

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE CITY OF SUNNY ISLES BEACH, FLORIDA  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Prepared by the  
Finance Department



*The Height of Living* 

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# CITY OF SUNNY ISLES BEACH, FLORIDA

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## **INTRODUCTORY SECTION**

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**City Commission**

April 29, 2024

**Larisa Svechin**  
Mayor

**Alex Lama**  
Vice Mayor

**Jerry Joseph**  
Commissioner

**Fabiola Stuyvesant**  
Commissioner

**Jeniffer Viscarra**  
Commissioner



**Stan Morris**  
City Manager

**Mauricio Betancur**  
City Clerk, CMC

Honorable Mayor  
Members of the City Commission  
Citizens of the City of Sunny Isles Beach, Florida

We are pleased to submit the Annual Comprehensive Financial Report (“ACFR”) of the City of Sunny Isles Beach, Florida (the “City”), for the fiscal year ended September 30, 2023. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. These financial statements are presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards by an external auditing firm. We believe that this report complies with these requirements and continues to present the City’s strong tradition of full financial disclosure. The philosophy is reflected in the informative financial analysis provided by the City’s Finance Department and the statistical tables included herein.

The ACFR’s role is to assist in making good decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance-related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City’s financial activity have been included.



## City Commission

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**Jeniffer Viscarra**

Commissioner

**Stan Morris**

City Manager

**Mauricio Betancur**

City Clerk, CMC

Marcum LLP, our independent audit firm, has issued unmodified opinions on the City's financial statements for the fiscal year ended September 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

An unmodified opinion is issued when an auditor believes that the financial statements are free from material misstatement. Information is considered material if the omission or misstatement can influence the economic decision of users of the financial statements.

The City's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standards. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the letter of transmittal and should be read in conjunction with it.

## THE CITY OF SUNNY ISLES BEACH

### Profile

The City occupies 1.78 square miles in the northeastern corner of Miami-Dade County, the most populated county in the State of Florida. With an estimated population of 21,996 people, the City ranks 15th in population amongst the 34 municipalities in the County (*Sources: US Census Bureau 2022 Census Estimates*). The City is located on a barrier island bounded by the Atlantic Ocean on the east and the Atlantic Intracoastal Waterways on the west. The City has been developed primarily for residential purposes.

The City was incorporated in 1997 and operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the governing commission, which consists of a Mayor and four Commissioners. The City Commission is vested with policy-setting authority, adopting the annual budget, approving general purchases and services of the governmental operations, appointing committees, and hiring the City Manager, City Clerk and City Attorney. The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the directors of the City's departments, hiring of staff, submitting a proposed annual budget, advising the Commission as to the financial condition of the City, and overseeing the day-to-day operations of the City.



## City Commission

**Larisa Svechin**  
Mayor

**Alex Lama**  
Vice Mayor

**Jerry Joseph**  
Commissioner

**Fabiola Stuyvesant**  
Commissioner

**Jeniffer Viscarra**  
Commissioner

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**Stan Morris**  
City Manager

**Mauricio Betancur**  
City Clerk, CMC

The City is divided into four districts with one Commissioner required to reside in each district. Each Commissioner is elected “at large” and is elected for a four-year term. The Mayor is elected “at large” and is elected for a four-year term.

## Services Provided

The City of Sunny Isles Beach provides a full range of municipal services: public safety, ocean rescue, building, planning and zoning, code compliance, transportation, maintenance of roads and parking facilities, stormwater, parks, recreation and cultural programs, general government and administrative services.

Fire protection, water and sewer utilities, education and welfare services are provided by other units of government whose activities are not included in the accompanying financial statements.

## Accounting and Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City 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 GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that the 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.

## Single Audit

As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is subject to periodic evaluation by management.





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Commissioner

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City Manager

**Mauricio Betancur**  
City Clerk, CMC

The City is required to undergo an annual Single Audit performed under the provisions 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*, State of Florida, if the City incurs aggregate expenditures of at least \$750,000 in federal or state funds. The information related to the Single Audit, including the Schedule of Expenditures of Federal Awards and State Financial Assistance (as applicable), Findings and Questioned Costs, and auditors’ reports on the internal control and compliance with applicable laws and regulations are included in the compliance section of this report, when applicable.

## Budgetary Controls

In addition, the City maintains strict budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City’s governing body. In accordance with state laws, the Adopted Budget is posted on the City’s website within 30 days of adoption. The activities of the General Fund, Special Revenue Funds, and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are re-appropriated as part of the following year’s budget.

All expenditures other than personnel services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Transfers between line items or departmental accounts within the departmental budget or decreases in line items or departmental accounts not amounting to more than 20% of the total budget of each department may be made by the City Manager. All budgetary transfers between departments shall be approved by resolution of the City Commission; however, it is our practice to bring all transfers to the City Commission for approval through the budget amendment process. Budget amendments are submitted, as needed, to the City Commission for their consideration and approval by ordinance.



**City Commission**

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**LOCAL ECONOMY**

Since its origin, the City has been developed mostly for residential aspirations. Today, the luxury residential component is one of the main economic engines of our City. After the City’s incorporation and the adoption of its Comprehensive Plan, allowing for a strategic revitalization of its greater assets – the waterfront residences and the beach - the City experienced significant growth in its tax base. This is mostly attributable to the replacement of old motels with the redevelopment of luxurious high-rise residential condominiums. During the 2008 housing collapse, the City experienced a moderate downturn in construction and tax base. However, in 2011, the City rebounded with its approval of high-end luxury residential condominiums. The 2011 fiscal year ended with taxable value at its lowest point in years. During the years of adjustment, the City experienced new construction which helped minimize the impact of the devaluation of the property values. Property values started to appreciate again in 2012, and the continuing increase in property values in 2013 through 2015 is primarily attributed to the turnover of long-term owned properties to new buyers and as mentioned, the rebound of new construction of residential projects. This allowed for the property taxable valuation to “reset” to the current fair market value, compared to the long-term owned property that was protected at the fair market value at time of purchase, with annual increases equal to the lesser of CPI or 3%. Beginning with the 2016 year, we began seeing significant new construction added to our tax rolls, bringing our projected 2023 taxable value, for fiscal year 2023-24, to over \$15.9 billion.

The millage rate was reduced to 2.6 mils in fiscal year 2015, and by 1/10 of a mil each year through 2022 to 2.1 mils. Property tax values were projected to increase again for fiscal year 2023 and the millage rate was reduced to 2.0 mils, with a projected collection of \$26.2 million in ad valorem revenues.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Current Year Adjusted Values	15,312,131,485	13,584,165,132	11,338,676,927	10,971,897,147	10,648,993,425	11,089,118,428	10,299,485,811	9,513,872,268	8,684,155,480	7,679,032,753
Plus New Construction	656,276,116	197,629,908	1,297,165,759	943,614,945	919,502,238	31,417,157	798,407,488	597,556,627	275,651,745	226,030
<b>Total Estimated Taxable Values</b>	<b>15,968,407,601</b>	<b>13,781,795,040</b>	<b>12,635,842,686</b>	<b>11,915,512,092</b>	<b>11,568,495,663</b>	<b>11,120,535,585</b>	<b>11,097,893,299</b>	<b>10,111,428,895</b>	<b>8,959,807,225</b>	<b>7,679,258,783</b>
Adjustments	<b>N/A</b>	<b>(162,266,551)</b>	<b>(255,253,007)</b>	<b>(392,793,020)</b>	<b>(371,480,554)</b>	<b>(231,735,785)</b>	<b>(177,678,121)</b>	<b>(142,553,112)</b>	<b>(266,348,629)</b>	<b>(119,273,765)</b>
<b>Total Final Taxable Values</b>	<b>15,968,407,601</b>	<b>13,619,528,489</b>	<b>12,380,589,679</b>	<b>11,522,719,072</b>	<b>11,197,015,109</b>	<b>10,888,799,800</b>	<b>10,920,215,178</b>	<b>9,968,875,783</b>	<b>8,693,458,596</b>	<b>7,559,985,018</b>
Change from Prior Year	17.25%	11.32%	9.66%	2.91%	2.83%	-0.30%	9.54%	14.67%	14.99%	12.23%



## City Commission

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**Stan Morris**  
*City Manager*

**Mauricio Betancur**  
*City Clerk, CMC*

## MAJOR INITIATIVES

### For the Year

Through good governance and sound management, the city continues to be one of the most financially secure local governments in Florida. In our 27<sup>th</sup> year of incorporation, and as we continue to add more housing units, we are preparing for the need for major infrastructure improvements. Knowing that these Capital Projects are on the horizon, we are committed to conserve in our operating budget where possible understanding the need to fund our Capital Improvement Projects through a transfer from our general fund while maintaining our level of world-class service and maintenance. We want to ensure that the City of Sunny Isles Beach remains true to our commitment to set the standard for quality government in South Florida.

### For the Future

With the completion of the Parks and Recreation Master Plan, we are ready to move forward with major park improvement initiatives. We recognize that the existing supply of parks and community spaces has not kept up with the demand. Starting with the development of the Intracoastal Sports Park this year, we must now plan for the next 10-15 years of parks and programming. We started that with the purchase of additional park property adjacent to Pelican Community Park.

We should be closing out the undergrounding of the Collins Avenue utility distribution wires in 2024 as well as the Golden Shores Utility Undergrounding project. With our commitment to a more resilient and sustainable future, the Golden Shores Stormwater Pump Station renovation will commence this year. Determined to be both fiscally responsible and resolve flooding in the Central Island area, we are researching innovative and cost-effective options as the traditional pump station plan was cost prohibitive.

Pedestrian Safety is an initiative identified by our City Commission for long-term planning and we continue to work through recommendations presented by the Mobility and Pedestrian Safety Advisory Committee. Both short- and long-term projects are at various stages of design including the Urban Trail which will be completed this year. The completion of the Collins Avenue Undergrounding Project will allow us to proceed with the upgrading and restoration of our streetscape, including landscaping and decorative brick sidewalks along Collins Avenue.



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The following projects were completed during 2023:

- Marina del Mar is located at 100, 150, 200 and 300 Kings Point Drive and comprises two new apartment towers with a total of 254 dwelling units, a remodeled existing apartment tower with 335 dwelling units, and an enclosed garage with 860 parking spaces. A Temporary Certificate of Occupancy (TCO) for the project was obtained in 2022. The project is working towards a final Certificate of Occupancy (CO) by wrapping-up installations in the amenity spaces and right-of-way landscaping improvements. This project also includes a workforce housing component.

The following projects are currently under way during 2024:

- The Aurora Condominiums project, located at 17550 Collins Avenue, is a mixed-use tower consisting of 5,721 square feet of commercial space on the ground floor and 61 residential condominium units on the upper floors, for a total of 126,888 square feet of floor area. A partial Temporary Certificate of Occupancy (TCO) for the project was obtained in November of 2023 and the project will continue to obtain TCOs for the amenity spaces and commercial space throughout 2024.
- The Chabad Lubavitch Russian Center of South Florida is a new community center located at 488 Sunny Isles Boulevard. The community center will have a Chabad, a learning facility, and a social hall. A partial Temporary Certificate of Occupancy (TCO) for the project was obtained in October of 2023 and the project will continue to obtain TCOs for the remaining spaces throughout 2024.
- The Estates of Acqualina off-site parking garage is located at 17941 Atlantic Blvd. and is a 10-story parking garage with approximately 432 parking spaces. A Temporary Certificate of Occupancy (TCO) for the project was obtained in March of 2024 and the project is working towards the final Certificate of Occupancy (CO).
- The Estates at Acqualina, located at 17901 Collins Avenue, encompasses two residential towers with a total of 234 dwelling units and approximately 1,190,676 square feet of floor area. The first TCOs for the two towers were obtained in 2022, including many residential units and the restaurant space. The project will continue to obtain TCOs for residential and amenity spaces units in both towers throughout 2024.



## City Commission

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- The St. Regis Residences (formally known as La Playa Varadero) is located at 18801 Collins Avenue and is approved for two mixed-use towers, standing 62 stories each, with 490 residential units and approximately 1,228,435 square feet of floor area. The sales center is currently operating at this location. Construction of Phase I (the south tower) is anticipated to begin in 2024.
- The Bentley Residences is a single, 62-story tower located at 18401 Collins Avenue that is approved for 216 residential condominium units with a floor area of 616,185 square feet. The tower will replace the Thunderbird Beach Resort and broke ground in April of 2024.

Projects expected to start in the 2024-25 fiscal year and beyond include the following:

- Hotel Monaco is located at 17501 Collins Avenue and is approved for 113 hotel units with a floor area of 50,784 square feet and will be three stories tall.

The City expects a modest steady growth in the tax base to continue for the next several years resulting from reassessments of existing property that turnover to new buyers and also a steady growth in new construction additions for FY 2024 through FY 2028, as highlighted above.

The City is closely monitoring state legislative proposals and their potential impacts and limitations to Florida municipalities.

## LONG-RANGE FINANCIAL PLANNING

The City Commission has adopted financial policies for operating, capital, investments, and debt management. Annually, the City Manager has budget meetings with the elected officials and individual departments that are used as a guide in the preparation and development of the annual budget.

The Capital Improvements Program (CIP) is prepared and presented to the City Commission, as a five-year plan, as part of the annual budget process. The projects represent the City's long-range plan for facilities, infrastructure improvements, traffic circulation and pedestrian safety improvements, as well as park acquisition and development.



## City Commission

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City Clerk, CMC

## OTHER INFORMATION

### Independent Audit

The City Charter, Section 4.10, requires an annual audit of the City's financial statements by independent auditors selected by the City Commission. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

### Awards and Acknowledgements

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2022. This was the 13th consecutive year the City received the award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded the Distinguished Budget Presentation Award for the annual budget document for the October 1, 2022 – September 30, 2023 budget. This was the 15th consecutive year the City received this award. This award is the highest form of recognition in governmental budgeting and represents a significant achievement by the City.

It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the award, the City satisfied nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.



**City Commission**

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*City Manager*

**Mauricio Betancur**  
*City Clerk, CMC*

Our Finance team continues to lead us to the success of our financial well-being. It is the hard work and commitment to fiscal responsibility of the members of the Finance Department and our department heads that make this report possible. We would like to express our appreciation to the finance team for the preparation of this report. We are grateful for the support of the Mayor and Commission for maintaining the highest standards of professionalism in the management of the City.

Respectfully submitted,

  
\_\_\_\_\_  
Stan Morris  
City Manager

  
\_\_\_\_\_  
Tiffany D. Neely  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sunny Isles Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

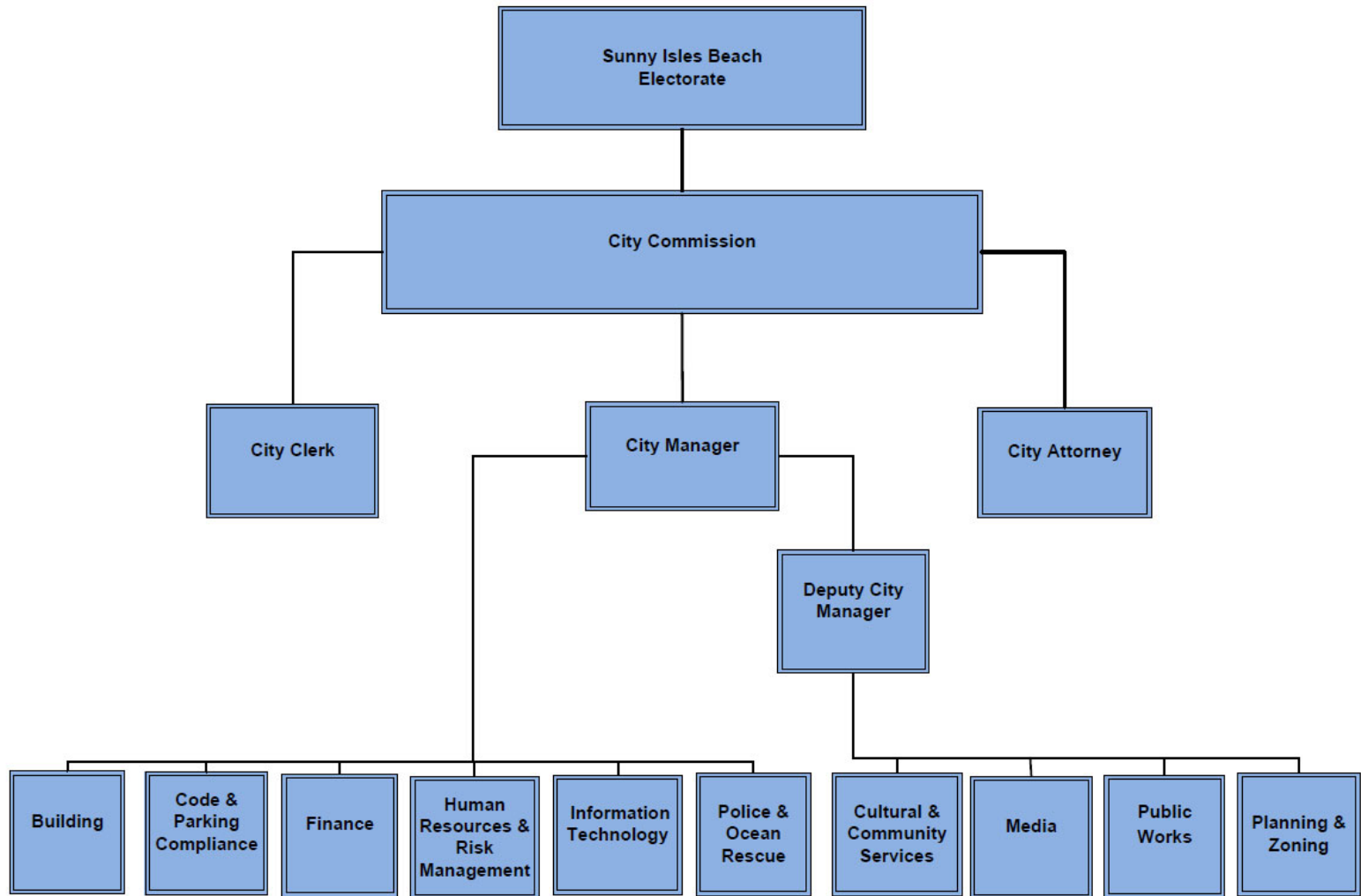
*Christopher P. Morill*

Executive Director/CEO





# Sunny Isles Beach Government Structure



**City of Sunny Isles Beach, Florida**  
**CITY OFFICIALS**

CITY COMMISSION

Larisa Svechin - Mayor  
Alex Lama- Vice Mayor  
Jeniffer Viscarra  
Jerry Joseph  
Fabiola Stuyvesant

CITY MANAGER

Stan Morris

CITY ATTORNEY

Alain Boileau for  
Nabors Giblin & Nickerson P.A.

CITY CLERK

Mauricio Betancur

FINANCE DIRECTOR

Tiffany D. Neely

CITY AUDITORS

Marcum LLP

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# **FINANCIAL STATEMENTS**

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# **INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, the City Commission and City Manager  
**City of Sunny Isles Beach, Florida**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sunny Isles Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-16, the budgetary comparison schedules on pages 68-71, the schedule of changes in the Total OPEB liability and related ratios on page 72, and the pension schedules on pages 73-76, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents, and the 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* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 section and the statistical section 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 April 29, 2024 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

*Marcum LLP*

Miami, FL  
April 29, 2024



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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**City of Sunny Isles Beach, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2023**

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As the management of the City of Sunny Isles Beach (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i through x of this report. All amounts in this section, unless otherwise indicated, are expressed in millions of dollars.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$329.2 (net position). Of this amount, \$57.6 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6.1 during the current fiscal year. Net position of our governmental and business-type activities increased by \$5.7 and \$0.4, respectively.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$106.2, an increase of \$6.0 in comparison with the prior year. Approximately 52.4% of this balance or, \$55.6 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the General Fund was \$76.4 or 199.7% of the total General Fund expenditures and other financing sources (uses). Of this balance, \$10.0 has been committed to the Hurricane/Emergency and Disaster Recovery Operating Reserves, \$9.4 has been assigned to the Fiscal Stability Reserve, \$1.3 for prepaid assets and \$55.6 million was unassigned and available for new spending.
- The City's governmental funds had no deferred outflows of resources and its deferred inflows of resources were \$48.7. The increase of \$17.2 was due to an adjustment in the lease term for a lessee since the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases* ("GASB 87").
- Investment income increased by \$5.0 during the current fiscal year. This was due to the increase in interest rates, average yield went up from 1.69% in the prior year to 3.85%. In the prior year, there was also a substantial decrease reflected in the unrealized fair market value of the City's investments, as a result of the market volatility caused by unstable economic conditions and high inflation.

**Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities.

The *Statement of Net Position* presents information on the assets held, liabilities owed by the City and any deferred inflows and outflows of resources that pertain to a future reporting period. Assets are reported when the City acquires ownership over the assets, they represent current resources that are controlled by the City, and liabilities are reported when they are incurred, they represent current and long-term obligations.

The deferred outflows of resources are the consumption of net assets applicable to a future reporting period and they increase net position similar to assets. The deferred inflows of resources are the acquisition of net assets applicable to a future period and they decrease net position similar to liabilities.

The difference between the City's total assets, total liabilities and deferred inflows and outflows of resources is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. In general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents revenues and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, transportation, cultural and human services. The business-type activities of the City are the Stormwater operations.

The government-wide financial statements can be found on pages 17 and 18 of this report.

**Fund Financial Statements:** Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**City of Sunny Isles Beach, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2023**

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**Governmental Funds:** Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year. The difference between a fund's total assets and total liabilities (and deferred inflows/outflows as applicable) is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities' columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of the net position presented in the governmental activities' column on the statement of net position.

Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities' column in the statement of activities.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the American Rescue Plan Fund, the General Capital Projects Fund, and the Law Enforcement Trust Fund which are major funds. The City presents data from all other non-major funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

**Proprietary Funds:** Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare government-wide financial statements. The City maintains one type of proprietary fund known as an enterprise fund.

The City uses enterprise funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statement. The City uses an enterprise fund to account for its stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The basic proprietary fund financial statements can be found on page 23 through 25 of this report.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 67 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund budgetary comparison schedule to demonstrate compliance with the budget. Required supplementary information can be found on pages 68 through 76 of this report.

## **Government-wide Financial Analysis**

**Summary of net position:** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

- 1) Net results of activities will impact (increase/decrease) current assets and unrestricted net position.
- 2) Borrowing for capital needs will increase current assets and long-term debt.
- 3) Spending borrowed proceeds on new capital will reduce current assets and increase capital assets. There is a second impact: an increase in invested in capital assets and an increase in related debt will not change the net investment in capital assets.
- 4) Spending of non-borrowed current assets on new capital will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- 5) Principal payment on debt will reduce current assets, reduce long-term debt, reduce unrestricted net position, and increase net investment in capital assets.
- 6) Reduction of capital assets through depreciation will reduce capital assets and net investment in capital assets.

**City of Sunny Isles Beach, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2023**

The following schedule is a summary of the fiscal year 2023 statement of net position found on page 17 with comparative information for fiscal year 2022.

<b>City of Sunny Isles Beach, Florida</b>						
<b>Summary of Net Position</b>						
<b>As of September 30, 2023 and 2022</b>						
<b>(In Thousands)</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current assets	\$ 162,108	\$ 141,473	\$ 2,737	\$ 2,216	\$ 164,845	\$ 143,689
Capital assets	<u>255,055</u>	<u>251,493</u>	<u>14,530</u>	<u>14,793</u>	<u>269,585</u>	<u>266,286</u>
<b>Total Assets</b>	<u>417,163</u>	<u>392,966</u>	<u>17,267</u>	<u>17,009</u>	<u>434,430</u>	<u>409,975</u>
<b>Total Deferred Outflows of Resources</b>	<u>9,650</u>	<u>7,927</u>	<u>98</u>	<u>77</u>	<u>9,748</u>	<u>8,004</u>
<b>Liabilities</b>						
Long-term liabilities	54,074	45,956	401	319	54,475	46,275
Other liabilities	<u>7,405</u>	<u>13,358</u>	<u>46</u>	<u>277</u>	<u>7,451</u>	<u>13,635</u>
<b>Total Liabilities</b>	<u>61,479</u>	<u>59,314</u>	<u>447</u>	<u>596</u>	<u>61,926</u>	<u>59,910</u>
<b>Total Deferred Inflows of Resources</b>	<u>52,934</u>	<u>34,906</u>	<u>46</u>	<u>31</u>	<u>52,980</u>	<u>34,937</u>
<b>Net Position</b>						
Net investment in capital assets	242,686	237,385	14,530	14,552	257,216	251,937
Restricted	14,474	17,563	--	--	14,474	17,563
Unrestricted	<u>55,240</u>	<u>51,725</u>	<u>2,342</u>	<u>1,907</u>	<u>57,582</u>	<u>53,632</u>
<b>Total Net Position</b>	<u>\$ 312,400</u>	<u>\$ 306,673</u>	<u>\$ 16,872</u>	<u>\$ 16,459</u>	<u>\$ 329,272</u>	<u>\$ 323,132</u>

The overall position of the City improved in both the 2023 and 2022 fiscal years. Changes in net position over time can be one of the best and most useful indicators of the financial position. The total net position of the City increased by \$6.1 or approximately 1.9 % from \$323.1 in 2022 to \$329.2 in 2023. The increase in net position was primarily a result of the acquisition of capital assets in governmental activities.

At the end of the fiscal year, the City reported positive balances in all categories of net position for both governmental and business-type activities.

By far, the largest portion of the City's net position (78.1%) reflects in its net investment in capital assets (such as land, building, machinery, and equipment) less any related outstanding debt, retainage/accounts payable and the deferred gain on refunding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Sunny Isles Beach, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2023**

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An additional portion of the City's net assets (4.4%) represents resources that are subject to external restrictions on how they may be used. The balance in restricted net position reflects a net decrease of \$3.0 from \$17.5 in 2022 to \$14.5 in 2023.

The fiscal year 2023 balance in unrestricted net position of \$57.6 increased by \$4.0 or 7.4% from the prior year. This increase is primarily due to the increase in investment income. The balance in the unrestricted net position represents resources that may be used to meet the City's ongoing obligations to its citizens and creditors.

**Summary of changes in net position:** The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) ***Economic Condition*** can reflect a declining, stable, or growing environment and has an impact on property taxes, non-ad valorem assessments and sales, gas, or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.
- 2) The City Commission has authority to set ***increases or decreases in City rates*** (millage, stormwater, permitting, impact fees, user fees, etc.).
- 3) ***Changing patterns in intergovernmental and grant revenues*** (both recurring and non-recurring) can change and impact the annual comparisons.
- 4) ***Market impacts on investment income*** may cause investment revenues recorded to fluctuate from the prior year.

Basic impacts on revenues/expenses are outlined below:

- 1) ***Introduction of new programs*** can have an impact on property taxes, non-ad valorem assessments and sales, gas, or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.
- 2) ***Changes in service demand levels*** can cause the City to increase or decrease authorized staffing.
- 3) ***Salary increases*** such as cost of living, performance increases and pension contributions can impact personnel service costs.
- 4) ***While inflation*** has declined in the past year, the City is a major consumer of certain commodities such as chemicals, supplies, fuels, parts, and materials. Some functional expenses may experience unusual commodity specific increases, such as gasoline, supplies, and materials. In addition, supply chain issues and high demand due to product delays may cause substantial price increases.

**City of Sunny Isles Beach, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2023**

The following schedule is a summary of the fiscal year 2023 statement of activities found on page 18 with comparative information for fiscal year 2022.

<b>City of Sunny Isles Beach, Florida</b>						
<b>Statement of Activities</b>						
<b>(In Thousands)</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenue:						
Charges for services	\$ 12,823	\$ 15,064	\$ 1,308	\$ 1,176	\$ 14,131	\$ 16,240
Operating grants and contributions	6,241	7,219	--	--	6,241	7,219
General revenues:						
Property taxes	26,376	25,100	--	--	26,376	25,100
Utility taxes	6,054	5,403	--	--	6,054	5,403
Franchise taxes	3,780	3,340	--	--	3,780	3,340
Intergovernmental	3,606	3,622	88	86	3,694	3,708
Investment income (loss)	3,295	(1,746)	61	(30)	3,356	(1,776)
Impact fees	13	12	--	--	13	12
Gain on sale of capital assets	27	15	--	--	27	15
Miscellaneous	406	544	--	--	406	544
<b>Total Revenues</b>	<u>62,621</u>	<u>58,573</u>	<u>1,457</u>	<u>1,232</u>	<u>64,078</u>	<u>59,805</u>
<b>Expenses:</b>						
General government	13,833	11,475	--	--	13,833	11,475
Public safety	20,977	15,377	--	--	20,977	15,377
Physical environment	8,379	8,379	--	--	8,379	8,379
Culture and human services	10,419	10,420	--	--	10,419	10,420
Transportation	2,835	2,372	--	--	2,835	2,372
Interest on long-term debt	451	529	--	--	451	529
Stormwater	--	--	1,044	917	1,044	917
<b>Total Expenses</b>	<u>56,894</u>	<u>48,552</u>	<u>1,044</u>	<u>917</u>	<u>57,938</u>	<u>49,469</u>
<b>Change in Net Position</b>	5,727	10,021	413	315	6,140	10,336
<b>Net Position - Beginning</b>	<u>306,673</u>	<u>296,652</u>	<u>16,459</u>	<u>16,144</u>	<u>323,132</u>	<u>312,796</u>
<b>Net Position - Ending</b>	<u>\$ 312,400</u>	<u>\$ 306,673</u>	<u>\$ 16,872</u>	<u>\$ 16,459</u>	<u>\$ 329,272</u>	<u>\$ 323,132</u>

**Governmental activities:** Governmental activities increased the City's net position by \$5.7 in 2023 from an increase of \$10.0 in 2022, thereby accounting for 93.3% of the total growth in the net position of the City. Total governmental revenues increased by 6.9% or \$4.0 from the prior year and total expenses increased by 17.2% or \$8.3 from the prior year. Key elements of the change in the net position increase from prior year are as follows:

- Investment Income, Property Taxes, and Utility and Franchise Taxes increased by \$5.0, \$1.3, and \$1.0, respectively. This was due to an increase in the interest rate yield and receipt of additional taxes from newly constructed residential properties.
- Charges for Services, Operating Grants & Contributions, and Miscellaneous decreased by \$2.2, \$1.0, and \$0.1, respectively. The Charges for Services decrease was due to the reduction of transfer development rights fees from developers and the Operating Grants & Contributions decrease was due to the reduction in the remaining federal funds from the American Rescue Plan Act (ARPA).



**City of Sunny Isles Beach, Florida**  
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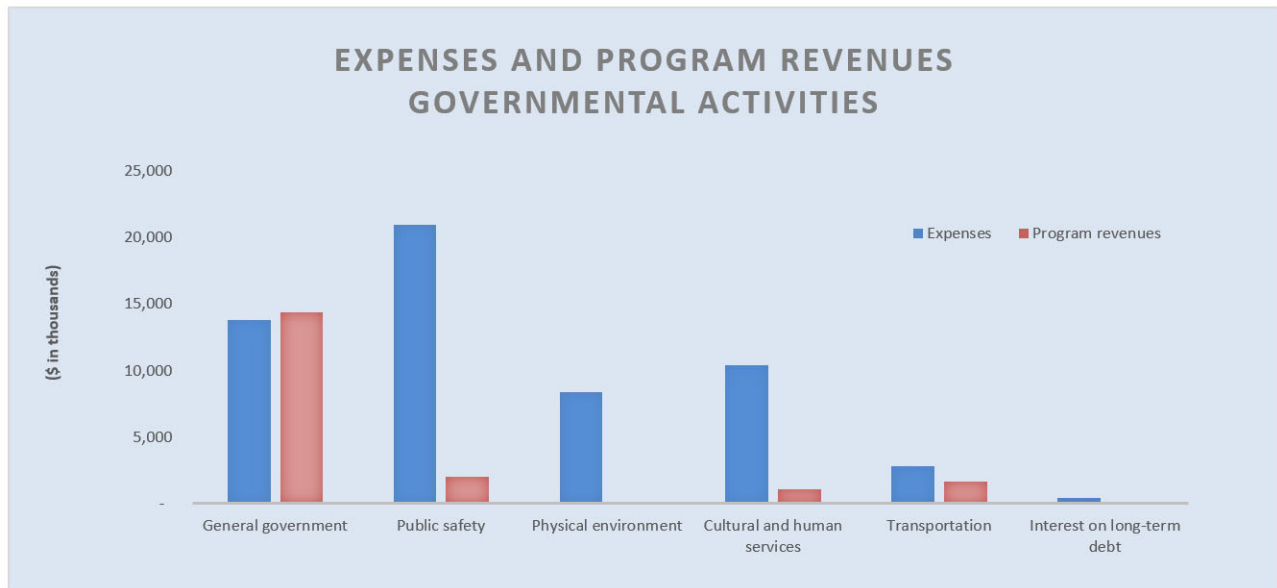
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- General Government, Public Safety, and Transportation expenses increased by \$2.3, \$5.6, and \$0.4, respectively.

Governmental revenues increased from \$58.6 to \$62.6. 42.1% of these revenues received come from property taxes, 20.5% from charges for services, 15.7% from utility and franchise taxes, 10.0% from operating grants & contributions, 5.8% from intergovernmental, 5.3% from investment income, and 0.6% from miscellaneous. Chart 1 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$56.9. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services (\$12.8), and
- Other governments and organizations that subsidized certain programs through operating grants and contributions (\$6.2)

The City financed the remaining \$37.9 “public benefit” portion of governmental activities with taxes (property taxes, utility taxes, and franchise fees) and intergovernmental revenues.



**Business-type Activities** - Business-type activities increased the City’s net position by \$0.4 thereby accounting for 6.7% of the total increase in the government’s net position. Revenues of the City’s business-type activities increased by 18.3% from the previous year; \$1.23 to \$1.46, and expenses increased by 13.8% from the previous year; \$0.92 to \$1.04. Factors contributing to these results included:

- Stormwater fees, intergovernmental revenues and investment income increased by \$0.13, \$0.02, and \$0.09, respectively.
- Stormwater personnel expenses and operating expenses increased by \$0.10 and \$0.02, respectively.

## **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The fund financial statements for the governmental funds are provided on pages 19 through 22. The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The major funds are explained below.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$55.6. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and other financing sources (uses). Unassigned fund balance represents 145.5% of total General Fund expenditures and other financing sources (uses), while total fund balance represents 199.8% of the same amount.

The fund balance of the City's General Fund increased \$14.8 during the current fiscal year. When comparing this to the previous year's fund balance increase of \$11.3, this was due to a \$7.0 increase in total revenues and \$3.5 increase in total expenditures and other financing sources (uses). Contributing factors to the increase in revenues include \$3.3 for investment income due to favorable interest rates, \$1.6 for charges for services primarily due to special duty, recreation programs, and lease revenues, \$1.3 for property taxes due to an increase in the tax base from new residential developments and real estate values, \$1.1 for utility taxes and franchise fees due to new residential developments. These increases were offset by reductions of \$0.1 for intergovernmental, fines and forfeitures, and miscellaneous, respectively. The increase in total expenditures is the result of an increase in capital outlay of \$1.5 due to supply chain issues and delays that caused capital outlay to be much lower than anticipated in the previous year and \$1.4 for subscription acquisitions due to the implementation of the Governmental Accounting Standards Board ("GASB") Statement No. 96, Subscription-based IT arrangements ("GASB 96").

The ARPA fund was created because of the American Rescue Plan Act of 2021 and reflects a minimal ending fund balance of \$0.01 due to funds received from the Coronavirus State Fiscal Recovery Fund for the motor fuel tax relief act of 2022.

The General Capital Projects Fund had a decrease of \$5.7 in the fund balance. When comparing this to the previous year's fund balance decrease of \$17.1, this was attributed to a decrease of \$3.6 in revenues due to lower transfer development rights fees being received and a decrease of \$14.0 in capital expenditures due to the timing of projects. These decreases were offset by higher investment income of \$1.0 due to favorable interest rates.

The Law Enforcement Fund has a total fund balance of \$4.0 in which most of it is held in cash and investments. The decrease in fund balance of \$1.4 is primarily due to capital outlay.

**City of Sunny Isles Beach, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2023**

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**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the City's proprietary fund as of the fiscal year end is \$2.3. The total increase in net position was \$0.4. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

During the year, utility taxes increased by \$0.6, charges for services increased by \$0.2, and investment income increased by \$1.5 between the original and final amended budget. This was to reflect the change in revenue from new residential developments and favorable interest rates. For expenditures, there was a \$1.6 decrease between the original and final amended budget. This was due to a decrease in departmental expenditures of \$2.1 for community services offset by an increase in departmental expenditures of \$0.5 for public safety. For other financing sources (uses), there was a \$3.9 decrease between original and final amended budget due to an increase in transfers out of \$2.1 and decrease in transfers in of \$4.5 offset by an increase in appropriations of prior year reserves of \$2.7.

**Capital Asset and Debt Administration**

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounts to \$ 269.6 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, improvements, leases, and subscriptions (right-of-use assets). There was an increase of \$3.2 in the City's investment in capital assets for the current fiscal year (a 1.4% increase in governmental activities and a 1.8% decrease in business-type activities).

**City of Sunny Isles Beach**  
**Capital Assets, Net of Depreciation/Amortization**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 96,985	\$ 96,985	\$ --	\$ --	\$ 96,985	\$ 96,985
Easements	488	488	--	--	488	488
Buildings	35,796	37,185	--	--	35,796	37,185
Improvements	2,989	2,897	--	--	2,989	2,897
Machinery and Equipment	3,740	2,630	86	90	3,826	2,720
Infrastructure	72,234	74,101	13,662	14,081	85,896	88,182
Lease (right-to-use asset)	59	59	--	--	59	59
Subscription (right-to-use asset)	1,133	--	--	--	1,133	--
Construction in progress	41,630	37,148	782	622	42,412	37,770
<b>Totals</b>	<b>\$ 255,054</b>	<b>\$ 251,493</b>	<b>\$ 14,530</b>	<b>\$ 14,793</b>	<b>\$ 269,584</b>	<b>\$ 266,286</b>

**City of Sunny Isles Beach, Florida**  
**Management’s Discussion and Analysis**  
**September 30, 2023**

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For governmental activities, this year’s major capital asset additions before depreciation and amortization totaled \$9.9 and include the following:

- \$4.5 in new construction in progress, which relates to projects started in the City, but not yet completed, such as the City-wide utility undergrounding, drainage projects and park and pier improvements and \$1.5 for other infrastructure.
- \$2.5 in equipment, which relates to \$0.5 for the City-wide license plate readers, security cameras and other public safety equipment, \$0.1 for artwork, \$1.7 for the purchase of 24 city vehicles, which includes 5 utility vehicles, 2 buses and 2 boats, and \$0.2 for computer and playground equipment.
- \$1.5 in subscription (right-to-use assets) related to the implementation of GASB 96.

For governmental activities, this year’s major capital asset disposals consisted of vehicles and equipment that were removed or replaced that have a minimal carrying value.

For business-type activities, this year’s major capital asset additions before depreciation totaled \$0.2 and include the following:

- \$0.2 in new construction in progress, which relates to the Golden Shores Utility Undergrounding and Drainage project.

Additional information on the City’s capital assets can be found in Note 4 on pages 43 and 44 of this report.

**Long-Term Debt:** At the end of the current fiscal year, the City had bonded debt outstanding of \$3.0, notes payable in the amount of \$7.8, and combined lease and subscription (right-of-use assets) related debt of \$1.1, for a total long-term debt of \$11.9.

**City of Sunny Isles Beach**  
**Revenue Notes and Other Debt**  
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue notes (backed by specific tax and fee revenues)	\$ 3,020	\$ 4,831	\$ --	\$ 241	\$ 3,020	\$ 5,072
Notes payable	7,801	8,925	--	--	7,801	8,925
Lease (right-to-use asset)	59	59	--	--	59	59
Subscriptions (right-to-use asset)	1,054	--	--	--	1,054	--
<b>Totals</b>	<b>\$ 11,934</b>	<b>\$ 13,815</b>	<b>\$ --</b>	<b>\$ 241</b>	<b>\$ 11,934</b>	<b>\$ 14,056</b>

The City’s total debt decreased by \$2.1 (15.1%) during the current fiscal year. The reason for the decrease was a result of the normal debt service requirements reducing the liability.

Additional information on the City’s long-term debt can be found in Note 6 on pages 45 through 50 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property and a limited array of permitted other taxes (sales, communication, gasoline, utilities services, etc.) and fees (franchise, building permits, recreation, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (stormwater fees, building inspections, recreation programs, etc.) the user pays a related fee or charge associated with the service. The related fees for these activities remained the same for fiscal year 2024.

The unassigned fund balance in the General Fund totals \$55.6. In addition, \$9.4 has been assigned for a Contingency/Fiscal stability reserve which reflects the City's planned goal of 25% of General Fund operating expenditures as of September 30, 2017.

Reappropriations will occur for those purchase orders issued in fiscal year 2023 for which no delivery or payment occurred by September 30, 2023.

In fiscal year 2024, the City's property tax millage rate was reduced to 1.900 mils. This property tax millage rate is calculated 6.81% above the 2023 rollback millage rate of 1.7789 but is still expected to generate more property tax revenue compared to the prior year due to increased property values.

The City continuously evaluates current and potential legislative issues to reduce fiscal impact on the City. Over the past couple of years, the Legislature has sought to reduce the revenues of the local governments while passing laws that are generally unfunded mandates.

All these factors were considered in preparing the City's budget for the 2024 fiscal year.

### **Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Sunny Isles Beach, 18070 Collins Avenue, Sunny Isles Beach, Florida 33160. Information is also available on the City's website at [www.sibfl.net](http://www.sibfl.net).

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SUNNY ISLES BEACH, FLORIDA**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 61,455,974	\$ 1,475,387	\$ 62,931,361
Investments	46,173,723	1,128,718	47,302,441
Receivables, net	2,700,779	126,822	2,827,601
Lease receivable	50,184,823	--	50,184,823
Interest receivable	261,212	6,271	267,483
Inventory	6,760	--	6,760
Prepays	1,324,637	--	1,324,637
Capital assets not being depreciated	139,103,257	781,994	139,885,251
Capital assets being depreciated/amortized, net	115,951,739	13,747,665	129,699,404
<b>Total Assets</b>	<b>417,162,904</b>	<b>17,266,857</b>	<b>434,429,761</b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	8,586,989	86,737	8,673,726
Deferred outflows related to OPEB	1,062,554	11,146	1,073,700
<b>Total Deferred Outflows of Resources</b>	<b>9,649,543</b>	<b>97,883</b>	<b>9,747,426</b>
<b>Liabilities:</b>			
Accounts payable	1,995,123	32,273	2,027,396
Accrued liabilities	2,417,035	13,114	2,430,149
Accrued interest payable	117,538	--	117,538
Unearned revenue	2,875,253	--	2,875,253
Noncurrent liabilities:			
Due within one year:			
Compensated absences	501,907	2,511	504,418
Bonds and notes	1,899,259	--	1,899,259
Leases (right-to-use assets)	25,104	--	25,104
Subscriptions (right-to-use assets)	354,967	--	354,967
Due in more than one year:			
Compensated absences	4,517,159	22,603	4,539,762
Bonds and notes	8,920,979	--	8,920,979
Leases (right-to-use assets)	34,602	--	34,602
Subscriptions (right-to-use assets)	699,145	--	699,145
Net pension liability	33,404,301	337,417	33,741,718
Total OPEB liability	3,716,569	38,986	3,755,555
<b>Total Liabilities</b>	<b>61,478,941</b>	<b>446,904</b>	<b>61,925,845</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	1,298,101	13,112	1,311,213
Deferred inflows related to OPEB	3,137,676	32,914	3,170,590
Deferred inflows related to lease	48,490,426	--	48,490,426
Deferred inflows related to debt refunding	7,710	--	7,710
<b>Total Deferred Inflows of Resources</b>	<b>52,933,913</b>	<b>46,026</b>	<b>52,979,939</b>
<b>Net Position:</b>			
Net investment in capital assets	242,685,854	14,529,659	257,215,513
Restricted for:			
American Rescue Plan	14,598	--	14,598
Law enforcement	4,045,787	--	4,045,787
Building	7,286,493	--	7,286,493
Public art	1,376,685	--	1,376,685
Transportation	1,749,957	--	1,749,957
Unrestricted	55,240,219	2,342,151	57,582,370
<b>Total Net Position</b>	<b>\$ 312,399,593</b>	<b>\$ 16,871,810</b>	<b>\$ 329,271,403</b>

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Functions/Programs:</b>							
<b>Governmental Activities:</b>							
General government	\$ 13,833,399	\$ 9,773,837	\$ 4,574,905	\$ --	\$ 515,343	\$ --	\$ 515,343
Public safety	20,977,245	1,977,237	48,516	--	(18,951,492)	--	(18,951,492)
Physical environment	8,378,702	--	--	--	(8,378,702)	--	(8,378,702)
Cultural and human services	10,419,302	1,071,350	--	--	(9,347,952)	--	(9,347,952)
Transportation	2,834,818	--	1,617,926	--	(1,216,892)	--	(1,216,892)
Interest on long-term debt	450,849	--	--	--	(450,849)	--	(450,849)
<b>Total Governmental Activities</b>	<u>56,894,316</u>	<u>12,822,424</u>	<u>6,241,347</u>	<u>--</u>	<u>(37,830,545)</u>	<u>--</u>	<u>(37,830,545)</u>
<b>Business-Type Activities:</b>							
Stormwater	1,044,307	1,308,002	--	--	--	263,695	263,695
<b>Total Business-Type Activities</b>	<u>1,044,307</u>	<u>1,308,002</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>263,695</u>	<u>263,695</u>
<b>Total Primary Government</b>	<u>\$ 57,938,623</u>	<u>\$ 14,130,426</u>	<u>\$ 6,241,347</u>	<u>\$ --</u>	<u>(37,830,545)</u>	<u>263,695</u>	<u>(37,566,850)</u>
<b>General revenues:</b>							
Property taxes					26,375,504	--	26,375,504
Utility taxes					6,054,242	--	6,054,242
Franchise taxes on gross receipts					3,780,100	--	3,780,100
Intergovernmental, unrestricted					3,605,819	87,569	3,693,388
Investment income					3,295,486	61,199	3,356,685
Impact fees					13,224	--	13,224
Gain on sale of capital assets					26,973	--	26,973
Miscellaneous					405,537	--	405,537
<b>Total General Revenues</b>					<u>43,556,885</u>	<u>148,768</u>	<u>43,705,653</u>
<b>Change in Net Position</b>					<u>5,726,340</u>	<u>412,463</u>	<u>6,138,803</u>
<b>Net Position - Beginning</b>					<u>306,673,253</u>	<u>16,459,347</u>	<u>323,132,600</u>
<b>Net Position - Ending</b>					<u>\$ 312,399,593</u>	<u>\$ 16,871,810</u>	<u>\$ 329,271,403</u>

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



**CITY OF SUNNY ISLES BEACH, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>American Rescue Plan Fund</b>	<b>General Capital Projects Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>						
Cash and cash equivalents	\$ 41,702,735	\$ 914,598	\$ 9,213,010	\$ 2,580,019	\$ 7,045,612	\$ 61,455,974
Investments	32,384,771	--	6,578,591	1,883,442	5,326,919	46,173,723
Inventory	--	--	--	--	6,760	6,760
Receivables, net	2,025,285	--	299,181	--	376,313	2,700,779
Lease receivable	50,184,823	--	--	--	--	50,184,823
Interest receivable	181,139	--	39,160	10,966	29,947	261,212
Prepays	1,323,047	--	--	1,350	240	1,324,637
<b>Total Assets</b>	<b>\$ 127,801,800</b>	<b>\$ 914,598</b>	<b>\$ 16,129,942</b>	<b>\$ 4,475,777</b>	<b>\$ 12,785,791</b>	<b>\$ 162,107,908</b>
<b>Liabilities:</b>						
Accounts payable	\$ 1,111,081	\$ --	\$ 139,201	\$ 428,640	\$ 316,201	\$ 1,995,123
Accrued liabilities	1,764,356	--	427,266	0	225,413	2,417,035
Unearned revenue	28,819	900,000	288,113	--	1,658,321	2,875,253
<b>Total Liabilities</b>	<b>2,904,256</b>	<b>900,000</b>	<b>854,580</b>	<b>428,640</b>	<b>2,199,935</b>	<b>7,287,411</b>
<b>Deferred Inflows of Resources:</b>						
Leases	48,490,426	--	--	--	--	48,490,426
Unavailable revenue - taxes	--	--	--	--	165,721	165,721
<b>Total Deferred Inflows of Resources</b>	<b>48,490,426</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>165,721</b>	<b>48,656,147</b>
<b>Fund Balances:</b>						
Nonspendable:						
Inventory	--	--	--	--	6,760	6,760
Prepays	1,323,047	--	--	1,350	240	1,324,637
Restricted for:						
American rescue plan	--	14,598	--	--	--	14,598
Law enforcement	--	--	--	4,045,787	--	4,045,787
Building	--	--	--	--	7,286,493	7,286,493
Public art	--	--	--	--	1,376,685	1,376,685
Transportation	--	--	--	--	1,749,957	1,749,957
Committed to:						
Hurricane/emergency and disaster Recovery operating reserves	10,000,000	--	--	--	--	10,000,000
Assigned to:						
Capital projects	--	--	15,275,362	--	--	15,275,362
Fiscal stability reserve	9,435,751	--	--	--	--	9,435,751
Unassigned:						
General Fund	55,648,320	--	--	--	--	55,648,320
<b>Total Fund Balances</b>	<b>76,407,118</b>	<b>14,598</b>	<b>15,275,362</b>	<b>4,047,137</b>	<b>10,420,135</b>	<b>106,164,350</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 127,801,800</b>	<b>\$ 914,598</b>	<b>\$ 16,129,942</b>	<b>\$ 4,475,777</b>	<b>\$ 12,785,791</b>	<b>\$ 162,107,908</b>

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

# CITY OF SUNNY ISLES BEACH, FLORIDA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

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**Fund Balances - Total Governmental Funds** \$ 106,164,350

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 available, spendable resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	\$ 314,368,404	
Less accumulated depreciation/amortization	<u>(59,313,408)</u>	255,054,996

Deferred outflows/inflows of resources related to defined benefit pension, OPEB plan, and debt refunding are reported in the statement of net position but are not reported in the governmental funds:

Deferred inflows related to debt refunding	(7,710)	
Deferred outflows related to OPEB	1,062,554	
Deferred inflows related to OPEB	(3,137,676)	
Deferred outflows related to pension	8,586,989	
Deferred inflows related to pension	<u>(1,298,101)</u>	5,206,056

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds and notes	(10,820,238)	
Accrued interest payable on long-term debt	(117,538)	
Total OPEB liability	(3,716,569)	
Net pension liability	(33,404,301)	
Leases (Right-of-use assets) acquired	(59,706)	
Subscriptions (Right-of-use assets) acquired	(1,054,112)	
Compensated absences	<u>(5,019,066)</u>	(54,191,530)

Certain revenues are considered deferred inflows in the governmental funds due to the availability of the funds; under full accrual accounting they are considered revenues.

165,721

**Net Position of Governmental Activities** \$ 312,399,593

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	American Rescue Plan Fund	General Capital Projects Fund	Law Enforcement Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Real and personal property taxes	\$ 26,375,504	\$ --	\$ --	\$ --	\$ --	\$ 26,375,504
Utility taxes	6,054,242	--	--	--	--	6,054,242
Franchise fees	3,780,100	--	--	--	--	3,780,100
Intergovernmental	3,261,743	4,574,905	--	--	1,796,281	9,632,929
Licenses and permits	823,278	--	--	--	3,131,901	3,955,179
Charges for services	7,737,976	--	313,774	--	39,956	8,091,706
Fines and forfeitures	934,334	--	--	48,516	--	982,850
Investment income	2,274,472	--	523,166	142,700	355,148	3,295,486
Miscellaneous	209,935	--	24,000	340	4,234	238,509
<b>Total Revenues</b>	<u>51,451,584</u>	<u>4,574,905</u>	<u>860,940</u>	<u>191,556</u>	<u>5,327,520</u>	<u>62,406,505</u>
<b>Expenditures:</b>						
Current:						
General government	7,625,100	8,879	--	--	4,307,596	11,941,575
Public safety	16,148,802	659,387	--	189,153	--	16,997,342
Physical environment	2,731,731	1,677,386	--	--	--	4,409,117
Cultural and human services	5,578,466	1,612,615	--	--	11,701	7,202,782
Transportation	--	--	--	--	2,346,493	2,346,493
Capital outlay	1,831,052	602,040	6,681,838	1,455,758	783,951	11,354,639
Debt service:						
Principal	3,346,107	--	--	--	5,090	3,351,197
Interest	481,747	--	--	--	594	482,341
<b>Total Expenditures</b>	<u>37,743,005</u>	<u>4,560,307</u>	<u>6,681,838</u>	<u>1,644,911</u>	<u>7,455,425</u>	<u>58,085,486</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>13,708,579</u>	<u>14,598</u>	<u>(5,820,898)</u>	<u>(1,453,355)</u>	<u>(2,127,905)</u>	<u>4,321,019</u>
<b>Other Financing Sources (Uses):</b>						
Proceeds from sale of capital assets	28,897	--	--	27,167	9,150	65,214
Insurance recoveries	130,061	--	--	28,667	--	158,728
Lease (right-of-use asset) acquired	22,648	--	--	--	--	22,648
Subscription acquired	1,425,425	--	--	--	21,072	1,446,497
Transfers in	--	--	108,477	--	500,000	608,477
Transfers out	(500,000)	--	--	--	(108,477)	(608,477)
<b>Total Other Financing Sources (Uses)</b>	<u>1,107,031</u>	<u>--</u>	<u>108,477</u>	<u>55,834</u>	<u>421,745</u>	<u>1,693,087</u>
<b>Net Change in Fund Balances</b>	<u>14,815,610</u>	<u>14,598</u>	<u>(5,712,421)</u>	<u>(1,397,521)</u>	<u>(1,706,160)</u>	<u>6,014,106</u>
<b>Fund Balances - Beginning</b>	<u>61,591,508</u>	<u>--</u>	<u>20,987,783</u>	<u>5,444,658</u>	<u>12,126,295</u>	<u>100,150,244</u>
<b>Fund Balances - Ending</b>	<u>\$ 76,407,118</u>	<u>\$ 14,598</u>	<u>\$ 15,275,362</u>	<u>\$ 4,047,137</u>	<u>\$ 10,420,135</u>	<u>\$ 106,164,350</u>

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

**CITY OF SUNNY ISLES BEACH, 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**

<b>Net Change in Governmental Funds</b>	\$	6,014,106
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$	11,354,639	
Capital outlay which did not meet the threshold for capitalization		(698,799)	
Loss of disposal in construction in progress		(137,565)	
Net book value of asset disposals		(38,241)	
Less depreciation/amortization expense		<u>(6,917,866)</u>	3,562,168

The issuance of long-term debt (e.g., bonds and notes, leases, etc.) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.

Principal payments		2,936,679	
Leases (Right-of-use assets)		(22,648)	
Leases (Right-of-use assets) payments		22,133	
Subscriptions (Right-of-use assets)		(1,446,497)	
Subscriptions (Right-of-use assets) payments		392,385	
Amortization of deferred gain on refunding		<u>56,758</u>	1,938,810

Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.

Accrued interest payable		31,492	
Net pension liability		(5,259,982)	
Total OPEB liability		(12,834)	
Compensated absences		<u>(575,870)</u>	(5,817,194)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

		<u>28,450</u>
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<b>Change in Net Position of Governmental Activities</b>	\$	<u><u>5,726,340</u></u>
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*The accompanying notes to basic financial statements are an integral part of these statements.*

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**STATEMENT OF NET POSITION -  
PROPRIETARY FUND**

**SEPTEMBER 30, 2023**

	<u>Stormwater Fund</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 1,475,387
Investments	1,128,718
Accounts receivable, net	126,822
Interest receivable	6,271
<b>Total Current Assets</b>	<u>2,737,198</u>
Noncurrent assets:	
Capital assets not being depreciated	781,994
Capital assets, net of accumulated depreciation	13,747,665
<b>Total Noncurrent Assets</b>	<u>14,529,659</u>
<b>Total Assets</b>	<u>17,266,857</u>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions	86,737
Deferred outflows related to OPEB	11,146
<b>Total Deferred Outflows of Resources</b>	<u>97,883</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	32,273
Accrued liabilities	13,114
Compensated absences, current portion	2,511
<b>Total Current Liabilities</b>	<u>47,898</u>
Noncurrent liabilities:	
Compensated absences	22,603
Total OPEB Liability	38,986
Net pension liability	337,417
<b>Total Noncurrent Liabilities</b>	<u>399,006</u>
<b>Total Liabilities</b>	<u>446,904</u>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows related to pensions	13,112
Deferred inflows related to OPEB	32,914
<b>Total Deferred Inflows of Resources</b>	<u>46,026</u>
<b>Net Position:</b>	
Net investment in capital assets	14,529,659
Unrestricted	2,342,151
<b>Total Net Position</b>	<u>\$ 16,871,810</u>

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
PROPRIETARY FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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	<u>Stormwater Fund</u>
<b>Operating revenues:</b>	
Charges for services	\$ 1,308,002
<b>Total Operating Revenues</b>	<u>1,308,002</u>
<b>Operating expenses:</b>	
Personnel services	373,821
Operating expenses	207,608
Depreciation	461,964
<b>Total Operating Expenses</b>	<u>1,043,393</u>
<b>Operating Income</b>	<u>264,609</u>
<b>Non-Operating Revenues (Expenses):</b>	
Intergovernmental	87,569
Investment income	61,199
Interest expense	(914)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>147,854</u>
<b>Change in Net Position</b>	412,463
<b>Net position - Beginning</b>	<u>16,459,347</u>
<b>Net position - Ending</b>	<u>\$ 16,871,810</u>

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Stormwater Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 1,494,540
Cash paid to suppliers for goods and services	(196,896)
Cash paid to employees for services	(293,615)
	1,004,029
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,004,029</b>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Intergovernmental	87,569
	87,569
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>87,569</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Interest paid on capital debt	(5,092)
Principal paid on capital debt	(241,224)
Acquisition and construction of capital assets	(198,323)
	(444,639)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(444,639)</b>
<b>Cash Flows from Investing Activities:</b>	
Unrealized loss on investments	61,199
Purchase of investments	(643,588)
	(582,389)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(582,389)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>64,570</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>1,410,817</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 1,475,387</b>
<b>Cash Flows from Operating Activities</b>	
Operating income	\$ 264,609
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by (used in) Operating Activities:</b>	
Depreciation	461,964
Changes in operating assets and liabilities and deferred inflows/outflows:	
(Increase) decrease in:	
Accounts receivable	190,960
Interest receivable	(4,422)
Deferred outflows related to pension	(18,623)
Deferred outflows related to OPEB	(1,882)
Increase (decrease) in:	
Accounts payable	10,712
Accrued liabilities	4,466
Compensated absences	7,091
Net pension liability	74,429
Deferred inflows related to pension	(2,675)
Deferred inflows related to OPEB	18,028
Total OPEB liability	(628)
	(628)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,004,029</b>

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

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sunny Isles Beach, Florida (the “City”) was incorporated on June 16, 1997. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture and recreation, public works and stormwater management. The basic financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for governmental accounting and financial reporting. The following is a summary of the City’s more significant policies.

#### ***A. FINANCIAL REPORTING ENTITY***

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

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. 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.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)*

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

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION*

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the current fiscal period end. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Revenues for expenditure-driven grants are recognized when the qualifying expenditures are incurred.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)*

Revenues for building permits are recognized as the required inspections are completed, or after the permit expires. Issued building permits requiring an inspection expire after 180 days of inactivity. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The American Rescue Plan Fund is used to account for the restricted funds provided by the American Rescue Plan Act of 2021, which were released by the U.S. Department of Treasury.
- The General Capital Projects Fund accounts for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds.
- The Law Enforcement Trust Fund is used to account for revenues received from federal, state and local law enforcement forfeitures and seizures, which are restricted for use for law enforcement purposes with no adopted budget.

The City reports the following major proprietary fund:

- The Stormwater Fund is used to account for the provision of stormwater maintenance and capital improvements to the residents and commerce of the City.

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

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)*

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, whose purpose has not been restricted to a specific program.

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 Stormwater Fund are charges to business and residential customers for stormwater system maintenance. Operating expenses report on the costs to maintain the stormwater system, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### *D. PROPERTY TAXES*

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the Miami-Dade County Property Appraiser and Miami-Dade County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide.

State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for the fiscal year ended September 30, 2023 was 2.0000 mills.

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

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

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *D. PROPERTY TAXES (CONTINUED)*

All real and tangible personal property taxes become payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due, and Miami-Dade County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2023.

#### *E. DEPOSITS AND INVESTMENTS*

Cash and cash equivalents include cash on hand, certificate of deposits and investments in U.S. Government Agencies. Income from investments is recorded as earned.

The City considers all highly liquid investments with a maturity of three months or less when purchased, to be cash and cash equivalents.

All investments are reported at fair value, which is based on quoted market prices.

#### *F. RECEIVABLES*

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund. There were no allowances for uncollectible receivables.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***G. LEASE RECEIVABLE***

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

#### ***H. PREPAIDS***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

#### ***I. INVENTORY***

All inventories are valued at cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

#### ***J. INTERFUND RECEIVABLES AND PAYABLES***

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portions of interfund loans). Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances."

#### ***K. CAPITAL ASSETS***

Capital assets, which include property, land, equipment, infrastructure assets (e.g., roads, bridges, sidewalks and similar items), intangible assets such as right-to-use assets (leases) and subscription arrangements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***K. CAPITAL ASSETS (CONTINUED)***

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

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

<u>Capital Asset Classes</u>	<u>Years</u>
Buildings	15 - 50 years
Improvements	10 - 20 years
Machinery and equipment	3 - 20 years
Infrastructure	15 - 100 years
Leases (right-to-use assets)	Through lease maturity
Subscription (right-to-use assets)	Through subscription maturity

The City reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during the current fiscal year.

***L. LEASE (RIGHT-TO-USE ASSETS)***

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

***M. SUBSCRIPTION (RIGHT-TO-USE ASSETS)***

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

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *N. COMPENSATED ABSENCES*

The City's policy is to permit employees to accumulate earned but unused sick, as well as vacation pay benefits, limited to certain maximums, based on length of service. For certain employees, the City also grants compensatory time. All vacation, sick and compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### *O. LONG-TERM OBLIGATIONS*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which doesn't significantly differ from the effective interest method. Discounts and premiums on bonds payable are presented as an adjustment of the face amount of bonds payable. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Bond issuance costs are reported as expenditures at issuance.

#### *P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category as deferred outflow of resources. An item related to the Employment Retirement System (Note 7) and an item related to the Other Post-Employment Benefits (Note 8).

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has five types of items that qualify for reporting in this category.



# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)*

The first type arises only under a modified accrual basis of accounting. Accordingly, this item, *unavailable revenues*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from transferred development rights, interest, and taxes.

These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item is an item related to leases. The fourth and fifth item are items related to the Employment Retirement System (Note 7) and the Other Post-Employment Benefits (Note 8), respectively.

#### *Q. NET POSITION*

Net position in the government-wide and the proprietary fund are categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, excluding unexpended proceeds, plus the net effect of capital asset related deferred outflow/inflow of resources.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations.

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

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***R. FUND BALANCE***

The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

#### ***Nonspendable***

This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventory and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

#### ***Restricted***

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

#### ***Committed***

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

#### ***Assigned***

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Commission has, by resolution, authorized the City Manager to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***R. FUND BALANCE (CONTINUED)***

##### ***Assigned (continued)***

Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

##### ***Unassigned***

This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### ***S. MINIMUM FUND BALANCE POLICY***

The City's policy is to maintain an adequate General Fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. The City Commission has adopted a financial policy to maintain a Hurricane/Emergency and Disaster Recovery Operating Reserve at a minimum level of \$10,000,000 and a Fiscal Stability Reserve of 25% of the General Fund operating expenditures which was implemented as of September 30, 2017.

#### ***T. USE OF ESTIMATES***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *IMPLEMENTATION OF NEW ACCOUNTING STANDARDS*

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. This Statement was implemented by the City for the fiscal year ended September 30, 2023; however, there was no impact to the City.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnerships (PPP) and provides guidance for accounting and financial reporting for availability payment arrangements (APA). The Statement provides specific guidance on the accounting and financial reporting for PPP and APA transactions. This Statement was implemented by the City for the fiscal year ended September 30, 2023; however, there was no impact to the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This Statement was implemented by the City for the fiscal year ended September 30, 2023.

GASB Statement No. 99, *Omnibus 2022*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including, but not limited to, 1) classification and reporting of derivative instruments within GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; 2) clarification of provisions in GASB Statement No. 87, *Leases*; 3) clarification of provisions in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and 4) clarification of provisions in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement was implemented by the City for the fiscal year ended September 30, 2023.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 2 – DEPOSITS AND INVESTMENTS

#### *DEPOSITS*

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

#### *INVESTMENTS*

As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City. Investments are made in accordance with provisions of the Florida Statutes and the City's by-laws. The City is authorized to invest in U.S. Government Securities, U.S. Government Agencies, interest-bearing time deposits or savings accounts, the Florida Local Government Surplus Funds Trust Fund, intergovernmental investment pools authorized by Florida Statutes, and registered money market mutual funds. Investments are carried at fair value, as determined by quoted market prices.

As of September 30, 2023, the City had the following investments:

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 to 5 Years	6 to 10 Years
Certificates of deposit	\$ 5,095,174	\$ 5,095,174	\$ --	\$ --
U.S. Government Agencies	<u>42,207,267</u>	<u>5,933,954</u>	<u>30,923,347</u>	<u>5,349,966</u>
Total	<u>\$ 47,302,441</u>	<u>\$ 11,029,128</u>	<u>\$ 30,923,347</u>	<u>\$ 5,349,966</u>

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INTEREST RATE RISK*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy minimizes interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing funds only in authorized securities. In addition, the City limits the length to maturity of any U.S. Government Security, U.S. Government Agency, or certificate of deposit to a maximum of 10 years.

#### *CREDIT RISK*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In accordance with the City's investment policy, the City minimizes credit risk by limiting investments to authorized securities and diversifying the portfolio on any investment below a AAA rating so that potential losses on individual securities will be minimized.

All U.S. Government Securities are explicitly guaranteed by the U.S. government and are not subject to credit risk. The U.S. Government Agency investments are rated AA+ by Standard and Poor's. Investments in certificates of deposit are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level.

#### *CONCENTRATION CREDIT RISK*

The City's investment policy does not limit its investments in any one issuer for U.S. Government Securities or Agencies, or registered money market mutual funds, except for Treasury Strips, which are limited to 10% of available funds. The City's investment policy does limit its investments in certificates of deposit, the Florida Local Government Surplus Funds Trust Fund and intergovernmental investment pools to 50% in any one issuer.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *CONCENTRATION CREDIT RISK (CONTINUED)*

GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (“GASB 40”), requires disclosure when the investment percent is 5% or more in any one issuer. Given the City’s restrictions, the following concentrations are not viewed to be an additional risk to the City:

<u>Investment Issuer</u>	<u>Fair Value</u>	<u>Issuer Percentage</u>
Certificates of deposit:		
US Century Bank	\$ 2,044,626	4.32%
First Horizon bank	3,050,548	6.45%
U.S. Government Agencies:		
Federal Home Loan Bank	17,871,967	37.78%
Federal Home Loan Mortgage Corp	10,933,674	23.11%
Federal Agricultural Mortgage Corp	1,939,687	4.10%
Federal Farm Credit Bank	11,461,939	24.23%
<b>Total</b>	<u><u>\$ 47,302,441</u></u>	<u><u>100.00%</u></u>

#### *CUSTODIAL CREDIT RISK*

GASB 40 requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City’s investment policy requires all securities, with the exception of certificates of deposit, to be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. Certificates of deposit issued by a local bank or savings and loan association may be held in safekeeping at that institution.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *FAIR VALUE MEASUREMENTS*

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value as follows:

Level 1 - Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.

Level 3 - Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

At September 30, 2023, the City had the following investments:

Investment by Level	Fair Value Measurements Using			
	Fair Value	Level 1	Level 2	Level 3
<b>Debt Securities</b>				
U.S. Government Agencies	\$ 42,207,267	\$ --	\$ 42,207,267	\$ --
<b>Total Debt Securities</b>	<u>42,207,267</u>	<u>--</u>	<u>42,207,267</u>	<u>--</u>
<b>Investments not subject to level disclosure</b>				
Certificate of deposit (exempt)	<u>5,095,174</u>			
<b>Total Investments</b>	<u>\$ 47,302,441</u>			

The City's U.S. Government Agencies and Securities are valued using the matrix pricing model (Level 2). Investments in certificates of deposit are exempt from GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), fair value hierarchy disclosures per paragraph 69 of GASB 72 and are valued at their amortized cost and any accrued interest on these investments.



**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – RECEIVABLES AND DUE FROM OTHER GOVERNMENTS**

***RECEIVABLES***

Receivables at September 30, 2023, were as follows:

	Taxes	Accounts	Other	Total
General Fund	\$ 1,624,905	\$ 20,855	\$ 379,525	\$ 2,025,285
General Capital Projects Fund	--	290,313	8,868	299,181
Street Maintenance and Construction Fund	363,764	--	6,722	370,486
Building Fund	--	5,827	--	5,827
Stormwater Fund	126,297	--	525	126,822
<b>Total</b>	<b>\$ 2,114,966</b>	<b>\$ 316,995</b>	<b>\$ 395,640</b>	<b>\$ 2,827,601</b>

***LEASE RECEIVABLE***

The City, as a lessor, has entered into 5 lease agreements which, as of September 30, 2023, have a remaining period that range from 59 months to 981 months. Effectively October 1, 2021, the City implemented GASB 87. An initial lease receivable was recorded in the amount of \$32,113,141. As of September 30, 2023, the value of the lease receivable is \$50,184,823. Required monthly fixed payments, from the lessees, range from \$3,250 to \$38,000. The value of the deferred inflow of resources as of September 30, 2023 was \$48,490,426 and the City recognized lease revenue of \$1,317,181 during the fiscal year. All lessees have extension options which range from 56 months to 480 months.

The following schedule represents the future principal and interest revenue to be received:

For the Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 45,757	\$ 937,647	\$ 983,404
2025	61,954	939,502	1,001,456
2026	96,407	941,193	1,037,600
2027	(56,296)	942,296	885,999
2028	(122,703)	944,493	821,790
2029 - 2033	(465,341)	4,751,522	4,286,181
2034 - 2038	2,564	4,768,971	4,771,534
2039 - 2043	607,563	4,731,945	5,339,508
2044 - 2048	1,303,012	4,631,785	5,934,796
2049 - 2053	1,923,568	4,463,457	6,387,026
Thereafter	46,788,339	24,244,920	71,033,259
<b>Total</b>	<b>\$50,184,823</b>	<b>\$52,297,730</b>	<b>\$102,482,553</b>

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

#### NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance *	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 96,985,232	\$ --	\$ --	\$ 96,985,232
Easements	488,130	--	--	488,130
Construction in progress	37,147,685	6,259,455	(1,777,245)	41,629,895
<b>Total Capital Assets Not Being Depreciated</b>	<u>134,621,047</u>	<u>6,259,455</u>	<u>(1,777,245)</u>	<u>139,103,257</u>
Capital assets being depreciated/amortized:				
Buildings	45,811,363	--	--	45,811,363
Improvements	8,534,165	578,911	(15,000)	9,098,076
Machinery and equipment	14,142,707	2,449,157	(603,847)	15,988,017
Infrastructure	101,287,227	1,531,892	--	102,819,119
Leases (right-to-use asset)	72,467	22,648	--	95,115
Subscriptions (right-to-use asset)	1,157,347	296,110	--	1,453,457
<b>Total Capital Assets Being Depreciated/Amortized</b>	<u>171,005,276</u>	<u>4,878,718</u>	<u>(618,847)</u>	<u>175,265,147</u>
Less accumulated depreciation/amortization:				
Buildings	(8,626,691)	(1,388,878)	--	(10,015,569)
Improvements	(5,637,451)	(486,086)	14,063	(6,109,474)
Machinery and equipment	(11,512,950)	(1,301,260)	566,542	(12,247,668)
Infrastructure	(27,185,992)	(3,398,974)	--	(30,584,966)
Leases (Right-of-use asset)	(13,064)	(22,603)	--	(35,667)
Subscriptions (Right-of-use asset)	--	(320,064)	--	(320,064)
<b>Total Accumulated Depreciation/Amortization</b>	<u>(52,976,148)</u>	<u>(6,917,865)</u>	<u>580,605</u>	<u>(59,313,408)</u>
<b>Total Capital Assets Being Depreciated</b>	<u>118,029,128</u>	<u>(2,039,147)</u>	<u>(38,242)</u>	<u>115,951,739</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 252,650,175</u>	<u>\$ 4,220,308</u>	<u>\$ (1,815,487)</u>	<u>\$ 255,054,996</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 622,128	\$ 159,866	\$ --	\$ 781,994
<b>Total Capital Assets Not Being Depreciated</b>	<u>622,128</u>	<u>159,866</u>	<u>--</u>	<u>781,994</u>
Capital assets being depreciated:				
Infrastructure	19,056,409	--	--	19,056,409
Machinery and equipment	502,075	38,457	--	540,532
<b>Total Capital Assets Being Depreciated</b>	<u>19,558,484</u>	<u>38,457</u>	<u>--</u>	<u>19,596,941</u>
Less Accumulated Depreciation for:				
Infrastructure	(4,975,139)	(419,678)	--	(5,394,817)
Machinery and equipment	(412,173)	(42,286)	--	(454,459)
<b>Total Accumulated Depreciation</b>	<u>(5,387,312)</u>	<u>(461,964)</u>	<u>--</u>	<u>(5,849,276)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>14,171,172</u>	<u>(423,507)</u>	<u>--</u>	<u>13,747,665</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 14,793,300</u>	<u>\$ (263,641)</u>	<u>\$ --</u>	<u>\$ 14,529,659</u>

\*Beginning balances as of October 1, 2022 were as a result of implementation of GASB 96.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

Depreciation/amortization expense was charged to functions/programs of the City as follows at September 30, 2023:

Governmental Activities:		
General government	\$	461,342
Public safety		817,379
Physical environment		3,330,995
Culture and human services		2,105,828
Transportation		<u>202,322</u>
<b>Total Depreciation/Amortization Expense - Governmental Activities</b>	<b>\$</b>	<b><u><u>6,917,866</u></u></b>
Business-type activities:		
Stormwater	\$	<u>461,964</u>
<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$</b>	<b><u><u>461,964</u></u></b>

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers at September 30, 2023 consisted of the following:

Transfer Out	Transfer In	Amount
General Fund	Street Maintenance and Construction Fund	\$ 500,000
Street Maintenance and Construction Fund	General Capital Projects Fund	<u>108,477</u>
<b>Total Transfers</b>		<b>\$ <u><u>608,477</u></u></b>

The transfer out from the General Fund to the Streets Maintenance and Construction Fund is to cover fund expenditures and increased costs for streets and transportation initiatives throughout the City. The transfer out from the Streets Maintenance and Construction fund to the Capital Projects fund is to transfer Citizen’s Independent Transportation Trust monies which will be used on capital projects related to transportation and pedestrian access improvements.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 6 – LONG-TERM LIABILITIES

#### *CHANGES IN LONG-TERM LIABILITIES*

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Revenue bonds	\$ 4,831,495	\$ --	\$ (1,811,792)	\$ 3,019,703	\$ 728,525
Note payable	8,925,422	--	(1,124,887)	7,800,535	1,170,734
<b>Total Bonds and Note Payable</b>	<u>13,756,917</u>	<u>--</u>	<u>(2,936,679)</u>	<u>10,820,238</u>	<u>1,899,259</u>
Total OPEB liability	5,060,733	--	(1,344,163)	3,716,570	--
Net pension liability	26,035,827	11,278,116	(3,909,642)	33,404,301	--
Compensated absences	4,443,196	5,019,066	(4,443,196)	5,019,066	501,907
Lease (right-to-use asset)	59,191	22,648	(22,133)	59,706	25,104
Subscriptions (right-to-use asset)	1,150,387	296,110	(392,385)	1,054,112	354,967
<b>Total Long-Term Liabilities</b>	<u>\$ 50,506,251</u>	<u>\$ 16,615,940</u>	<u>\$ (13,048,198)</u>	<u>\$ 54,073,993</u>	<u>\$ 2,781,237</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 241,224	\$ --	\$ (241,224)	\$ --	\$ --
<b>Total Bonds Payable</b>	<u>241,224</u>	<u>--</u>	<u>(241,224)</u>	<u>--</u>	<u>--</u>
Net pension liability	262,988	113,920	(39,491)	337,417	--
Total OPEB liability	39,614	--	(628)	38,986	--
Compensated absences	18,023	25,114	(18,023)	25,114	2,511
<b>Long-Term Liabilities</b>	<u>\$ 561,849</u>	<u>\$ 139,034</u>	<u>\$ (299,366)</u>	<u>\$ 401,517</u>	<u>\$ 2,511</u>

\*Beginning balance as of October 1, 2022 were adjusted as a result of implementation of GASB 96.

The liability for compensated absences, net pension liability and other postemployment benefit (“OPEB”) are liquidated by the General Fund.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

#### *GOVERNMENTAL ACTIVITIES*

##### ***Bank of America Promissory Note (Note Payable)***

On June 8, 2009, the City entered into a \$20,000,000 promissory note agreement with Bank of America to finance the purchase of land located within the City limits to convert the land into public parks. Principal and interest payments are due in equal quarterly installments of \$368,145 through July 1, 2029. The promissory note bears interest at a rate of 4.03%. The City covenants to budget and appropriate non-ad valorem revenues in amounts sufficient to pay the principal of and interest on the note.

The note contains provisions in the event of default of any payment due to the lender, written admission or inability to pay or filing a petition of bankruptcy, judgment of insolvency, or other similar events by the City, the lender may declare all obligations under this bond immediately due and payable.

##### ***2011 Series Capital Improvement Revenue and Revenue Refunding Bonds (Revenue Bonds)***

On November 10, 2011, the City issued the Capital Improvement Revenue and Revenue Refunding Bonds, Series 2011, in the amount of \$10,000,000. The bonds bear interest at 2.38% and mature in November 2026. Interest is payable semiannually on the first day of May and November. The bonds were issued to (1) finance a portion of the costs of development of City parklands, municipal garage and improvements to existing parks, (2) refund \$7,575,000 of outstanding 2001A Series Florida Municipal Loan Council Revenue, and (3) pay costs of issuance of the bonds. The City covenants to budget and appropriate non-ad valorem revenues in amounts sufficient to pay the principal of and interest on the bonds, and the bonds are further secured by a pledge of the half-cent sales tax. The Bond Indenture also requires the maintenance of a minimum debt service coverage ratio of 1.50:1.00.

The bond contains provisions in the event of default of any payment due to the lender, written admission or inability to pay or filing a petition of bankruptcy, judgment of insolvency, or other similar events by the City, the lender may declare all obligations under this bond immediately due and payable.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)**

***GOVERNMENTAL ACTIVITIES (CONTINUED)***

***2012 Series Capital Improvement Revenue Refunding Bonds (Revenue Bonds)***

On April 20, 2012, the City issued the Capital Improvement Revenue Refunding Bonds, Series 2012, in the amount \$10,000,000. The bonds bear interest at 2.43% and matured in November 2022. Interest is payable semiannually on the first day of May and November. The proceeds plus \$2,211,150 of City funds were used to refund \$11,510,000 of outstanding 2002C Series Florida Municipal Loan Council Revenue Bonds. The City covenants to budget and appropriate non-ad valorem revenues in amounts sufficient to pay the principal of and interest on the bonds.

The bond contains provisions in the event of default of any payment due to the lender, written admission or inability to pay or filing a petition of bankruptcy, judgment of insolvency, or other similar events by the City, the lender may declare all obligations under this bond immediately due and payable.

***BUSINESS-TYPE ACTIVITIES***

***2013 Series Stormwater Utility Revenue Refunding Bonds***

On April 22, 2013, the City issued the 2013 Series Stormwater Utility Revenue Refunding Bonds in the amount of \$4,450,000. The bonds bear interest at 1.82% and matured in February 2023. Interest is payable quarterly on the first day of February, May, August and November. The principal and interest are secured by a pledge of and lien on the stormwater utility fees. The Bond Indenture also requires the maintenance of a minimum debt service coverage ratio of 1.35:1.00.

Annual debt service requirements to maturity for revenue bonds and note payable are as follows:

<b>For the Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 1,899,259	\$ 379,993
2025	1,965,988	308,800
2026	2,034,363	236,044
2027	2,104,968	160,668
2028	1,378,140	94,440
2029	1,437,520	37,022
<b>Total</b>	<b>\$10,820,238</b>	<b>\$ 1,216,967</b>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)**

***PLEGGED REVENUES***

The City’s debt is collateralized by multiple sources. The following table provides the revenue pledged for each debt issuance, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2023:

<u>Debt Issue</u>	<u>Pledged Revenue</u>	<u>Revenue Received</u>	<u>Principal Interest Paid</u>	<u>Future Maturities Principal and Interest</u>	<u>Pledged Through</u>
<u>Governmental activities:</u>					
Bank of America Promissory note, and the 2012 Series Capital Improvement Revenue Refunding Bonds	Legally available non-ad valorem revenues	\$ 36,266,739	\$ 2,586,153	\$ 8,837,454	2029
2011 Series Capital Improvement Revenue Refunding Bonds	Half-cent sales tax	\$ 2,417,438	\$ 810,665	\$ 3,199,751	2027
<u>Business-type activities:</u>					
2013 Series Stormwater Utility Revenue Refunding Bonds	Stormwater utility fees	\$ 1,308,002	\$ 242,872	--	2023

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)**

***LEASES (RIGHT-TO-USE ASSETS)***

The City entered into 8 lease agreements as a Lessee which range in duration from 37 months to 48 months. The lease agreements qualify as other than a short-term lease under GASB 87 and; therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. An initial lease liability was recorded in the amount of \$95,115. As of September 30, 2023, the value of the lease liability is \$59,706. Principal and interest payments made during the fiscal year totaled \$22,986. Required monthly fixed payments range from approximately \$135 to \$609. The value of the leases (right-to-use assets) as of September 30, 2023 is \$95,115 with accumulated amortization of \$35,667.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, are as follows:

<b>For the Fiscal Year Ending</b>	<b>Governmental Activities</b>			
	<b>September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$	25,104	\$ 840	\$ 25,944
2025		18,731	514	19,245
2026		12,932	204	13,136
2027		2,939	19	2,958
<b>Total</b>	<b>\$</b>	<b>59,706</b>	<b>\$ 1,577</b>	<b>\$ 61,283</b>

***SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)***

The City entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term subscription arrangements under GASB 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception. An initial subscription liability was recorded in the amount of \$1,150,387. Subscription arrangements that began during the fiscal year totaled \$296,110. As of September 30, 2023, the value of the subscription (right-to-use asset) liability is \$1,054,112. Principal and interest payments made during the fiscal year totaled \$413,733. Required monthly fixed payments range from approximately \$47 to \$4,386. The value of the subscription arrangements as of September 30, 2023 is \$1,453,457 with accumulated amortization of \$320,064.



**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)**

***SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)***

The future minimum subscription obligations and the net present value of these minimum subscription payments as of September 30, 2023, are as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 354,967	\$ 32,393	\$ 387,360
2025	354,422	21,474	375,896
2026	301,050	10,483	311,533
2027	43,673	1,266	44,939
<b>Total</b>	<u>\$ 1,054,112</u>	<u>\$ 65,616</u>	<u>\$ 1,119,728</u>

**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM**

All regular, full-time employees are covered by: (1) the City’s 401(a) Plan, a defined contribution pension plan, administered by an independent agent, ICMA Retirement Corporation, and authorized by resolution, or (2) the Florida Retirement System (“FRS”), a cost-sharing, multiple-employer, public employee retirement system, through a defined benefit pension plan administered by the Department of Management Services Division of Retirement. All part-time employees and elected officials are also covered by the FRS Pension Plan. The City’s policy is to fund the annual pension costs in the annual budget. The City has no fiduciary responsibility for the plans.

***401(A)***

Under the City’s 401(a) Plan, City contributions and mandatory employee contributions, as a percentage of employee gross wages, were as follows for each employee group: General Employees - 11% and 4% and Management Officers - 11% and 6%, respectively. Vesting schedules for each employee group range from immediate vesting (100%) for Management Officers to full vesting over various periods of time through 3 years for general employees. Under the 401(a) Plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The total number of employees for each employee group under the 401(a) Plan as of September 30, 2023 was as follows: General Employees – 3 and Management Officers - 1.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***FLORIDA RETIREMENT SYSTEM***

On September 29, 2002, the City joined the FRS to provide retirement and survivor benefits to all eligible City employees. On this date, the employees had the option of making a one-time election of remaining in the 401(a) Plan or choosing the FRS. All eligible employees hired on or after September 30, 2002 were included in the FRS.

As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”), FRS Investment Plan (“Investment Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, by calling (877) 377-1737, or by visiting:

[https://www.dms.myflorida.com/workforce\\_operations/retirement/publications](https://www.dms.myflorida.com/workforce_operations/retirement/publications).

Net Pension Liability between both FRS and HIS plans totals are listed below:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net Pension Liability	\$ 25,458,602	\$ 8,283,116	\$ 33,741,718
Deferred Outflows of Resources	\$ 7,586,471	\$ 1,087,255	\$ 8,673,726
Deferred Inflows of Resources	\$ 574,011	\$ 737,202	\$ 1,311,213

The City’s aggregate pension expense was \$5,313,113 for the fiscal year ended September 30, 2023.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

#### *PENSION PLAN - FRS*

##### *Plan Description*

The Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

##### *Benefits Provided*

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation, based on the five highest years of salary for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service, or 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation, based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation, based on the five highest years of salary for each year of credited service.

Elected Officers’ class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation, based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65, or 33 years of service regardless of age, for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60, or 30 years of service regardless of age, for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

#### *PENSION PLAN – FRS (CONTINUED)*

##### *Benefits Provided (continued)*

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

##### *Contributions*

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates established by the Florida Legislature. These rates are updated as of July 1 each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular - 11.91% and 13.57%; Special Risk Administrative Support – 38.65% and 39.82%; Special Risk – 27.83% and 32.67%; Senior Management Service – 31.57% and 34.52%; Elected Officers’ – 57.00% and 58.68%; Retirees – 5.89% and 6.78%; and DROP participants – 18.60% and 21.13%. These employer contribution rates include 1.66% and 2.00% HIS Plan subsidy for the periods October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively.

The City’s contributions, including employee contributions, to the Pension Plan totaled \$4,486,895 for the fiscal year ended September 30, 2023.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***PENSION PLAN – FRS (CONTINUED)***

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

At September 30, 2023, the City reported a liability of \$25,458,602 for its proportionate share of the Pension 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 City’s proportion of the net pension liability was based on a projection of the City’s 2022-23 fiscal year contributions relative to the 2022-22 fiscal year contributions of all participating members. At June 30, 2023, the City’s proportion was .063891151%, which was an increase of .006635051% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$2,386,034. At September 30, 2023, the City reported 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>
Difference between expected and actual experience	\$ 2,390,343	\$ --
Change of assumption	1,659,603	--
Net difference between projected and actual earnings on pension plan investments	1,063,220	--
Changes in proportion and differences between City contributions and proportionate share of contributions	1,679,289	574,011
City contributions subsequent to the measurement date	<u>794,016</u>	<u>--</u>
<b>Total</b>	<u>\$ 7,586,471</u>	<u>\$ 574,011</u>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***PENSION PLAN – FRS (CONTINUED)***

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

Deferred outflows of resources related to FRS of \$794,016 resulting from City contributions subsequent to the measurement date of June 30, 2023 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 pension expense (income), as follows:

For the Fiscal Year Ended September 30,	Amount
2024	\$ 932,449
2025	(58,446)
2026	4,390,126
2027	733,927
2028	220,388
<b>Total</b>	<b><u>\$ 6,218,444</u></b>

Actuarial Assumptions – The total pension liability in the 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
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The most recent experience study for the FRS Pension Plan was completed as of September 30, 2020 for the period July 1, 2013 through June 30, 2018.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***PENSION PLAN – FRS (CONTINUED)***

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but, instead, was 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
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%
<b>Total</b>	<b>100%</b>			
Assumed Inflation - Mean			2.4%	1.4%

***Discount Rate***

The discount rate used to measure the total pension liability was 6.70%. The Pension 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.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***PENSION PLAN – FRS (CONTINUED)***

***Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability	\$ 43,488,476	\$ 25,458,602	\$ 10,374,455

***HIS PLAN***

***Plan Description***

The 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 State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

***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. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of eligible health insurance coverage, which may include Medicare.



# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)

#### *HIS PLAN (CONTINUED)*

##### *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 October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 2.00%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding four years. 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$67,797 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 City reported a liability of \$8,283,116 for its proportionate share of the HIS 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 City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the 2022-22 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was .052156298%, which was an increase of .00499679% from its proportionate share measured as of June 30, 2022.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***HIS PLAN (CONTINUED)***

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$2,927,079. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 121,259	\$ 19,442
Change of assumption	217,761	717,760
Net difference between projected and actual earnings on HIS Plan investments	4,278	--
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	648,854	--
City HIS Plan contributions subsequent to the measurement date	95,103	--
<b>Total</b>	<b>\$ 1,087,255</b>	<b>\$ 737,202</b>

Deferred outflows of resources related to HIS of \$95,103 resulting from City contributions subsequent to the measurement date of June 30, 2023 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 pension expense (income), as follows:

For the Fiscal Year Ended September 30,	Amount
2024	\$ 96,807
2025	99,711
2026	50,343
2027	(34,076)
2028	20,805
Thereafter	21,360
<b>Total</b>	<b>\$ 254,950</b>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – EMPLOYMENT RETIREMENT SYSTEM (CONTINUED)**

***HIS PLAN (CONTINUED)***

***Actuarial Assumptions***

The total pension liability in the July 1, 2022 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 rate	3.65%

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

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was increased from 3.54% to 3.65%.

***Discount Rate***

The discount rate used to measure the total pension liability was 3.65%. 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 City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate***

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's proportionate share of the net pension liability	\$ 9,449,742	\$ 8,283,116	\$ 7,316,061

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

#### *PLAN DESCRIPTION*

The City provides a single-employer, defined benefit, postemployment health insurance plan for employees and sworn officers. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and vision insurance benefits upon retirement. In addition, retired sworn police officers with 20 or more years of service with the City receive a \$500 a month stipend reduced to \$250 a month for two years once the retired sworn police officer reaches age 65. If the employee has other health insurance coverage, they are not eligible. The benefits of the plan conform with Florida Statutes, which is the legal authority for the plan. The plan has no assets and does not issue a separate financial report. The Plan operates on a pay-as-you-go basis.

#### *FUNDING POLICY AND ANNUAL OPEB COST*

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City for its active employees for coverage of the retirees and their dependents for the year, net of the retiree's own payments for the year.

The annual OPEB cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 15 years.

As of October 1, 2021, the City had 264 covered employees.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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#### NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

##### *CHANGES IN TOTAL OPEB LIABILITY*

The City's changes in Total OPEB liability for the fiscal year ended September 30, 2023 (measurement date was September 30, 2022), were as follows:

Service cost	\$	309,363
Interest		128,858
Difference between expected and actual experience of the Total OPEB liability		(19,208)
Changes of assumptions and other inputs		(1,587,248)
Other Changes		--
Benefit payments		<u>(176,557)</u>
 Net change in Total OPEB liability		 (1,344,792)
 <b>Total OPEB Liability - Beginning</b>		 <u>5,100,347</u>
 <b>Total OPEB Liability - Ending</b>		 <u><u>\$ 3,755,555</u></u>

**Total OPEB Liability, Expense and Deferred Outflow/Inflow of Resources:** For the fiscal year ended September 30, 2023, the City recognized a Total OPEB liability of \$3,755,555. For the fiscal year ended September 30, 2022, the City recognized an OPEB expense of \$28,353. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual	\$ 33,348	\$ 458,643
Change of assumption	<u>1,040,352</u>	<u>2,711,947</u>
<b>Total</b>	<u><u>\$ 1,073,700</u></u>	<u><u>\$ 3,170,590</u></u>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***CHANGES IN TOTAL OPEB LIABILITY (CONTINUED)***

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB income, as follows:

For the Fiscal Year Ended September 30,	Amount
2024	\$ (233,313)
2025	(233,313)
2026	(233,313)
2027	(233,313)
2028	(233,313)
Thereafter	(930,324)
<b>Total</b>	<b>\$ (2,096,889)</b>

***Interest Rate Sensitivity:*** The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability for the fiscal year ended September 30, 2023:

1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
\$ 4,122,822	\$ 3,755,555	\$ 3,427,371

***Healthcare Cost Trend Sensitivity:*** The following table illustrates the impact of healthcare cost trend sensitivity on the Total OPEB Liability for the fiscal year ended September 30, 2023:

1% Decrease 3.00% - 6.50%	Current Trend 4.00% - 7.50%	1% Increase 5.00% - 8.50%
\$ 3,422,542	\$ 3,755,555	\$ 4,151,579

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*FUNDED STATUS AND FUNDING PROGRESS*

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time.

*ACTUARIAL METHODS AND ASSUMPTIONS*

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

Actuarial valuation date	October 1, 2021
Inflation rate	2.50%
Salary increase rate	3.00%
Discount rate	4.77%
Initial trend rate	7.50%
Ultimate trend rate	4.00%
Years to ultimate	53

All mortality rates were based on the PUB-2010 mortality tables. All mortality rates are those outlined in the July 1, 2019 FRS valuation reports. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 9 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (“IRC”), Section 457. The plan, administered by the ICMA Retirement Corporation, available to all City employees, permits them to defer a portion of their salaries until future years. Participation in the plan is optional. The deferred compensation is generally not available to employees until termination, retirement, death or the hardship distribution criteria, as defined in IRC Section 457. The assets of the plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the basic financial statements.

### NOTE 10 – COMMITMENTS AND CONTINGENCIES

#### *LITIGATION*

The City is a defendant in various lawsuits, including personal injury, property damage and other miscellaneous claims. These legal proceedings are incidental to the City’s operations, the outcome of which, in the opinion of management and legal counsel, would not have a material adverse effect on the financial condition of the City.

#### *RISK MANAGEMENT*

The City 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 City purchases commercial insurance to cover the various risks. There were no reductions in insurance coverages from coverages in the prior year. There were no settled claims that have exceeded insurance coverage for each of the past three years.

#### *CONSTRUCTION COMMITMENTS*

The City has various pending, ongoing and future capital improvement projects. These projects primarily consist of the Golden Shores Utility Undergrounding and Drainage project, Transportation improvements, the Collins Avenue Utility Undergrounding project, Park and Pier improvements, and other drainage improvements. The remaining commitments on these projects are estimated to be \$2,053,000, \$135,000, \$356,000, \$1,055,000, \$292,000 and \$202,000, respectively.



# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### *GRANTS*

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

### NOTE 11 – JOINT VENTURE

On or about November 25, 2008, the City entered into a public/private partnership agreement with Dr. Robert Cornfeld, the owner of the Newport Hotel, to share design and construction costs to rebuild the entire Historic Newport Pier (the “Pier”), which was severely damaged by Hurricane Wilma in 2005. In accordance with the agreement, the City accepted ownership of the Pier by entering into the submerged land lease with the State of Florida to facilitate the construction of the Pier. The partnership agreement further provided that Dr. Cornfeld was required to contribute \$2 million for the design and construction costs of the Pier. Similarly, the City was required to contribute \$2 million for the design and construction costs of the Pier. Further, the agreement provides that the City would be responsible for any cost overruns that exceed the total contribution of \$4 million from both parties. The City and Dr. Cornfeld also agreed to split revenues on a 50/50 basis from leasing the restaurant to be constructed on the Pier. The 50/50 split would occur after the City was able to deduct operational expenses from the revenues.

On or about July 26, 2013, the City entered into a management agreement with American Federated Title Corp. (the “Corp”), a corporate entity affiliated with Dr. Cornfeld, to manage the Pier as it relates to admission of residents and visitors to the Pier. The management agreement provided the City with the right to determine Pier admission fees. The agreement was for five (5) years, with the option to renew the agreement for three (3) additional five (5) year terms, provided the Corp is not in default at the time of the renewal of the terms. The City has the right to terminate the management agreement at will. During fiscal year ended September 30, 2022, the management agreement with the Corp, described above, was amended. The City and the Corp agreed that any funds received from admission to the Pier would not be used to cover expenses, but would simply be split 50/50 between the parties. Each entity would be responsible for their own operational expenses. The City approved an amendment to the management agreement on November 16, 2023 to revise the Pier admission fees only, all other terms and conditions were kept the same.

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 11 – JOINT VENTURE (CONTINUED)

During the fiscal year ended September 30, 2014, the City entered into a sublease agreement with the Corp and Beach Bar @ Newport Pier, LLC (“Beach Bar”) whereby Beach Bar will sublease the entire leased premises consisting of the restaurant facility, bait shop, second floor of restaurant facility, and additional outdoor dining area on the premises. The initial term of the sublease is a ten (10) year term, with Beach Bar reserving the right to renew for four (4) additional terms of five (5) years. Beach Bar shall pay the City a base monthly rent of \$15,000, plus all applicable sales tax, with the base rent being subject to increase based on the Consumer Price Index. In addition to the base monthly rent, Beach Bar shall pay to Corp for each year of the sublease terms, as a percentage of rent, an amount equal to the amount of annual gross sales times the following applicable percentages:

\$ 00.00	-	\$ 2,000,000	5%
\$ 2,000,001	-	\$ 3,999,999	7.5%
\$ 4,000,000	-	\$ 5,000,000	10%
\$ 5,000,001	-	\$ 6,000,000	11%
\$ 6,000,001	-	\$ 7,000,000	12%
\$ 7,000,001	-	\$ 8,000,000	13%
\$ 8,000,001	-	\$ 9,000,000	14%
\$ 9,000,001	-	no limit	16%

The sublease agreement with the Corp and Beach Bar expired and was not renewed as of July 31, 2023.

On or about August 17, 2023, a new sublease agreement was entered into between the Corp (sublessor) and PRA Hospitality, LLC (“PRA”) (subtenant). The initial term of the sublease is a five (5) year term. PRA shall pay the City a base monthly rent of \$16,050, plus applicable sales tax with the base rent subject to increases based upon the Consumer Price Index. In addition to the base monthly rent, PRA shall pay to Corp for each year of the sublease terms, as a percentage of rent, an amount equal to 5% of all annual gross sales.

The foregoing agreements may be modified by the parties based on changes in circumstances.

The lease related activity is further discussed in Footnote 3 - Receivables and Due from Other Governments.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Real and personal property	\$ 26,185,411	\$ 26,185,411	\$ 26,375,504	\$ 190,093
Utility taxes:				
Electric	3,000,000	3,600,000	3,998,491	398,491
Telecommunication	720,000	720,000	802,138	82,138
Water	900,000	900,000	1,231,400	331,400
Gas	25,000	25,000	22,213	(2,787)
<b>Total Utility Taxes</b>	<u>4,645,000</u>	<u>5,245,000</u>	<u>6,054,242</u>	<u>809,242</u>
<b>Total Taxes</b>	<u>30,830,411</u>	<u>31,430,411</u>	<u>32,429,746</u>	<u>999,335</u>
<b>Franchise Fees</b>	<u>2,515,000</u>	<u>2,515,000</u>	<u>3,780,100</u>	<u>1,265,100</u>
Intergovernmental:				
State revenue sharing	587,735	587,735	754,806	167,071
Other state taxes	20,000	20,000	23,145	3,145
Federal, State and County grants	--	51,172	66,354	15,182
Half cent sales tax	1,972,795	1,972,795	2,417,438	444,643
<b>Total Intergovernmental</b>	<u>2,580,530</u>	<u>2,631,702</u>	<u>3,261,743</u>	<u>630,041</u>
<b>Licenses and Permits</b>	<u>654,000</u>	<u>657,200</u>	<u>823,278</u>	<u>166,078</u>
<b>Charges for Services</b>	<u>5,530,935</u>	<u>5,720,381</u>	<u>7,737,976</u>	<u>2,017,595</u>
<b>Fines and Forfeitures</b>	<u>772,000</u>	<u>785,965</u>	<u>934,334</u>	<u>148,369</u>
<b>Investment Income</b>	<u>165,000</u>	<u>1,610,000</u>	<u>2,274,472</u>	<u>664,472</u>
<b>Miscellaneous</b>	<u>266,375</u>	<u>266,375</u>	<u>209,935</u>	<u>(56,440)</u>
<b>Total Revenues</b>	<u>\$ 43,314,251</u>	<u>\$ 45,617,034</u>	<u>\$ 51,451,584</u>	<u>\$ 5,834,550</u>

(continued)

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Expenditures</b>				
Current:				
General government:				
City commission	\$ 398,680	\$ 529,268	\$ 386,162	\$ 143,106
City manager	832,127	862,974	657,096	205,878
Finance	1,284,585	1,318,766	745,147	573,619
Legal	500,000	537,675	209,448	328,227
City clerk	522,713	533,288	517,498	15,790
Human resources	1,641,469	1,071,840	1,015,393	56,447
Information technology	2,369,030	2,428,160	2,064,698	363,462
Media	1,180,870	1,197,254	649,398	547,856
Risk management	1,342,500	1,458,849	1,380,260	78,589
<b>Total General Government</b>	<u>10,071,974</u>	<u>9,938,074</u>	<u>7,625,100</u>	<u>2,312,974</u>
Public safety:				
Police	11,887,596	12,236,472	11,454,294	782,178
Ocean Rescue	2,711,602	2,739,035	2,582,255	156,780
Community development	2,579,345	2,775,906	2,112,253	663,653
<b>Total Public Safety</b>	<u>17,178,543</u>	<u>17,751,413</u>	<u>16,148,802</u>	<u>1,602,611</u>
Community services:				
Physical environment	4,450,315	3,565,319	2,731,731	833,588
Cultural and human services	8,091,041	6,856,656	5,578,466	1,278,190
<b>Total Community Services</b>	<u>12,541,356</u>	<u>10,421,975</u>	<u>8,310,197</u>	<u>2,111,778</u>
Debt service:				
Principal	2,928,843	2,936,679	3,346,107	(409,428)
Interest and fiscal charges	460,147	460,147	481,747	(21,600)
<b>Total Debt Service</b>	<u>3,388,990</u>	<u>3,396,826</u>	<u>3,827,854</u>	<u>(431,028)</u>
Capital outlay	1,280,375	1,404,050	1,831,052	(427,002)
<b>Total Expenditures</b>	<u>44,461,238</u>	<u>42,912,338</u>	<u>37,743,005</u>	<u>5,169,333</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,146,987)</u>	<u>2,704,696</u>	<u>13,708,579</u>	<u>11,003,883</u>
<b>Other Financing Sources (Uses):</b>				
Sale of property and equipment	25,000	25,000	28,897	3,897
Insurance recoveries	--	31,708	130,061	98,353
Lease (right-of-use asset) acquired	--	--	22,648	22,648
Subscriptions acquired	--	--	1,425,425	1,425,425
Appropriations of prior year reserves	(2,438,320)	282,382	--	(282,382)
Transfers in	4,560,307	106,214	--	(106,214)
Transfers out	(1,000,000)	(3,150,000)	(500,000)	2,650,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,146,987</u>	<u>(2,704,696)</u>	<u>1,107,031</u>	<u>3,811,727</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>14,815,610</u>	<u>\$ 14,815,610</u>
<b>Fund Balance - Beginning of Year</b>			<u>61,591,508</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 76,407,118</u>	

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - AMERICAN RESCUE PLAN FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ --	\$ 4,560,307	\$ 4,574,905	\$ 14,598
<b>Total Revenues</b>	<u>--</u>	<u>4,560,307</u>	<u>4,574,905</u>	<u>14,598</u>
<b>Expenditures:</b>				
General government	--	--	8,879	(8,879)
Public safety	--	430,000	659,387	(229,387)
Physical environment	--	1,500,000	1,677,386	(177,386)
Cultural and human services	--	1,557,093	1,612,615	(55,522)
Capital outlay	--	967,000	602,040	364,960
<b>Total Expenditures</b>	<u>--</u>	<u>4,454,093</u>	<u>4,560,307</u>	<u>(106,214)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>--</u>	<u>106,214</u>	<u>14,598</u>	<u>(91,616)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(4,560,307)	(106,214)	--	106,214
Appropriations of prior year's fund balance	<u>4,560,307</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>(106,214)</u>	<u>--</u>	<u>106,214</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>14,598</u>	<u>\$ 14,598</u>
<b>Fund Balance - Beginning of Year</b>			<u>--</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 14,598</u>	

# CITY OF SUNNY ISLES BEACH, FLORIDA

## NOTE TO BUDGETARY COMPARISON SCHEDULE

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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#### NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted for the General Fund, American Rescue Plan Fund, Street Maintenance and Construction Fund, Building Fund, General Capital Projects Fund, and the Public Art Trust Fund on a basis consistent with accounting principles generally accepted in the United States. The City follows these procedures in establishing the budgetary data reflected in the basic financial statements.

- a) The City Manager submits to the City Commission a proposed operating and capital budget for the ensuing fiscal year. The 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 an ordinance.
- d) The City Commission, by ordinance, may make supplemental appropriations for the year.
- e) Formal budgetary integration is employed as a management control device during the period for the General Fund.
- f) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department of a fund must be approved by the City Commission. The legal level of control at which expenditures may not legally exceed appropriations is at the department level.
- g) Encumbered appropriations lapse at fiscal year-end. Encumbered amounts are re-appropriated in the following year's budget.
- h) Budgeted amounts are as originally adopted or as amended.
- i) The net change in fund balance for actual amounts, represents the appropriations of prior year's fund balance that was utilized.

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 309,363	\$ 388,259	\$ 484,690	\$ 470,573	\$ 337,550	\$ 355,675
Interest	128,858	123,397	226,854	176,645	165,013	138,224
Differences Between Expected and Actual Experience	(19,208)	--	491,056	(634,900)	--	--
Benefits Payments	(176,557)	(169,735)	(125,741)	(117,515)	(78,469)	(58,820)
Assumption Changes	(1,587,248)	(703,944)	(1,368,823)	1,497,648	(136,879)	--
Other Changes	--	(160,002)	--	--	--	--
<b>Net Change in Total OPEB Liability</b>	<u>(1,344,792)</u>	<u>(522,025)</u>	<u>(291,964)</u>	<u>1,392,451</u>	<u>287,215</u>	<u>435,079</u>
<b>Total OPEB Liability (Beginning)</b>	<u>5,100,347</u>	<u>5,622,372</u>	<u>5,914,336</u>	<u>4,521,885</u>	<u>4,234,670</u>	<u>3,799,591</u>
<b>Total OPEB Liability (Ending)</b>	<u>\$ 3,755,555</u>	<u>\$ 5,100,347</u>	<u>\$ 5,622,372</u>	<u>\$ 5,914,336</u>	<u>\$ 4,521,885</u>	<u>\$ 4,234,670</u>
Covered-Employee Payroll at Measurement Period	<u>\$ 16,582,758</u>	<u>\$ 15,390,628</u>	<u>\$ 14,507,143</u>	<u>\$ 12,157,999</u>	<u>\$ 11,749,281</u>	<u>\$ 11,749,281</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	22.65%	33.14%	38.76%	48.65%	38.49%	36.04%

**Notes to Schedule:**

Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB liability, the discount rate is based on the S&P 20-year municipal bond rate published as of September 30, 2022.

**Changes in Assumptions**

A change in the discount rate from 2.43% in the prior reporting period to 4.77% for the current reporting period. Also reflected as assumption changes are updated health care costs and premiums.

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



**CITY OF SUNNY ISLES BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

**(UNAUDITED)**

<b>June 30,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City of Sunny Isles Beach's proportion of the net pension liability	0.063891151%	0.057256101%	0.058011151%	0.060856890%	0.059267773%	0.059740238%	0.057945094%	0.058090248%	0.053894033%	0.051133999%
City of Sunny Isles Beach's proportionate share of the net pension liability	\$ 25,458,602	\$ 21,303,871	\$ 4,382,083	\$ 26,376,273	\$ 20,410,996	\$ 17,994,069	\$ 17,139,770	\$ 14,667,833	\$ 6,961,137	\$ 3,119,926
City of Sunny Isles Beach's covered payroll	\$ 19,622,351	\$ 16,898,383	\$ 15,810,486	\$ 15,348,814	\$ 15,161,383	\$ 14,745,632	\$ 13,987,180	\$ 13,608,825	\$ 13,000,622	\$ 12,258,101
City of Sunny Isles Beach's proportionate share of the net pension liability as a percentage of its covered payroll	129.74%	126.07%	27.72%	171.85%	134.62%	122.03%	122.54%	107.78%	53.54%	25.45%
Plan fiduciary net position as a percentage of total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	92.00%	92.00%	96.09%

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

**(UNAUDITED)**

<b>June 30,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City of Sunny Isles Beach's proportion of the net pension liability	0.052156298%	0.047159501%	0.046730414%	0.046462988%	0.045544109%	0.044162719%	0.042122000%	0.041674824%	0.040376046%	0.038232292%
City of Sunny Isles Beach's proportionate share of the net pension liability	\$ 8,283,116	\$ 4,994,944	\$ 5,732,188	\$ 5,673,055	\$ 5,059,930	\$ 4,674,232	\$ 4,503,879	\$ 4,857,028	\$ 4,117,721	\$ 3,574,813
City of Sunny Isles Beach's covered payroll	\$ 19,622,351	\$ 16,898,383	\$ 15,810,486	\$ 15,348,814	\$ 15,161,383	\$ 14,745,632	\$ 13,987,180	\$ 13,608,825	\$ 13,000,622	\$ 12,258,101
City of Sunny Isles Beach's proportionate share of the net pension liability as a percentage of its covered payroll	42.2%	29.6%	36.26%	36.96%	33.37%	31.70%	32.20%	35.69%	31.67%	29.16%
Plan fiduciary net position as a percentage of total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

**(UNAUDITED)**

<b>September 30,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required City contribution	\$ 3,881,336	\$ 3,014,996	\$ 3,275,920	\$ 3,069,901	\$ 2,838,225	\$ 2,683,987	\$ 1,870,647	\$ 1,416,623	\$ 1,567,372	\$ 1,414,159
Contributions in relation to the contractually required contribution	<u>3,881,336</u>	<u>3,014,996</u>	<u>3,275,920</u>	<u>3,069,901</u>	<u>2,838,225</u>	<u>2,683,987</u>	<u>1,870,647</u>	<u>1,416,623</u>	<u>1,567,372</u>	<u>1,414,159</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City of Sunny Isles Beach's covered payroll	\$ 19,562,807	\$ 17,415,941	\$ 15,996,014	\$ 15,723,425	\$ 15,063,697	\$ 14,745,632	\$ 13,987,180	\$ 13,608,825	\$ 13,000,622	\$ 12,258,101
Contributions as a percentage of covered payroll	19.84%	17.31%	20.48%	19.52%	18.84%	18.20%	13.37%	10.41%	12.06%	11.54%

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS -**  
**RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**  
**(UNAUDITED)**

September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required City contribution	\$ 67,797	\$ 50,049	\$ 44,977	\$ 41,507	\$ 37,808	\$ 34,351	\$ 31,053	\$ 30,016	\$ 21,543	\$ 17,388
Contributions in relation to the contractually required contribution	<u>67,797</u>	<u>50,049</u>	<u>44,977</u>	<u>41,507</u>	<u>37,808</u>	<u>34,351</u>	<u>31,053</u>	<u>30,016</u>	<u>21,543</u>	<u>17,388</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City of Sunny Isles Beach's covered payroll	\$ 19,562,807	\$ 17,415,941	\$ 15,996,014	\$ 15,723,425	\$ 15,063,697	\$ 14,745,632	\$ 13,987,180	\$ 13,608,825	\$ 13,000,622	\$ 12,258,101
Contributions as a percentage of covered payroll	0.35%	0.29%	0.28%	0.26%	0.25%	0.23%	0.22%	0.22%	0.17%	0.14%

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

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**OTHER SUPPLEMENTARY INFORMATION**

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**CITY OF SUNNY ISLES BEACH, FLORIDA**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

	<b>Street Maintenance and Construction Fund</b>	<b>Building Fund</b>	<b>Public Art Trust Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,023,326	\$ 5,235,019	\$ 787,267	\$ 7,045,612
Investments	777,372	3,958,884	590,663	5,326,919
Receivables, net	370,486	5,827	--	376,313
Interest receivable	4,350	22,251	3,346	29,947
Inventory	6,760	--	--	6,760
Prepays	<u>120</u>	<u>120</u>	<u>--</u>	<u>240</u>
<b>Total Assets</b>	<b><u>\$ 2,182,414</u></b>	<b><u>\$ 9,222,101</u></b>	<b><u>\$ 1,381,276</u></b>	<b><u>\$ 12,785,791</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 218,160	\$ 93,560	4,481	\$ 316,201
Accrued liabilities	41,696	183,607	110	225,413
Unearned revenue	<u>--</u>	<u>1,658,321</u>	<u>--</u>	<u>1,658,321</u>
<b>Total Liabilities</b>	<b><u>259,856</u></b>	<b><u>1,935,488</u></b>	<b><u>4,591</u></b>	<b><u>2,199,935</u></b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - taxes	<u>165,721</u>	<u>--</u>	<u>--</u>	<u>165,721</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>165,721</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>165,721</u></b>
<b>Fund Balances:</b>				
Nonspendable:				
Inventory	6,760	--	--	6,760
Prepays	120	120	--	240
Restricted for:				
Building	--	7,286,493	--	7,286,493
Public art	--	--	1,376,685	1,376,685
Transportation	<u>1,749,957</u>	<u>--</u>	<u>--</u>	<u>1,749,957</u>
<b>Total Fund Balances</b>	<b><u>1,756,837</u></b>	<b><u>7,286,613</u></b>	<b><u>1,376,685</u></b>	<b><u>10,420,135</u></b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b><u>\$ 2,182,414</u></b>	<b><u>\$ 9,222,101</u></b>	<b><u>\$ 1,381,276</u></b>	<b><u>\$ 12,785,791</u></b>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Street Maintenance and Construction Fund</b>	<b>Building Fund</b>	<b>Public Art Trust Fund</b>	<b>Total</b>
<b>Revenues:</b>				
Intergovernmental	\$ 1,796,281	\$ --	\$ --	\$ 1,796,281
Licenses and permits	6,995	3,124,906	--	3,131,901
Charges for services	--	39,956	--	39,956
Investment income	56,868	258,894	39,386	355,148
Miscellaneous	4,227	7	--	4,234
<b>Total Revenues</b>	<b>1,864,371</b>	<b>3,423,763</b>	<b>39,386</b>	<b>5,327,520</b>
<b>Expenditures:</b>				
Current:				
General government	--	4,307,596	--	4,307,596
Cultural and human services	--	--	11,701	11,701
Transportation	2,346,493	--	--	2,346,493
Capital outlay	615,911	102,100	65,940	783,951
Debt service:				
Principal	--	5,090	--	5,090
Interest	--	594	--	594
<b>Total Expenditures</b>	<b>2,962,404</b>	<b>4,415,380</b>	<b>77,641</b>	<b>7,455,425</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,098,033)</b>	<b>(991,617)</b>	<b>(38,255)</b>	<b>(2,127,905)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	8,600	550	--	9,150
Subscription acquired	--	21,072	--	21,072
Transfers in	500,000	--	--	500,000
Transfers out	(108,477)	--	--	(108,477)
<b>Total Other Financing Sources (Uses)</b>	<b>400,123</b>	<b>21,622</b>	<b>--</b>	<b>421,745</b>
<b>Net Change in Fund Balances</b>	<b>(697,910)</b>	<b>(969,995)</b>	<b>(38,255)</b>	<b>(1,706,160)</b>
<b>Fund Balances - Beginning</b>	<b>2,454,747</b>	<b>8,256,608</b>	<b>1,414,940</b>	<b>12,126,295</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,756,837</b>	<b>\$ 7,286,613</b>	<b>\$ 1,376,685</b>	<b>\$ 10,420,135</b>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - STREET MAINTENANCE AND CONSTRUCTION FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 1,856,788	\$ 1,808,048	\$ 1,796,281	\$ (11,767)
Licenses and permits	1,000	1,000	6,995	5,995
Investment income	3,000	53,000	56,868	3,868
Miscellaneous revenue	<u>--</u>	<u>--</u>	<u>4,227</u>	<u>4,227</u>
<b>Total Revenues</b>	<u>1,860,788</u>	<u>1,862,048</u>	<u>1,864,371</u>	<u>2,323</u>
<b>Expenditures:</b>				
Transportation	2,529,393	2,672,010	2,346,493	325,517
Capital outlay	<u>141,500</u>	<u>828,700</u>	<u>615,911</u>	<u>212,789</u>
<b>Total Expenditures</b>	<u>2,670,893</u>	<u>3,500,710</u>	<u>2,962,404</u>	<u>538,306</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(810,105)</u>	<u>(1,638,662)</u>	<u>(1,098,033)</u>	<u>540,629</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	--	--	8,600	8,600
Transfers in	500,000	500,000	500,000	--
Transfers out	--	--	(108,477)	(108,477)
Appropriations of prior year's fund balance	<u>310,105</u>	<u>1,138,662</u>	<u>--</u>	<u>(1,138,662)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>810,105</u>	<u>1,638,662</u>	<u>400,123</u>	<u>(1,238,539)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (697,910)</u>	<u>\$ (697,910)</u>



**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - BUILDING FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues:</b>				
Licenses and permits	\$ 3,543,762	\$ 1,743,762	\$ 3,124,906	\$ 1,381,144
Charges for services	35,000	35,000	39,956	4,956
Investment income (loss)	20,000	220,000	258,894	38,894
Miscellaneous revenue	--	--	7	7
<b>Total Revenues</b>	<u>3,598,762</u>	<u>1,998,762</u>	<u>3,423,763</u>	<u>1,425,001</u>
<b>Expenditures:</b>				
General government	5,017,459	5,209,011	4,307,596	901,415
Capital outlay	235,500	236,166	102,100	134,066
Principal	--	--	5,090	(5,090)
Interest	--	--	594	(594)
<b>Total Expenditures</b>	<u>5,252,959</u>	<u>5,445,177</u>	<u>4,415,380</u>	<u>1,029,797</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,654,197)</u>	<u>(3,446,415)</u>	<u>(991,617)</u>	<u>2,454,798</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	--	--	550	550
Subscription acquired	--	--	21,072	21,072
Appropriations of prior year's fund balance	<u>1,654,197</u>	<u>3,446,415</u>	<u>--</u>	<u>(3,446,415)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,654,197</u>	<u>3,446,415</u>	<u>21,622</u>	<u>(3,424,793)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (969,995)</u>	<u>\$ (969,995)</u>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ --	\$ (2,000,000)
Charges for services	40,000	40,000	313,774	273,774
Investment income (loss)	70,000	470,000	523,166	53,166
Miscellaneous	--	--	24,000	24,000
<b>Total Revenues</b>	<u>2,110,000</u>	<u>2,510,000</u>	<u>860,940</u>	<u>(1,649,060)</u>
<b>Expenditures:</b>				
Capital outlay	<u>26,726,614</u>	<u>26,163,852</u>	<u>6,681,838</u>	<u>19,482,014</u>
<b>Total Expenditures</b>	<u>26,726,614</u>	<u>26,163,852</u>	<u>6,681,838</u>	<u>19,482,014</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(24,616,614)</u>	<u>(23,653,852)</u>	<u>(5,820,898)</u>	<u>17,832,954</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,785,000	3,035,000	108,477	(2,926,523)
Appropriations of prior year's fund balance	<u>22,831,614</u>	<u>20,618,852</u>	<u>--</u>	<u>(20,618,852)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>24,616,614</u>	<u>23,653,852</u>	<u>108,477</u>	<u>(23,545,375)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (5,712,421)</u>	<u>\$ (5,712,421)</u>

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - PUBLIC ART TRUST FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>Revenues:</b>				
Investment income (loss)	\$ 3,500	\$ 28,500	\$ 39,386	\$ 10,886
<b>Total Revenues</b>	<u>3,500</u>	<u>28,500</u>	<u>39,386</u>	<u>10,886</u>
<b>Expenditures:</b>				
Culture and human services	65,000	85,455	11,701	73,754
Capital outlay	<u>150,000</u>	<u>225,000</u>	<u>65,940</u>	<u>159,060</u>
<b>Total Expenditures</b>	<u>215,000</u>	<u>310,455</u>	<u>77,641</u>	<u>232,814</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(211,500)</u>	<u>(281,955)</u>	<u>(38,255)</u>	<u>243,700</u>
<b>Other Financing Sources (Uses):</b>				
Appropriations of prior year's fund balance	<u>211,500</u>	<u>281,955</u>	<u>--</u>	<u>(281,955)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>211,500</u>	<u>281,955</u>	<u>--</u>	<u>(281,955)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (38,255)</u>	<u>\$ (38,255)</u>

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## **STATISTICAL SECTION**

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# CITY OF SUNNY ISLES BEACH, FLORIDA

## STATISTICAL SECTION

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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This part of the City's ACFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

### Contents

**Financial Trends:** These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component  
Changes in Net Position  
Fund Balances of Governmental Funds  
Changes in Fund Balances of Governmental Funds  
General Governmental Tax Revenues by Source

**Revenue Capacity:** These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Assessed Value and Estimated Actual Value of Taxable Property  
Property Tax Rates  
Principal Property Taxpayers  
Property Tax Levies and Collections

**Debt Capacity:** These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type  
Direct and Overlapping Governmental Activities Debt  
Legal Debt Margin Information  
Pledged Revenue Coverage

**Demographic and Economic Information:** These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics  
Principal Employers

**Operating Information:** These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

Full-Time Equivalent City Government Employees by Function  
Operating Indicators by Function  
Capital Asset Statistics by Function

**City of Sunny Isles Beach, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Amounts Expressed in Thousands)**

	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 122,083	\$ 145,182	\$ 167,505	\$ 199,469
Restricted	11,126	11,709	13,006	13,425
Unrestricted	<u>28,634</u>	<u>26,418</u>	<u>32,269</u>	<u>33,175</u>
 Total governmental activities, net position	 <u>\$ 161,843</u>	 <u>\$ 183,309</u>	 <u>\$ 212,780</u>	 <u>\$ 246,069</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 12,536	\$ 12,845	\$ 13,994	\$ 14,013
Restricted	-	-	-	-
Unrestricted	<u>992</u>	<u>1,229</u>	<u>735</u>	<u>825</u>
 Total business-type activities, net position	 <u>\$ 13,528</u>	 <u>\$ 14,074</u>	 <u>\$ 14,729</u>	 <u>\$ 14,838</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 134,619	\$ 158,027	\$ 181,499	\$ 213,482
Restricted	11,126	11,709	13,006	13,425
Unrestricted	<u>29,626</u>	<u>27,647</u>	<u>33,004</u>	<u>34,000</u>
 Total primary government, net position	 <u>\$ 175,371</u>	 <u>\$ 197,383</u>	 <u>\$ 227,509</u>	 <u>\$ 260,907</u>

(1) Fiscal year 2014 unrestricted net assets have been restated due to implementation of GASB 68.

**Table 1**

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 205,859	\$ 209,918	\$ 219,796	\$ 221,698	\$ 237,385	\$ 242,686
14,091	15,220	15,886	16,922	17,563	14,474
<u>31,328</u>	<u>32,808</u>	<u>22,384</u>	<u>58,032</u>	<u>51,725</u>	<u>55,240</u>
<u>\$ 251,278</u>	<u>\$ 257,946</u>	<u>\$ 258,066</u>	<u>\$ 296,652</u>	<u>\$ 306,673</u>	<u>\$ 312,400</u>
\$ 13,985	\$ 13,960	\$ 14,261	\$ 14,451	\$ 14,552	\$ 14,530
-	-	-	-	-	-
<u>928</u>	<u>1,227</u>	<u>1,532</u>	<u>1,693</u>	<u>1,907</u>	<u>2,342</u>
<u>\$ 14,913</u>	<u>\$ 15,187</u>	<u>\$ 15,793</u>	<u>\$ 16,144</u>	<u>\$ 16,459</u>	<u>\$ 16,872</u>
\$ 219,844	\$ 223,878	\$ 234,057	\$ 236,149	\$ 251,937	\$ 257,216
14,091	15,220	15,886	16,922	17,563	14,474
<u>32,256</u>	<u>34,035</u>	<u>23,916</u>	<u>59,725</u>	<u>53,632</u>	<u>57,582</u>
<u>\$ 266,191</u>	<u>\$ 273,133</u>	<u>\$ 273,859</u>	<u>\$ 312,796</u>	<u>\$ 323,132</u>	<u>\$ 329,272</u>

**City of Sunny Isles Beach, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Amounts Expressed in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 7,845	\$ 8,304	\$ 8,747	\$ 9,684
Public safety	11,023	11,412	13,564	14,504
Physical Environment	3,671	4,550	3,168	4,038
Culture and human services	4,135	4,776	5,491	6,452
Transportation	1,551	1,512	2,201	1,796
Interest on long-term debt	1,549	1,446	1,301	1,165
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total governmental activities expenses	<u>\$ 29,774</u>	<u>\$ 32,000</u>	<u>\$ 34,472</u>	<u>\$ 37,639</u>
<b>Business-type activities:</b>				
Stormwater Management	\$ 729	\$ 884	\$ 883	\$ 989
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total business-type activities expenses	<u>729</u>	<u>884</u>	<u>883</u>	<u>989</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total primary government expenses	<u>\$ 30,503</u>	<u>\$ 32,884</u>	<u>\$ 35,355</u>	<u>\$ 38,628</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 8,944	\$ 19,587	\$ 29,578	\$ 34,255
Public Safety	778	1,137	975	1,004
Physical environment	-	-	-	-
Culture and human services	1,247	1,303	1,224	1,235
Operating grants and contributions	1,096	1,075	1,062	1,099
Capital grants and contributions	90	397	203	449
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total governmental activities program revenues	<u>\$ 12,155</u>	<u>\$ 23,499</u>	<u>\$ 33,042</u>	<u>\$ 38,042</u>
<b>Business-type activities:</b>				
Charges for services:				
Stormwater	\$ 976	\$ 997	\$ 969	\$ 1,005
Operating grants and contributions	84	86	85	88
Capital grants and contributions	-	321	179	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total business-type activities program revenues	<u>1,060</u>	<u>1,404</u>	<u>1,233</u>	<u>1,093</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total primary government program revenues	<u>\$ 13,215</u>	<u>\$ 24,903</u>	<u>\$ 34,275</u>	<u>\$ 39,135</u>



**Table 2**

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 10,332	\$ 10,358	\$ 10,709	\$ 9,430	\$ 11,475	\$ 13,833
14,287	15,012	16,066	13,795	15,377	20,977
5,574	5,414	6,692	5,671	8,379	8,379
7,915	8,985	9,081	7,034	10,420	10,419
1,729	2,112	2,524	2,353	2,372	2,835
819	726	644	554	529	451
<u>\$ 40,656</u>	<u>\$ 42,607</u>	<u>\$ 45,716</u>	<u>\$ 38,837</u>	<u>\$ 48,552</u>	<u>\$ 56,894</u>
\$ 1,021	\$ 978	\$ 922	\$ 850	\$ 917	\$ 1,044
<u>1,021</u>	<u>978</u>	<u>922</u>	<u>850</u>	<u>917</u>	<u>1,044</u>
<u>\$ 41,677</u>	<u>\$ 43,585</u>	<u>\$ 46,638</u>	<u>\$ 39,687</u>	<u>\$ 49,469</u>	<u>\$ 57,938</u>
\$ 8,534	\$ 9,172	\$ 7,742	\$ 33,959	\$ 12,427	\$ 9,774
1,047	1,207	1,550	1,593	1,829	1,977
-	-	-	-	-	-
1,533	1,380	834	302	807	1,071
1,411	1,440	1,106	1,241	7,219	6,241
1,067	97	-	1,233	-	-
<u>\$ 13,592</u>	<u>\$ 13,296</u>	<u>\$ 11,232</u>	<u>\$ 38,328</u>	<u>\$ 22,282</u>	<u>\$ 19,063</u>
\$ 1,004	\$ 1,032	\$ 1,043	\$ 1,085	\$ 1,176	\$ 1,308
86	86	75	78	-	-
-	-	265	35	-	-
<u>1,090</u>	<u>1,118</u>	<u>1,383</u>	<u>1,198</u>	<u>1,176</u>	<u>1,308</u>
<u>\$ 14,682</u>	<u>\$ 14,414</u>	<u>\$ 12,615</u>	<u>\$ 39,526</u>	<u>\$ 23,458</u>	<u>\$ 20,371</u>

**City of Sunny Isles Beach, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Amounts Expressed in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (17,619)	\$ (8,501)	\$ (1,430)	\$ (24,993)
Business-type activities	331	520	350	105
	<u>331</u>	<u>520</u>	<u>350</u>	<u>105</u>
Total primary government net expenses	<u>\$ (17,288)</u>	<u>\$ (7,981)</u>	<u>\$ (1,080)</u>	<u>\$ (24,888)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental activities:</b>				
Taxes:				
Property taxes	\$ 17,906	\$ 19,186	\$ 20,789	\$ 23,082
Utility taxes	4,381	4,376	4,462	4,490
Franchise taxes	1,285	1,340	1,364	1,260
Impact fees	301	729	888	809
Intergovernmental	2,031	2,162	2,239	2,265
Investment income (loss)	1,559	1,564	1,047	658
Miscellaneous	404	606	336	277
Gain on disposal of capital assets	66	4	76	46
Transfers	-	-	(300)	-
	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>-</u>
Total governmental activities	<u>\$ 27,933</u>	<u>\$ 29,967</u>	<u>\$ 30,901</u>	<u>\$ 32,887</u>
<b>Business-type activities:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	25	26	5	5
Miscellaneous	-	-	-	-
Transfers	-	-	300	-
	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>
Total business-type activities	<u>25</u>	<u>26</u>	<u>305</u>	<u>5</u>
Total primary government	<u>\$ 27,958</u>	<u>\$ 29,993</u>	<u>\$ 31,206</u>	<u>\$ 32,892</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 10,314	\$ 21,466	\$ 29,471	\$ 33,290
Business-type activities	356	546	655	109
	<u>356</u>	<u>546</u>	<u>655</u>	<u>109</u>
Total primary government	<u>\$ 10,670</u>	<u>\$ 22,012</u>	<u>\$ 30,126</u>	<u>\$ 33,399</u>

- (1) The increase in the total primary government's changes in net position in fiscal year 2023 is explained in the Management's Discussion and Analysis.

**Table 2**

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ (27,908)	\$ (28,890)	\$ (33,922)	\$ (375)	\$ (26,269)	\$ (37,831)
69	140	461	350	259	264
<u>\$ (27,839)</u>	<u>\$ (28,750)</u>	<u>\$ (33,461)</u>	<u>\$ (25)</u>	<u>\$ (26,010)</u>	<u>\$ (37,567)</u>
\$ 24,292	\$ 23,438	\$ 23,878	\$ 24,875	\$ 25,100	\$ 26,376
4,569	4,550	4,469	5,262	5,403	6,054
1,545	1,480	1,295	2,774	3,340	3,780
5	421	563	134	12	13
2,395	2,722	2,373	4,817	3,622	3,606
590	3,073	1,782	660	(1,745)	3,295
528	301	316	510	544	406
37	95	57	63	15	27
-	(100)	(128)	-	-	-
<u>\$ 33,961</u>	<u>\$ 35,980</u>	<u>\$ 34,605</u>	<u>\$ 39,095</u>	<u>\$ 36,291</u>	<u>\$ 43,557</u>
\$ -	\$ -	\$ -	\$ -	\$ 86	\$ 88
7	33	17	1	(30)	61
-	-	-	-	-	-
-	100	128	-	-	-
<u>7</u>	<u>133</u>	<u>145</u>	<u>1</u>	<u>56</u>	<u>149</u>
<u>\$ 33,968</u>	<u>\$ 36,113</u>	<u>\$ 34,750</u>	<u>\$ 39,096</u>	<u>\$ 36,347</u>	<u>\$ 43,706</u>
\$ 6,897	\$ 6,669	\$ 119	\$ 38,586	\$ 10,021	\$ 5,726
76	273	607	351	315	412
<u>\$ 6,973</u>	<u>\$ 6,942</u>	<u>\$ 726</u>	<u>\$ 38,937</u>	<u>\$ 10,336</u>	<u>\$ 6,138 (1)</u>

**City of Sunny Isles Beach, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Amounts Expressed in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>				
Committed to:				
Hurricane/Emergency and Disaster recovery operating reserves	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Non-spendable:				
Prepays	24	37	1,120	869
Assigned to:				
Fiscal stability reserve	-	-	-	-
Unassigned	<u>9,182</u>	<u>12,066</u>	<u>17,867</u>	<u>8,354</u>
 Total General Fund	 <u>\$ 19,206</u>	 <u>\$ 22,103</u>	 <u>\$ 28,987</u>	 <u>\$ 19,223</u>
 <b>All other governmental funds</b>				
Restricted for:				
Law enforcement	\$ 9,242	\$ 8,435	\$ 8,081	\$ 6,979
Capital improvements	-	-	-	-
Building	865	2,311	3,648	5,231
Public art	-	34	66	78
Transportation	375	929	1,210	1,137
Assigned to:				
Subsequent year's budget	724	-	-	-
Capital projects	22,992	18,391	19,018	33,012
Non-spendable:				
Inventory	3	4	1	4
Prepays	-	-	-	-
Long-term receivables	859	859	438	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	 <u>\$ 35,060</u>	 <u>\$ 30,963</u>	 <u>\$ 32,462</u>	 <u>\$ 46,441</u>

**Table 3**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
580	664	648	739	1,235	1,323
-	-	-	-	7,944	9,436
<u>16,599</u>	<u>24,024</u>	<u>29,325</u>	<u>39,565</u>	<u>42,412</u>	<u>55,648</u>
<u>\$ 27,179</u>	<u>\$ 34,688</u>	<u>\$ 39,973</u>	<u>\$ 50,304</u>	<u>\$ 61,591</u>	<u>\$ 76,407</u>
\$ 6,704	\$ 6,470	\$ 6,267	\$ 6,176	\$ 5,443	\$ 4,046
-	-	-	-	-	-
5,861	6,821	7,436	8,433	8,257	-
345	338	1,647	1,534	1,415	7,286
1,181	1,591	536	779	2,448	1,377
-	-	-	-	-	1,750
27,570	24,872	14,586	38,056	20,988	-
4	3	2	17	6	15,275
-	-	-	-	2	7
-	-	-	-	-	2
-	-	-	-	-	-
<u>\$ 41,665</u>	<u>\$ 40,095</u>	<u>\$ 30,474</u>	<u>\$ 54,995</u>	<u>\$ 38,559</u>	<u>\$ 29,758</u>

**City of Sunny Isles Beach, Florida**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Amounts Expressed in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>				
Real and personal property taxes	\$ 17,907	\$ 19,186	\$ 20,792	\$ 23,064
Utility taxes	4,381	4,303	4,462	4,490
Franchise fees	1,285	1,340	1,364	1,260
Impact fees	3,123	12,826	22,204	26,375
Intergovernmental revenues	3,128	3,612	3,507	3,829
Licenses and permits	4,012	4,600	5,244	5,250
Charges for services	3,899	4,034	4,419	4,754
Fines and forfeitures	415	575	466	334
Investment income (loss)	1,420	1,725	1,167	658
Miscellaneous revenues	815	1,337	870	987
	<u>40,385</u>	<u>53,538</u>	<u>64,495</u>	<u>71,001</u>
<b>Expenditures</b>				
General government	7,448	7,968	8,183	9,070
Public safety	10,264	10,908	11,402	11,713
Physical environment	1,726	1,717	1,304	1,910
Culture and human services	4,023	4,529	4,884	5,690
Transportation	1,538	1,522	1,570	1,492
Capital outlay	14,517	23,422	23,812	23,024
Debt service				
Principal	3,121	3,223	3,324	12,622
Interest and fiscal charges	1,636	1,535	1,433	1,345
	<u>44,273</u>	<u>54,824</u>	<u>55,912</u>	<u>66,866</u>
Excess (deficiency) of revenues over expenditures	<u>(3,888)</u>	<u>(1,286)</u>	<u>8,583</u>	<u>4,135</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	66	4	55	46
Insurance recoveries	30	81	46	35
Contributions	-	-	-	-
Lease (right-of-use asset) acquired	-	-	-	-
Subscriptions acquired	-	-	-	-
Transfers in	3,894	3,681	843	8,271
Transfers out	<u>(3,894)</u>	<u>(3,681)</u>	<u>(1,143)</u>	<u>(8,271)</u>
Total other financing sources (uses)	<u>96</u>	<u>85</u>	<u>(199)</u>	<u>81</u>
Net change in fund balance	<u>(3,792)</u>	<u>(1,201)</u>	<u>8,384</u>	<u>4,216</u>
Debt service as a percentage of noncapital expenditures	15.9%	15.1%	14.8%	31.9%

(1) Impact Fees starting with fiscal year 2019 are classified under Charges for Services.

(2) The following calculation excludes capital outlay that was not capitalized.

**Table 4**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	24,281	\$ 23,512	\$ 23,881	\$ 24,775	\$ 25,100	\$ 26,376
	4,569	4,550	4,469	5,262	5,404	6,054
	1,545	1,480	1,295	2,774	3,340	3,780
	762	-	-	-	-	- (1)
	4,605	4,059	3,416	7,208	10,576	9,633
	4,556	5,194	4,977	5,180	4,720	3,955
	4,586	5,850	4,736	29,653	9,975	8,092 (1)
	705	634	588	687	1,145	983
	590	3,073	1,782	660	(1,745)	3,295
	1,132	1,033	691	1,009	496	239
	<u>47,331</u>	<u>49,385</u>	<u>45,835</u>	<u>77,208</u>	<u>59,011</u>	<u>62,407</u>
	9,046	9,491	9,319	9,591	11,165	11,942
	12,236	12,661	12,992	13,458	14,281	16,997
	2,067	2,185	2,363	2,521	3,260	4,409
	6,677	7,155	6,764	6,284	7,430	7,203
	1,542	1,633	1,847	1,753	2,074	2,346
	9,136	6,936	13,480	5,457	22,708	11,355
	2,539	2,607	2,681	2,765	2,863	3,351
	850	811	729	641	552	482
	<u>44,093</u>	<u>43,479</u>	<u>50,175</u>	<u>42,470</u>	<u>64,333</u>	<u>58,085</u>
	<u>3,238</u>	<u>5,906</u>	<u>(4,340)</u>	<u>34,738</u>	<u>(5,322)</u>	<u>4,322</u>
	37	96	57	63	62	65
	107	36	75	51	39	159
	(200)	-	-	-	-	-
	-	-	-	-	72	23
	-	-	-	-	-	1,446
	601	1,144	1,212	1,270	1,579	608
	(601)	(1,244)	(1,340)	(1,270)	(1,579)	(608)
	<u>(56)</u>	<u>32</u>	<u>4</u>	<u>114</u>	<u>173</u>	<u>1,693</u>
	3,182	5,938	(4,336)	34,852	(5,149)	6,015
	9.7%	9.4%	9.3%	9.1%	8.1%	8.1% (2)

**City of Sunny Isles Beach, Florida**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Amounts Expressed in Thousands)**

**Table 5**

<b>Fiscal Year Ended September 30,</b>	<b>Property Taxes</b>	<b>Local Option Gas Tax</b>	<b>Utility Taxes</b>	<b>Franchise Fees</b>	<b>Total</b>
2014	\$ 17,907	\$ 214	\$ 4,381	\$ 1,285	\$ 23,787
2015	19,186	222	4,303	1,340	25,051
2016	20,792	220	4,462	1,364	26,838
2017	23,064	228	4,490	1,260	29,042
2018	24,281	223	4,569	1,545	30,618
2019	23,512	225	4,550	1,480	29,767
2020	23,881	199	4,469	1,295	29,844
2021	24,775	209	5,262	2,774	33,020
2022	25,100	227	5,404	3,340	34,071
2023	26,376	232	6,054	3,780	36,442



**City of Sunny Isles Beach, Florida**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

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<b>Fiscal Year Ended September 30,</b>	<b>Estimated Actual Value</b>			<b>Assessment Reductions</b>
	<b>Real Property</b>	<b>Personal Property</b>	<b>Total</b>	
2014	\$ 8,322,026,705	\$ 79,320,111	\$ 8,401,346,816	\$ 1,173,050,570
2015	9,945,175,461	73,814,320	10,018,989,781	1,956,569,243
2016	11,199,576,151	70,606,300	11,270,182,451	2,098,347,422
2017	12,233,962,798	75,870,088	12,309,832,886	1,995,380,305
2018	12,800,344,529	79,644,983	12,879,989,512	1,410,925,588
2019	12,132,420,239	94,330,403	12,226,750,642	965,610,914
2020	12,765,117,248	98,161,781	12,863,279,029	938,304,561
2021	12,367,495,507	105,954,121	12,473,449,628	581,417,469
2022	13,509,761,737	104,607,977	13,614,369,714	592,936,803
2023	15,354,036,419	109,142,506	15,463,178,925	1,443,401,963

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

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

Table 6

	<b>Assessed Valuation</b>	<b>Less: Tax Exemption</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Taxable Value as a Percentage of Estimated Actual Value</b>
\$	7,228,296,246	\$ 330,231,037	\$ 6,898,065,209	2.7000	82.11%
	8,062,420,538	339,179,322	7,723,241,216	2.6000	77.09%
	9,171,835,029	332,464,180	8,839,370,849	2.5000	78.43%
	10,314,452,581	345,576,798	9,968,875,783	2.4000	80.98%
	11,469,063,924	356,429,493	11,112,634,431	2.3000	86.28%
	11,261,139,728	372,339,928	10,888,799,800	2.2000	89.06%
	11,924,974,468	364,654,289	11,560,320,179	2.2000	89.87%
	11,892,032,159	369,313,087	11,522,719,072	2.2000	92.38%
	13,021,432,911	377,797,353	12,643,635,558	2.1000	92.87%
	14,019,776,962	400,248,473	13,619,528,489	2.0000	88.08%

**City of Sunny Isles Beach, Florida**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Roll Year	City of Sunny Isles Beach			Miami-Dade County			School District		
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage
2014	2013	2.7000	-	2.7000	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770
2015	2014	2.6000	-	2.6000	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740
2016	2015	2.5000	-	2.5000	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120
2017	2016	2.4000	-	2.4000	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220
2018	2017	2.3000	-	2.3000	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940
2019	2018	2.2000	-	2.2000	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330
2020	2019	2.2000	-	2.2000	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480
2021	2020	2.2000	-	2.2000	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290
2022	2021	2.1000	-	2.1000	4.6669	0.5075	5.1744	6.8290	0.1800	7.0090
2023	2022	2.0000	-	2.0000	4.6202	0.4853	5.1055	6.4240	0.1650	6.5890

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

Table 7

**Overlapping Rates**

Everglades Project	State				Special Districts				Total District's Millage	Total Direct and Overlapping Rates
	South Florida Water Management District	Florida Inland Navigation District	Okeechobee Basin	Total State Millage	Children's Trust	Fire and Rescue	Fire Debt	Library		
0.0587	0.3523	0.0345	0.0345	0.4800	0.5000	2.4496	0.0127	0.1725	3.1348	19.4173
0.0548	0.1577	0.0345	0.0345	0.2815	0.5000	2.4207	0.0114	0.2840	3.2161	19.1885
0.0506	0.1459	0.0320	0.1586	0.3871	0.5000	2.4207	0.0086	0.2840	3.2133	18.8293
0.0471	0.1359	0.0320	0.1477	0.3627	0.5000	2.4207	0.0075	0.2840	3.2122	18.3638
0.0441	0.1275	0.0320	0.1384	0.3420	0.4673	2.4207	0.0075	0.2840	3.1795	17.8824
0.0417	0.1209	0.0320	0.1310	0.3256	0.4415	2.4207	-	0.2840	3.1462	17.5361
0.0397	0.1152	0.0320	0.1246	0.3115	0.4680	2.4207	-	0.2840	3.1727	17.9771
0.0380	0.1103	0.0320	0.1192	0.2995	0.4507	2.4207	-	0.2840	3.1554	17.9288
0.0365	0.1061	0.0320	0.1146	0.2892	0.5000	2.4207	-	0.2840	3.2047	17.7773
0.0327	0.0948	0.0320	0.1026	0.2621	0.5000	2.3965	-	0.2812	3.1777	17.1343

**City of Sunny Isles Beach, Florida  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Amounts Expressed in Thousands)**

<b>Taxpayer</b>	<b>2023</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
A3 Amenities LLC	\$ 149,806	1	1.1%
Intercoastal Yacht Club LLC	132,545	2	1.0%
La Playa Beach Associates LLC	122,250	3	0.9%
Beach Place Lincoln Spe LLC	87,700	4	0.6%
Dezer Blue Grass LLC	47,051	5	0.4%
Dezer Hotel Management LTD	44,363	6	0.3%
Century Towers Association	42,630	7	0.3%
Gables Investors Inc.	35,001	8	0.3%
Publix Super Mkts Inc.	34,994	9	0.3%
18100 Collins Ave Shopping Center	28,530	10	0.2%
<b>Totals</b>	<b>\$ 724,870</b>		<b>5.3%</b>

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

**Table 8**

<b>Taxpayer</b>	<b>2014</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Intercoastal Yacht Club LLC	\$ 82,710	1	1.3%
Sunny Isles Beach Associates LLC	47,172	2	0.8%
18555 Developers LLC	35,999	3	0.6%
Century Towers Association	35,075	4	0.6%
TB Ocean Club Land LLC	32,961	5	0.5%
Florida Power & Light Company	32,163	6	0.5%
Westgate Miami Beach LTD	28,178	7	0.5%
JTC15 Sunny Isles LP	28,061	8	0.5%
Gilco Realty LC & M&R LLC	25,877	9	0.4%
LPLA Partners LP	24,365	10	0.4%
	<u>\$ 372,561</u>		<u>6.1%</u>

**City of Sunny Isles Beach, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 9**

<b>Fiscal Year</b>	<b>Total Tax Levy (1)</b>	<b>Current Taxes Collections</b>	<b>Percentage Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percentage of Total Tax Collections to Tax Levy</b>
2014	\$ 18,188,192	\$ 17,190,326	94.51%	\$ 732,192	\$ 17,922,518	98.54%
2015	19,655,961	18,682,752	95.05%	503,417	19,186,169	97.61%
2016	21,733,646	20,583,693	94.71%	208,208	20,791,901	95.67%
2017	23,925,302	22,428,777	93.75%	635,194	23,063,971	96.40%
2018	24,248,897	23,416,494	96.57%	864,296	24,280,789	100.13%
2019	23,241,919	22,281,198	95.87%	1,230,586	23,511,784	101.16%
2020	24,178,156	22,592,546	93.44%	1,288,730	23,881,276	98.77%
2021	24,903,420	23,561,147	94.61%	1,213,506	24,774,653	99.48%
2022	25,208,506	24,088,320	95.56%	1,011,882	25,100,202	99.57%
2023	26,185,411	25,393,282	96.97%	982,222	26,375,504	100.73%

Source: Miami-Dade County, Tax Collector's Office and the City of Sunny Isles Beach.

(1) Tax levy, net of discount

**City of Sunny Isles Beach, Florida**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Amounts expressed in thousands, except per capita amount)**

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Fiscal Year	Governmental Activities			
	General Obligation Bonds	Revenue Bonds	Promissory Note	Leases (Right-to-use Assets)
2014	\$ -	\$ 29,917	\$ 16,450	\$ -
2015	-	27,508	15,637	-
2016	-	25,028	14,793	-
2017	-	13,287	13,911	-
2018	-	11,666	12,993	-
2019	-	10,015	12,037	-
2020	-	8,327	11,043	-
2021	-	6,600	10,005	-
2022	-	4,832	8,925	59
2023	-	3,020	7,801	60

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

- (1) See the Schedule of Demographic and Economic Statistics for personal income and population data.



**Table 10**

<b>Business-Type Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita (1)</b>
<b>Subscriptions (Right-to-Use Assets)</b>	<b>Outstanding Bonds</b>	<b>Notes Payable</b>			
\$ -	\$ 3,817	\$ -	\$ 50,184	5.81%	\$ 2,310
-	3,398	-	46,543	5.06%	2,121
-	2,971	-	42,792	4.48%	1,940
-	2,537	-	29,735	2.94%	1,337
-	2,094	-	26,753	2.58%	1,189
-	1,643	-	23,695	2.04%	1,019
-	1,185	-	20,555	1.57%	861
-	717	-	17,322	1.34%	765
-	241	-	14,057	1.08%	620
1,054	-	-	11,934	0.76%	524

**City of Sunny Isles Beach, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2023**  
**(Amounts Expressed in Thousands)**

**Table 11**

<b>Jurisdiction</b>	<b>Net Debt Outstanding (1)</b>	<b>Percentage Applicable to City of Sunny Isles Beach (2)</b>	<b>Amount Applicable to City of Sunny Isles Beach</b>
<b>Debt repaid with property taxes:</b>			
Miami-Dade County	\$ 2,336,015	3.75%	\$ 87,601
Miami-Dade School District Board	3,120	3.75%	<u>117</u>
Subtotal, overlapping debt			87,718
<b>City of Sunny Isles Beach</b>	<b>\$ 11,934</b>		<b><u>11,934</u></b>
Total direct and overlapping debt			<b><u><u>\$ 99,652</u></u></b>

Source: Miami-Dade County, Florida, Accounting Division and the School Board of Miami-Dade County.

- (1) Debt outstanding for Miami-Dade County is unaudited.
- (2) Based on ratio of assessed taxable value.

**City of Sunny Isles Beach, Florida**  
**Legal Debt Margin Information**  
**September 30, 2023**

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**Table 12**

The City Charter allows revenue bonds to be issued when authorized by the City Commission. The City Charter and Florida Statute provide no limit on the amount of the general obligation debt attainable.

**City of Sunny Isles Beach, Florida**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(Amounts Expressed in Thousands)**

**Table 13**

<b>Fiscal Year</b>	<b>Revenue Bonds and Notes Payable</b>				<b>Coverage</b>
	<b>Total Revenue</b>	<b>Debt Service</b>			
		<b>Principal</b>	<b>Interest</b>		
2014	\$ 1,528	\$ 576	\$ 221	1.92	
2015	1,596	590	207	2.00	
2016	1,662	604	193	2.09	
2017	1,655	618	178	2.08	
2018	1,740	633	173	2.16	
2019	1,767	648	178	2.14	
2020	1,538	663	160	1.87	
2021	1,909	679	140	2.33	
2022	2,377	695	120	2.92	
2023	2,417	729	78	3.00	

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

**City of Sunny Isles Beach, Florida  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 14**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Income (2)</b>	<b>Median Age (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2014	21,720	\$ 864,456	\$ 39,800	38	1,991	6.1%
2015	21,946	919,164	41,883	39	1,894	5.6%
2016	22,063	954,843	43,278	39	2,217	5.2%
2017	22,233	1,010,268	45,440	39	2,162	4.0%
2018	22,505	1,036,310	46,048	40	2,122	3.6%
2019	23,253	1,163,162	50,022	40	2,091	2.3%
2020	23,869	1,310,456	54,902	41	2,100	12.6%
2021	22,655	1,296,161	57,213	40	2,100	4.5%
2022	22,756	1,475,704	64,849	41	2,303	2.6%
2023	22,783	1,560,203	68,481	41	1,394	1.8%

- (1) Furnished by Bureau of Economic and Business Research, University of Florida. Population estimates as of April 1st of each year.
- (2) Represents per capita for Miami-Dade County as provided by the U.S. Bureau of Economic Analysis.
- (3) Represents median age for Miami-Dade County as provided by the U.S. Census Bureau's most recent published update.
- (4) Furnished by the School Board of Miami-Dade County.
- (5) Furnished by the Bureau of Labor Statistics for Miami-Dade County. High unemployment rate for 2020 due to the COVID-19 pandemic.

City of Sunny Isles Beach, Florida  
Principal Employers  
Current Year and Nine Years Ago

Table 15

Employer	2023			Employer	2014		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Acqualina Management, LLC	368	1	14.7%	Trump International Resort	352	1	14.1%
Trump International Resort	307	2	12.3%	Newport Beachside Resort	330	2	13.2%
City of Sunny Isles Beach	282	3	11.3%	City of Sunny Isles Beach	263	3	10.5%
Publix	175	4	7.0%	Publix	173	4	6.9%
Newport Beachside Resort	122	5	4.9%	Marco Polo (Aventura Beach Assoc.)	136	5	5.4%
Double Tree Ocean Point Beach Club	88	6	3.5%	Marenas Resort (Le Meridien)	129	6	5.2%
Marenas Resort (Le Meridien)	86	7	3.4%	Double Tree Ocean Point Resort	120	7	4.8%
Il Mulino New York	85	8	3.4%	McDonald's	55	8	2.2%
Residence Inn by Marriott	65	9	2.6%	Denny's	50	9	2.0%
Ritz Residences	50	10	2.0%	N/A	N/A	10	N/A
Totals	<u>1,628</u>		<u>65.1%</u>		<u>1,608</u>		<u>64.3%</u>

Source: City of Sunny Isles Beach, Code Compliance

**City of Sunny Isles Beach, Florida**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

**Table 16**

<b>Function</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Government:</b>										
Commission	6	5	5	5	5	5	5	4	5	5
City Manager	3	4	5	4	4	4	3	4	3	3
City Clerk	3	3	3	2	2	2	3	3	3	3
City Attorney	4	4	4	4	5	-	-	-	-	-
Media	-	-	-	-	-	-	-	-	-	6
Finance	6	6	6	7	7	8	8	7	10	10
Human Resources	5	4	3	3	3	3	4	4	5	4
Information Technology	6	5	6	6	7	6	9	6	6	8
Building	19	19	18	19	20	21	21	18	20	19
<b>Public Safety:</b>										
Police:										
Sworn Officers	52	53	55	51	50	52	53	51	58	61
Non-Sworn Officers-Police	11	12	11	12	13	13	12	10	13	12
Non-Sworn Officers-Ocean Rescue	28	31	34	22	30	31	29	29	32	31
<b>Physical Environment:</b>										
Community Development	11	10	12	12	13	14	16	16	19	18
Public Works	13	12	13	12	14	15	17	17	23	26
<b>Stormwater</b>	2	2	2	2	2	1	1	1	3	3
<b>Transportation</b>	8	9	6	6	8	7	7	7	8	9
<b>Cultural and Human Services</b>	34	49	36	40	59	68	62	64	57	53
<b>Total</b>	<b>211</b>	<b>228</b>	<b>219</b>	<b>207</b>	<b>242</b>	<b>249</b>	<b>248</b>	<b>240</b>	<b>263</b>	<b>269</b>

Source: City of Sunny Isles Beach, Florida.

**City of Sunny Isles Beach, Florida  
Operating Indicators by Function  
Last Ten Fiscal Years**

**Table 17**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Police:</b>										
Physical arrests	460	367	332	255	275	247	160	177	214	256
Parking violations	5,638	9,613	10,530	8,636	11,929	10,579	8,818	10,309	17,607	15,257
<b>Highways and streets:</b>										
Street resurfacing (miles)	-	-	-	0.8	-	0.2	0.6	0.4	0.2	2.5
Potholes repaired	16	8	9	11	15	56	47	18	11	20
<b>Culture and recreation:</b>										
Athletic field permit issued	69	41	31	32	28	32	20	12	46	57
Film permits issued	-	5	4	8	23	26	1	2	-	3
Summer camp enrollment	562	588	561	519	555	556	-	151	464	402

Source: City of Sunny Isles Beach, Florida.



**City of Sunny Isles Beach, Florida  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

**Table 18**

<b>Function</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Public safety:</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	69	61	59	58	59	52	54	56	59	66
Motorcycles	5	6	6	8	8	8	8	8	8	8
<b>Streets:</b>										
City maintained (miles)	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
FDOT maintained (miles)	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Privately maintained (miles)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Streetlights:</b>										
City maintained (each)	365	365	365	365	365	365	365	365	365	365
FPL maintained (each)	223	223	223	223	223	223	223	223	223	223
<b>Culture and recreation:</b>										
Parks acreage	20.2	20.2	20.2	21.5	21.5	21.5	21.5	21.5	21.5	21.5
Parks	10	10	10	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	2	2	2
<b>Storm Drain Pipes:</b>										
City maintained (miles)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
FDOT maintained (miles)	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86

Source: City of Sunny Isles Beach, Florida.

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## **REPORTING SECTION**

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**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***

The Honorable Mayor, the City Commission and City Manager  
**City of Sunny Isles Beach, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sunny Isles Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2024.

***Report on Internal Control Over Financial Reporting***

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

*Marcum LLP*

Miami, FL  
April 29, 2024

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

The Honorable Mayor, the City Commission and City Manager  
**City of Sunny Isles Beach, Florida**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Sunny Isles Beach, Florida's (the "City") 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 each of the City's major federal programs for the fiscal year ended September 30, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City'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 City'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 City'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 GAAS, *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 City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 City'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 City'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 City'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 Auditor's 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.

*Marcum LLP*

Miami, FL  
April 29, 2024

**CITY OF SUNNY ISLES BEACH, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<b>Federal Agency, Pass-through Entity Federal Program</b>	<b>Assistance Listing No. (ALN)</b>	<b>Contract/ Grant No.</b>	<b>Total Expenditures</b>
<b><u>United States Department of Justice</u></b>			
Direct Program:			
Equitable Sharing Program	16.922	FL0135100	\$ 1,575,771
<b>Total United States Department of Justice</b>			<b><u>1,575,771</u></b>
<b><u>United States Department of Homeland Security</u></b>			
Indirect Programs:			
Passed through State of Florida - Division of Emergency Management - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4486-FL	51,172
<b>Total United States Department of Homeland Security</b>			<b><u>51,172</u></b>
<b><u>United States Department of Treasury</u></b>			
Indirect Program:			
Passed through State of Florida - Division of Emergency Management - Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5301	4,560,307
<b>Total United States Department of Treasury</b>			<b><u>4,560,307</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 6,187,250</u></b>

Note: No amounts were provided to subrecipients.

*See notes to Schedule of Expenditures of Federal Awards.*



# **CITY OF SUNNY ISLES BEACH, FLORIDA**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditure activity of all federal awards of the City of Sunny Isles Beach, Florida (the “City”) 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 City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

### **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.

### **NOTE 3 – INDIRECT COST RATE**

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

**CITY OF SUNNY ISLES BEACH, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Non-compliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditors’ report issued on compliance for major programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

**Identification of Major Federal Programs:**

ALN

Federal Program

21.027

Coronavirus State and Local Fiscal Recovery Funds

16.922

Equitable Sharing Program

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?  Yes  No

**CITY OF SUNNY ISLES BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**CITY OF SUNNY ISLES BEACH, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

**II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

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

To the Honorable Mayor, the City Commission and City Manager  
**City of Sunny Isles Beach, Florida**

***Report on the Financial Statements***

We have audited the financial statements of the City of Sunny Isles Beach, Florida (the “City”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 29, 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 (*Government Auditing Standards*); 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 on 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 each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; 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 and schedules, which are dated April 29, 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 Note 1 of the financial statements.

### ***Financial Condition and Management***

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City'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. The financial condition assessment was performed as of the fiscal year end.

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

### ***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 has 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, the Honorable Mayor, City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Miami, FL  
April 29, 2024



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

To the Honorable Mayor, the City Commission and City Manager  
**City of Sunny Isles Beach, Florida**

We have examined the City of Sunny Isles Beach, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City'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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2023.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
April 29, 2024



**IMPACT FEE AFFIDAVIT**

**City Commission**

**Larisa Svechin**  
Mayor

**Alex Lama**  
Vice Mayor

**Jerry Joseph**  
Commissioner

**Fabiola Stuyvesant**  
Commissioner

**Jeniffer Viscarra**  
Commissioner

**Stan Morris**  
City Manager

**Mauricio Betancur**  
City Clerk, CMC

BEFORE ME, the undersigned authority, personally appeared Tiffany D. Neely, Finance Director, who being duly sworn, deposes and says on oath that:

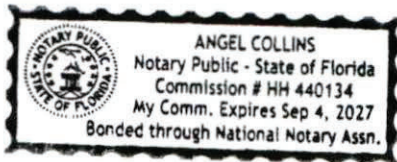
1. I am the Finance Director of City of Sunny Isles Beach, Florida, which is a local governmental of the State of Florida;
2. The governing body of City of Sunny Isles Beach, Florida, adopted Ordinance No. **2001-133, 2001-134 and 2001-135** implementing an impact fee or authorized the City of Sunny Isles Beach, Florida, to receive and expend proceeds of an impact fee implemented by City of Sunny Isles Beach, Florida; and
3. City of Sunny Isles Beach, Florida, has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

\_\_\_\_\_  
Tiffany D. Neely, Finance Director

STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 29<sup>th</sup> day of March 2024.



\_\_\_\_\_  
NOTARY PUBLIC  
Print Name Angel Collins

Personally known  X  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

Sept. 4, 2027

**CITY OF SUNNY ISLES BEACH**

18070 Collins Ave, Sunny Isles Beach, FL 33160  
sibl net | 305 947 0606