Fund to (1) the General Fund (approximately \$71,250), (2) the Sidewalk Fund (approximately \$799,650), (3) the Lighting Fund (approximately \$19,900), (4) the Capital Projects (Parks) Fund (approximately \$14,650, and (5) the Stormwater Fund, a proprietary fund, (approximately \$550,100) to fund eligible projects.
- transfer of gas taxes (approximately \$179,400) and police impact fees (approximately \$24,950) from the Special Revenue Fund to the General Fund for sidewalk repairs and equipment purchases, respectively;
- transfer of approximately \$45,500 from the General Fund to the Capital Projects (Parks) Fund to pay for the cost of infrastructure improvements not eligible to be paid with park impact fees.

This represented an increase of approximately \$649,250 from the fiscal year 2022 transfers out, primarily as a result of:

- Increased transfers out from the General Fund (approximately \$33,300) to the Capital Projects (Parks) Fund for the playground resurfacing project (approximate \$45,500 increase) offset by a decrease in transfers out for the Franjo Park restoration project (approximate \$12,200 decrease).
- Increased transfers out from the ARPA Fund (approximately \$572,600) to the General Fund (approximate \$22,650 increase), to the Sidewalk Fund (approximate \$799,650 increase), to the Lighting Fund (approximate \$19,900 increase), to the Capital Projects (Parks) Fund (approximate \$14,700 increase), offset by an approximate decrease of \$284,300 to the Stormwater Fund, a proprietary fund for ARPA grant eligible expenditures.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

Governmental funds (Continued)

- Decreased transfers out from the CITT Fund (approximately \$22,200) to the Stormwater Fund, a proprietary fund, (approximate \$159,300 decrease), to the Transit Fund (approximate \$120,900 increase), to the Transportation Fund (approximate \$20,400 increase), to the JPA-Franjo Road Fund (approximate \$6,100 increase) and to the Sidewalks Fund (approximate \$10,300 decrease).
- Increased transfers out from the Special Revenue Fund (approximately \$65,550) reflecting increased gas taxes transferred out to the General Fund for sidewalk related projects (approximate \$40,600 increase) and increased police impact fees transferred to the General Fund for equipment purchases (approximate \$24,950 increase).

Transfers in reflect inflows into various funds of amounts transferred out, as specified above. Transfers in for fiscal year 2023 increased approximately \$1,092,800 over fiscal year 2022 amounts due primarily to the utilization of ARPA grant funding for sidewalk and lighting improvement projects, increased utilization of PTP surtax funds for the Co Connect/On Demand transit service, and the other reasons stated in the preceding paragraph (exclusive of the amount transferred to the Stormwater Fund, a proprietary fund, the transfer in for which is reflected in the Stormwater Fund's Statement of Revenues, Expenses, and Changes in Net Position). The primary components of the net increase of transfers in are as follows:

- Increased transfers in to the Capital Projects (Parks) Fund reflecting funding for current year playground resurfacing (approximate \$60,200 increase offset by a decrease in funding related to completion of the Franjo Park (approximate \$12,200 decrease) for a net increase of approximately \$48,000;
- Net increase (approximately \$956,600) of transfers in to various special revenue funds: (1) Transit Fund (approximate \$120,900 increase), (2) Sidewalks Fund (approximate \$789,300 increase), (3) Lighting Fund (approximate \$19,900 increase), (4) JPA-Franjo Road Fund (approximate \$6,100 increase), and (5) Transportation Fund (approximate \$20,400 increase);
- Net increase (approximately \$88,200) of transfers in to the General Fund, comprised of increased transfers in of ARPA grant funds (approximate \$22,700 increase), increased transfer in of gas tax monies for sidewalk repairs (approximate \$40,600 increase), and increased transfers in of police impact fees for eligible purchases (approximate \$24,900 increase).

Issuances of leases – right to use increased approximately \$595,300 reflecting capitalization of vehicle leases in accordance with GASB 87 in the fiscal year 2023 period.

Approximately 77% and 76% of the combined ending fund balance, or \$26.3 million and \$22.6 million, respectively, constitutes "Unassigned" fund balance at September 30, 2023 and 2022, respectively, which is available for spending at the Town's discretion. Approximately 22% and 24% of the combined ending fund balance, or \$7.62 million and \$7.09 million, respectively, at September 30, 2023 and 2022 are classified as "Restricted" fund balance as these amounts are legally restricted as to use. The remainder of fund balance is classified as "Nonspendable" to indicate that it is not available for new spending because it has already been committed for prepaid expenses.

General Fund

The General Fund is the primary operating fund of the Town of Cutler Bay. At September 30, 2023 and 2022, unassigned fund balance of the General Fund was \$26.3 million and \$22.6 million, respectively. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the General Fund at September 30, 2023 represents 108% of total General Fund expenditures (107% at September 30, 2022), while total fund balance of the General Fund at September 30, 2023 represents 109% of that same total fund expenditure amount (108% at September 30, 2022). This indicator remains positive and reflects a healthy financial condition for the Town.

The fund balance of the Town's General Fund increased by approximately \$3,807,500 during fiscal year 2023, versus an approximate increase of \$3,429,900 during fiscal year 2022. The fiscal year 2023 increase primarily reflects the results of the Town's operating activity for the fiscal year (approximately \$6,028,400 surplus), increased by transfers in (approximately \$275,600) and issuance of right to use leases (approximately \$595,300), and offset by capital expenditures (approximately \$762,800), transfers out (approximately \$45,500), and debt service (approximately \$2,283,500).

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

General Fund (Continued)

Revenues of the General Fund in fiscal year 2023 were approximately \$2,976,500 more than fiscal year 2022, as a result of the following:

- Ad valorem revenues increased in fiscal year 2023 approximately \$774,400 as a result of increased property values and the timing of collections.
- Utility taxes increased approximately \$1,259,800 primarily as a result of the timing of collections and increased usage.
- Franchise fees increased approximately \$315,900 primarily due to enhanced revenues derived from the Town's franchise fee agreement directly with the utility provider commencing May 2020 upon termination of the Town's Interlocal agreement with the County, as well as improved solid waste franchise fee collections.
- Building activity in Town was impacted by the COVID-19 pandemic slowdowns in fiscal 2020 but rebounded in fiscal year 2021. Fiscal year 2022 saw continued improvement in building activity, but there was some pause in fiscal year 2023. There was a decrease in licenses and permit revenues in fiscal year 2023, versus fiscal year 2022, of approximately \$521,450. Building permit and zoning related fees decreased approximately \$516,850 and local business tax receipts and other licenses decreased approximately \$13,700, offset by an increase in other licenses of approximately \$9,100.
- Intergovernmental revenues increased approximately \$512,600 primarily resulting from:
 1. The Town experienced increases in most State shared revenue categories, resulting in an increase in revenues of approximately \$403,400. Sales tax revenues increased approximately \$302,500, local option gas taxes increased approximately \$36,200, State revenue sharing increased approximately \$79,700, offset by a decrease in communication services taxes of approximately \$15,000.
 2. Revenues from grants increased approximately \$97,300, primarily related to culture and recreation grants received.
 3. Administrative fees from administering the CITT surtax funds program were approximately \$138,400 in fiscal year 2023, an increase of approximately \$11,900.
- Charges for services increased approximately \$70,600, primarily due to increases in park fees (approximate \$107,700 increase) offset by decreases in lien search fees (approximate \$38,100 decrease). The balance of the change relates primarily to increases and decreases in various smaller accounts.
- Fines and forfeitures decreased approximately \$85,100 resulting primarily from increased revenue from traffic enforcement fines (approximately \$28,900) offset by decreased code enforcement fines (approximately \$113,300). The balance of the change relates primarily to increases and decreases in various smaller accounts.
- Interest income increased approximately \$445,500 due primarily to an improvement in the interest rate environment during fiscal year 2023, as well as to more interest earning deposits.
- Miscellaneous revenues increased approximately \$204,200 primarily reflecting increases from proceeds from vehicle fleet terminations (approximately \$228,400) and rental income (approximately \$1,800), offset by decreases in contributions from private sources of approximately \$20,000, in lobbyist fees (approximately \$5,500), and other miscellaneous items (approximately \$500).
- The balance of the net change is comprised of minor increases and decreases from various revenue sources and/or rounding.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

General Fund (Continued)

Current expenditures of the General Fund in fiscal year 2023 increased approximately \$2,407,100 versus the expenditure total in fiscal year 2022 due to the following primary reasons:

- General government expenditures increased approximately \$771,200 primarily as a result of:
 1. The Town Attorney department expenditures increased approximately \$90,200 in fiscal year 2023 versus the fiscal year 2022 period. A portion of the increase is attributable to the provision of services related to the award and utilization of ARPA grant funding. The Town contracts for these services.
 2. The Mayor & Council department expenditures increased approximately \$27,200 primarily due to cost of living pay changes, as well as increased payroll taxes, retirement contributions and life and health insurance premiums. There were other account balance increases and decreases that individually were not material for further analysis.
 3. The Town Clerk department expenditures increased approximately \$10,200. The increase results primarily to an increase in salaries and benefits (approximate \$49,900 increase) due to merit and cost of living pay increases and increased life and health insurance premiums offset by a decrease in other contractual services (approximate \$40,800 decrease) due primarily to reduced election costs. There were other account balance increases and decreases that individually were not material for further analysis.
 4. The Finance department expenditures decreased approximately \$20,200. The decrease reflects a decrease in salaries and benefits of approximately (40,300), reflecting a decrease in wages and related payroll taxes and retirement contributions of approximately \$44,600, offset by an increase in life and health insurance premiums of approximately \$4,300. The decrease in wages primarily reflects the reduction in salary for the Finance Director for working remotely. This net decrease was offset by an increase in audit and accounting fees of approximately \$9,500 (due to increased Single Audit costs) and in repairs and maintenance of approximately \$8,000 (due to increased ERP software system maintenance costs). There were other account balance increases and decreases that individually were not material for further analysis.
 5. The Public Works department expenditures increased approximately \$17,000 due primarily to increase in salaries and benefits (approximate \$8,000 increase) due to merit and cost of living pay increases and increased life and health insurance premiums and an increase in other contractual services (approximate \$63,500 increase) due to increased roadway maintenance projects in the current year, offset by a decrease in rentals and leases (approximate \$54,200 decrease) as a result of recording vehicle leases as debt service in the current year upon adoption of GASB 87. There were other account balance increases and decreases that individually were not material for further analysis.
 6. The General Government department expenditures increased approximately \$646,800. The increase results primarily to (1) an increase in salaries and benefits (approximate \$90,800 increase) due primarily to merit and cost of living pay increases and increased life and health insurance costs, (2) an increase in property and casualty insurance (approximate \$41,300 increase) due primarily to increased property and liability insurance premiums in the Florida market, as well as to increased property values insured, and (3) an increase in other contractual services of approximately \$648,000 primarily related to increased expenditures for a Brownfield consultant and related services (approximate \$195,000 increase) and for GO Bond consultant services (approximate \$434,900 increase), offset by (4) a decrease in professional fees of approximately \$97,200 due primarily to reduced GO Bond outreach efforts, environmental assessment of the Town's future municipal complex site, and services of an environmental lobbyist and financial advisor, (5) a decrease in other current charges (approximate \$39,900 decrease) due primarily to a refund of grant funds received in the prior year. There were other account balance increases and decreases that individually were not material for further analysis.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

General Fund (Continued)

- Public safety expenditures increased approximately \$753,900 primarily as a result of:

Expenditures for public safety increased primarily due to costs related to contracted police services with the County. Professional services, for local patrol and optional police services, increased approximately \$761,200, primarily as a result of increased union contract costs, offset by a decrease in repairs and maintenance expenses of approximately \$5,700. The balance of the difference results from a combination of smaller changes in various accounts.

- Parks and recreation expenditures increased approximately \$504,600, primarily as a result of:

Salaries and benefits increased (approximately \$385,200) primarily as a result of merit and cost of living pay changes, hiring of additional staff, including seasonal part-timers, as well as corresponding increases for payroll taxes, retirement contributions and life and health insurance premiums. Increased park activities and events resulted in an increase in contractual services (approximate \$48,600 increase) and repair and maintenance activities resulted in an increase (approximate \$70,200 increase) in this expenditure category. The Town also expended funds in fiscal year 2023 related to a State Active Adult grant resulting in increased expenditures of approximately \$61,400. These increases were offset by an approximate \$60,900 decrease in utility costs. The balance of the difference relates from a combination of smaller changes in various accounts.

- Community development expenditures increased approximately \$377,400 primarily due to:

Salaries and benefits increased (approximately \$243,900), primarily related to merit and cost of living pay changes, as well as increased payroll taxes, retirement contributions and life and health insurance premiums. Other contractual services expenditures increased approximately \$154,200 primarily related to increased amounts paid to the consulting firm that performs the Town's permit and inspection services. These increases were offset by an approximate \$17,900 decrease in professional services as a result of reduced use of planning professional services. The balance of the difference relates from a combination of smaller changes in various accounts.

Also, as discussed above, the General Fund experienced an approximate \$144,900 increase in debt service in fiscal year 2023 versus the prior year. The increase reflects the normal amortization of the Town's outstanding debt, increased for debt service recorded by implementing GASB 87.

Capital outlay in the General Fund increased approximately \$697,100 in fiscal year 2023. Community development capital expenditures decreased approximately \$32,500 as a result of no capital expenditures in fiscal year 2023. General government capital expenditures increased approximately \$594,300 primarily as a result of recording leased assets pursuant to GASB 87 (\$595,300) in fiscal year 2023. Parks and recreation capital expenditures increased approximately \$102,500 resulting from increased computer purchases for various park programs, as well as from acquisition of pool related equipment and upgrades. Public safety capital expenditures increased approximately \$32,800 reflecting the purchase of two club cars and a transportation trailer.

General Fund transfers out in fiscal year 2023 increased approximately \$33,300 over fiscal year 2022 as a result of increased transfers out to the Capital Projects (Parks) Fund for the playground resurfacing project (approximate \$45,500 increase) offset by a decrease in transfers out for the Franjo Park restoration project (approximate \$12,200 decrease).

General Fund transfers in increased approximately \$88,200, reflecting increased transfers in of ARPA grant funds (approximate \$22,700 increase), increased transfer in of gas tax monies for sidewalk repairs (approximate \$40,600 increase), and increased transfers in of police impact fees for eligible purchases (approximate \$24,900 increase).

Issuances of leases – right to use increased approximately \$595,300 reflecting capitalization of vehicle leases in accordance with GASB 87 in the fiscal year 2023 period.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

ARPA Fund

In order to facilitate the ongoing recovery from the COVID-19 pandemic, Congress adopted the American Rescue Plan Act (the "ARPA") that was signed into law on March 11, 2021. Section 9901 of the ARPA amended Title VI of the Social Security Act to add Section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and Section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the "Fiscal Recovery Funds"). The Fiscal Recovery Funds are intended to provide support to State, Local, and Tribal governments (together, the "Recipients") in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses.

The State of Florida, through the Florida Division of Emergency Management, will disburse up to \$1,416,425,123.00 of Fiscal Recovery Funds to non-entitlement units of local government (NEUs), which are local governments typically serving a population under 50,000, such as the Town. The ARPA requires distributions to NEUs to be capped at 75% of their annual operating budget as of January 27, 2020. NEUs are required to enter into a Funding Agreement with the Division to receive funds. Once a NEU authorized representative signs the Agreement, the Division will then execute the Agreement and initiate payment. The State of Florida, Division of Emergency Management received a portion of the Fiscal Recovery Funds from the U.S. Department of Treasury and is responsible for disbursing to the Town its allocation of \$21,896,320.

In fiscal year 2023, the Town expended approximately \$1,455,550 on ARPA eligible projects and recorded that amount as intergovernmental revenue. Additionally, the ARPA Fund earned interest income of approximately \$429,600 in fiscal year 2023.

ARPA eligible projects are recorded in funds other than the ARPA Fund. As a result, the ARPA Fund does not reflect expenditures, but rather reflects transfers out to other funds where the eligible projects are accounted for. In fiscal year 2023, the ARPA Fund reflected transfers out of approximately \$1,455,550, an approximate \$572,600 increase from fiscal year 2022, of which approximately \$550,100 was transferred to the Stormwater Fund, a proprietary fund, and approximately \$71,250 was transferred to the General Fund.

The fund balance of the ARPA Fund increased by \$429,600 in fiscal year 2023, reflecting the interest income earned during the period. The ARPA Fund reported fund balance of \$463,200 at September 30, 2023, and \$33,600 at September 30, 2022, respectively, and is classified as restricted at both reporting dates.

CITT Fund

In February 2012, the Town entered into an Interlocal agreement with the County to allow the Town to receive funds from the People's Transportation Plan ("PTP") surtax. This PTP surtax was authorized in 2002 and is shared by the County (80%) and the incorporated municipalities (20%). Since the Town was incorporated after enactment of the PTP surtax, the County had not previously included the Town in the distribution of the funds raised by the PTP surtax. On an annual basis, at least 20% of the PTP surtax proceeds must be spent on transit related items.

In fiscal year 2023, the CITT Fund received intergovernmental revenues from this program of approximately \$2,849,700, an increase of approximately \$319,700 from the prior year. The CITT Fund earned interest income of approximately \$111,800 in fiscal year 2023 (versus approximately \$14,600 in fiscal year 2022) as there was a favorable increase in interest rates during the current period.

Total expenditures increased approximately \$343,800 from fiscal year 2022. This resulted primarily from increased roadway resurfacing projects in fiscal year 2023 (approximate \$159,900 increase) and corresponding professional services for project design and oversight costs (approximate \$4,600 increase), and by increased transit related expenditures (approximate \$166,100 increase) resulting from the deployment of a second circulator bus midway in the current year, and by increased CITT administrative fees for program oversight (approximate \$11,900 increase). The balance of the change in expenditures is comprised of small changes in other accounts and are immaterial for discussion.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

CITT Fund (Continued)

The fund balance of the CITT Fund decreased by approximately \$2,000 during fiscal 2023 and decreased by approximately \$97,300 in fiscal year 2022, reflecting the net operating results for the respective fiscal periods. The CITT Fund reported fund balances at September 30, 2023 and September 30, 2022 of approximately \$5,487,800 and \$5,489,800, respectively, and are classified as restricted at both reporting dates.

Proprietary fund

The Town's proprietary fund was created to account for the Town's stormwater operations, which commenced in July 2008. Operations during fiscal year 2023 generated an increase in net position of approximately \$1,817,600, versus an increase in net position of approximately \$2,583,500 during fiscal year 2022. The fiscal year 2023 increase in net position resulted from an operating loss of approximately \$300,240 plus net non-operating expenses of approximately \$55,630 (comprised of interest expense), plus grants and contributions of approximately \$250,000 and transfers in of approximately \$1,923,470.

Of the total net position at September 30, 2023 of approximately \$10.16 million, approximately \$10.77 million is classified as net investment in capital assets and approximately (\$608,500) is classified as unrestricted. At September 30, 2022, total net position of approximately \$8.34 million, approximately \$8.83 million was classified as net investment in capital assets and (\$489,500) as unrestricted.

Budget Highlights

General Fund

During fiscal years 2023 and 2022, the actual "excess of revenues over expenditures" exceeded the corresponding budgetary amounts by approximately \$1.59 million and \$2.74 million, respectively. For fiscal year 2023, the results were achieved as actual revenues exceeded budgeted amounts by approximately \$877,900 while actual expenditures were approximately \$712,700 less than budgeted. In fiscal year 2022, actual revenues exceeded budgeted amounts by approximately \$1.39 million while actual expenditures were approximately \$1.35 million less than budgeted. The favorable results in both fiscal periods result from close monitoring of operations by Town personnel.

In the fiscal year 2023 period, the primary contributing factors to the favorable revenue variance were better than expected collections from almost all revenue sources. Intergovernmental revenues, particularly the local government half-cent sales tax shared by the State, franchise fees, utility taxes, and interest income, were strong revenue generators in fiscal year 2023. While licenses and permits declined versus the prior year, that had more to do with the timing of projects commencing in Town. While the economic climate in which the Town operated under in recent years has been improving, management continued its practice, as a precautionary measure, of conservatively estimating various revenue streams when preparing its fiscal year 2023 budget.

Similarly, the Town had favorable expenditure budget variances with all departments except for General Government, which had a negative variance versus the budget primarily due to other contractual services related to Brownfield designated areas and GO Bond consulting (most, if not all, of these costs are expected to be recouped in later periods through the Brownfield tax credit process and/or the GO Bond issuance proceeds). This net favorable variance for total expenditures resulted from a conscious effort by management for fiscal restraint, as well as deferring expenditures for some planned projects to future fiscal years.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

(This Space Intentionally Left Blank)

Financial Analysis of the Government's Funds (Continued)

Budget Highlights (Continued)

General Fund (Continued)

In November 2023, the Town Council passed a budget amendment by resolution (#23-101) to:

1. In the General Fund, the net increase in total revenues was \$2,907,000 with a corresponding decrease to appropriation of prior year fund balance. The revenue changes reflected increases to utility taxes (\$430,000 for electricity, \$130,000 for water, and \$60,000 for gas), electric franchise fees (\$600,000), 1st local option gas taxes (\$45,000), communications services taxes (\$45,000), local government half-cent sales tax (\$900,000), zoning fees (\$30,000), public works review fees (\$25,000), CITT administrative fees (\$35,000), lobbyist registration fees (\$10,000), State revenue sharing (\$145,000), motor fuel rebate (\$25,000), parks fees (\$110,000), judgements and fines (\$11,000), interest income (\$350,000), and other income (\$110,000), offset by decreases for building permits (\$45,000), zoning fees-planning (\$5,000), other licenses, fees and permits (\$5,000), lien search fees (\$70,000), school crossing guards (\$8,000), and violation of local ordinance fines (\$21,000).
2. In the General Fund, the net increase in total expenditures was \$1,508,665 with a corresponding increase to appropriation of prior year fund balance.

The budget amendment increased expenditures in (a) the Town Clerk department by \$10,000 (\$2,000 for other contractual services, \$3,000 for repairs and maintenance, and \$5,000 for other current charges), (b) the General Government department by \$981,000 (\$60,000 for professional services, \$200,000 for other contractual services, \$250,000 for other contractual services – Brownfield, \$450,000 for other contractual services – GOB, \$8,000 for repairs and maintenance, \$13,000 for operating supplies, \$538,500 for debt service-principal, and \$130,200 for debt service-interest, offset by a decrease of \$668,700 for rentals and leases), (c) the Community Development department by \$432,500 (\$407,500 for other contractual services, and \$25,000 for professional services), (d) the Finance department by \$26,550 (\$4,550 for accounting and auditing, \$10,000 for other contractual services, and \$12,000 for repairs and maintenance), (e) the Public Works department by \$80,000 (\$76,000 other contractual services, \$4,000 for capital outlay (machinery and equipment), \$55,000 for debt service-principal, and \$30,000 for debt service-interest, offset by a decrease of \$85,000 for rentals and leases), and (f) the Parks department by \$214,615 (\$71,645 for other contractual services, \$27,470 for utilities, \$8,500 for rentals and leases, \$2,000 of office supplies, \$15,000 for operating supplies, \$8,000 for books, publications and subscriptions, and \$82,000 for capital outlay (machinery and equipment)).

The budget amendment decreased expenditures in the Law enforcement department by \$236,000 for decreased professional services (\$269,000) offset by increased capital outlay of \$33,000 for machinery and equipment.

3. In the Special Revenue – ARPA Fund, interest income was increased \$375,000 with a corresponding increase to fund balance.
4. In the Special Revenue – Transit Fund, State grant funds were increased \$176,000 and transfers in were increased \$176,000 with a corresponding increase in contractual services.
5. In the Special Revenue - CITT Fund, State grant proceeds were increased \$165,000 and CITT surtax revenues were increased \$700,000, offset by increased expenditures of \$416,000 for professional services (\$40,000), contractual services-transit (\$165,000), other current charges (\$35,000), and transfers out (\$176,000), with a corresponding increase (\$449,000) to fund balance.

(This Space Intentionally Left Blank)

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the Government's Funds (Continued)

Budget Highlights (Continued)

ARPA Fund

During fiscal years 2023 the actual "excess of revenues over expenditures and other financing sources (uses)" exceeded the corresponding budgetary amounts by approximately \$29,500. In fiscal year 2022, the "excess of revenues over expenditures and other financing sources (uses)" exceeded the corresponding budgetary amounts by approximately \$33,600. For fiscal year 2023, the results were achieved as actual revenues were less than the budgeted amounts by approximately \$2,577,200 while actual expenditures and transfers out were approximately \$2,606,700 less than budgeted. In the fiscal year 2022 period, the results were achieved as actual revenues were less than the budgeted amounts by approximately \$20,979,700 while actual expenditures and transfers out were approximately \$21,013,300 less than budgeted.

The ARPA Fund accounts for ARPA grant funds received. Revenues are recognized as grant funds are expended, which are typically recorded as transfers out to the other funds which are accounting for ARPA eligible projects. Accordingly, the revenues and transfers out recorded in any fiscal period are expected to fluctuate as it is subject to the progress being made on the numerous grant projects.

CITT Fund

During fiscal years 2023 the actual "excess of revenues over expenditures" exceeded the corresponding budgetary amounts by approximately \$591,600. In fiscal year 2022, the "excess of revenues over expenditures" exceeded the corresponding budgetary amounts by approximately \$1,059,600. For fiscal year 2023, the results were achieved as actual revenues exceeded the budgeted amounts by approximately \$89,500 while actual expenditures were approximately \$502,100 less than budgeted. In the fiscal year 2022 period, the results were achieved as actual revenues exceeded the budgeted amounts by approximately \$684,600 while actual expenditures were approximately \$375,000 less than budgeted.

In the fiscal year 2023 period, the primary contributing factor to the favorable revenue variance was a significant positive variance in interest income as the interest rate environment improved dramatically during the current period. The primary contributing factor for the favorable expenditure variance, including the favorable variance in transfers out (approximate \$1.29 million positive variance in the current period) primarily relates to the timing of projects.

Capital Assets and Debt Administration

Capital Assets

The Town of Cutler Bay's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities as of September 30, 2023 and 2022, amounts to approximately \$53.6 million and \$11.7 million and \$55.3 million and \$9.8 million, respectively. This investment in capital assets includes acquisition, by purchase and/or through capital lease, of computer hardware and software, furniture and equipment, vehicles and improvements (to land and buildings) which are necessary for the Town to operate, infrastructure assets transferred to the Town by the County and additional infrastructure assets developed by the Town, including land acquisitions and improvements. It also reflects a building – right to use asset and vehicle – right to use assets recorded pursuant to GASB 87.

The following summarizes the Town's investment in capital assets for its governmental and business type activities, net of accumulated depreciation:

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Capital Assets and Debt Administration (Continued)

Capital Assets (continued)

Town of Cutler Bay
Investment in Capital Assets, net of Accumulated Depreciation
September 30,
(in thousands)

	Governmental Activities		Business-type Activities		Total		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Percent Change</u>
General Government	\$ 19,967	\$ 19,897	\$ -	\$ -	\$ 19,967	\$ 19,897	0.4%
Community Development	14,791	15,919	-	-	14,791	15,919	-7.1%
Public Safety	34	13	-	-	34	13	161.5%
Culture and Recreation	18,862	19,429	-	-	18,862	19,429	-2.9%
Public Works-Stormwater	-	-	11,675	9,756	11,675	9,756	19.7%
	<u>\$ 53,654</u>	<u>\$ 55,258</u>	<u>\$ 11,675</u>	<u>\$ 9,756</u>	<u>\$ 65,329</u>	<u>\$ 65,014</u>	0.5%

Additional information regarding the Town's capital assets can be found in footnotes 1 and 5 in the accompanying notes to financial statements.

Long-term debt

At September 30, 2023, the Town's pro rata share of QNIP bonds (interlocal debt) was approximately \$640,000, representing a 30.1% decrease from the prior year.

Notes payable were issued in fiscal year 2010 in conjunction with the acquisition and improvement of the Town Hall building site and the purchase of the adjacent land parcel and final draw downs on those notes payable was made in fiscal year 2011. In fiscal year 2012, the Town borrowed an additional \$2.578 million from the same lender to fund its educational initiative with the Miami-Dade County School Board. During fiscal year 2015, the Town refunded the 2010 loans into new issues on more favorable terms providing long-term savings for the Town. During fiscal year 2021, the 2012 bank loan was satisfied and one of the 2015 bank loans was refunded with a bank loan from another financial institution. At September 30, 2023, approximately \$5.4 million was outstanding on the two remaining notes payable, representing a 9% decrease from the prior year.

In fiscal year 2021, the Town issued open-market bonds at a premium. At September 30, 2023, bonds payable (including unamortized premium) was approximately \$14.5 million, versus \$14.6 million at September 30, 2022, a decrease of 0.7%.

In conjunction with recording the stormwater assets transferred to the Town by the County, the Town recorded associated debt of approximately \$2.36 million at September 30, 2010. The Stormwater Utility Revenue Bonds balance at September 30, 2023, approximately \$809,000, represents a 12.4% decrease from the prior year balance. In fiscal year 2023, the Town recorded right to use assets and corresponding lease liability of approximately \$106,000 related to the vehicle fleet assigned to the Stormwater Fund. At September 30, 2023, the lease liability related to this vehicle fleet was approximately \$96,000, reflecting principal payments of approximately \$10,000 during fiscal year 2023.

On October 1, 2021, the Town implemented GASB 87 and recorded a right to use asset for its office space and a corresponding lease liability of approximately \$2,924,000. At September 30, 2023, the lease liability related to its office space was approximately \$1,854,000, reflecting principal payments of approximately \$538,000 during fiscal year 2023. In fiscal year 2023, the Town recorded right to use assets and corresponding lease liability of

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Capital Assets and Debt Administration (Continued)

Long-term debt (Continued)

approximately \$595,300 related to the vehicle fleet assigned to the General Fund. At September 30, 2023, the lease liability related to its vehicle fleet was approximately \$542,000, reflecting principal payments of approximately \$53,000 during fiscal year 2023.

The net pension liability at September 30, 2023 (approximately \$5.3 million) increased approximately 17.5% from the balance at September 30, 2022 (approximately \$4.5 million), primarily as a result of the current year GASB 68 valuation.

The Town also has liabilities related compensated absences. This approximates \$490,000 at September 30, 2023, versus \$395,000 at September 30, 2022, an increase of 24.1% from the prior year.

Total long-term debt decreased approximately \$47,000, or 0.2%, primarily resulting from an increase in net pension liability pursuant to GASB 68, an increase in lease liability as a result of capitalization of vehicle leases in fiscal year 2023, and an increase in compensated absences, offset by principal payments on the Town's notes payable and Interlocal debt, and amortization of bond premium.

Town of Cutler Bay Long-term Debt September 30, (in thousands)							
	Governmental Activities		Business-type Activities		Total		Percent
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Change</u>
QNIP bonds	\$ 640	\$ 915	\$ -	\$ -	\$ 640	\$ 915	-30.1%
Bonds payable (including unamortized premium)	14,500	14,601	-	-	14,500	14,601	-0.7%
Notes payable	5,420	5,958	-	-	5,420	5,958	-9.0%
Stormwater utility revenue bonds	-	-	809	923	809	923	-12.4%
Lease liability	2,396	2,392	96	-	2,492	2,392	4.2%
Net pension liability	5,267	4,481	-	-	5,267	4,481	17.5%
Compensated absences	490	395	-	-	490	395	24.1%
	<u>\$ 28,713</u>	<u>\$ 28,742</u>	<u>\$ 905</u>	<u>\$ 923</u>	<u>\$ 29,618</u>	<u>\$ 29,665</u>	-0.2%

Additional information regarding the Town's long-term debt can be found in footnotes 1 and 6 in the accompanying notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Miami-Dade County area at September 30, 2023 is approximately 2.6%, which is flat from a year ago. The rate is better than the national unemployment rate of 3.6% at that date.
- Inflationary trends in the region are above the national average.
- In setting its fiscal year 2023 budget, the Town adopted a mil rate of 2.8332, the same rate as adopted and in effect for fiscal year 2022. The adopted 2023 mil rate was 12.55% higher than the statutorily computed "roll-back" mil rate.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Economic Factors and Next Year's Budgets and Rates (continued)

- On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. The amendment, which primarily provides for additional property tax exemptions and adds a "portability" provision, began impacting the Town in fiscal year 2009 and will have a negative impact on the amount of property tax revenue the Town generates going forward, assuming the Town does not increase its millage rate or achieve growth in its tax base which will offset the amendment's effects.
- As noted in the preceding comment, shortly after the Town's incorporation, changes to property taxation laws were enacted that had a negative impact on the taxable base upon which property tax revenue of the Town is calculated. Additionally, Cutler Bay, like most communities across the state and nation, was negatively impacted by the financial crisis and economic downturn that gripped the United States during the 2008 to 2012 time period. The South Florida real estate market was especially hard hit with property values experiencing significant declines and foreclosure activity spiking.

Property values within the Town saw significant declines from 2008 through 2012 (an approximate 40% decline from the 2008 valuation level). Since 2012, property values within the Town have increased each year (from 2013 through 2023), reflecting a gain of approximately 115% from the 2012 bottom. Building activity and new development within the Town in recent years are anticipated to extend into fiscal year 2024 with significant new planned projects in process. The Town anticipates property values to increase further in 2024, and possibly into 2025, with significant new planned projects in process. These values are subject to property owner appeal via the Valuation Adjustment Board ("VAB") process.

- While the Town has seen encouraging signs in building activity and new development within the Town since fiscal year 2012, the Town will continue to operate in an extremely lean and efficient manner. Additionally, the Town has been very successful in obtaining grants and other funding sources to proceed with planned projects within the Town without having to rely on ad valorem revenues.

Requests for Information

This financial report is designed to provide a general overview of the Town of Cutler Bay's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, 10720 Caribbean Blvd., Suite 105, Cutler Bay, FL 33189.

BASIC FINANCIAL STATEMENTS

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash	\$ 27,035,802	\$ -	\$ 27,035,802
Restricted cash	27,717,940	-	27,717,940
Accounts receivable - net	3,804,473	540,655	4,345,128
Prepays	261,305	2,318	263,623
Other current assets	50,000	-	50,000
Internal balances	459,768	(459,768)	-
Capital assets not being depreciated:			
Land	31,890,609	-	31,890,609
Construction in progress	42,730	3,133,813	3,176,543
Capital assets being depreciated:			
Building	1,948,884	-	1,948,884
Property under capital lease	3,519,201	105,584	3,624,785
Computer hardware and software	715,058	1,308	716,366
Furniture and equipment	1,071,766	2,367	1,074,133
Infrastructure	58,818,137	13,151,248	71,969,385
Improvements	17,753,971	-	17,753,971
Total capital assets	115,760,356	16,394,320	132,154,676
Less accumulated depreciation	(62,105,903)	(4,719,802)	(66,825,705)
Total capital assets - net	53,654,453	11,674,518	65,328,971
Total assets	112,983,741	11,757,723	124,741,464
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension contributions	1,245,116	-	1,245,116
Total deferred outflows of resources	1,245,116	-	1,245,116
<u>LIABILITIES</u>			
Accounts payable	5,013,182	691,705	5,704,887
Other liabilities	196,539	-	196,539
Accrued interest	233,183	-	233,183
Unearned revenues	19,557,749	-	19,557,749
Noncurrent liabilities:			
Due within one year:			
Compensated absences	130,792	-	130,792
Lease liability	662,919	19,793	682,712
Bonds and notes payable	941,307	118,982	1,060,289
Due in more than one year:			
Compensated absences	359,054	-	359,054
Lease liability	1,732,568	75,783	1,808,351
Bonds and notes payable	19,618,985	690,454	20,309,439
Net pension liability	5,267,351	-	5,267,351
Total liabilities	53,713,629	1,596,717	55,310,346
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business license tax	42,099	-	42,099
Pension expenses	265,621	-	265,621
Total deferred inflows of resources	307,720	-	307,720
<u>NET POSITION</u>			
Net investment in capital assets	30,698,674	10,769,506	41,468,180
Restricted for:			
Capital projects	706,408	-	706,408
Public safety	178,513	-	178,513
Parks and recreation	911,647	-	911,647
Transportation	5,819,754	-	5,819,754
Unrestricted	21,892,512	(608,500)	21,284,012
Total net position	\$ 60,207,508	\$ 10,161,006	\$ 70,368,514

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-	Total
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u> <u>Contributions</u>	<u>Grants and</u> <u>Contributions</u>	<u>Activities</u>	<u>Type</u> <u>Activities</u>	
Functions/Programs							
Governmental activities:							
General government	9,271,053	\$ 296,022	\$ 4,556,742	\$ 234,243	\$ (4,184,046)	\$ -	\$ (4,184,046)
Public safety	10,969,479	213,599	13,122	2,669	(10,740,089)	-	(10,740,089)
Community development	3,296,439	1,158,838	-	-	(2,137,601)	-	(2,137,601)
Parks and recreation	4,124,912	211,926	402,562	40,366	(3,470,058)	-	(3,470,058)
Interest on long-term debt	768,744	-	-	-	(768,744)	-	(768,744)
Total governmental activities	<u>28,430,627</u>	<u>1,880,385</u>	<u>4,972,426</u>	<u>277,278</u>	<u>(21,300,538)</u>	<u>-</u>	<u>(21,300,538)</u>
Business-type activities:							
Stormwater	1,374,601	1,018,726	-	250,000	-	(105,875)	(105,875)
Total business-type activities	<u>1,374,601</u>	<u>1,018,726</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>(105,875)</u>	<u>(105,875)</u>
Total	<u>\$ 29,805,228</u>	<u>\$ 2,899,111</u>	<u>\$ 4,972,426</u>	<u>\$ 527,278</u>	<u>(21,300,538)</u>	<u>(105,875)</u>	<u>(21,406,413)</u>
General revenues:							
Property taxes					8,756,333	-	8,756,333
Utility taxes					4,350,404	-	4,350,404
Franchise fees based on gross receipts					3,244,281	-	3,244,281
Intergovernmental (unrestricted)					7,939,645	-	7,939,645
Interest income (unrestricted)					1,072,129	-	1,072,129
Miscellaneous					252,273	-	252,273
Transfers					(1,923,472)	1,923,472	-
Total general revenues and transfers					<u>23,691,593</u>	<u>1,923,472</u>	<u>25,615,065</u>
Change in net position					2,391,055	1,817,597	4,208,652
Net position - Beginning					<u>57,816,453</u>	<u>8,343,409</u>	<u>66,159,862</u>
Net position - Ending					<u>\$ 60,207,508</u>	<u>\$ 10,161,006</u>	<u>\$ 70,368,514</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Funds			Other	Total
	General	ARPA Fund	CITT Fund	Governmental Funds	Governmental Funds
<u>ASSETS</u>					
Cash	\$ 27,035,802	\$ -	\$ -	\$ -	\$ 27,035,802
Restricted cash	134	20,436,083	5,693,346	1,588,377	27,717,940
Accounts receivable - net	2,261,010	-	734,515	808,948	3,804,473
Prepays	260,146	-	-	1,159	261,305
Other current assets	50,000	-	-	-	50,000
Due from other funds	985,120	-	-	88,236	1,073,356
Total assets	<u>\$ 30,592,212</u>	<u>\$ 20,436,083</u>	<u>\$ 6,427,861</u>	<u>\$ 2,486,720</u>	<u>\$ 59,942,876</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 3,648,183	\$ -	\$ 658,631	\$ 706,368	\$ 5,013,182
Other liabilities	196,539	-	-	-	196,539
Due to other funds	-	415,164	-	198,424	613,588
Unearned revenues	-	19,557,749	-	-	19,557,749
Total liabilities	<u>3,844,722</u>	<u>19,972,913</u>	<u>658,631</u>	<u>904,792</u>	<u>25,381,058</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenues	87,495	-	281,450	-	368,945
Business license tax	42,099	-	-	-	42,099
Total deferred inflows of resources	<u>129,594</u>	<u>-</u>	<u>281,450</u>	<u>-</u>	<u>411,044</u>
<u>FUND BALANCES</u>					
Nonspendable	260,146	-	-	1,159	261,305
Restricted	83,444	463,170	5,487,780	1,581,928	7,616,322
Unassigned	26,274,306	-	-	(1,159)	26,273,147
Total fund balances	<u>26,617,896</u>	<u>463,170</u>	<u>5,487,780</u>	<u>1,581,928</u>	<u>34,150,774</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,592,212</u>	<u>\$ 20,436,083</u>	<u>\$ 6,427,861</u>	<u>\$ 2,486,720</u>	<u>\$ 59,942,876</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

Fund balances - total government funds (Page 31) \$ 34,150,774

Amounts reported for governmental activities in the statement of net position are different as a result of:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	115,760,356	
Less accumulated depreciation	<u>(62,105,903)</u>	53,654,453

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Long term debt	(20,560,292)	
Lease liability	(2,395,487)	
Net pension liability	(5,267,351)	
Compensated absences	(489,846)	
Accrued interest payable	<u>(233,183)</u>	(28,946,159)

Revenue collected outside of the period of availability is not available to pay for current period expenditures and therefore, is a deferred inflow in the funds. 368,945

Deferred outflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting 1,245,116

Deferred inflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting (265,621)

Net position of governmental activities (Page 29) \$ 60,207,508

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Funds			Other	Total
	General	ARPA Fund	CITT Fund	Governmental Funds	Governmental Funds
REVENUES:					
Property taxes	\$ 8,756,333	\$ -	\$ -	\$ -	\$ 8,756,333
Franchise fees	3,244,281	-	-	-	3,244,281
Utility taxes	4,691,673	-	-	-	4,691,673
Charges for services	422,426	-	-	-	422,426
Intergovernmental	8,191,521	1,455,572	2,849,676	753,913	13,250,682
Licenses and permits	1,158,838	-	-	-	1,158,838
Impact fees	-	-	-	57,186	57,186
Fines and forfeitures	113,447	-	-	-	113,447
Interest	501,693	429,561	111,847	29,028	1,072,129
Miscellaneous	299,534	-	-	-	299,534
Total revenues	<u>27,379,746</u>	<u>1,885,133</u>	<u>2,961,523</u>	<u>840,127</u>	<u>33,066,529</u>
EXPENDITURES:					
Current:					
General government	5,652,573	-	1,068,670	1,529,881	8,251,124
Public safety	10,958,099	-	-	-	10,958,099
Community development	1,978,219	-	-	-	1,978,219
Parks and recreation	2,762,422	-	-	293,686	3,056,108
Debt service:					
Principal retirement	1,404,916	-	-	-	1,404,916
Interest	878,644	-	-	-	878,644
Capital outlay:					
General government	607,426	-	-	22,842	630,268
Public safety	32,805	-	-	-	32,805
Parks and recreation	122,536	-	-	88,540	211,076
Total expenditures	<u>24,397,640</u>	<u>-</u>	<u>1,068,670</u>	<u>1,934,949</u>	<u>27,401,259</u>
Excess (deficiency) of revenues over expenditures	<u>2,982,106</u>	<u>1,885,133</u>	<u>1,892,853</u>	<u>(1,094,822)</u>	<u>5,665,270</u>
OTHER FINANCING SOURCES (USES):					
Issuance of leases - right of use	595,299	-	-	-	595,299
Transfers in	275,605	-	-	1,401,162	1,676,767
Transfers out	(45,468)	(1,455,572)	(1,894,841)	(204,358)	(3,600,239)
Total other financing sources (uses)	<u>825,436</u>	<u>(1,455,572)</u>	<u>(1,894,841)</u>	<u>1,196,804</u>	<u>(1,328,173)</u>
Net change in fund balances	3,807,542	429,561	(1,988)	101,982	4,337,097
Fund balances, beginning	<u>22,810,354</u>	<u>33,609</u>	<u>5,489,768</u>	<u>1,479,946</u>	<u>29,813,677</u>
Fund balances, ending	<u>\$ 26,617,896</u>	<u>\$ 463,170</u>	<u>\$ 5,487,780</u>	<u>\$ 1,581,928</u>	<u>\$ 34,150,774</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, 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, 2023

Amounts reported for governmental activities in the statement
of activities are different as a result of:

Net change in fund balances - total government funds (Page 33)	\$ 4,337,097
--	--------------

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets
is depreciated over their estimated useful lives.

Expenditures for capital outlays	874,149	
Less current year depreciation	<u>(2,477,460)</u>	(1,603,311)

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.

Proceeds from issuance of leases - right of use	(595,299)	
Lease payments	592,101	
Principal payments	<u>812,815</u>	809,617

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.

Accrued interest payable	8,882	
Amortization of bond premium	101,018	
Compensated absences	(94,988)	
Change in net pension liability	<u>(786,531)</u>	(771,619)

Changes in the Town's pension deferred outflows and pension deferred inflows for the current year are not reported in the governmental funds but are reported in the statement of activities	(59,353)
--	----------

Revenue collected outside of the period of availability is not available to pay for current period expenditures however it is available to pay long term obligations of the Town.	<u>(321,376)</u>
--	------------------

Change in net position of governmental activities (Page 30)	<u>\$ 2,391,055</u>
---	---------------------

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2023

	<u>Stormwater</u>
<u>ASSETS</u>	
Current assets:	
Accounts receivables	\$ 540,655
Prepays	<u>2,318</u>
Total current assets	<u>542,973</u>
Non-current assets:	
Capital assets, net	11,579,509
Right-of-use asset, net of accumulated amortization	<u>95,009</u>
Total non-current assets	<u>11,674,518</u>
Total assets	<u>12,217,491</u>
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities:	
Accounts payable	691,705
Due to other funds	459,768
Lease liability, current portion	19,793
Revenue bonds, current portion	<u>118,982</u>
Total current liabilities	<u>1,290,248</u>
Non-current liabilities:	
Lease liability, non-current portion	75,783
Revenue bonds, non-current portion	<u>690,454</u>
Total non-current liabilities	<u>766,237</u>
Total liabilities	<u>2,056,485</u>
Net position:	
Net investment in capital assets	10,769,506
Unrestricted	<u>(608,500)</u>
Total net position	<u>\$ 10,161,006</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Stormwater</u>
Operating revenues:	
Charges for services	\$ 1,018,726
Total revenues	<u>1,018,726</u>
Operating expenses:	
Operations and maintenance	1,043,630
Depreciation	<u>275,337</u>
Total operating expenses	<u>1,318,967</u>
Operating income (loss)	<u>(300,241)</u>
Non-operating revenues (expenses):	
Interest expense	<u>(55,634)</u>
Total non-operating revenues (expenses)	<u>(55,634)</u>
Income (loss) before capital contributions and transfers	(355,875)
Grants and contributions	250,000
Transfers in	<u>1,923,472</u>
Change in net position	1,817,597
Net position - Beginning	<u>8,343,409</u>
Net position - Ending	<u>\$ 10,161,006</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Stormwater</u>
Cash flows from operating activities:	
Cash received from customers	\$ 1,387,539
Cash paid for interfund services used	(512,470)
Cash paid to employees	(242,059)
Cash paid to suppliers	<u>(538,942)</u>
Net cash provided by operating activities	<u>94,068</u>
Cash flows from non-capital financing activities:	
Transfers from other funds	<u>1,923,472</u>
Net cash provided by non-capital financing activities	<u>1,923,472</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(2,194,105)
Issuance of leased - right of use	105,584
Interest payments	(55,634)
Principal payments	(123,385)
Capital grant contribution	<u>250,000</u>
Net cash used in capital and related financing activities	<u>(2,017,540)</u>
Net Increase (decrease) in cash	-
Cash - beginning	<u>-</u>
Cash - ending	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	<u>\$ (300,241)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	275,337
Change in operating assets and liabilities:	
Accounts receivables	368,813
Prepays	(34)
Due to other funds	(512,470)
Accounts payable	<u>262,663</u>
Net cash provided by operating activities	<u><u>\$ 94,068</u></u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Town of Cutler Bay, Florida's (the "Town") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

A. Financial Reporting Entity

The Town was incorporated on November 9, 2005 as a municipal corporation, resulting from the election authorized by Resolution R-1318-04 adopted by the Miami-Dade County Board of County Commissioners, and was established to conduct a government, perform municipal functions, and provide services to its citizens, as provided by the Constitution of the State of Florida and the Home Rule Charter of Miami-Dade County. The Town operates under a Council-Manager form of government. The Town Council is responsible for legislative and fiscal control of the Town. A Town Manager is appointed by the Town Council and is responsible for the administration of all Town affairs placed in the manager's charge by charter or action of the Town Council.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the Town. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Town's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which 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 activities of the primary government. 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 Town has one business-type activity, the stormwater fund.

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

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues resulting from expenditure driven transactions such as certain grants are considered collectible at the time the expenditure has been made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, insurance claims, pensions and other post-employment benefits are recorded only when payment is due or when the Town has made a decision to fund these obligations with current available resources. Property taxes, communication taxes, gas taxes, sales taxes, utility taxes, franchise fees, 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. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

ARPA Fund – This fund was established to account for the funds that congress has allocated to state, local, territorial, and Tribal governments, in order to support their response to and recovery from the COVID-19 public health emergency.

CITT Fund – This fund was established to account for the revenues derived from the County Charter Transit System Surtax to be used specifically for eligible transit and transportation related expenditures.

The Town reports the following major proprietary fund:

Stormwater Fund - This fund accounts for stormwater fees assessed on property owners. Funds are dedicated to the ongoing renewal and replacement costs of the Town's stormwater drainage system.

The financial statements of the Town have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the Town follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government wide and proprietary fund financial statements.

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

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources and then from the unrestricted resources.

1. Deposits - The Town's cash consists of cash on hand and demand deposits.
2. Prepays - Prepaid items are accounted for using the consumption method and recorded as expenditure/expense in the fund level and government-wide financial statements in the period benefited.
3. Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

4. Restricted Assets - Proceeds from impact fees, CITT surtax and 2nd local option gas taxes are classified as restricted in various special revenue funds since these resources are specifically earmarked for restricted purposes including law enforcement, transportation and recreational eligible items.
5. Property Taxes - Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Miami-Dade County (the County) on or about November 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for Ad Valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Miami-Dade County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, the County School Board, and other taxing jurisdictions' tax requirements. The millage rate to finance general governmental services for the fiscal year ended September 30, 2023 was 2.8332 mills per \$1,000 of assessed valuation.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Capital Assets - Capital assets, which include land, furniture, equipment, including computers, leasehold improvements and certain infrastructure assets (e.g. roadways, sidewalks, park lands, facilities and improvements) are reported in the government-wide financial statements. Capital assets, excluding infrastructure assets, are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure assets are recorded as capital assets if they have an initial, individual cost in excess of \$50,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20
Roadways and sidewalks	40-50
Infrastructure	25-50
Improvements	5-10
Furniture, equipment and software	3-5

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts and a resulting gain or loss is recorded in the government-wide financial statements.

7. Compensated Absences - It is the Town's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. Other than for the Town Manager as noted below, the Town's sick leave policy does not meet the criteria for accrual under current accounting standards. In the governmental funds, a liability is recorded only when they matured, for example, as a result of employee resignations or retirements. The compensated absences balance is measured using the employees' rates of pay, and associated salary related costs, at the balance sheet date. Compensated absences of governmental funds are typically liquidated from the general fund.

For employees other than the Town Manager, the vacation policy of the Town provides for employees to earn 80 hours of vacation leave during each of the first five years of service. From five through nine years of service, 120 hours are earned each year and for ten or more years of service, 160 hours are earned each year. Pursuant to his employment contract, the Town Manager receives 184 hours of vacation leave per year.

Unused vacation leave for all employees, excluding the Town Manager, may be carried over to the following year and accumulated up to a maximum of 280 hours. The Town Manager may accrue hours beyond that limit but, upon termination, is only entitled to receive pay for a maximum of 480 hours of accumulated/unused vacation time. All employees who terminate employment under terms of voluntary separation are paid for all unused accumulated vacation leave, within the prescribed limits.

Employees earn 96 hours of sick leave each year with a maximum accumulation of 1,040 hours. Unused sick leave is not paid to employees, other than the Town Manager as conditioned below, upon separation from Town service. Pursuant to his employment contract, the Town Manager, upon separation, is entitled to a payout of the balance of his accrued sick leave, unless the Town Manager voluntarily resigns with less than 60 days advance notice or if he is terminated for misconduct or ethical violations, as defined, in which case the Town Manager will then not be entitled to a payout for any accrued vacation or sick leave.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 issuance costs are amortized over the term of the related debt. For the government-wide and proprietary fund types, bonds payable are reported net of the applicable bond premium, discount, and issuance costs.

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

9. Grant Revenue - The Town, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any) when all applicable eligibility requirements, including time requirements, are met.
10. Unearned Revenue - Unearned revenues include amounts collected before revenue recognition criteria are met. The deferred items consist primarily of grants received in advance.
11. Net Position - Total equity as of September 30, 2023, is classified into three components of net position:
- Net investment in capital assets
This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings as well as any retainage payable and accounts payable that are attributable to the acquisition, construction, and improvements of those assets.
 - Restricted net position
This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
 - Unrestricted net position
This category includes all of the remaining net position that does not meet the definition of the other two categories.
12. Fund Balance - As of September 30, 2023, fund balances of the governmental funds are classified as follows:
- Non-spendable
Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
 - Restricted
Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
 - Committed
Amounts that can be used only for specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making Authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund Balance (Continued)

- Assigned
Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Intent is established by the Town Council who has the Authority to assign, modify or rescind amounts to be used for specific purposes. This is delineated in the policy approved by the Council. 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 or capital projects 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 Town itself.
- Unassigned
This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

	General	ARPA Fund	CITT Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Prepays	\$ 260,146	\$ -	\$ -	\$ 1,159	\$ 261,305
Restricted:					
Capital projects	-	463,170	-	243,238	706,408
Public safety	83,444	-	-	95,069	178,513
Parks and recreation	-	-	-	911,647	911,647
Transportation	-	-	5,487,780	331,974	5,819,754
Unassigned	26,274,306	-	-	(1,159)	26,273,147
Total fund balances	<u>\$ 26,617,896</u>	<u>\$ 463,170</u>	<u>\$ 5,487,780</u>	<u>\$ 1,581,928</u>	<u>\$ 34,150,774</u>
Fund balances:					
Nonspendable	\$ 260,146	\$ -	\$ -	\$ 1,159	\$ 261,305
Restricted	83,444	463,170	5,487,780	1,581,928	7,616,322
Unassigned	26,274,306	-	-	(1,159)	26,273,147
Total fund balances	<u>\$ 26,617,896</u>	<u>\$ 463,170</u>	<u>\$ 5,487,780</u>	<u>\$ 1,581,928</u>	<u>\$ 34,150,774</u>

- Minimum Level of Unassigned Fund Balance Policy
The Town's fund balance policy establishes a minimum unassigned fund balance level of 17% of the next fiscal year's operating expenditure budget for the General Fund excluding capital outlay, debt service, and transfers out.

The Town considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Net Position Flow Assumption - Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.
14. Post-Employment Benefits Other Than Pensions (OPEB) - Pursuant to Section 112.0801, Florida Statutes, the Town is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The Town currently provides these benefits in accordance with the vesting and retirement requirement of the Town. The Town is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the Town calculates a total OPEB liability related to the implicit rate subsidy. For governmental activities, the total OPEB liability typically will be liquidated by the general fund. The OPEB plan does not issue separate financial statements.

15. Use of Estimates - The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, postretirement obligations and useful lives and impairment of tangible assets, the determination of the actuarially accrued liability for unpaid claims, which is prepared based upon certain assumptions pertaining to interest rates, inflation rates, etc., among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Town is subject to various federal, state, and local laws and contractual regulations. The Town has no material violations of finance-related legal and contractual obligations.

Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related requirements, and segregation for management purposes.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from federal, state, or local requirements. These restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks and streets
Transportation Tax	Transportation and roads
Various Grant Programs	Grants program expenditures
Police Forfeitures	Law enforcement
Impact Fees	Eligible capacity enhancements

For the year ended September 30, 2023, the Town complied, in all material respects, with these revenue restrictions.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The Town does not have a written investment policy and follows the State of Florida investment policy as set forth in State Statute 218.415. In accordance with Section 218.415 of the Florida Statutes, the Town is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities and in the Local Government Surplus Trust Funds administered by the State Board of Administration (SBA). As of September 30, 2023, the Town has no investments or cash equivalents, only deposits with banking institutions.

NOTE 4 - RECEIVABLES/PAYABLES

Receivables

The Town's receivables at September 30, 2023 were as follows:

	<u>Taxes</u>	<u>Grants</u>	<u>Fees</u>	<u>Others</u>	<u>Totals</u>
General Fund	\$ 1,528,149	\$ 58,169	\$ 657,196	\$ 17,496	\$ 2,261,010
CITT Fund	652,419	82,096	-	-	734,515
Non-major governmental funds	18,512	300,755	-	489,681	808,948
Stormwater Fund	-	250,000	195,778	94,877	540,655
	<u>\$ 2,199,080</u>	<u>\$ 691,020</u>	<u>\$ 852,974</u>	<u>\$ 602,054</u>	<u>\$ 4,345,128</u>

All amounts due from Miami-Dade County, the State of Florida and grants are considered fully collectible.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 - RECEIVABLES/PAYABLES (CONTINUED)

Payables

The Town's payables at September 30, 2023 were as follows:

	Vendors	Miami-Dade County	Total
General Fund	\$ 905,262	\$ 2,742,921	\$ 3,648,183
CITT Fund	494,439	164,192	658,631
Non-major governmental funds	481,559	224,809	706,368
Stormwater Fund	572,232	119,473	691,705
	<u>\$ 2,453,492</u>	<u>\$ 3,251,395</u>	<u>\$ 5,704,887</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activities for the fiscal year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Transfers	Balance September 30, 2023
Governmental activities:					
Capital assets not being depreciated/amortized:					
Land	\$ 31,890,609	\$ -	\$ -	\$ -	\$ 31,890,609
Construction in progress	-	42,730	-	-	42,730
Total capital assets not being depreciated/amortized	<u>31,890,609</u>	<u>42,730</u>	<u>-</u>	<u>-</u>	<u>31,933,339</u>
Capital assets being depreciated/amortized:					
Building	1,948,884	-	-	-	1,948,884
Building - right to use	2,923,902	-	-	-	2,923,902
Vehicles - right to use	-	595,299	-	-	595,299
Infrastructure	58,818,137	-	-	-	58,818,137
Improvements	17,684,249	69,722	-	-	17,753,971
Computer hardware and software	663,963	51,095	-	-	715,058
Furniture and equipment	956,463	115,303	-	-	1,071,766
Total capital assets being depreciated/amortized	<u>82,995,598</u>	<u>831,419</u>	<u>-</u>	<u>-</u>	<u>83,827,017</u>
Less accumulated depreciation/amortization for:					
Building	(1,339,814)	(97,588)	-	-	(1,437,402)
Building - right to use	(365,488)	(487,317)	-	-	(852,805)
Vehicles - right to use	-	(56,707)	-	-	(56,707)
Infrastructure	(42,906,947)	(1,078,020)	-	-	(43,984,967)
Improvements	(13,576,986)	(668,664)	-	-	(14,245,650)
Computer hardware and software	(621,665)	(30,860)	-	-	(652,525)
Furniture and equipment	(817,543)	(58,304)	-	-	(875,847)
Total accumulated depreciation/amortization	<u>(59,628,443)</u>	<u>(2,477,460)</u>	<u>-</u>	<u>-</u>	<u>(62,105,903)</u>
Total capital assets being depreciated/amortized, net	<u>23,367,155</u>	<u>(1,646,041)</u>	<u>-</u>	<u>-</u>	<u>21,721,114</u>
Governmental activities capital assets, net	<u>\$ 55,257,764</u>	<u>\$ (1,603,311)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,654,453</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2022	Additions	Deletions	Transfers	Balance September 30, 2023
Business-type activities:					
Capital assets not being depreciated/amortized:					
Construction in progress	\$ 2,079,686	\$ 2,088,521	\$ -	\$ (1,034,394)	\$ 3,133,813
Total capital assets not being depreciated/amortized	2,079,686	2,088,521	-	(1,034,394)	3,133,813
Capital assets being depreciated/amortized:					
Furniture and equipment	2,367	-	-	-	2,367
Computer hardware and software	1,308	-	-	-	1,308
Vehicles - right to use	-	105,584	-	-	105,584
Infrastructure	12,116,854	-	-	1,034,394	13,151,248
Total capital assets being depreciated/amortized	12,120,529	105,584	-	1,034,394	13,260,507
Less accumulated depreciation/amortization for:					
Furniture and equipment	(2,367)	-	-	-	(2,367)
Computer hardware and software	(1,308)	-	-	-	(1,308)
Vehicles - right to use	-	(10,575)	-	-	(10,575)
Infrastructure	(4,440,790)	(264,762)	-	-	(4,705,552)
Total accumulated depreciation/amortization	(4,444,465)	(275,337)	-	-	(4,719,802)
Total capital assets being depreciated/amortized, net	7,676,064	(169,753)	-	1,034,394	8,540,705
Business-type activities capital assets, net	<u>\$ 9,755,750</u>	<u>\$ 1,918,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,674,518</u>

Depreciation expense for the governmental activities was charged to functions/programs of the Town as follows:

General government	\$ 579,970
Public safety	11,380
Community development	1,127,793
Culture and recreation	<u>758,317</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 2,477,460</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM DEBT

Public Service Tax Revenue Bonds, Series 1999 and 2002 (QNIP Bonds)

As a condition of incorporation, the Town agreed to pay the County its pro rata share for the Public Service Tax Revenue Bonds, Series 1999 and 2002 (QNIP Bonds) issued prior to the Town's incorporation. The Town agreed that, until the bonds have been paid or provision made for their payment pursuant to the ordinance enacted by the County, the County shall have the right to receive and apply to debt service on the bonds all of the public service taxes, as defined, collected on behalf of the Town with respect to bonds outstanding at the time of the municipal incorporation. The Town's debt service obligations as to the bonds in each fiscal year shall be its pro rata share of such debt service obligation. The Town's pro rata share will be equal to that percentage of the total debt service accruing on the bonds in such fiscal year calculated by multiplying such total debt service by a fraction the numerator of which will be the total amount of public service taxes collected within the boundaries of the unincorporated area comprising the boundaries of the Town during the fiscal year in which the Town was incorporated and the denominator of which will be the total amount of public service taxes collected in the entire unincorporated area of the County. The balance of the public service taxes collected within the boundaries of the Town are remitted to the Town after the County satisfies the debt service requirements for the bonds. The bonds contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment and contain a subjective acceleration clause that allows for the acceleration of payment of the entire principal amount to become immediately due if it determined that a material adverse event occurs. For the year ended September 30, 2023, the public service taxes pledged amounted to \$4,691,673 and the debt service was \$321,081. The pledged revenues provided a coverage ratio of 14.6.

During the fiscal year ended September 30, 2012, the County refunded the Public Service Tax Revenue Bonds, Series 1999 and 2002 with the Public Service Tax Refunding Bonds (UMSA), Series 2011.

During the fiscal year ended September 30, 2021, the County refunded the Public Service Tax Refunding Bonds (UMSA), Series 2011 with the Public Service Tax Refunding Bonds (UMSA), Series 2021. The refunding resulted in a reduction of principal and, as a result, the County adjusted the Town's payment schedule. As this pertains to interlocal debt, the change to the Town's pro-rata share of the principal reduction was recorded in the year of refunding. The Series 2021 refunding resulted in an economic gain of approximately \$167,000.

Debt service requirements to maturity for the fiscal year ending September 30, 2023 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 289,460	\$ 32,001	\$ 321,461
2025	110,905	17,528	128,433
2026	116,850	11,982	128,832
2027	122,795	6,140	128,935
Totals	<u>\$ 640,010</u>	<u>\$ 67,651</u>	<u>\$ 707,661</u>

Notes Payable

On June 14, 2010, the Town executed a loan agreement with a local bank to borrow up to \$13,800,000 (Notes A through E) for the purpose of financing the costs of the acquisition and renovations to the new Town Hall and acquisition of vacant land adjacent to the new Town Hall. Certain of these loans were modified on September 20, 2012, to provide for a revised amortization structure. In May 2015 the Town refunded certain of its existing Notes Payable (the 2010 Series A through E Notes, as amended). Under the terms of the refunding, the Town refunded the three tax-exempt promissory notes (the Series A, C & D Notes), totaling approximately \$6,039,000 and with interest rates ranging from 3.05% to 3.81%, into one new 15 year tax-exempt promissory note (the 2015A Note) bearing interest at 2.5% and refunded the two taxable promissory notes (the Series B & E Notes), totaling approximately \$6,268,000 and with interest rates of 4.42%, into one new 10 year taxable promissory note (the 2015B Note) bearing interest at 2.8%. The 2015A Note and 2015B Note refunding resulted in an economic gain of approximately \$336,000 and \$540,000, respectively. During the fiscal year ended September 30, 2021, the 2015B Note was refunded through the issuance of the Taxable Capital Improvement Revenue Note Series 2020.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

The remaining promissory note (the 2015A Note) is secured by the Town's share of the Local Government Half-Cent Sales Tax. There is no prepayment penalty associated with the new promissory note. The Taxable Sales Tax Revenue refunding note, Series 2015A is secured by a pledge of the Town's share of the Local Government Half-Cent Sales Tax. For the fiscal year ended September 30, 2023, the Town's share of the Local Government Half-Cent Sales Tax available for this pledge was \$4,851,696 and debt service was \$451,154. The pledged revenues provided a coverage ratio of 10.8. The note contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately, and in any such acceleration the Town shall also be obligated to pay all costs of collection and enforcement thereof.

On October 15, 2020, the Town issued a 15 year Taxable Capital Improvement Revenue Note, Series 2020 (the 2020 Note), bearing interest at 2.38%, in the amount of approximately \$2.855 million. The Series 2020 Note was issued on a parity basis with the Town's existing Taxable Sales Tax Revenue Refunding Note, Series 2015A (the 2015A Note). Simultaneous with this issuance, the Town retired its Taxable Sales Tax Revenue Refunding Note, Series 2015B (the 2015B Note). The refunding resulted in an economic loss of approximately \$18,800. The Series 2020 Note is secured by a pledge of the Town's Local Government Half-Cent Sales Tax Clearing Trust Fund revenue, as defined and described in the Florida Statutes, as amended.

The 2020 Note was issued for the purpose of (a) prepaying in full the outstanding balance of the Series 2015B Note, (b) redesignating such debt as being used to finance a portion of the cost of the undeveloped land acquired in the "land swap deal", and (c) extending the maturity date of the debt beyond the current maturity date of the Series 2015B Note, thereby reducing the yearly debt service that would otherwise be payable on the Series 2015B Note. The note is secured by a pledge to budget and appropriate sufficient funds to pay for the principal and interest due on the notes from the Town's half-cent sales tax revenues. Annual debt service totals \$228,558 at an interest rate of 2.38% with the first payment due during fiscal year 2022. The loan contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately. For the year ended September 30, 2023, the revenues pledged amounted to \$4,851,696 and debt service was \$228,558. The pledged revenue provided a coverage ratio of 21.2.

Debt service requirements to maturity for the fiscal year ending September 30, 2023 are summarized as follows:

September 30,	Principal	Interest	Total
2024	550,829	128,883	679,712
2025	564,488	115,224	679,712
2026	578,486	101,226	679,712
2027	592,832	86,881	679,713
2028	607,533	72,179	679,712
2029-2033	1,871,752	173,345	2,045,097
2034-2036	654,283	31,388	685,671
Totals	\$ 5,420,203	\$ 709,126	\$ 6,129,329

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Stormwater Utility Revenue Bonds

The Town is required to pay the County its pro rata share for the Stormwater Utility Revenue Bonds, Series 1999 and 2004 issued prior to the Town's incorporation. On September 16, 2013 the Miami-Dade County Stormwater Utility Revenue Refunding Bonds, Series 2013, refunded all of the outstanding Stormwater Utility Revenue Bonds, Series 1999 and Series 2004, except for the Stormwater Utility Revenue Bonds, Series 2004, maturing on April 1, 2014 and April 1, 2015. On September 9, 2020, the Miami-Dade County Stormwater Utility Revenue Bonds, Series 2020, refunded all of the outstanding Stormwater Utility Revenue Bonds, Series 2013. The refunding resulted in a reduction of principal and, as a result, the County adjusted the Town's required payment schedule. As this pertains to Interlocal debt, the change to the Town's pro-rata share of the principal reduction was recorded in the year of refunding. The Series 2020 refunding resulted in an economic gain of approximately \$333,900. The principal payment for the fiscal year ended September 30, 2023 was \$113,377 and the balance of the remaining principal payments range from \$118,982 to \$151,848 through September 2029.

All of the Town's stormwater fees have been pledged as security for the bond payments. For the year ended September 30, 2023 the stormwater fees pledged amounted to \$1,018,726 and the debt service was \$159,518. The pledged revenues provided a coverage ratio of 6.4.

Debt service requirements to maturity for the fiscal year ending September 30, 2023 are summarized as follows:

September 30,	Principal	Interest	Total
2024	\$ 118,982	\$ 40,472	\$ 159,454
2025	124,970	34,523	159,493
2026	131,212	28,274	159,486
2027	137,709	21,714	159,423
2028	144,715	14,828	159,543
2029	151,848	7,592	159,440
Totals	\$ 809,436	\$ 147,403	\$ 956,839

Capital Improvements Revenue Bonds, Series 2020

On October 29, 2020, the Town issued, at a premium, \$12.935 million in open market Capital Improvements Revenue Bonds, Series 2020 (the "Series 2020 Bonds"). These premium bonds were issued in a term series with maturities ranging from December 1, 2027 through December 1, 2050, at interest rates ranging from 1.16% to 2.59%. The premium on the bonds payable totaled \$1,860,384 and will be amortized throughout the term of the bonds. The Series 2020 Bonds are payable from legally available non-ad valorem revenues of the Town. While the Town has covenanted and agreed to appropriate from non-ad valorem revenues amounts sufficient to pay amounts due on the Series 2020 Bonds, such covenant to budget and appropriate does not create any lien or pledge of such non-ad-valorem revenues.

The Series 2020 Bonds were issued to (a) finance the cost of improvements to Franjo Park, (b) acquire vacant land for preservation, conservation and resiliency, (c) reimburse the Town for the acquisition of vacant land for the site of a new civic center and public park, together with financing architectural, engineering, environmental, legal and other planning costs related thereto, and (d) pay costs of issuance of the 2020 Series Bonds. These projects are long lived projects whose benefits will extend over decades. For the fiscal year ended September 30, 2023, pledged revenues amounted to \$14,733,302 and debt service was \$517,400, resulting in a coverage ratio of 28.5. As of September 30, 2023, the principal balance outstanding was \$12,935,000.

In the event of default, any Holder of Bonds issued or any trustee or receiver acting for such Bondholders either may enforce any and all rights under the Laws of the State, or granted and contained in the bond resolution, and may enforce and compel the performance of all duties required by the resolution or by any applicable statutes to be performed by the Town. However, no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Capital Improvements Revenue Bonds, Series 2020 (Continued)

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25)% of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for the Holders of Bonds issued pursuant to the bond resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Town Clerk.

Debt service requirements to maturity for the fiscal year ending September 30, 2023 are summarized as follows:

September 30,	Principal	Interest	Total
2024	\$ -	\$ 517,400	\$ 517,400
2025	-	517,400	517,400
2026	-	517,400	517,400
2027	-	517,400	517,400
2028	160,000	514,200	674,200
2029-2033	1,095,000	2,455,700	3,550,700
2034-2038	1,945,000	2,175,100	4,120,100
2039-2043	3,160,000	1,641,000	4,801,000
2044-2048	3,860,000	941,600	4,801,600
2049-2051	2,715,000	165,700	2,880,700
Totals	\$ 12,935,000	\$ 9,962,900	\$ 22,897,900

Office lease

In January 2020, the Town entered into a sale-leaseback agreement under which the Town Hall office building and additional property owned by the Town. The office building previously owned by the Town was subsequently leased back from the new owner. The term of the lease is for 5 years commencing January 9, 2020 and calls for cost of living rent increases based on a defined CPI index, if applicable, on the lease anniversary date. The lease also provides for additional rent in the event certain specified expenses exceed base year amounts. To date the Town has not had to pay such additional rent. The Town has the option to renew and extend the term of lease for three successive additional terms of two years each. Rent expense for this lease was \$659,935 for the year ended September 30, 2023, including \$70,730 for the cumulative effect of the CPI adjustment that was not included in the retroactive initial measurement.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The Town has used the Town's effective interest based on the borrowing rate of the Capital Improvement Revenue Bonds, Series 2020. The borrowing rate of this liability was 2.38% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of September 30, 2023.

Annual requirements to amortize this lease liability and related interest are as follows:

September 30,	Principal	Interest	Total
2024	\$ 551,434	\$ 38,131	\$ 589,565
2025	564,702	24,863	589,565
2026	578,289	11,276	589,565
2027	159,387	683	160,070
Totals	\$ 1,853,812	\$ 74,953	\$ 1,928,765

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Vehicle leases

During fiscal year 2023, the Town entered into fifteen (15) different fleet vehicle leasing contracts to support the Town's operations. The term of all leases is for 5 years, commencing on different months from October 2022 through July 2023, with 12 fixed monthly payments each year. The Town allocates the right-of-use asset and related lease liability between the General Fund and the Stormwater Fund for some of the vehicles.

At the time of the commencement of the lease, there was no interest rate specified in any of the lease agreements. The Town determined a 4% rate for the entire fleet was reasonable to used.

Annual requirements to amortize the combined lease liability and related interest for the General Fund portion are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 111,485	\$ 19,638	\$ 131,123
2025	116,027	15,096	131,123
2026	120,755	10,368	131,123
2027	125,674	5,449	131,123
2028	67,734	936	68,670
	<u>\$ 541,675</u>	<u>\$ 51,487</u>	<u>\$ 593,162</u>

Annual requirements to amortize the combined lease liability and related interest for the Stormwater Fund portion are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 19,793	\$ 3,463	\$ 23,256
2025	20,600	2,656	23,256
2026	21,439	1,817	23,256
2027	22,313	944	23,257
2028	11,431	180	11,611
	<u>\$ 95,576</u>	<u>\$ 9,060</u>	<u>\$ 104,636</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in the long-term debt for the fiscal year ended September 30, 2023:

	Beginning	Additions	Reductions	Ending	Due Within One Year
Governmental activities:					
Bonds payable	\$ 12,935,000	\$ -	\$ -	\$ 12,935,000	\$ -
Premium on bonds payable	1,666,097	-	(101,018)	1,565,079	101,018
Notes payable	5,957,703	-	(537,500)	5,420,203	550,829
Lease liability	2,392,289	595,299	(592,101)	2,395,487	662,919
Net pension liability	4,480,820	786,531	-	5,267,351	-
Compensated absences	394,858	276,781	(181,793)	489,846	130,792
QNIP Bonds	915,325	-	(275,315)	640,010	289,460
Total governmental activities	<u>\$ 28,742,092</u>	<u>\$ 1,658,611</u>	<u>\$ (1,687,727)</u>	<u>\$ 28,712,976</u>	<u>\$ 1,735,018</u>
Business-type activities:					
Stormwater utility revenue bonds	\$ 922,813	\$ -	\$ (113,377)	\$ 809,436	\$ 118,982
Lease liability	-	105,584	(10,008)	95,576	19,793
Total business-type activities	<u>\$ 922,813</u>	<u>\$ 105,584</u>	<u>\$ (123,385)</u>	<u>\$ 905,012</u>	<u>\$ 138,775</u>

Compensated absences and the net pension liability are typically liquidated by the general fund for the governmental activities.

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances as of September 30, 2023, were as follows:

	Receivable	Payable
General Fund	\$ 985,120	\$ -
ARPA Fund	-	415,164
Non-major Governmental Funds	88,236	198,424
Stormwater Fund	-	459,768
	<u>\$ 1,073,356</u>	<u>\$ 1,073,356</u>

The outstanding balances between funds result primarily from revenues received in and expenditures made by the general fund on behalf of special revenue and other funds.

Interfund transfer activity for the year ended September 30, 2023 was as follows:

	Transfers In*	Transfers Out*
General Fund	\$ 275,605	\$ 45,468
CITT Fund	-	1,894,841
ARPA Fund	-	1,455,572
Non-major Governmental Funds	1,401,162	204,358
Stormwater Fund	1,923,472	-
	<u>\$ 3,600,239</u>	<u>\$ 3,600,239</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

*Transfers in/out during the fiscal year are as follows:

- \$1,894,841 was transferred from the CITT Fund (a major governmental fund) to fund the Town's portion of costs related to several projects. \$22,842 was transferred to the Transportation Fund (a non-major governmental fund) for costs associated with construction of a roundabout traffic circle, \$6,080 was transferred to the JPA – Franjo Park Fund (a non-major governmental fund) to provide the Town's grant match for a roadway project, \$2,862 was transferred to the Sidewalks Fund (a non-major governmental fund) to provide for the design costs of a sidewalk around Lincoln City park, \$489,682 was transferred to the Transit Fund (a non-major governmental fund) for the Town's grant match providing on demand transit services, and \$1,373,375 was transferred to the Stormwater Fund (a proprietary fund) for costs related to eligible roadway and drainage improvement projects.
- \$204,358 was transferred from the Special Revenue Fund (a non-major governmental fund) to the General Fund for sidewalk repair projects (gas taxes of \$179,397) and for park capital outlay (\$24,961 of park impact fees)
- \$45,468 was transferred from the General Fund to the Capital Projects (Parks) Fund (a non-major governmental fund) to cover the cost of park infrastructure improvements that were not eligible for funding with park impact fees.
- \$1,455,572 was transferred from the ARPA Fund (a major governmental fund) to fund projects that meet the eligibility criteria of the ARPA grant funding. \$550,097 was transferred to the Stormwater Fund (a proprietary fund) for various stormwater/drainage projects eligible for ARPA funding, \$799,656 was transferred to the Sidewalks Fund (a non-major governmental fund) for sidewalk repairs and replacements, \$19,888 was transferred to the Lighting Fund for an LED lighting upgrade program, \$14,684 was transferred to the Capital Projects (Parks) Fund (a non-major governmental fund) for the design costs of a playground resurfacing project, and \$71,247 was transferred to the General Fund to provide for ARPA eligible expenditures paid through that fund.

NOTE 8 - RETIREMENT PLANS

Florida Retirement System Overview

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

Florida Retirement System Overview

Essentially all regular employees of the Town are eligible to enroll as members of the State- administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site.

(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Plan Description

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

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

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

Benefits Provided

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

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age / Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Elected Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00

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

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2022 through June 30, 2023 were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	11.91
FRS, Elected County Officers	3.00	57.00
FRS, Senior Management Service	3.00	31.57
FRS, Special Risk Regular	3.00	27.83
DROP - Applicable to members from all of the above classes	N/A	18.60

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

The Town's contributions for FRS totaled \$693,600 for the fiscal year ended September 30, 2023.

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

At September 30, 2023, the Town reported a liability of \$3,838,774 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Town's proportionate share of the net pension liability was based on the Town's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the Town's proportionate share was 0.0096%, which was a decrease from its proportionate share of 0.0097% measured at June 30, 2022.

For the fiscal year ended September 30, 2023, the Town recognized pension expense of \$820,694 related to the Plan. In addition, the Town reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 360,428	\$ -
Change of assumptions	250,243	-
Net difference between projected and actual earnings on FRS pension plan investments	160,318	-
Changes in proportion and differences between Town FRS contributions and proportionate share of contributions	157,449	123,160
Town FRS contributions subsequent to measurement date	127,233	-
Total	\$ 1,055,671	\$ 123,160

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

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

The deferred outflows of resources related to pensions, totaling \$127,233, resulting from the Town's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future years as follows:

Fiscal Year Ending September 30	Deferred outflows/(inflows), net
2023	\$ 113,741
2024	(29,302)
2025	654,973
2026	50,171
2027	15,696
Total	\$ 805,279

Actuarial Assumptions

The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2023, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	<u>100%</u>			
Assumed inflation-Mean			2.4%	1.4%

Note: (1) As outlined in the Plan's investment policy

Discount Rate

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

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

The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the Town's proportionate share of the net pension liability would be if it calculated using a discount rate that is one percentage point lower (5.70 percent) or one percentage point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Town's proportionate share of the net pension liability	\$ 6,557,408	\$ 3,838,774	\$ 1,564,312

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report (see above).

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Town Allocation

The Town's proportionate share of the Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2023, and pension expense / adjustment for the fiscal year ended September 30, 2023 was allocated as follows:

FRS PENSION			
NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	PENSION EXPENSE / ADJUSTMENT
\$ 3,838,774	\$ 1,055,671	\$ 123,160	\$ 820,694

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2023 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period July 1, 2022 through June 30, 2023 was 1.66 percent, and from July 1, 2023 through September 30, 2023 was 2.00 percent. The Town contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Town's contributions to the HIS Plan totaled \$62,607 for the fiscal year ended September 30, 2023.

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

At September 30, 2023, the Town reported a net pension liability of \$1,428,577 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of July 1, 2022 and was recalculated and projected to the measurement date of June 30, 2023 using a standard actuarial roll-forward technique. The Town's proportionate share of the net pension liability was based on the Town's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the Town's proportionate share was 0.0090 percent, which was an increase from its proportionate share of 0.0081 percent measured at June 30, 2022.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

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

For the fiscal year ended September 30, 2023, the Town recognized pension expense of \$560,796 related to the HIS Plan. In addition, the Town reported, in the government-wide financial statements, deferred outflows or resources and deferred inflows of resources related to the HIS Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,913	\$ 3,353
Change of assumptions	37,557	123,791
Net difference between projected and actual earnings on HIS pension plan investments	738	-
Changes in proportion and differences between Town HIS contributions and proportionate share of contributions	112,781	15,317
Town HIS contributions subsequent to measurement date	17,456	-
Total	\$ 189,445	\$ 142,461

The deferred outflows of resources related to pensions, totaling \$17,456, resulting from the Town's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future years as follows:

Fiscal Year Ending September 30	Deferred outflows/(inflows), net
2024	\$ 8,883
2025	11,517
2026	8,338
2027	(5,587)
2028	2,753
Thereafter	3,624
Total	\$ 29,528

Actuarial Assumptions

The HIS pension as of July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates	3.65%

The actuarial assumptions that determined total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - RETIREMENT PLANS (CONTINUED)

The Retiree Health Insurance Subsidy Program (HIS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for the HIS Plan was updated from 3.54 to 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following presents the Town's proportionate share of the net pension liability calculated using a discount rate of 3.65 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Town's proportionate share of the net pension liability	\$ 1,629,783	\$ 1,428,577	\$ 1,261,790

Pension plan fiduciary net position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report (see above).

Town Allocation

The Town's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2023, and pension expense/adjustment for the fiscal year ended September 30, 2023 was as follows:

	HIS PLAN			
	Net Pension Liability	Deferred Outflow Of Resources	Deferred Inflow Of Resources	Pension Expense / Adjustment
	\$ 1,428,577	\$ 189,445	\$ 142,461	\$ 560,796

The proportionate share of the Town's proportionate share of the net pension liability, deferred outflow of resources, deferred inflow of resources, and pension expense for all plans is summarized as follows:

	FRS	HIS	Total
Net pension liability	\$ 3,838,774	\$ 1,428,577	\$ 5,267,351
Deferred outflows of resources	1,055,671	189,445	1,245,116
Deferred inflows of resources	123,160	142,461	265,621
Pension expense/expenditure	820,694	560,796	1,381,490

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town participates in the Florida League of Cities (FLC) risk pool. This is a statewide pool with several hundred governmental members. FLC provides the Town with auto liability, general liability, property and workers' compensation coverage. There is no self-insured retention for the Town, excluding a \$1,000 per occurrence property deductible. FLC provides \$1,000,000 for general liability and statutorily required coverage for workers' compensation.

During its past three years, the Town has not incurred any significant claims nor have there been any significant reductions in coverage.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Claims and Lawsuits

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

Agreement with Miami-Dade County for Stormwater Utility Billing

On June 20, 2008, the Town executed an agreement with Miami-Dade County for the County to administer, bill and collect the stormwater utility service charges for the Town. The County bills the Town \$1.09 per bill and also deducts the Town's pro-rata share of debt service on the Series 2020 Stormwater Bonds issued by the County. The agreement was set to expire on June 20, 2018 but was continued on a month to month basis while the new agreement was being ratified. The new agreement was signed by the parties and became effective October 22, 2018 and is for a term of ten (10) years.

Agreement with Miami-Dade County for Local Police Patrol Services

The Town contracts for its local police patrol and other law enforcement services through an Interlocal agreement (the "agreement") with Miami-Dade County (the "County"). The agreement for these services was set to expire on August 20, 2019, however, the Town and County agreed to continue the existing agreement on the same terms and conditions for a period of up to 90 days while the parties finalized a new agreement. The parties finalized a new five (5) year agreement effective October 1, 2019 and the new agreement expires on September 30, 2024 unless terminated earlier as specified in the agreement.

Payments for the services provided by the County are based upon the level of staffing services requested by the Town utilizing the actual personnel costs of officers and equipment. The County bills the Town on a quarterly basis for local patrol services and for optional services (primarily school crossing guards, if applicable). For fiscal year 2023, approximately \$10,936,998 was paid by the Town for such services.

Agreement with the Town Manager

The contract with the current Town Manager provides for a severance payment to him should the Town Council wish to terminate the Town Manager for convenience. The severance payment, which is payable in lump sum upon termination or within 30 days thereafter at the Town Council's option, shall be equal to twenty weeks of his regular base salary at the time of termination. The Town shall also continue to pay the premium for the Town Manager's health insurance for twenty weeks after the effective date of his termination. No other fringe benefits will be payable under this provision.

The terms of this severance provision do not apply if the Town Manager is terminated for misconduct and/or for violating ethical standards, as defined.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Town has a single-employer health insurance postretirement benefit plan. Retirees can continue the same medical coverage they had (including family coverage) as active employees. As required by Florida Law, retirees under age 65 are required to have access to their current plan if they pay the full premium. This is a benefit to retirees because the cost of health insurance for retirees under age 65 exceeds the full premium. Employees will subsidize the cost of retirees under the Group Coverage. There is no benefit for retirees over age 65.

Funding Policy

These benefits are financed on a pay-as-you-go basis.

Total OPEB Liability

Management has evaluated the Total OPEB Liability and has concluded that it is immaterial to the financial statements. Therefore, the Total OPEB Liability and related disclosures have been excluded from the Financial Statements.

NOTE 12 – SUBSEQUENT EVENTS

On December 1, 2023, the Town acquired an approximate 3.5-acre land parcel at the intersection of Old Cutler Road and SW 87th Avenue for a purchase price of \$8,482,000. The acquisition was funded, in part, by a 20-year bank loan of \$6,630,000 bearing interest at 4.58%. The balance of the acquisition was funded by Town resources. The land parcel's intended use is as a passive park.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive/(Negative)</u>
Revenues:				
Property taxes	\$ 8,779,276	\$ 8,779,276	\$ 8,756,333	\$ (22,943)
Franchise fees	2,480,000	3,080,000	3,244,281	164,281
Utility taxes	3,550,000	4,170,000	4,691,673	521,673
Charges for services	340,500	372,500	422,426	49,926
Intergovernmental	7,138,619	8,333,619	8,191,521	(142,098)
Licenses and permits	1,136,000	1,136,000	1,158,838	22,838
Fines and forfeitures	90,000	80,000	113,447	33,447
Interest	35,000	385,000	501,693	116,693
Rental income	45,000	45,000	-	(45,000)
Miscellaneous	500	120,500	299,534	179,034
Total revenues	<u>23,594,895</u>	<u>26,501,895</u>	<u>27,379,746</u>	<u>877,851</u>
Expenditures:				
General government	4,494,302	5,475,302	5,771,808	(296,506)
Legislative	223,614	223,614	181,776	41,838
Town clerk	515,812	525,812	450,283	75,529
Finance	541,384	567,934	523,239	44,695
Town attorney	500,000	500,000	488,163	11,837
Community development	1,758,317	2,190,817	1,978,219	212,598
Public works	1,209,682	1,289,682	1,128,290	161,392
Parks and recreation	3,052,588	3,267,203	2,884,958	382,245
Police services	<u>11,306,000</u>	<u>11,070,000</u>	<u>10,990,904</u>	<u>79,096</u>
Total expenditures	<u>23,601,699</u>	<u>25,110,364</u>	<u>24,397,640</u>	<u>712,724</u>
Excess (deficiency) of revenues over expenditures	<u>(6,804)</u>	<u>1,391,531</u>	<u>2,982,106</u>	<u>1,590,575</u>
Other financing sources (uses):				
Issuance of capital leases	-	-	595,299	595,299
Transfers in	180,000	180,000	275,605	95,605
Transfers out	<u>-</u>	<u>-</u>	<u>(45,468)</u>	<u>(45,468)</u>
Total other financing sources (uses)	<u>180,000</u>	<u>180,000</u>	<u>825,436</u>	<u>645,436</u>
Revenues over (under) expenditures and other financing sources (uses)	173,196	1,571,531	3,807,542	2,236,011
Fund balance appropriated	<u>(173,196)</u>	<u>(1,571,531)</u>	<u>-</u>	<u>1,571,531</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,807,542</u>	<u>\$ 3,807,542</u>
Fund balance - beginning			<u>22,810,354</u>	
Fund balance - ending			<u>\$ 26,617,896</u>	

See notes to budgetary comparison schedule

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ARPA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 4,062,305	\$ 4,062,305	\$ 1,455,572	\$ (2,606,733)
Interest	<u>25,000</u>	<u>400,000</u>	<u>429,561</u>	<u>29,561</u>
Total revenues	<u>4,087,305</u>	<u>4,462,305</u>	<u>1,885,133</u>	<u>(2,577,172)</u>
Excess (deficiency) of				
revenues over expenditures	<u>4,087,305</u>	<u>4,462,305</u>	<u>1,885,133</u>	<u>(2,577,172)</u>
Other financing sources (uses) :				
Transfers out	<u>(4,062,305)</u>	<u>(4,062,305)</u>	<u>(1,455,572)</u>	<u>2,606,733</u>
Total other financing sources (uses)	<u>(4,062,305)</u>	<u>(4,062,305)</u>	<u>(1,455,572)</u>	<u>2,606,733</u>
Revenues over (under) expenditures and				
other financing sources (uses)	25,000	400,000	429,561	29,561
Fund balance appropriated	<u>(25,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>400,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>429,561</u>	<u>\$ 429,561</u>
Fund balance, beginning			<u>33,609</u>	
Fund balance, ending			<u>\$ 463,170</u>	

See notes to budgetary comparison schedule

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CITT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 2,865,000	\$ 2,849,676	\$ (15,324)
Interest	<u>7,000</u>	<u>7,000</u>	<u>111,847</u>	<u>104,847</u>
Total revenues	<u>2,007,000</u>	<u>2,872,000</u>	<u>2,961,523</u>	<u>89,523</u>
Expenditures:				
Current:				
General government	<u>1,330,745</u>	<u>1,570,745</u>	<u>1,068,670</u>	<u>502,075</u>
Total expenditures	<u>1,330,745</u>	<u>1,570,745</u>	<u>1,068,670</u>	<u>502,075</u>
Excess of revenues over expenditures	<u>676,255</u>	<u>1,301,255</u>	<u>1,892,853</u>	<u>591,598</u>
Other financing sources (uses) :				
Transfers out	<u>(3,007,348)</u>	<u>(3,183,348)</u>	<u>(1,894,841)</u>	<u>1,288,507</u>
Total other financing sources (uses)	<u>(3,007,348)</u>	<u>(3,183,348)</u>	<u>(1,894,841)</u>	<u>1,288,507</u>
Revenues over (under) expenditures and other financing sources (uses)	(2,331,093)	(1,882,093)	(1,988)	1,880,105
Fund balance appropriated	<u>2,331,093</u>	<u>1,882,093</u>	<u>-</u>	<u>(1,882,093)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,988)	<u>\$ (1,988)</u>
Fund balance, beginning			<u>5,489,768</u>	
Fund balance, ending			<u>\$ 5,487,780</u>	

See notes to budgetary comparison schedule

TOWN OF CUTLER BAY, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

- a. Prior to September 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of two resolutions - one fixing a millage rate and another adopting the final budget.
- d. Appropriations which are neither expended, encumbered, nor specifically designated to be carried over lapse at the end of the fiscal year.
- e. The Town prepares and adopts a budget for the General Fund and for all other funds known as of the October 1 fiscal year start date. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for principal payments on their debt. No differences exist between the budgetary or GAAP basis of accounting. Budgeted amounts are as originally adopted, or as amended by the Town Council. The Town Manager may transfer any unencumbered line item allocation of funds, or any portion thereof, to another line item classification within the same department. Amendments to total budgeted appropriations of any of the Town's departments must be approved by the Town Council. Therefore, the legal level of control (level of which expenditures may not exceed the budget) is at the department level.
- f. Formal budgetary integration is employed as a management control device. Additionally, the Town does not utilize encumbrance accounting.

In November 2023, the Town Council passed a budget amendment by resolution (#23-101) to:

1. In the General Fund, the net increase in total revenues was \$2,907,000 with a corresponding decrease to appropriation of prior year fund balance. The revenue changes reflected increases to utility taxes (\$430,000 for electricity, \$130,000 for water, and \$60,000 for gas), electric franchise fees (\$600,000), 1st local option gas taxes (\$45,000), communications services taxes (\$45,000), local government half-cent sales tax (\$900,000), zoning fees (\$30,000), public works review fees (\$25,000), CITT administrative fees (\$35,000), lobbyist registration fees (\$10,000), State revenue sharing (\$145,000), motor fuel rebate (\$25,000), parks fees (\$110,000), judgements and fines (\$11,000), interest income (\$350,000), and other income (\$110,000), offset by decreases for building permits (\$45,000), zoning fees-planning (\$5,000), other licenses, fees and permits (\$5,000), lien search fees (\$70,000), school crossing guards (\$8,000), and violation of local ordinance fines (\$21,000).
2. In the General Fund, the net increase in total expenditures was \$1,508,665 with a corresponding increase to appropriation of prior year fund balance.

The budget amendment increased expenditures in (a) the Town Clerk department by \$10,000 (\$2,000 for other contractual services, \$3,000 for repairs and maintenance, and \$5,000 for other current charges), (b) the General Government department by \$981,000 (\$60,000 for professional services, \$200,000 for other contractual services, \$250,000 for other contractual services – Brownfield, \$450,000 for other contractual services – GOB, \$8,000 for repairs and maintenance, \$13,000 for operating supplies, \$538,500 for debt service-principal, and \$130,200 for debt service-interest, offset by a decrease of \$668,700 for rentals and leases), (c) the Community Development department by \$432,500 (\$407,500 for other contractual services, and \$25,000 for professional services), (d) the Finance department by \$26,550 (\$4,550 for accounting and auditing, \$10,000 for other contractual services, and \$12,000 for repairs and maintenance), (e) the Public Works department by \$80,000 (\$76,000 other contractual services, \$4,000 for capital outlay (machinery and equipment), \$55,000 for debt service-principal, and \$30,000 for debt service-interest, offset by a decrease of \$85,000 for rentals and leases), and (f) the Parks department by \$214,615 (\$71,645 for other contractual services, \$27,470 for utilities, \$8,500 for rentals and leases, \$2,000 of office supplies, \$15,000 for operating supplies, \$8,000 for books, publications and subscriptions, and \$82,000 for capital outlay (machinery and equipment)).

The budget amendment decreased expenditures in the Law enforcement department by \$236,000 for decreased professional services (\$269,000) offset by increased capital outlay of \$33,000 for machinery and equipment.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. In the Special Revenue – ARPA Fund, interest income was increased \$375,000 with a corresponding increase to fund balance.
4. In the Special Revenue – Transit Fund, State grant funds were increased \$176,000 and transfers in were increased \$176,000 with a corresponding increase in contractual services.
5. In the Special Revenue - CITT Fund, State grant proceeds were increased \$165,000 and CITT surtax revenues were increased \$700,000, offset by increased expenditures of \$416,000 for professional services (\$40,000), contractual services-transit (\$165,000), other current charges (\$35,000), and transfers out (\$176,000), with a corresponding increase (\$449,000) to fund balance.

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the FRS net pension liability	0.0096%	0.0097%	0.0099%	0.0089%	0.0095%	0.0099%	0.0093%	0.0086%	0.0090%	0.0079%
Town's proportionate share of the FRS net pension liability	3,838,774	\$ 3,618,137	\$ 749,337	\$ 3,858,186	\$ 3,275,922	\$ 2,988,680	\$ 2,756,704	\$ 2,173,623	\$ 1,161,135	\$ 479,192
Town's covered payroll	3,589,399	2,970,660	2,888,756	2,660,786	2,627,355	2,619,488	2,522,996	2,346,800	2,267,234	2,170,781
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	106.95%	121.80%	25.94%	145.00%	124.69%	114.09%	109.26%	92.62%	51.21%	22.07%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.69%	84.88%	92.00%	96.09%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 693,600	\$ 580,100	\$ 522,281	\$ 434,654	\$ 401,481	\$ 322,591	\$ 291,685	\$ 263,864	\$ 257,764	\$ 221,937
FRS contribution in relation to the contractually required contribution	<u>(693,600)</u>	<u>(580,100)</u>	<u>(522,281)</u>	<u>(434,654)</u>	<u>(401,481)</u>	<u>(322,591)</u>	<u>(291,685)</u>	<u>(263,864)</u>	<u>(257,764)</u>	<u>(221,937)</u>
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	3,592,787	3,062,244	2,908,256	2,739,748	2,613,721	2,618,896	2,563,058	2,452,272	2,292,976	2,191,509
FRS contribution as a percentage of covered payroll	19.31%	18.94%	17.96%	15.86%	15.36%	12.32%	11.38%	10.76%	11.24%	10.13%

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the HIS net pension liability	0.0090%	0.0081%	0.0082%	0.0077%	0.0079%	0.0080%	0.0079%	0.0076%	0.0075%	0.0073%
Town's proportionate share of the HIS net pension liability	\$ 1,428,577	\$ 862,683	\$ 1,000,859	\$ 936,057	\$ 878,997	\$ 848,850	\$ 846,350	\$ 885,811	\$ 762,143	\$ 683,152
Town's covered payroll	3,589,399	2,970,660	2,888,756	2,660,786	2,627,355	2,619,488	2,522,996	2,346,800	2,267,234	2,170,781
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	39.80%	29.04%	34.65%	35.18%	33.46%	32.41%	33.55%	37.75%	33.62%	31.47%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 62,607	\$ 50,833	\$ 48,277	\$ 45,480	\$ 43,388	\$ 43,474	\$ 42,547	\$ 40,708	\$ 31,082	\$ 26,611
HIS contribution in relation to the contractually required contribution	<u>(62,607)</u>	<u>(50,833)</u>	<u>(48,277)</u>	<u>(45,480)</u>	<u>(43,388)</u>	<u>(43,474)</u>	<u>(42,547)</u>	<u>(40,708)</u>	<u>(31,082)</u>	<u>(26,611)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	3,592,787	3,062,244	2,908,256	2,739,748	2,613,721	2,618,896	2,563,058	2,452,272	2,292,976	2,191,509
HIS contribution as a percentage of covered payroll	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.21%

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue that is legally restricted to expenditure for particular purposes.

Special Revenue Fund – This fund was established to account for impact fees and gas tax revenues that are restricted to use for specific purposes.

Transportation Fund – This fund was established to account for revenues derived from grants and other sources to be used specifically for transportation and/or Complete Streets related projects.

Sidewalks Fund – This fund was established to account for revenues derived from road impact fees and other sources to be used specifically for sidewalk connectivity projects within the Town.

The Children's Trust Fund – This fund was established to account for revenues derived from grants from The Children's Trust of Miami Dade County to be used specifically for children's programs at the Town's parks.

JPA – Franjo Road Fund – This fund was established to account for revenues derived from Miami-Dade County, pursuant to a Joint Participation Agreement, and other sources to be used specifically for roadway improvements to Franjo Road within the Town.

Lighting Fund – This fund was established to account for revenues derived from grants and other sources to be used specifically for lighting upgrades at the Town's parks and other facilities.

Transit Fund – This fund was established to account for revenues derived from grants and other sources to be used specifically for transit related projects within the Town.

DJJ Fund – This fund was established to account for revenues derived from a grant by the Department of Juvenile Justice to provide programs for at-risk youths at the Town's parks.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for acquisition or construction of major capital assets other than those financed by proprietary or trust funds.

Capital Projects (Parks) Fund – This fund was established to account for revenues derived from grants, impact fees and other sources to be used on various park improvement projects within the Town.

TOWN OF CUTLER BAY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Revenue Fund	Transportation Fund	Sidewalks Fund	The Children's Trust Fund	JPA-Franjo Road Fund	Lightning Fund	Transit Fund	DJJ Fund	Capital Projects (Parks) Fund
<u>ASSETS</u>									
Restricted cash	\$ 1,588,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables, net	18,512	-	-	101,064	83,898	-	602,086	3,388	-
Prepays	-	-	-	1,159	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	88,236	-	-
Total assets	<u>1,606,889</u>	<u>-</u>	<u>-</u>	<u>102,223</u>	<u>83,898</u>	<u>-</u>	<u>690,322</u>	<u>3,388</u>	<u>-</u>
<u>LIABILITIES</u>									
Accounts payable	-	-	-	16,046	-	-	690,322	-	-
Due to other funds	24,961	-	-	86,177	83,898	-	-	3,388	-
Total liabilities	<u>24,961</u>	<u>-</u>	<u>-</u>	<u>102,223</u>	<u>83,898</u>	<u>-</u>	<u>690,322</u>	<u>3,388</u>	<u>-</u>
<u>FUND BALANCES</u>									
Nonspendable	-	-	-	1,159	-	-	-	-	-
Restricted	1,581,928	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(1,159)	-	-	-	-	-
Total fund balances	<u>1,581,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,606,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,223</u>	<u>\$ 83,898</u>	<u>\$ -</u>	<u>\$ 690,322</u>	<u>\$ 3,388</u>	<u>\$ -</u>

TOWN OF CUTLER BAY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds								Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Revenue Fund	Transportation Fund	Sidewalks Fund	The Children's Trust Fund	JPA-Franjo Road Fund	Lightning Fund	Transit Fund	DJJ Fund	Capital Projects (Parks) Fund	
Revenues:										
Intergovernmental	\$ 220,126	\$ -	\$ -	\$ 259,165	\$ 30,960	\$ -	\$ 200,641	\$ 43,021	\$ -	\$ 753,913
Impact fees	57,186	-	-	-	-	-	-	-	-	57,186
Interest	29,028	-	-	-	-	-	-	-	-	29,028
Total revenues	<u>306,340</u>	<u>-</u>	<u>-</u>	<u>259,165</u>	<u>30,960</u>	<u>-</u>	<u>200,641</u>	<u>43,021</u>	<u>-</u>	<u>840,127</u>
Expenditures:										
Current:										
General government	-	-	802,518	-	37,040	-	690,323	-	-	1,529,881
Parks and recreation	-	-	-	250,665	-	-	-	43,021	-	293,686
Capital outlay:										
General government	-	22,842	-	-	-	-	-	-	-	22,842
Parks and recreation	-	-	-	8,500	-	19,888	-	-	60,152	88,540
Total expenditures	<u>-</u>	<u>22,842</u>	<u>802,518</u>	<u>259,165</u>	<u>37,040</u>	<u>19,888</u>	<u>690,323</u>	<u>43,021</u>	<u>60,152</u>	<u>1,934,949</u>
Excess (deficiency) of revenues over expenditures	<u>306,340</u>	<u>(22,842)</u>	<u>(802,518)</u>	<u>-</u>	<u>(6,080)</u>	<u>(19,888)</u>	<u>(489,682)</u>	<u>-</u>	<u>(60,152)</u>	<u>(1,094,822)</u>
Other financing sources:										
Transfers in	-	22,842	802,518	-	6,080	19,888	489,682	-	60,152	1,401,162
Transfers out	<u>(204,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,358)</u>
Total other financing sources (uses)	<u>(204,358)</u>	<u>22,842</u>	<u>802,518</u>	<u>-</u>	<u>6,080</u>	<u>19,888</u>	<u>489,682</u>	<u>-</u>	<u>60,152</u>	<u>1,196,804</u>
Net change in fund balance	<u>101,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,982</u>
Fund balances, beginning	<u>1,479,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,479,946</u>
Fund balances, ending	\$ 1,581,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,581,928

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 202,293	\$ 202,293	\$ 220,126	\$ 17,833
Impact fees	26,000	26,000	57,186	31,186
Interest	<u>1,500</u>	<u>1,500</u>	<u>29,028</u>	<u>27,528</u>
Total revenues	<u>229,793</u>	<u>229,793</u>	<u>306,340</u>	<u>76,547</u>
Other financing uses:				
Transfers out	<u>(255,000)</u>	<u>(255,000)</u>	<u>(204,358)</u>	<u>50,642</u>
Total other financing use	<u>(255,000)</u>	<u>(255,000)</u>	<u>(204,358)</u>	<u>50,642</u>
Revenues over (under) other financing sources (uses)	(25,207)	(25,207)	101,982	127,189
Fund balance appropriated	<u>25,207</u>	<u>25,207</u>	<u>-</u>	<u>(25,207)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>101,982</u>	<u>\$ 101,982</u>
Fund balance, beginning			<u>1,479,946</u>	
Fund balance, ending			<u>\$ 1,581,928</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Expenditures:				
Capital outlay:				
General government	\$ 40,000	\$ 40,000	\$ 22,842	\$ 17,158
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>22,842</u>	<u>17,158</u>
Revenues over (under) expenditures before other financing sources	<u>(40,000)</u>	<u>(40,000)</u>	<u>(22,842)</u>	<u>17,158</u>
Other financing sources:				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>22,842</u>	<u>(17,158)</u>
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>22,842</u>	<u>(17,158)</u>
Revenues over (under) expenditures and other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - SIDEWALKS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures:				
Current:				
General government	\$ 932,000	\$ 932,000	\$ 802,518	\$ 129,482
Total expenditures	<u>932,000</u>	<u>932,000</u>	<u>802,518</u>	<u>129,482</u>
Revenues over (under) expenditures before other financing sources	<u>(932,000)</u>	<u>(932,000)</u>	<u>(802,518)</u>	<u>129,482</u>
Other financing sources:				
Transfers in	<u>932,000</u>	<u>932,000</u>	<u>802,518</u>	<u>(129,482)</u>
Total other financing sources	<u>932,000</u>	<u>932,000</u>	<u>802,518</u>	<u>(129,482)</u>
Revenues over (under) expenditures and other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - THE CHILDREN'S TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 321,336	\$ 321,336	\$ 259,165	\$ (62,171)
Total revenues	<u>321,336</u>	<u>321,336</u>	<u>259,165</u>	<u>(62,171)</u>
Expenditures:				
Current:				
Parks and recreation	<u>321,336</u>	<u>321,336</u>	<u>250,665</u>	<u>70,671</u>
Capital Outlay:				
Parks and recreation	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>(8,500)</u>
Total expenditures	<u>321,336</u>	<u>321,336</u>	<u>259,165</u>	<u>62,171</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - JPA-FRANJO ROAD FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,585,812	\$ 2,585,812	\$ 30,960	\$ (2,554,852)
Total revenues	<u>2,585,812</u>	<u>2,585,812</u>	<u>30,960</u>	<u>(2,554,852)</u>
Expenditures:				
Current:				
General Government	<u>3,890,210</u>	<u>3,890,210</u>	<u>37,040</u>	<u>3,853,170</u>
Total expenditures	<u>3,890,210</u>	<u>3,890,210</u>	<u>37,040</u>	<u>3,853,170</u>
Revenues over (under) expenditures before other financing sources	<u>(1,304,398)</u>	<u>(1,304,398)</u>	<u>(6,080)</u>	<u>1,298,318</u>
Other financing sources:				
Transfers in	<u>1,304,398</u>	<u>1,304,398</u>	<u>6,080</u>	<u>(1,298,318)</u>
Total other financing sources	<u>1,304,398</u>	<u>1,304,398</u>	<u>6,080</u>	<u>(1,298,318)</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - LIGHTNING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures:				
Capital outlay:				
Parks and recreation	\$ 1,527,500	\$ 1,527,500	\$ 19,888	\$ 1,507,612
Total expenditures	<u>1,527,500</u>	<u>1,527,500</u>	<u>19,888</u>	<u>1,507,612</u>
Revenues over (under) expenditures				
before other financing sources	<u>(1,527,500)</u>	<u>(1,527,500)</u>	<u>(19,888)</u>	<u>1,507,612</u>
Other financing sources:				
Transfers in	\$ 1,527,500	\$ 1,527,500	19,888	(1,507,612)
Total other financing sources	<u>1,527,500</u>	<u>1,527,500</u>	<u>19,888</u>	<u>(1,507,612)</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - TRANSIT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 192,500	\$ 368,500	\$ 200,641	\$ (167,859)
Total revenues	<u>192,500</u>	<u>368,500</u>	<u>200,641</u>	<u>(167,859)</u>
Expenditures:				
Current:				
General government	<u>385,000</u>	<u>737,000</u>	<u>690,323</u>	<u>46,677</u>
Total expenditures	<u>385,000</u>	<u>737,000</u>	<u>690,323</u>	<u>46,677</u>
Revenues over (under) expenditures before other financing sources	<u>(192,500)</u>	<u>(368,500)</u>	<u>(489,682)</u>	<u>(121,182)</u>
Other financing sources:				
Transfers in	<u>192,500</u>	<u>368,500</u>	<u>489,682</u>	<u>121,182</u>
Total other financing sources	<u>192,500</u>	<u>368,500</u>	<u>489,682</u>	<u>121,182</u>
Revenues over (under) expenditures and other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - DJJ FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 61,500	\$ 61,500	\$ 43,021	\$ (18,479)
Total revenues	<u>61,500</u>	<u>61,500</u>	<u>43,021</u>	<u>(18,479)</u>
Expenditures:				
Current:				
Parks and recreation	<u>61,500</u>	<u>61,500</u>	<u>43,021</u>	<u>18,479</u>
Total expenditures	<u>61,500</u>	<u>61,500</u>	<u>43,021</u>	<u>18,479</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - CAPITAL PROJECTS (PARKS) FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay:				
Parks and recreation	255,000	255,000	60,152	194,848
Total expenditures	255,000	255,000	60,152	194,848
Revenues over (under) expenditures before other financing sources	(255,000)	(255,000)	(60,152)	194,848
Other financing sources:				
Transfers in	255,000	255,000	60,152	(194,848)
Total other financing sources	255,000	255,000	60,152	(194,848)
Revenues over (under) expenditures and other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET VS ACTUAL - STORMWATER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating revenues:				
Charges for services	\$ 1,025,000	\$ 1,025,000	\$ 1,018,726	\$ (6,274)
Total operating revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,018,726</u>	<u>(6,274)</u>
Operating expenses:				
Operations and maintenance	2,243,937	2,243,937	1,043,630	1,200,307
Depreciation	<u>260,000</u>	<u>260,000</u>	<u>275,337</u>	<u>(15,337)</u>
Total operating expenses	<u>2,503,937</u>	<u>2,503,937</u>	<u>1,318,967</u>	<u>1,184,970</u>
Operating income (loss)	<u>(1,478,937)</u>	<u>(1,478,937)</u>	<u>(300,241)</u>	<u>1,178,696</u>
Non-operating revenues (expenses):				
Interest expense	-	-	(55,634)	(55,634)
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(55,634)</u>	<u>(55,634)</u>
Income (loss) before capital contributions and transfers	<u>(1,478,937)</u>	<u>(1,478,937)</u>	<u>(355,875)</u>	<u>1,123,062</u>
Capital grants and contributions	1,545,000	1,545,000	250,000	(1,295,000)
Transfers in	<u>2,893,255</u>	<u>2,893,255</u>	<u>1,923,472</u>	<u>(969,783)</u>
Total capital contributions and transfers	<u>4,438,255</u>	<u>4,438,255</u>	<u>2,173,472</u>	<u>(2,264,783)</u>
Revenues over (under) expenditures and capital contributions and transfers	<u>2,959,318</u>	<u>2,959,318</u>	<u>1,817,597</u>	<u>-</u>
Net position appropriated	<u>(2,959,318)</u>	<u>(2,959,318)</u>	<u>-</u>	<u>2,959,318</u>
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>1,817,597</u>	<u>\$ 1,817,597</u>
Net position - Beginning			<u>8,343,409</u>	
Net position - Ending			<u>\$ 10,161,006</u>	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Cutler Bay'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 government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	84-88
Revenue Capacity	
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	89-93
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	94-95
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	96-97
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	98-100

TOWN OF CUTLER BAY, FLORIDA
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 32,556,771	\$ 31,256,699	\$ 31,594,819	\$ 30,309,365	\$ 29,728,390	27,912,310	37,248,971	32,153,827	33,783,639	30,698,674
Restricted	5,359,233	5,250,912	4,899,680	5,274,302	4,546,311	5,407,236	8,651,089	6,958,741	7,089,371	7,616,322
Unrestricted	<u>21,592,128</u>	<u>19,504,090</u>	<u>16,861,145</u>	<u>14,795,314</u>	<u>14,720,275</u>	<u>14,935,831</u>	<u>6,833,034</u>	<u>15,667,647</u>	<u>16,943,443</u>	<u>21,892,512</u>
Total governmental activities net position	<u>\$ 59,508,132</u>	<u>\$ 56,011,701</u>	<u>\$ 53,355,644</u>	<u>\$ 50,378,981</u>	<u>\$ 48,994,976</u>	<u>\$ 48,255,377</u>	<u>\$ 52,733,094</u>	<u>\$ 54,780,215</u>	<u>\$ 57,816,453</u>	<u>\$ 60,207,508</u>
Business-type activities:										
Net investment in capital assets	\$ 3,233,375	\$ 3,748,383	\$ 3,804,419	\$ 3,834,666	\$ 4,105,252	5,150,203	5,224,347	5,765,513	8,832,937	10,769,506
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,102,740</u>	<u>1,168,704</u>	<u>1,109,730</u>	<u>1,021,056</u>	<u>794,095</u>	<u>373,613</u>	<u>135,568</u>	<u>(302,138)</u>	<u>(489,528)</u>	<u>(608,500)</u>
Total business-type activities net position	<u>\$ 4,336,115</u>	<u>\$ 4,917,087</u>	<u>\$ 4,914,149</u>	<u>\$ 4,855,722</u>	<u>\$ 4,899,347</u>	<u>\$ 5,523,816</u>	<u>\$ 5,359,915</u>	<u>\$ 5,463,375</u>	<u>\$ 8,343,409</u>	<u>\$ 10,161,006</u>
Primary government:										
Net investment in capital assets	\$ 35,790,146	\$ 35,005,082	\$ 35,399,238	\$ 34,144,031	\$ 33,833,642	\$ 33,062,513	\$ 42,473,318	\$ 37,919,340	\$ 42,616,576	\$ 41,468,180
Restricted	5,359,233	5,250,912	4,899,680	5,274,302	4,546,311	5,407,236	8,651,089	6,958,741	7,089,371	7,616,322
Unrestricted	<u>22,694,868</u>	<u>20,672,794</u>	<u>17,970,875</u>	<u>15,816,370</u>	<u>15,514,370</u>	<u>15,309,444</u>	<u>6,968,602</u>	<u>15,365,509</u>	<u>16,453,915</u>	<u>21,284,012</u>
Total primary government net position	<u>\$ 63,844,247</u>	<u>\$ 60,928,788</u>	<u>\$ 58,269,793</u>	<u>\$ 55,234,703</u>	<u>\$ 53,894,323</u>	<u>\$ 53,779,193</u>	<u>\$ 58,093,009</u>	<u>\$ 60,243,590</u>	<u>\$ 66,159,862</u>	<u>\$ 70,368,514</u>

TOWN OF CUTLER BAY, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental activities:										
General government	\$ 10,559,285	\$ 10,446,141	\$ 9,441,001	\$ 8,297,990	\$ 7,705,651	6,788,772	7,301,727	7,002,525	6,749,041	9,271,053
Public safety	8,040,961	8,834,295	8,993,764	9,790,469	9,442,229	10,047,839	10,320,605	10,078,672	10,211,334	10,969,479
Community development	2,576,918	2,538,437	2,427,984	2,535,174	2,732,777	2,656,304	2,563,408	2,502,571	2,768,709	3,296,439
Parks and recreation	3,186,576	3,282,201	3,364,464	3,533,963	3,685,932	3,706,960	3,238,385	3,222,287	3,428,887	4,124,912
Interest on long-term debt	685,863	618,922	464,240	424,647	392,443	336,879	291,505	627,088	701,573	768,744
Total governmental activities	<u>25,049,603</u>	<u>25,719,995</u>	<u>24,691,452</u>	<u>24,582,243</u>	<u>23,959,032</u>	<u>23,536,754</u>	<u>23,715,630</u>	<u>23,433,143</u>	<u>23,859,544</u>	<u>28,430,627</u>
Business-type activities:										
Stormwater	881,372	1,028,082	1,014,553	1,031,549	1,130,815	1,043,563	1,221,901	1,188,962	1,372,806	1,318,967
Interest on long-term debt	55,157	69,563	72,139	69,923	65,825	61,583	57,197	52,658	51,536	55,634
Total business-type activities	<u>936,529</u>	<u>1,097,645</u>	<u>1,086,692</u>	<u>1,101,472</u>	<u>1,196,640</u>	<u>1,105,146</u>	<u>1,279,098</u>	<u>1,241,620</u>	<u>1,424,342</u>	<u>1,374,601</u>
Total primary government expenses	<u>\$ 25,986,132</u>	<u>\$ 26,817,640</u>	<u>\$ 25,778,144</u>	<u>\$ 25,683,715</u>	<u>\$ 25,155,672</u>	<u>\$ 24,641,900</u>	<u>\$ 24,994,728</u>	<u>\$ 24,674,763</u>	<u>\$ 25,283,886</u>	<u>\$ 29,805,228</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	714,016	655,583	724,140	554,355	707,244	860,706	425,779	198,992	300,257	296,022
Public safety	604,101	692,474	672,027	381,480	391,919	317,643	274,933	286,915	320,043	213,599
Community development	1,379,074	1,094,979	1,037,220	1,029,705	1,339,332	1,198,225	1,002,412	1,247,021	1,680,288	1,158,838
Parks and recreation	216,547	182,384	151,233	123,292	140,923	155,033	50,279	82,324	104,188	211,926
Operating grants and contributions	5,838,648	5,503,496	3,807,943	3,434,440	2,409,808	2,975,129	2,631,573	3,645,229	4,040,374	4,972,426
Capital grants and contributions	612,014	260,810	303,553	299,123	541,792	384,533	734,046	474,292	241,406	277,278
Total governmental activities program revenues	<u>9,364,400</u>	<u>8,389,726</u>	<u>6,696,116</u>	<u>5,822,395</u>	<u>5,531,018</u>	<u>5,891,269</u>	<u>5,119,022</u>	<u>5,934,773</u>	<u>6,686,556</u>	<u>7,130,089</u>
Business-type activities:										
Charges for services:										
Stormwater	967,654	1,028,456	1,011,803	1,040,448	1,037,701	1,028,455	1,011,443	1,017,995	1,025,416	1,018,726
Operating grants and contributions	49,400	-	-	-	-	-	-	-	15,421	-
Capital grants and contributions	-	629,504	70,597	-	158,629	380,371	17,141	200,000	600,000	250,000
Total business-type activities program revenues	<u>1,017,054</u>	<u>1,657,960</u>	<u>1,082,400</u>	<u>1,040,448</u>	<u>1,196,330</u>	<u>1,408,826</u>	<u>1,028,584</u>	<u>1,217,995</u>	<u>1,640,837</u>	<u>1,268,726</u>
Total primary government revenues	<u>\$ 10,381,454</u>	<u>\$ 10,047,686</u>	<u>\$ 7,778,516</u>	<u>\$ 6,862,843</u>	<u>\$ 6,727,348</u>	<u>\$ 7,300,095</u>	<u>\$ 6,147,606</u>	<u>\$ 7,152,768</u>	<u>\$ 8,327,393</u>	<u>\$ 8,398,815</u>
Net revenue (expense):										
Governmental activities	(15,685,203)	(17,330,269)	(17,995,336)	(18,759,848)	(18,428,014)	(17,645,485)	(18,596,608)	(17,498,370)	(17,172,988)	(21,300,538)
Business-type activities	80,525	560,315	(4,292)	(61,024)	(310)	303,680	(250,514)	(23,625)	216,495	(105,875)
Total primary government net revenues (expenses)	<u>\$ (15,604,678)</u>	<u>\$ (16,769,954)</u>	<u>\$ (17,999,628)</u>	<u>\$ (18,820,872)</u>	<u>\$ (18,428,324)</u>	<u>\$ (17,341,805)</u>	<u>\$ (18,847,122)</u>	<u>\$ (17,521,995)</u>	<u>\$ (16,956,493)</u>	<u>\$ (21,406,413)</u>

TOWN OF CUTLER BAY, FLORIDA
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 4,423,111	\$ 4,384,908	\$ 4,638,277	\$ 5,077,377	\$ 5,412,467	\$ 5,852,830	\$ 6,170,581	\$ 6,897,920	\$ 7,981,928	\$ 8,756,333
Utility taxes	2,920,053	2,921,455	3,026,608	3,137,950	3,202,656	3,224,375	3,424,120	3,651,893	3,860,621	4,350,404
Franchise fees based on gross receipts	1,240,721	1,252,984	1,319,529	1,080,786	1,452,706	1,340,786	1,804,006	2,498,625	2,928,299	3,244,281
Unrestricted intergovernmental revenue	6,063,408	6,247,502	6,281,535	6,390,738	7,102,045	6,510,769	5,848,630	6,527,188	7,536,192	7,939,645
Unrestricted interest earnings	70,473	54,002	73,330	70,576	149,147	200,047	138,138	41,773	107,899	1,072,129
Miscellaneous revenues	-	105,167	-	25,758	537,185	94,020	24,432	55,088	29,915	252,273
Gains (losses) on disposal of capital assets	-	-	-	-	-	-	5,750,705	-	-	-
Total governmental activities	<u>14,717,766</u>	<u>14,966,018</u>	<u>15,339,279</u>	<u>15,783,185</u>	<u>17,856,206</u>	<u>17,222,827</u>	<u>23,160,612</u>	<u>19,672,487</u>	<u>22,444,854</u>	<u>25,615,065</u>
Business-type activities:										
Interest earnings	2,637	2,226	1,354	2,597	5,057	3,848	326	89	-	-
Miscellaneous revenues	-	18,430	-	-	-	-	-	-	-	-
Total business-type activities	<u>2,637</u>	<u>20,656</u>	<u>1,354</u>	<u>2,597</u>	<u>5,057</u>	<u>3,848</u>	<u>326</u>	<u>89</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 14,720,403</u>	<u>\$ 14,986,674</u>	<u>\$ 15,340,633</u>	<u>\$ 15,785,782</u>	<u>\$ 17,861,263</u>	<u>\$ 17,226,675</u>	<u>\$ 23,160,938</u>	<u>\$ 19,672,576</u>	<u>\$ 22,444,854</u>	<u>\$ 25,615,065</u>
Transfers										
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ (38,878)	(316,941)	(86,287)	(126,996)	(2,367,033)	(1,923,472)
Business-type activities	-	-	-	-	38,878	316,941	86,287	126,996	2,367,033	1,923,472
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental activities	\$ (967,437)	\$ (2,364,251)	\$ (2,656,057)	\$ (2,976,663)	\$ (610,686)	\$ (739,599)	\$ 4,477,717	\$ 2,047,121	\$ 2,904,833	\$ 2,391,055
Business-type activities	83,162	580,971	(2,938)	(58,427)	43,625	624,469	(163,901)	103,460	2,583,528	1,817,597
Total primary government	<u>\$ (884,275)</u>	<u>\$ (1,783,280)</u>	<u>\$ (2,658,995)</u>	<u>\$ (3,035,090)</u>	<u>\$ (567,061)</u>	<u>\$ (115,130)</u>	<u>\$ 4,313,816</u>	<u>\$ 2,150,581</u>	<u>\$ 5,488,361</u>	<u>\$ 4,208,652</u>

TOWN OF CUTLER BAY, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 433,700	\$ 362,970	\$ 456,977	\$ 426,781	\$ 432,821	\$ 390,662	\$ 493,083	\$ 468,869	\$ 137,155	\$ 260,146
Restricted	2,548	49,907	58,012	63,190	68,851	74,111	3,078,313	81,635	86,048	83,444
Assigned	5,060,700	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000	-	-	-	-
Unassigned	16,301,450	18,519,846	18,014,568	16,260,846	17,093,506	16,670,523	10,154,003	18,829,956	22,587,151	26,274,306
Total general fund	<u>\$ 21,798,398</u>	<u>\$ 20,932,723</u>	<u>\$ 20,529,557</u>	<u>\$ 18,750,817</u>	<u>\$ 18,595,178</u>	<u>\$ 18,135,296</u>	<u>\$ 13,725,399</u>	<u>\$ 19,380,460</u>	<u>\$ 22,810,354</u>	<u>\$ 26,617,896</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 958	\$ 969	\$ 1,012	\$ 1,073	\$ 1,146	\$ 1,159
Restricted	5,356,686	5,201,005	4,841,668	5,211,112	4,477,460	5,333,125	5,572,776	6,958,741	7,003,323	7,532,878
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(958)	(969)	(1,012)	(1,073)	(1,146)	(1,159)
Total all other governmental funds	<u>\$ 5,356,686</u>	<u>\$ 5,201,005</u>	<u>\$ 4,841,668</u>	<u>\$ 5,211,112</u>	<u>\$ 4,477,460</u>	<u>\$ 5,333,125</u>	<u>\$ 5,572,776</u>	<u>\$ 6,958,741</u>	<u>\$ 7,003,323</u>	<u>\$ 7,532,878</u>

TOWN OF CUTLER BAY, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Property taxes	\$ 4,423,111	\$ 4,384,908	\$ 4,638,277	\$ 5,077,377	\$ 5,412,467	\$ 5,852,830	\$ 6,170,581	\$ 6,897,920	\$ 7,981,928	\$ 8,756,333
Licenses and permits	1,379,074	1,094,979	1,037,219	1,029,704	1,339,332	1,198,224	1,002,412	1,247,021	1,680,289	1,158,838
Utility taxes	2,920,053	2,921,455	3,026,608	3,137,950	3,202,656	3,224,375	3,424,120	3,651,893	3,431,857	4,691,673
Franchise fees	1,240,721	1,252,984	1,319,529	1,080,786	1,452,706	1,340,786	1,804,006	2,498,625	2,928,299	3,244,281
Intergovernmental revenue	12,108,477	11,963,293	10,348,390	10,045,463	9,824,188	9,822,973	9,188,594	10,506,561	11,862,475	13,250,682
Charges for services	462,867	444,105	413,625	372,035	380,943	383,500	326,071	364,495	351,831	422,426
Interest and other	1,515,307	1,294,020	1,251,747	862,265	1,594,869	1,288,502	618,998	387,722	434,549	1,542,296
Total revenues	<u>24,049,610</u>	<u>23,355,744</u>	<u>22,035,395</u>	<u>21,605,580</u>	<u>23,207,161</u>	<u>23,111,190</u>	<u>22,534,782</u>	<u>25,554,237</u>	<u>28,671,228</u>	<u>33,066,529</u>
EXPENDITURES										
Current:										
General government	9,819,200	9,700,760	8,356,818	7,084,965	6,852,224	5,743,761	6,567,746	7,073,413	6,266,815	8,251,124
Public safety	8,030,573	8,824,873	8,981,112	9,782,445	9,434,650	10,038,756	10,310,449	10,070,627	10,204,217	10,958,099
Community development	1,282,914	1,300,320	1,222,815	1,343,494	1,490,476	1,360,530	1,302,025	1,409,942	1,600,826	1,978,219
Parks and recreation	1,816,070	1,903,493	1,995,324	2,151,812	2,274,376	2,193,182	1,871,880	2,099,639	2,541,382	3,056,108
Capital outlay	314,439	557,810	290,044	699,565	1,280,826	1,111,277	4,701,587	10,713,761	77,841	874,149
Debt service:										
Principal	212,380	1,470,921	1,487,545	1,527,948	1,570,168	1,614,081	1,572,184	4,182,138	1,336,752	1,404,916
Interest	685,863	618,922	464,240	424,647	381,534	336,879	292,870	487,079	801,886	878,644
Total expenditures	<u>22,161,439</u>	<u>24,377,099</u>	<u>22,797,898</u>	<u>23,014,876</u>	<u>23,284,254</u>	<u>22,398,466</u>	<u>26,618,741</u>	<u>36,036,599</u>	<u>22,829,719</u>	<u>27,401,259</u>
Excess (deficiency) of revenues over expenditures	1,888,171	(1,021,355)	(762,503)	(1,409,296)	(77,093)	712,724	(4,083,959)	(10,482,362)	5,841,509	5,665,270
Other financing sources (uses):										
Capital lease proceeds	-	-	-	-	-	-	-	-	-	595,299
Transfers	-	-	-	-	(38,878)	(316,941)	(86,287)	(126,996)	(2,367,033)	(1,923,472)
Debt proceeds	-	12,306,539	-	-	-	-	-	17,650,384	-	-
Debt service - principal refunded	-	(12,306,539)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 1,888,171</u>	<u>\$ (1,021,355)</u>	<u>\$ (762,503)</u>	<u>\$ (1,409,296)</u>	<u>\$ (115,971)</u>	<u>\$ 395,783</u>	<u>\$ (4,170,246)</u>	<u>\$ 7,041,026</u>	<u>\$ 3,474,476</u>	<u>\$ 4,337,097</u>
Debt service as a percentage of noncapital expenditures	<u>4.1%</u>	<u>8.8%</u>	<u>8.7%</u>	<u>8.8%</u>	<u>8.9%</u>	<u>9.2%</u>	<u>8.5%</u>	<u>18.4%</u>	<u>9.4%</u>	<u>8.6%</u>

TOWN OF CUTLER BAY, FLORIDA
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Taxes General Purpose</u>	<u>Utility Tax</u>	<u>Intergovernmental</u>	<u>Franchise Fees</u>	<u>Licenses and Permits</u>	<u>Charges for Services</u>	<u>Interest and Other</u>	<u>Total</u>
2014	\$ 4,423,111	\$ 2,920,053	\$ 12,108,477	\$ 1,240,721	\$ 1,379,074	\$ 462,867	\$ 1,515,307	\$ 24,049,610
2015	\$ 4,384,908	\$ 2,921,455	\$ 11,963,293	\$ 1,252,984	\$ 1,094,979	\$ 444,105	\$ 1,294,020	\$ 23,355,744
2016	\$ 4,638,277	\$ 3,026,608	\$ 10,348,390	\$ 1,319,529	\$ 1,037,219	\$ 413,625	\$ 1,251,747	\$ 22,035,395
2017	\$ 5,077,377	\$ 3,137,950	\$ 10,045,463	\$ 1,080,786	\$ 1,029,704	\$ 372,035	\$ 862,265	\$ 21,605,580
2018	\$ 5,412,467	\$ 3,202,656	\$ 9,824,188	\$ 1,452,706	\$ 1,339,332	\$ 380,943	\$ 1,594,869	\$ 23,207,161
2019	\$ 5,852,830	\$ 3,224,375	\$ 9,822,973	\$ 1,340,786	\$ 1,198,224	\$ 383,500	\$ 1,288,502	\$ 23,111,190
2020	\$ 6,170,581	\$ 3,424,120	\$ 9,188,594	\$ 1,804,006	\$ 1,002,412	\$ 326,071	\$ 618,998	\$ 22,534,782
2021	\$ 6,897,920	\$ 3,651,893	\$ 10,506,561	\$ 2,498,625	\$ 1,247,021	\$ 364,495	\$ 387,722	\$ 25,554,237
2022	\$ 7,981,928	\$ 3,431,857	\$ 11,862,475	\$ 2,928,299	\$ 1,680,289	\$ 351,831	\$ 434,549	\$ 28,671,228
2023	\$ 8,756,333	\$ 4,691,673	\$ 13,250,682	\$ 3,244,281	\$ 1,158,838	\$ 422,426	\$ 1,542,296	\$ 33,066,529

TOWN OF CUTLER BAY, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands, except as noted)

Fiscal Year	Real Property		Personal Property	Net Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property					
2014	\$ 1,260,094	\$ 433,470	\$ 67,151	\$ 1,760,715	2.5702	\$ 2,566,716	68.60%
2015	\$ 1,415,618	\$ 423,658	\$ 66,336	\$ 1,905,612	2.3907	\$ 2,971,427	64.13%
2016	\$ 1,557,646	\$ 423,811	\$ 67,257	\$ 2,048,714	2.3907	\$ 3,299,958	62.08%
2017	\$ 1,670,080	\$ 459,523	\$ 67,986	\$ 2,197,589	2.3907	\$ 3,604,247	60.97%
2018	\$ 1,799,450	\$ 461,921	\$ 67,729	\$ 2,329,100	2.3907	\$ 3,835,146	60.73%
2019	\$ 1,934,770	\$ 481,599	\$ 69,024	\$ 2,485,393	2.4323	\$ 4,061,828	61.19%
2020	\$ 2,063,647	\$ 485,946	\$ 70,943	\$ 2,620,536	2.4323	\$ 4,234,450	61.89%
2021	\$ 2,178,411	\$ 480,289	\$ 76,215	\$ 2,734,915	2.6198	\$ 4,344,592	62.95%
2022	\$ 2,324,389	\$ 482,060	\$ 83,061	\$ 2,889,510	2.8332	\$ 4,594,326	62.89%
2023	\$ 2,669,069	\$ 466,957	\$ 89,995	\$ 3,226,021	2.8332	\$ 6,010,676	53.67%

(1) Property tax rates are assessed per \$1,000 of taxable assessed valuation

Note: Property in the Town is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value. The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3% per year or the amount of the Consumer Price Index, whichever is less. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per \$1,000 of assessed value.

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

TOWN OF CUTLER BAY, FLORIDA
Property Tax Rates
Direct and Overlapping Governments (1)
Last Ten Fiscal Years

Fiscal Year	DIRECT RATES		OVERLAPPING RATES						Total Direct and Overlapping Rates
	Town of Cutler Bay		County			Special Districts			
	Operating Millage	Total Town Millage	County-wide	Debt Service	Fire	Library	School	State/Other	
2014	2.5702	2.5702	4.7035	0.4220	2.4623	0.1725	7.9770	0.9455	19.2530
2015	2.3907	2.3907	4.6669	0.4500	2.4321	0.2840	7.9740	0.9187	19.1164
2016	2.3907	2.3907	4.6669	0.4500	2.4293	0.2840	7.6120	0.8871	18.7200
2017	2.3907	2.3907	4.6669	0.4000	2.4282	0.2840	7.3220	0.8627	18.3545
2018	2.3907	2.3907	4.6669	0.4000	2.4282	0.2840	6.9940	0.8093	17.9731
2019	2.4323	2.4323	4.6669	0.4644	2.4207	0.2840	6.7330	0.7671	17.7684
2020	2.4323	2.4323	4.6669	0.4780	2.4207	0.2840	7.1480	0.7795	18.2094
2021	2.6198	2.6198	4.6669	0.4780	2.4207	0.2840	7.1290	0.7502	18.3486
2022	2.8332	2.8332	4.6202	0.4853	2.3965	0.2812	6.5890	0.7621	17.9675
2023	2.8332	2.8332	4.5740	0.4355	2.3965	0.2812	6.6990	0.7589	17.9783

(1) Overlapping rates are those of local and county governments and other taxing districts that apply to property owners within the Town of Cutler Bay.

Additional information:

Property tax rates are assessed per \$1,000 of taxable assessed valuation

Tax rate limits:

Town	10.0000 mills
County	10.0000 mills
School	10.0000 mills
State	10.0000 mills

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

TOWN OF CUTLER BAY, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

2023			2014		
Taxpayer	Assessed Valuation	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Percentage Total Assessed Valuation
FLORIDA POWER & LIGHT COMPANY	\$ 62,342	1.9%	SOUTHLAND MALL PROPERTIES LLC	\$ 84,239	5.0%
SOUTH DADE SHOPPING LLC	49,098	1.5%	WRI TC S DADE SHOPPING CENTER LLC	33,000	1.9%
BH SOUTH DIXIE SL MALL LLC	47,968	1.5%	FLORIDA POWER AND LIGHT	28,443	1.7%
EQUITY ONE FL PORTFOLIO INC	24,444	0.8%	BILL USSERY MOTORS OF CUTLER BAY	18,388	1.1%
OLD CUTLER PLAZA LLC	22,053	0.7%	EQUITY ONE INC	18,105	1.1%
BILL USSERY MOTORS OF CUTLER BAY	17,637	0.5%	THE REALTY ASSOCIATES FUND IX LP	13,484	0.8%
A & E PARTNERS HOLDING LLC	15,750	0.5%	HEALTHSOUTH REHAB HOSP OF MIA LLC	11,191	0.7%
QUAIL ROOST INVESTORS JOINT VENTURE	13,993	0.4%	A&E PARTNERS HOLDING LLC	11,000	0.6%
ADVANCE BUSINESS ASSOCIATE LLP	13,848	0.4%	QUAIL ROOST INVESTORS JOINT VENTURE	10,300	0.6%
HEALTHSOUTH REHAB HOSP OF MIA LLC	12,745	0.4%	SEARS ROEBUCK & CO	8,143	0.5%
	<u>\$ 279,878</u>	<u>8.7%</u>		<u>\$ 236,293</u>	<u>13.9%</u>

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

TOWN OF CUTLER BAY, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Taxes Levied for Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	\$ 4,525,390	\$ 4,320,764	95.5%	\$ 102,347	\$ 4,423,111	97.7%
2015	\$ 4,555,747	\$ 4,242,833	93.1%	\$ 142,075	\$ 4,384,908	96.3%
2016	\$ 4,897,861	\$ 4,599,179	93.9%	\$ 39,098	\$ 4,638,277	94.7%
2017	\$ 5,253,776	\$ 5,046,736	96.1%	\$ 30,641	\$ 5,077,377	96.6%
2018	\$ 5,568,179	\$ 5,353,508	96.1%	\$ 58,959	\$ 5,412,467	97.2%
2019	\$ 6,045,221	\$ 5,819,172	96.3%	\$ 33,658	\$ 5,852,830	96.8%
2020	\$ 6,373,930	\$ 6,136,688	96.3%	\$ 33,893	\$ 6,170,581	96.8%
2021	\$ 7,164,930	\$ 6,891,592	96.2%	\$ 6,328	\$ 6,897,920	96.3%
2022	\$ 8,186,560	\$ 7,903,153	96.5%	\$ 78,775	\$ 7,981,928	97.5%
2023	\$ 9,139,963	\$ 8,736,024	95.6%	\$ 20,309	\$ 8,756,333	95.8%

Note: Total adjusted tax levy is based on final assessed property tax values by Miami-Dade County Department of Property Appraisal Office after the Property Appraisal Adjustment Board has completed hearings on the tax roll, and before discounts.

Discounts Allowed:

November	4%
December	3%
January	2%
February	1%
April	Taxes delinquent

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

TOWN OF CUTLER BAY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Interlocal Debt	Notes Payable	Capital Leases	Bonds	Interlocal Debt	Notes Payable	Capital Leases	Bonds			
2014	\$ 3,076,435	\$ 15,303,122	\$ -	\$ -	\$ 2,129,939	\$ -	\$ -	\$ -	\$ 20,509,496	1.138%	\$ 477.59
2015	\$ 2,854,010	\$ 14,054,626	\$ -	\$ -	\$ 2,019,830	\$ -	\$ -	\$ -	\$ 18,928,466	0.968%	\$ 429.13
2016	\$ 2,622,565	\$ 12,798,526	\$ -	\$ -	\$ 1,903,665	\$ -	\$ -	\$ -	\$ 17,324,756	0.875%	\$ 385.84
2017	\$ 2,382,510	\$ 11,510,633	\$ -	\$ -	\$ 1,785,218	\$ -	\$ -	\$ -	\$ 15,678,361	0.714%	\$ 346.70
2018	\$ 2,133,640	\$ 10,189,335	\$ -	\$ -	\$ 1,662,618	\$ -	\$ -	\$ -	\$ 13,985,593	0.581%	\$ 308.24
2019	\$ 1,875,135	\$ 8,833,759	\$ -	\$ -	\$ 1,535,865	\$ -	\$ -	\$ -	\$ 12,244,759	0.487%	\$ 269.64
2020	\$ 1,606,585	\$ 7,530,125	\$ -	\$ -	\$ 1,404,679	\$ -	\$ -	\$ -	\$ 10,541,389	0.413%	\$ 232.13
2021	\$ 1,327,375	\$ 6,482,197	\$ -	\$ 14,702,115	\$ 1,268,932	\$ -	\$ -	\$ -	\$ 23,780,619	0.793%	\$ 522.90
2022	\$ 915,325	\$ 5,957,702	\$ 2,392,289	\$ 14,601,097	\$ 922,813	\$ -	\$ -	\$ -	\$ 24,789,226	0.795%	\$ 544.28
2023	\$ 640,010	\$ 5,420,203	\$ 2,395,487	\$ 14,500,079	\$ 809,436	\$ -	\$ 95,576	\$ -	\$ 23,860,791	n/a	\$ 523.89

(1) See the schedule of Demographics and Economic Statistics for the personal income and per capita.

n/a All data necessary for computation not available.

TOWN OF CUTLER BAY, FLORIDA
Direct and Overlapping Governmental Activities Debt
Fiscal Year Ended September 30, 2023
(amounts expressed in thousands, except as noted)

Jurisdiction	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Cutler Bay
Miami-Dade County Schools (2)	\$ 1,138,161	0.86%	\$ 9,804
Miami-Dade County (3)	<u>2,276,015</u>	0.86%	<u>19,606</u>
Subtotal overlapping debt	3,414,176		29,411
Town of Cutler Bay direct debt	<u>22,956</u>	100.00%	<u>22,956</u>
Total direct and overlapping debt	<u><u>\$ 3,437,132</u></u>		<u><u>\$ 52,367</u></u>

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the Town's boundaries and dividing it by the County's total taxable assessed value, as reported by the Property Appraiser for current fiscal year's budget.
- (2) Miami-Dade County Schools, General Finance Department (includes Bonds Payable)
- (3) Miami-Dade County, Finance Department (includes General Obligation Bonds)

TOWN OF CUTLER BAY, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	42,944	\$ 1,802,403	\$ 41,971	6.4%
2015	44,109	\$ 1,955,220	\$ 44,327	5.6%
2016	44,901	\$ 1,979,550	\$ 44,087	5.3%
2017	45,222	\$ 2,194,985	\$ 48,538	4.4%
2018	45,373	\$ 2,405,132	\$ 53,008	3.4%
2019	45,411	\$ 2,515,633	\$ 55,397	3.1%
2020	45,411	\$ 2,553,688	\$ 56,235	9.5%
2021	45,478	\$ 2,999,183	\$ 65,948	4.4%
2022	45,545	\$ 3,118,967	\$ 68,481	2.7%
2023	45,545	n/a	n/a	2.6%

- (1) Population estimate based on data published by the University of Florida, Bureau of Economic and Business Research.
- (2) Personal income is the Miami-Dade per capita personal income applied to the Cutler Bay population.
- (3) Per Capita Personal Income is for Miami-Dade County from the Federal Reserve Bank of St. Louis, Economic Research Division
- (4) Bureau of Labor Statistics, Unemployment Statistics, Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan area (rate for September of year indicated).
- n/a Data not available.

TOWN OF CUTLER BAY, FLORIDA
Principal Employers
Current Year and Nine Years Ago

2023			2014		
Employer	Employees	Percentage of Total	Employer	Employees	Percentage of Total
PUBLIX SUPERMARKETS	464	19.7%	ALORICA (FORMERLY PRC, INC)	1,537	44.9%
ALORICA	301	12.8%	PUBLIX SUPERMARKETS	395	11.5%
EAST RIDGE RETIREMENT VILLAGE	279	11.8%	EAST RIDGE RETIREMENT VILLAGE	272	7.9%
HEALTH SOUTH REHABILITATION	160	6.8%	HEALTH SOUTH REHABILITATION	180	5.3%
RAISING CANE RESTAURANT	150	6.4%	K MART	133	3.9%
MERCEDES BENZ OF CUTLER BAY	143	6.1%	MACY'S	125	3.6%
MACY'S	125	5.3%	BEST BUY	101	2.9%
OLIVE GARDEN	113	4.8%	MERCEDES BENZ OF CUTLER BAY	99	2.9%
McDONALD'S	110	4.7%	McDONALD'S	91	2.7%
ROSS DEPARTMENT STORE	110	4.7%	OLIVE GARDEN	90	2.6%
WINN DIXIE STORES	107	4.5%	JC PENNEY	87	2.5%
BURLINGTON COAT FACTORY	91	3.9%	SEARS ROEBUCK & CO	86	2.5%
JC PENNEY	70	3.0%	WINN DIXIE STORES	85	2.5%
APPLEBEE'S	68	2.9%	APPLEBEE'S	79	2.3%
PETERSON'S HARLEY-DAVIDSON	65	2.8%	ROSS STORES	65	1.9%
	<u>2,356</u>	<u>100.0%</u>		<u>3,425</u>	<u>100.0%</u>

Source: Town of Cutler Bay local business tax registrations

TOWN OF CUTLER BAY, FLORIDA
Full-Time Equivalent Town Government Employees By Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Legislative	5	5	5	5	5	5	5	5	5	5
Clerk	2.5	1	3	3	3	3	3	3	3	3
General government	9.5	10.5	9.5	9.5	9.5	9	8.5	11	10	10.5
Community Development	7	7.5	7.5	7.5	7.5	6.5	5.5	7	9	9
Public Works	6	6	6	6	6	6	6	6	6	6
Parks	17	19	20	18	17.5	18.5	18.0	17	18.5	19.5
Public Safety:										
Police	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)
Civilian administrative staff	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>48</u>	<u>50</u>	<u>52</u>	<u>49</u>	<u>48.5</u>	<u>48.0</u>	<u>46.0</u>	<u>48.5</u>	<u>51.5</u>	<u>53.0</u>

(1) - Police services contracted through Miami-Dade County.

Source: Town of Cutler Bay Finance Department

TOWN OF CUTLER BAY, FLORIDA
Operating Indicators By Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Number of emergency calls for service	950	1,112	1,214	1,172	1,150	1,263	855	749	870	991
Number of priority calls for service	692	804	947	973	871	826	826	719	761	767
Number of non-emergency calls for service	13,985	14,447	14,538	14,390	13,460	17,117	11,346	10,965	10,729	10,235
Number of arrests	1,272	1,061	906	677	553	499	226	193	206	254
Number of sworn personnel	52	51	53	55	55	55	55	55	55	55
Building and Zoning:										
Number of building permits issued	2,436	2,343	2,510	2,052	3,412	2,920	2,554	2,722	2,642	3,393
Number of certificates of use issued	100	87	88	87	90	68	53	81	99	69
Number of occupational licenses issued	890	888	893	968	982	986	932	929	982	974
Culture and Recreation										
Number of parks	9	9	9	10	10	10	10	11	11	11

Source: Various Town departments

TOWN OF CUTLER BAY, FLORIDA
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Culture and Recreation										
Parks	9	9	9	10	10	10	10	11	11	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	5	5	5	5	5
Playgrounds	5	5	5	5	5	5	5	5	5	5
Soccer/Football/Lacrosse fields	5	5	5	5	5	5	5	5	5	5
Baseball fields	6	6	6	6	6	6	6	6	6	6
Picnic shelters	2	2	5	5	5	5	5	5	5	5
Canoe/Kayak launch	-	-	-	-	-	-	-	1	1	1
Public Works										
Streets (length in feet)	472,102	472,102	472,102	472,102	472,102	472,102	472,102	472,102	472,102	472,102
Sidewalks (area in square feet)	267,325	267,325	267,325	267,325	267,325	285,667	295,522	295,522	323,377	323,377

Source: Town of Cutler Bay Parks and Public Works departments.

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 and Members of the Town Council
Town of Cutler Bay, 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 Town of Cutler Bay, Florida (the "Town"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP

Miami, Florida
June 27, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the Town Council
Town of Cutler Bay, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Cutler Bay, Florida (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended September 30, 2023. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town 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 the major federal program. Our audit does not provide a legal determination of the Town'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 Town's federal programs.

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 Town'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 Uniform Guidance 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 Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Town'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 Town's 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 federal program 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 federal program 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 federal program 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 27, 2024

TOWN OF CUTLER BAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Entity/Program Title	Federal Assistance Listing Number	Grant/Contract Number	Total Federal Expenditures
<i>U.S. DEPARTMENT OF THE TREASURY</i>			
Passed through Florida Division of Emergency Management			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSFRF)	21.027	Y5064	\$ 1,455,572
<i>Total U.S. Department of the Treasury</i>			<u>1,455,572</u>
<i>U.S. DEPARTMENT OF JUSTICE</i>			
Passed through Florida Department of Juvenile Justice			
Juvenile Justice and Delinquency Prevention	16.540	10543	<u>43,021</u>
Total passed through Florida Department of Juvenile Justice			<u>43,021</u>
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grants Program	16.738	8C067	8,698
Edward Byrne Memorial Justice Assistance Grants Program	16.738	8C182	<u>4,424</u>
Total passed through Florida Department of Law Enforcement			<u>13,122</u>
<i>Total U.S. Department of Justice</i>			<u>56,143</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 1,511,715</u>

See notes to schedule of expenditures of federal awards

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town under programs of the federal government for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

The Town has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Town. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified opinion

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

Federal Awards

Internal control over major federal awards:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal program:

Federal Assistance

Listing Number

Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSFRF)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk auditee for audit of federal awards programs?

_____ Yes X No

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.



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

Honorable Mayor and Members of the Town Council
Town of Cutler Bay, Florida

Report on the Financial Statements

We have audited the basic financial statements of Town of Cutler Bay, Florida (the "Town"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated June 27, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town 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 Town did not meet any of the conditions described in Section 215.503(1), Florida Statutes.

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

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

Additional Matters

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

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 27, 2024



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415 FLORIDA STATUTES

Honorable Mayor and Members of the Town Council
Town of Cutler Bay, Florida

We have examined the Town of Cutler Bay, Florida's, (the "Town") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2022 to September 30, 2023. Management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements. In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2022 to September 30, 2023.

This report is intended solely for the information and use of management, the Mayor, the Town Council, others within the Town 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 27, 2024



BEFORE ME, the undersigned authority, personally appeared Robert Daddario, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the Town of Cutler Bay which is a local governmental entity of the State of Florida;
2. The governing body of the Town of Cutler Bay adopted Ordinance No. 09-15 implementing an impact fee; and
3. In accordance with Section 163.31801, Florida Statutes, to the best of my knowledge and belief, all impact fees for the period October 1, 2022 through September 30, 2023, and through the date hereof, were collected and expended by the Town of Cutler Bay, in full compliance with the spending period provision of Ordinance No. 09-15, and that funds expended from each impact fee account were used only to acquire, construct, or improve specific infrastructure needs.

FURTHER AFFIANT SAYETH NAUGHT.


Robert Daddario, Finance Director

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 5 day of June, 2024.


NOTARY PUBLIC
Print Name DEBRA BERNARD

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires: 3/6/2028



DEBRA BERNARD
Commission # HH 487127
Expires March 6, 2028

111

