

NORTH BAY VILLAGE



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT
NORTH BAY VILLAGE, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

Prepared By
The Finance Department

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INTRODUCTORY SECTION



North Bay Village

Administrative Offices

1666 Kennedy Causeway, Suite 300 North Bay Village, FL 33141

Tel: (305) 756-7171 Fax: (305) 756-7722 Website:

www.nbvillage.com

June 23, 2021

The Honorable Mayor Brent Latham and
The Members of the Village Commission, and
The Citizens of North Bay Village

In accordance with Section 11.45, and Section 218.39 Florida Statutes and Section 4.01 of North Bay Village, Florida's ("the Village") Charter, submitted herewith is the Village's Comprehensive Annual Financial Report (the "CAFR") for the fiscal year ended September 30, 2020.

The financial statements included in this report conform to generally accepted accounting principles in the United States ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The Village is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The financial statements have been audited by Caballero Fierman Llerena & Garcia, LLP. The independent auditors have issued an unmodified opinion that this report fairly presents the financial position of the Village and complies with all reporting standards noted above.

The contents of this report are aimed at compliance with GASB pronouncements, including Statement No. 34, requiring the preparation of government-wide financial statements on a full accrual basis of accounting for all funds and including Management's Discussion and Analysis.

THE REPORTING ENTITY AND ITS SERVICES

The Village was incorporated on June 4, 1945 and is a political subdivision of the State of Florida. The Village operates under a Commission-Manager form of government and provides General Government, Public Safety, Utility and Community Services to its residents and business community. The Mayor and four (4) Commissioners are responsible for establishing the Village's policies. The Mayor and Commission appoint the Village Manager who is the Chief Administrative Officer of the Village and is responsible for implementing policies adopted by the Commission.

This report includes all of the funds for which the Village is financially accountable. Although Miami-Dade County, Miami-Dade Fire and Rescue, Miami-Dade Library, Florida Inland Navigation District, South Florida Water Management District and the Children's Trust levy and collect taxes on property located within the Village's corporate limits, financial information on these taxing authorities is not included in this report since each has a separate elected governing body, are legally separate and are fiscally independent of the Village. Annual financial reports of these units of government are available upon request from each authority.

The Village consists of an area of approximately .80 square miles, with a population of 9,064 residents. The actual land area is .37 square miles and the remaining is the waters of Biscayne Bay that surrounds the Village. Currently there are various new mixed-use, residential, and commercial developments in the Village's review and approval process. One of the attractions for new development is that North Bay Village is a 3 island paradise surrounded by Biscayne Bay. The Village is working on a Bay Walk as well as the Boardwalk project to provide public access and show off the beautiful views of Biscayne Bay.

Fiscal Year 2020

The combination of a mix of small (older) and larger (newer) condominiums along with the Village location on Biscayne Bay has allowed the taxable value to recover from the most recent real estate volatility. The Village's current taxable value of approximately \$ 1.90 billion shows a 71.2% improvement since the lowest taxable values in 2013. This is the seventh straight year of increased values. During the past year, we continued to see positive signs that the local economy had improved as the number of building permits and applications for mixed use (commercial and residential) projects increased. An increase in the permits for new and renovated single family homes is another positive sign of an improving economy. Another important factor is that these new projects will be producing jobs for the local economy.

The Village Manager in September 2017, declared a state of emergency in North Bay Village in response to the anticipated landfall of Hurricane Irma, and was authorized by the Village Commission to expend \$750,000 from General Fund Reserves to cover the costs incurred for hurricane related expenses. These costs including debris removal, overtime and any other necessary emergency expenses. The Village has applied for reimbursement from FEMA and has received about 99% of the eligible expenses. Any funds received from FEMA will be used to replace any reserved fund monies.

In December 2019, COVID-19 emerged and has spread around the world, resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020 and subsequently a Pandemic on March 9, 2020. In addition, on March 13, 2020 the President of the United States proclaimed the COVID-19 outbreak to be a National Emergency. The Village took steps to ensure the safety of its residents in addition to the fiscal viability of its operations during this time of uncertainty.

MAJOR INITIATIVES

The Village, in 2020 continued to work on major repairs and improvements to the Village's infrastructure;

- Completed the lining of the Village's entire sanitary sewer lines;
- Preparing the competitive bid for construction to rehabilitate the Village's 4 sanitary sewer lift stations;
- Completed the water main rehabilitation project:
- Substantial completion of the replacement of all water meters in the Village's system;
- Substantial completion of the major repairs on the Village's Stormwater systems;
- Completed the Planning Stage and preparing for the competitive bid of construction of the first phase of a new Bay Walk (Island Walk) project;

In addition, the following major capital improvements are in process at the end of fiscal year 2020 and should be completed in 2021 and 2022. These projects will provide over \$ 41,000,000 of new construction.

- An RFI is being prepared for the design of a New Village Hall. This will include a fire station operated by Miami Dade County as well as the police department and dispatch that is operated by the Village. This will be funded by voter approved debt; county provided funding for the fire station as well as the balance to be provided by the Village Commission.
- The Village has completed construction on renovation of the Stormwater infrastructure. Repair of the drainage pipes and installation of check valves (backflow preventers) on outfalls and Basis of Design report (BOD) was completed for NBI pump station and NTP has been issued to begin design improvements for the station based on the BOD.
- The Village also completed and approved new design criteria for the Baywalk/ Island Walk project and seawall improvements. This project will provide for panoramic views of Biscayne Bay that will be open to the public. The Village has received approval from the regulatory agencies and is applying to the Florida Department of Environmental Protection (DEP), the Florida Inland Navigation District (FIND) as well as the State legislature for assistance with funding for this project.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the Village is responsible for establishing and maintaining internal controls designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occurred within the above framework. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. However, staffing shortages created some short-comings that have been identified starting on page 86. Management's plans for correction have also been addressed for each of the items identified.

Budgetary Control

An annual appropriated budget is adopted for all governmental funds with the exception of the Federal Forfeiture Fund, State Forfeiture Fund, Police Improvement Trust Fund (Special Revenue Funds) and Parks Improvement Fund (Capital Project Fund). In accordance with Village Ordinance, appropriations are legally controlled at the Department level. Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in the accounting records, is utilized throughout the fiscal year.

Overview of Financial Activity

The accompanying financial statements reflect that the Village has continued to expand its services to meet the demands of its residential and business communities. A summary of the major financial activities is included in the Management Discussion and Analysis Section of this report.

Fund Balances

Fund balances classified as restricted are those with externally enforceable limitations on use. Fund balances classified as committed can only be used for specific purposes determined by formal action of the Village Commission through an ordinance. Commitments can only be changed or lifted by the Village Commission through an ordinance. Assigned fund balances are amounts that the Village intends to use for a specific purpose but are neither restricted nor committed. Unassigned fund balance can be viewed as the net resources available at the end of the year.

Retirement Programs

The Village contributes to the Florida Retirement system (FRS) which is the basic defined benefit pension plan for most Village employees. The FRS contributions are based on employee classifications. The Village also contributes to a defined contribution plan for 3 employees that remained when the Village converted to the FRS. The plans currently cover all full-time and part-time employees of the Village. Under these plans, the Village contributes between 7.9% and 23.27% to the FRS. The employees covered by the FRS System contribute 3.0% of salary. The employees covered by the defined contribution plan contribute 5.5 % of salary through a bi-weekly payroll deduction and the Village contributes 13.5 %.

Labor Contracts

The Village has Collective Bargaining Agreements (CBA) with two unions. One union (FOP) is for sworn police officers and their CBA expires September 30, 2022. The other union (FOPA) covers the non-managerial and blue collar work force. The FOPA contract expires September 30, 2022.

Financing Programs and Debt Administration

The Village currently has eleven outstanding long-term debt issues. The Village has seven water and sewer infrastructure loans through the Florida Department of Environmental Protection (DEP). The seven loans are accounted for entirely in the Utility Fund and are paid from customer charges for services. These loans have various interest rates ranging from .09% to 2.99%. The last loan will be paid off in October 2037. The principal outstanding on the water and sewer infrastructure loans as of September 30, 2020 totaled \$3,667,208.

The Village has two General Obligation (GO) bond issues outstanding. They were issued in 2010 and 2011 and will be paid off in December 2031 and June 2028, respectively. The total principal outstanding on the GO bonds as of September 30, 2020 is \$4,569,287.

The Village in May 2018 issued \$2,350,000 taxable note for the purchase of the Sakura property. The purchase price was \$2,295,000 and had a coupon interest rate of 3.336%. This is a 3 year Note with a balloon payment of \$2,270,000 in July 2021. In May 2021, the note was refinanced for a 15 year term.

The Village in FY2020 issued a \$1,500,000 Revenue Note to finance the costs of improvements to the Village's roadways. The note bears interest of 1.221% and will be paid off in July 2035.

OTHER INFORMATION

Independent Audit

In accordance with Section 11.45(3) (a) (4), Florida Statutes, and 4.1 of the Village Charter, the Village engaged the firm of Caballero Fierman Llerena & Garcia, LLP, to perform the independent audit of the Village's accounts and records. The independent auditors' reports are included in the Financial Section.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (“GFOA”) awards the Certificate of Achievement for Excellence in Financial Reporting to units of governments whose annual financial reports meet the standards established by GFOA. This report must satisfy both generally accepted accounting principles and applicable legal requirements. It is designed to provide the reader a report that is formatted the same across multi governments throughout the United States and Canada. The Village submitted the fiscal year 2019 financial statements under this program and was awarded the Village’s sixth COA award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for the Village’s seventh straight certificate award.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We also wish to thank the Village Mayor and Commission for their interest and support in planning and conducting the Village’s financial operations in a responsible and progressive manner.

Respectfully submitted,

Ralph Rosado
Village Manager

Angela Atkinson
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**North Bay Village
Florida**

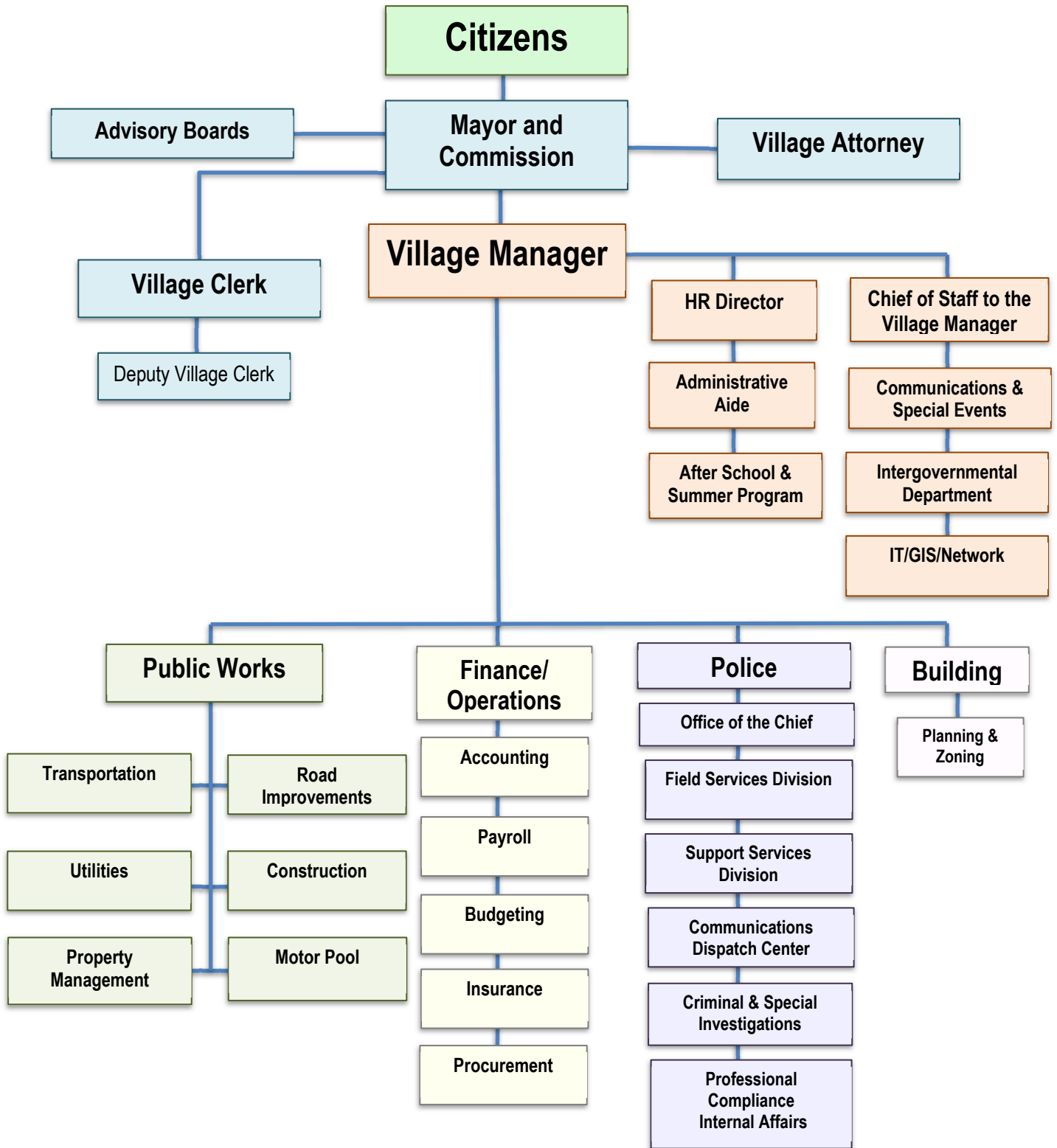
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

NORTH BAY VILLAGE, FLORIDA
ORGANIZATIONAL CHART
 SEPTEMBER 30, 2020



NORTH BAY VILLAGE, FLORIDA
LIST OF ELECTED AND PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020

<u>Title</u>	<u>Name</u>
Mayor	Brent Latham
Vice Mayor	Marvin Wilmoth
Commissioner	Jose R. Alvarez
Commissioner	Rachel Streitfeld
Commissioner	Julianna Strout
Village Manager	Ralph Rosado, PhD, AICP
Village Clerk	Elora Riera
Village Attorney	Daniel A. Espino
Chief Financial Officer	Angela Atkinson
Chief Building Official	Mare Jean, P.E.
Police Chief	Carlos Noriega

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Village Commission
North Bay Village, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Bay Village, Florida, (the "Village") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedules of the Village's Net Pension Liabilities and Contributions, and the Schedule of Changes in the Village's Total OPEB Liability and Related Ratios on pages 3-8 and 41-49, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 23, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

As management of the North Bay Village, Florida (the "Village"), we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2020.

Financial Highlights

The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,412,295 (Total net position). Governmental activities net position amounted to \$450,045 and business-type net position amount to \$9,962,250. Net position decreased by \$231,874 during the current fiscal year. The decrease in total net position was the result of an increase in Governmental fund balances of \$1,261,386, a decrease in Capital Assets net of depreciation of \$119,170 (mostly from Utility improvements), and an increase in liabilities of \$1,837,509 (from various activities, but mostly attributed to pension-related items).

For the fiscal year ended September 30, 2020, the Village's governmental activities revenues and expenses were \$11,890,594 and \$12,586,498, respectively. As a result, governmental net position decreased by \$695,904. The decrease reflects a net increase of \$1,261,386, in total governmental fund balances; a decrease in governmental capital assets net of depreciation of \$119,170; an increase in debt principal payments of \$502,857; a decrease for the issuance of long term debt of \$1,500,000; revenue of \$1,247 collected outside of the current period that was not available for payment of current expenses, and an increase of \$839,119, in expenses related to future periods, most of which relate to pension items.

For the fiscal year ended September 30, 2020, the Village's business-type activities revenues and expenses were \$6,895,850 and \$6,431,820, respectively. Transfers out to other funds amounted to \$1,149,504. As a result, business-type net position increased by \$464,030.

At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$5,913,873, an increase of \$1,261,386, in comparison with the prior year. Approximately 43% of this amount (\$1,907,420) is unrestricted and spendable. This amount represents 29% of the fiscal year's General Fund expenditures, or about three months of operations. This was consistent with the prior year.

At the end of the current fiscal year, unrestricted fund balance (the total of the assigned, and unassigned components of fund balance) for the General Fund was \$ 2,548,910, or approximately 27% of total General Fund expenditures (3 months).

Overview of the Financial Statements

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

Government-wide financial statements - The government-wide financial statements, which consist of the following two statements described below, were designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. This statement represents full accrual accounting, including the recording (net of depreciation) of infrastructure such as roads and streets.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, and long-term obligations in the governmental funds) of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, building, planning, and zoning, public works and parks and recreation. The business type activities of the Village include water, sanitation, sewer, and storm water operations. The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term funding and financing requirements. Governmental funds use a modified accrual basis of accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.

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

The Village maintains nine 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 and the Transportation Fund, which are considered major funds. Data from the other five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these other major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The governmental fund financial statements can be found on pages 11 through 14 of this report.

Proprietary funds - The Village maintains one type of proprietary fund referred to as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and are used to account for water, sewer, sanitation, and Stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility operations and the storm water operations. Proprietary funds utilize full accrual accounting. The proprietary fund financial statements can be found on pages 15 through 17 of this report.

Notes to the basic financial statements - The notes provide additional, important, and expansive information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. Readers should not overlook this important section of the financial statements. The notes to the basic financial statements can be found on pages 18 through 40 of this report.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Village's General Fund and Transportation Fund budgetary schedules and progress in funding its obligation to provide OPEB benefits to its employees and the Village's pension liability and its contributions to fund that liability. Required supplementary information can be found on pages 41-49 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 50-51 of this report.

Government-Wide Financial Analysis

Net position - As noted earlier, net position over time may serve as a useful indicator of the Village's financial position. In the case of the Village, total assets exceeded liabilities by \$10,412,295, at the close of September 30, 2020. Governmental activities net position totaled \$449,171, and business-type activities net position totaled \$9,963,124. The following table presents a condensed statement of net position as compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 7,262,581	\$ 5,441,943	\$ 4,153,715	\$ 320,949	\$ 11,416,296	\$ 5,762,892
Restricted assets	-	400,000	459,390	464,016	459,390	864,016
Capital assets, net	11,951,077	12,070,247	18,281,820	18,008,139	30,232,897	30,078,386
Total assets	<u>19,213,658</u>	<u>17,912,190</u>	<u>22,894,925</u>	<u>18,793,104</u>	<u>42,108,583</u>	<u>36,705,294</u>
Deferred outflows of resources	<u>4,169,812</u>	<u>3,159,547</u>	<u>588,934</u>	<u>123,275</u>	<u>4,758,746</u>	<u>3,282,822</u>
Current and other liabilities	4,336,851	1,865,398	1,616,493	2,120,701	5,953,344	3,986,099
Long term liabilities	17,830,540	16,733,556	11,796,923	7,145,558	29,627,463	23,879,114
Total liabilities	<u>22,167,391</u>	<u>18,598,954</u>	<u>13,413,416</u>	<u>9,266,259</u>	<u>35,580,807</u>	<u>27,865,213</u>
Deferred inflow of resources	<u>766,034</u>	<u>1,326,834</u>	<u>108,193</u>	<u>151,900</u>	<u>874,227</u>	<u>1,478,734</u>
Net investment in capital assets	3,535,691	4,728,103	7,980,181	11,384,274	11,515,872	16,112,377
Restricted	3,939,703	2,021,147	-	-	3,939,703	2,021,147
Unrestricted	<u>(7,025,349)</u>	<u>(5,603,301)</u>	<u>1,982,069</u>	<u>(1,886,054)</u>	<u>(5,043,280)</u>	<u>(7,489,355)</u>
Total net position	<u>\$ 450,045</u>	<u>\$ 1,145,949</u>	<u>\$ 9,962,250</u>	<u>\$ 9,498,220</u>	<u>\$ 10,412,295</u>	<u>\$ 10,644,169</u>

By far, the largest portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of depreciation and less any related outstanding debt that was used to acquire those assets (\$11,515,872). The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion (\$3,939,703) of the Village's net position represents resources that are subject to external restrictions on how they may be used. Of that amount, \$2,965,952, must be used for certain transportation-related activities; \$90,363, must be used for certain law enforcement activities; \$226,000 must be used for capital projects related to the General Obligation Bonds; and \$657,388 must be used for various recreation and human services activities. The remaining balance of (\$7,025,349) represents a deficit net position. This deficit net position is mainly the result of the Governmental Accounting Standards Board's requirements for reporting of the net pension liability. The Village is a member of the Florida Retirement System (FRS) and presents the Village's portion of the net pension liability for FRS on its government wide financial statements.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Changes in net position - Governmental activities and business-type activities decreased the Village's net position by \$231,874 from the previous fiscal year. The relevant revenue and expense categories and their effect on net position are summarized in the table below. The information presented in this table will be used in the subsequent discussion of governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,059,484	\$ 1,024,290	\$ 6,554,239	\$ 6,006,524	\$ 7,613,723	\$ 7,030,814
Operating Grants and Contributions	840,338	990,703	-	-	840,338	990,703
Capital Grants and Contributions	61,478	200,000	340,895	120,000	402,373	320,000
General Revenues:						
Property Taxes	6,408,988	6,325,883	-	-	6,408,988	6,325,883
Other Taxes and Fees	2,128,283	2,336,622	-	-	2,128,283	2,336,622
Interest Income	43,221	43,992	716	244	43,937	44,236
Other General Revenues	199,298	197,445	-	-	199,298	197,445
Total Revenues	10,741,090	11,118,935	6,895,850	6,126,768	17,636,940	17,245,703
Expenses:						
General Government	3,325,014	3,901,795	-	-	3,325,014	3,901,795
Public Safety	6,714,598	6,317,731	-	-	6,714,598	6,317,731
Public Works	1,110,343	977,996	-	-	1,110,343	977,996
Building, Planning, and Zoning	463,238	734,715	-	-	463,238	734,715
Recreation and Human Services	714,022	377,961	-	-	714,022	377,961
Interest and Fiscal Charges	259,283	231,575	-	-	259,283	231,575
Utility	-	-	5,154,453	4,811,930	5,154,453	4,811,930
Stormwater Utility	-	-	127,863	77,604	127,863	77,604
Total Expenses	12,586,498	12,541,773	5,282,316	4,889,534	17,868,814	17,431,307
Change In Net Position Before Transfers	(1,845,408)	(1,422,838)	1,613,534	1,237,234	(231,874)	(185,604)
Transfers Between Funds	1,149,504	937,092	(1,149,504)	(937,092)	-	-
Increase (decrease) in net position	<u>(695,904)</u>	<u>(485,746)</u>	<u>464,030</u>	<u>300,142</u>	<u>(231,874)</u>	<u>(185,604)</u>
Net position - Beginning as previously reported	1,145,949	1,631,695	9,498,220	9,812,202	10,644,169	11,443,897
Prior Period Adjustment	-	-	-	(614,124)	-	(614,124)
Net Position - Beginning, as restated	<u>1,145,949</u>	<u>1,631,695</u>	<u>9,498,220</u>	<u>9,198,078</u>	<u>10,644,169</u>	<u>10,829,773</u>
Net Position, Ending	\$ 450,045	\$ 1,145,949	\$ 9,962,250	\$ 9,498,220	\$ 10,412,295	\$ 10,644,169

Governmental activities - During the current fiscal year, net position for governmental activities decreased \$695,904 from the prior fiscal year. The major reason for the decline was an increase in expenses that exceeded recurring revenues, while relying more on transfers from the utility operations. The Village saw increases in most operations, but expenses in General Government and Building, Planning, & Zoning declined.

Business-type Activities - For the Village's business-type activities, the results for the current fiscal year again positive. Net position before transfers increased by 30%. However, the Village transferred out an additional \$1,083,276 to the General Fund, reducing the increase in net position to 4.9%. Of the \$464,030 increase to Net Position, \$340,895 came from State and Federal grant contributions to the Stormwater and utility systems and should not be considered recurring revenues.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Financial Analysis of the Governmental Funds

Governmental funds - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village's net resources available for spending as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village Commission.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5,913,873, an increase of \$1,261,386, from the prior year. Approximately 32%, or \$1,907,420, of the combined fund balance represents the spendable and unrestricted portion of the fund balance. Approximately \$1,843,724, is assigned as a reserve. It represents 20% of the year's General Fund budgeted expenditures, as required by the Village's code. The remainder of the fund balance is either non-spendable or restricted to purposes:

- 1) not in spendable form, all as prepaid expenditures (\$55,762)
- 2) restricted by external sources, law, or legislation legally restricting its use for purposes (\$3,950,691)

The 20% assignment of fund balance represents a North Bay Village code requirement for a type of reserve that can only be used for non-emergency uses limited to unanticipated capital improvements and infrastructure needs and unforeseen contingent liabilities or for emergency uses including unscheduled natural disasters/emergencies, acts of God or war, and for the emergency health, safety and welfare needs of the Village. The Village Code specifies the way the funds can be appropriated and how they must be replenished or established. While the Code requires a super majority vote to enact appropriation, the underlying code can be amended by a simple majority vote.

The General Fund is the chief operating fund of the Village. By definition, it accounts for all activity not accounted for in another fund.

The Transportation Fund, also a major fund, had a \$78,479 decrease in fund balance due to a decrease in the transportation surtax that it receives and an increase in Transfers Out to the Roadway Capital Improvement Fund for Roads and Streets capital outlay expenditures. For FY2021, the Village appropriated most of the fund balance to complete a roadway improvement project.

The Village maintains seven special revenue funds (Building Fees, Street Maintenance, Transportation, State Forfeiture, Federal Forfeiture, Children Services, and Police Improvement), one debt service fund, and three Capital Projects funds (Parks Improvement, CITT Roadway Improvements, and Capital Projects). The combined fund balances for these six minor funds (all but Transportation) totaled a deficit of \$62,225, at fiscal year-end. The Transportation fund (also sometimes called the CITT fund), had a total fund balance of \$1,498,952.

Proprietary funds - The Village's two proprietary funds (Utility fund and Stormwater Utility fund) provide the same type of information found in the government-wide financial statements, but in more detail. The Net position of the proprietary funds at the end of the year amounted to \$9,962,250, and included an unrestricted net position of \$1,770,390 in the Utility fund. The \$3,583,258 increase of unrestricted net position was due to the reimbursement of the State Revolving Loan disbursements and the increase of Sewer and Metered Water Charges. This improved the overall proprietary unrestricted net position by \$3,490,851 and reduced the Net investment in capital assets by \$3,026,821. During the year, and subsequent to fiscal year end, the Village relies upon more of the revenue generated in this fund to support General Fund operations. Part of the transfers from this fund to the General Fund represent recovery of expenses incurred on behalf of the Utility fund by the General Fund and part of it represents profit taking above reasonable allocable costs.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

General Fund Budgetary Highlights

General fund revenues exceeded final budgeted amounts by \$274,469. The variances were generally across all major categories of revenues; however, business tax receipts, building permits, Local ½ cent sales tax, State revenue sharing, and Communication service tax were noticeably less than anticipated. Total expenditures were \$54,002 more than the final budget, mostly attributable to legal expenses and police expenditures. Most of the remaining departmental expenditures were under budget. After transfers in from the Utility fund, the net change in the General Fund fund balance was \$48,514.

Capital Assets and Debt Administration

Capital assets - The Village's capital assets, less accumulated depreciation, for its governmental and business-type activities as of September 30, 2020, amounted to \$11,951,077 and \$18,281,820 respectively, and consists of land, construction in progress, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment. During the year, the Village added \$228,929 of new capital assets and disposed of \$101,208, all of which was vehicles. The Village's Business-type activities added \$1,393,799 of new assets, all underground utilities and disposed of \$99,457, most of which was improvements. A more detailed schedule can be found on pages 25 and 26 of the notes to the financial statements.

Long-term debt - At the end of the current fiscal, the Village has governmental activities debt outstanding of \$8,339,287. However, \$1,234,287 of that amount has been defeased subsequent to year end, meaning it has been effectively refunded, leaving \$7,105,000 outstanding. Of that amount, \$3,335,000 is a General Obligation bond. The Village levies an additional voter-approved property tax rate to pay for the annual principal and interest on this debt. The Village also has a Series 2018 Note outstanding for \$ 2,270,000 which is secured by non-ad valorem revenues. This debt was used to purchase an additional parcel of land for a new Village Hall/Police/Fire complex. The Village also has a Series 2020 Road Improvement Revenue Note of \$1,500,000. This debt will be used to fund CITT Roadway Improvements.

The Village's Utility Fund has State Revolving Fund (SRF) debt outstanding of \$10,263,267. The State Revolving Fund debt is secured by the gross revenues derived yearly from the operation of the Utility Fund after payment of operating and maintenance expenses.

In FY2018, the Village borrowed \$2,350,000, secured by non-ad-valorem revenue sources for the acquisition of property that could be used to finance certain municipal facilities. The Village intends to either re-sell the property or use it for its own purposes. The balance of the borrowing is due in July 2021, but the Village issued long-term debt to refinance the acquisition in May 2021.

Also, in FY2021, the Village's business-type activities were undertaking additional projects for which it expects to borrow additional funding. The Village's financial advisor has computed that the existing rate structure (rates were increased in FY2020) would be sufficient to support all issued, unissued, and anticipated debt.

Authorized but unissued debt. In 2006 and again in 2008, Village voters approved General Obligation bonds totaling \$28,400,000 for various community improvements, of which only \$8,410,000 had been issued as of September 30, 2020. The bonds, if issued, would be repaid with a separate voted debt service millage rate each year the bonds are outstanding. The Village does not believe this would adversely affect its finances but does increase the local burden to property owners.

Additional information related to long-term debt can be found under Note 7 to the financial statements, found on pages 27-30.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Manager, North Bay Village, 1666 Kennedy Causeway, Suite 300, North Bay Village, FL, 33141.

BASIC FINANCIAL STATEMENTS

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,964,801	\$ 4,123,758	\$ 10,088,559
Investments	57,236	9,912	67,148
Restricted cash	-	459,390	459,390
Receivables, net	426,595	770,357	1,196,952
Prepaid items	55,762	7,875	63,637
Internal balances	758,187	(758,187)	-
Capital assets:			
Not being depreciated	7,441,028	142,760	7,583,788
Being depreciated, net	4,510,049	18,139,060	22,649,109
Total assets	<u>19,213,658</u>	<u>22,894,925</u>	<u>42,108,583</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pensions	<u>4,169,812</u>	<u>588,934</u>	<u>4,758,746</u>
Total deferred outflows	<u>4,169,812</u>	<u>588,934</u>	<u>4,758,746</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	794,599	794,475	1,589,074
Retainage payable	76,099	38,372	114,471
Payroll liabilities	363,572	45,543	409,115
Accrued interest payable	39,445	2,039	41,484
Unearned revenue	79,380	-	79,380
Customer deposits	-	459,049	459,049
Due within one year:			
Compensated absences payable	138,427	34,282	172,709
Debt	2,827,857	240,265	3,068,122
Net pension liability	17,472	2,468	19,940
Due in more than one year:			
Compensated absences payable	1,228,736	207,544	1,436,280
Debt	5,511,430	10,023,002	15,534,432
Net pension liability	10,878,698	1,536,480	12,415,178
OPEB liability	211,676	29,897	241,573
Total liabilities	<u>22,167,391</u>	<u>13,413,416</u>	<u>35,580,807</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pensions	<u>766,034</u>	<u>108,193</u>	<u>874,227</u>
Total deferred inflows of resources	<u>766,034</u>	<u>108,193</u>	<u>874,227</u>
<u>NET POSITION</u>			
Net investment in capital assets	3,535,691	7,980,181	11,515,872
Restricted for:			
Transportation projects	2,965,952	-	2,965,952
Law enforcement	90,363	-	90,363
Recreation and human services	657,388	-	657,388
Capital projects	226,000	-	226,000
Unrestricted net position (deficit)	<u>(7,025,349)</u>	<u>1,982,069</u>	<u>(5,043,280)</u>
Total net position	<u>\$ 450,045</u>	<u>\$ 9,962,250</u>	<u>\$ 10,412,295</u>

See notes to basic financial statements

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-	Total
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Activities</u>	<u>Type</u>	
			<u>Contributions</u>	<u>Contributions</u>		<u>Activities</u>	
Functions/Programs							
Governmental activities:							
General government	\$ 3,325,014	\$ 121,997	\$ 94,416	\$ 12,470	\$ (3,096,131)	\$ -	\$ (3,096,131)
Public safety	6,714,598	426,191	159,492	-	(6,128,915)	-	(6,128,915)
Public works	1,110,343	-	424,558	49,008	(636,777)	-	(636,777)
Building, planning and zoning	463,238	511,296	-	-	48,058	-	48,058
Recreation and human services	714,022	-	161,872	-	(552,150)	-	(552,150)
Interest and fiscal charges	<u>259,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,283)</u>	<u>-</u>	<u>(259,283)</u>
Total governmental activities	<u>12,586,498</u>	<u>1,059,484</u>	<u>840,338</u>	<u>61,478</u>	<u>(10,625,198)</u>	<u>-</u>	<u>(10,625,198)</u>
Business-type activities:							
Utility Fund	5,154,453	6,439,021	-	-	-	1,284,568	1,284,568
Stormwater Utility	<u>127,863</u>	<u>115,218</u>	<u>-</u>	<u>340,895</u>	<u>-</u>	<u>328,250</u>	<u>328,250</u>
Total business-type activities	<u>5,282,316</u>	<u>6,554,239</u>	<u>-</u>	<u>340,895</u>	<u>-</u>	<u>1,612,818</u>	<u>1,612,818</u>
Total	<u>\$ 17,868,814</u>	<u>\$ 7,613,723</u>	<u>\$ 840,338</u>	<u>\$ 402,373</u>	<u>(10,625,198)</u>	<u>1,612,818</u>	<u>(9,012,380)</u>
General revenues:							
Ad valorem taxes					6,408,988	-	6,408,988
Franchise fees based on gross receipts					447,585	-	447,585
Utility taxes					620,874	-	620,874
Sales tax					612,775	-	612,775
Intergovernmental (unrestricted)					449,033	-	449,033
Interest income					43,221	716	43,937
Loss on disposal of capital assets					(1,984)	-	(1,984)
Miscellaneous					199,298	-	199,298
Transfers					<u>1,149,504</u>	<u>(1,149,504)</u>	<u>-</u>
Total general revenues and transfers					<u>9,929,294</u>	<u>(1,148,788)</u>	<u>8,780,506</u>
Change in net position					<u>(695,904)</u>	<u>464,030</u>	<u>(231,874)</u>
Net position - Beginning					<u>1,145,949</u>	<u>9,498,220</u>	<u>10,644,169</u>
Net position - Ending					<u>\$ 450,045</u>	<u>\$ 9,962,250</u>	<u>\$ 10,412,295</u>

See notes to basic financial statements

NORTH BAY VILLAGE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Transportation</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,111,109	\$ 1,536,878	\$ 2,316,814	\$ 5,964,801
Investments	57,236	-	-	57,236
Accounts receivable, net	311,751	77,981	36,863	426,595
Prepaid items	55,762	-	-	55,762
Due from other funds	1,219,448	-	-	1,219,448
Total assets	<u>\$ 3,755,306</u>	<u>\$ 1,614,859</u>	<u>\$ 2,353,677</u>	<u>\$ 7,723,842</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 509,235	\$ 80,849	\$ 204,515	\$ 794,599
Retainage payable	-	-	76,099	76,099
Accrued payroll and benefits	336,019	-	27,553	363,572
Unearned revenue	79,380	-	-	79,380
Due to other funds	-	-	461,261	461,261
Total liabilities	<u>924,634</u>	<u>80,849</u>	<u>769,428</u>	<u>1,774,911</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	-	35,058	-	35,058
Total deferred inflows of resources	<u>-</u>	<u>35,058</u>	<u>-</u>	<u>35,058</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid items	55,762	-	-	55,762
Restricted for:				
Debt service	-	-	10,988	10,988
Transportation projects	-	1,498,952	1,467,000	2,965,952
Law enforcement	-	-	90,363	90,363
Capital projects	226,000	-	-	226,000
Recreation and human services	-	-	657,388	657,388
Assigned to:				
Operating reserves	1,843,724	-	-	1,843,724
Unassigned	705,186	-	(641,490)	63,696
Total fund balances	<u>2,830,672</u>	<u>1,498,952</u>	<u>1,584,249</u>	<u>5,913,873</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,755,306</u>	<u>\$ 1,614,859</u>	<u>\$ 2,353,677</u>	<u>\$ 7,723,842</u>

See notes to basic financial statements

NORTH BAY VILLAGE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund balances - total governmental funds (Page 11) \$ 5,913,873

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

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

Governmental capital assets	16,541,073	
Less accumulated depreciation	<u>(4,589,996)</u>	11,951,077

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

Notes payable	(8,339,287)	
Compensated absences	(1,367,163)	
Accrued interest payable	(39,445)	
Net pension liability	(10,896,170)	
Deferred outflows of resources related to pensions	4,169,812	
Deferred inflows of resources related to pensions	(766,034)	
OPEB liability	(211,676)	
Revenue collected outside of period of availability	<u>35,058</u>	<u>(17,414,905)</u>

Net position of governmental activities (Page 9) \$ 450,045

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Major Funds		Nonmajor	Total
	General	Transportation Fund	Governmental Funds	Governmental Funds
REVENUES:				
Taxes	\$ 6,378,299	\$ 310,643	\$ 651,563	\$ 7,340,505
Licenses and permits	108,297	-	402,999	511,296
Franchise fees	447,585	-	-	447,585
Intergovernmental revenue	1,069,529	-	328,341	1,397,870
Charges for services	132,882	-	-	132,882
Fines and forfeitures	397,883	4,095	178,569	580,547
Impact fees	3,885	-	45,123	49,008
Grants	-	-	11,550	11,550
Interest income	28,629	14,235	357	43,221
Other	136,538	-	102,319	238,857
Total revenues	<u>8,703,527</u>	<u>328,973</u>	<u>1,720,821</u>	<u>10,753,321</u>
EXPENDITURES:				
Current:				
General government	3,161,202	-	-	3,161,202
Public safety	5,837,265	-	191,196	6,028,461
Public works	-	150,601	768,560	919,161
Building, planning and zoning	-	-	451,571	451,571
Recreation and human services	331,691	-	135,388	467,079
Capital outlay	-	-	350,990	350,990
Debt service:				
Principal	40,000	-	462,857	502,857
Interest	81,566	-	178,552	260,118
Total expenditures	<u>9,451,724</u>	<u>150,601</u>	<u>2,539,114</u>	<u>12,141,439</u>
Excess (deficiency) of revenues over expenditures	<u>(748,197)</u>	<u>178,372</u>	<u>(818,293)</u>	<u>(1,388,118)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,110,046	55,248	636,414	1,801,708
Transfers out	(313,335)	(312,099)	(26,770)	(652,204)
Proceeds from debt	-	-	1,500,000	1,500,000
Total other financing sources (uses)	<u>796,711</u>	<u>(256,851)</u>	<u>2,109,644</u>	<u>2,649,504</u>
Net change in fund balances	48,514	(78,479)	1,291,351	1,261,386
Fund balances - beginning	<u>2,782,158</u>	<u>1,577,431</u>	<u>292,898</u>	<u>4,652,487</u>
Fund balances, ending	<u>\$ 2,830,672</u>	<u>\$ 1,498,952</u>	<u>\$ 1,584,249</u>	<u>\$ 5,913,873</u>

See notes to basic financial statements

NORTH BAY VILLAGE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances - total government funds (Page 13)	\$ 1,261,386
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Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets
is depreciated over their estimated useful lives.

Expenditures for capital outlays	350,990	
Capital outlay which did not meet the threshold for capitalization	(122,061)	
Less current year depreciation	(346,115)	
Loss on disposal of capital assets	<u>(2,595)</u>	(119,781)

The issuance of long-term debt (e.g. bonds, leases) provided current financial
resources to governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net position.

Issuance of long term debt	(1,500,000)	
Principal payments	<u>502,857</u>	(997,143)

Some expenses reported in the statement of activities do not require current financial
resources and, therefore, are not reported as expenditures in the governmental funds.

Change in accrued interest payable	835	
Change in compensated absences	(6,263)	
Change in net pension liability	(2,778,255)	
Change in OPEB liability	373,499	
Change in deferred outflows of resources related to pensions	1,013,078	
Change in deferred outflows of resources related to OPEB	(2,813)	
Change in deferred inflows of resources related to pensions	560,800	

Revenue collected outside of the period of availability is not available to pay for current period expenditures however it is available to pay long term obligations of the Village.	<u>(1,247)</u>
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Change in net position of governmental activities (Page 10)	<u>\$ (695,904)</u>
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NORTH BAY VILLAGE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business- Type Activities Enterprise Funds		
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 3,915,054	\$ 208,704	\$ 4,123,758
Investments	9,912	-	9,912
Restricted cash	459,390	-	459,390
Accounts receivable, net	758,844	11,513	770,357
Prepaid items	7,875	-	7,875
Total current assets	<u>5,151,075</u>	<u>220,217</u>	<u>5,371,292</u>
Capital assets:			
Not being depreciated	82,278	60,482	142,760
Being depreciated, net	16,529,552	1,609,508	18,139,060
Total non-current assets	<u>16,611,830</u>	<u>1,669,990</u>	<u>18,281,820</u>
Total assets	<u>21,762,905</u>	<u>1,890,207</u>	<u>23,653,112</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pensions	588,934	-	588,934
Total deferred outflows of resources	<u>588,934</u>	<u>-</u>	<u>588,934</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	788,289	6,186	794,475
Retainage payable	-	38,372	38,372
Payroll liabilities	43,191	2,352	45,543
Accrued interest payable	2,039	-	2,039
Current portion of compensated absences	34,282	-	34,282
Due to other funds	758,187	-	758,187
Payable from restricted assets:			
Customer deposits	459,049	-	459,049
Current portion net pension liability	2,468	-	2,468
Current portion of debt	240,265	-	240,265
Total current liabilities	<u>2,327,770</u>	<u>46,910</u>	<u>2,374,680</u>
Non-current liabilities:			
Compensated absences	207,544	-	207,544
OPEB liability	29,897	-	29,897
Net pension liability	1,536,480	-	1,536,480
Debt	10,023,002	-	10,023,002
Total non-current liabilities	<u>11,796,923</u>	<u>-</u>	<u>11,796,923</u>
Total liabilities	<u>14,124,693</u>	<u>46,910</u>	<u>14,171,603</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pensions	108,193	-	108,193
Net position:			
Net investment in capital assets	6,348,563	1,631,618	7,980,181
Unrestricted	1,770,390	211,679	1,982,069
Total net position	<u>\$ 8,118,953</u>	<u>\$ 1,843,297</u>	<u>\$ 9,962,250</u>

See notes to basic financial statements

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds		
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	Total
Operating revenues:			
Sanitation charges	\$ 1,622,339	\$ -	\$ 1,622,339
Sewer charges	2,606,903	-	2,606,903
Metered water charges	2,203,106	-	2,203,106
Stormwater user fees	-	115,218	115,218
Impact fees	6,673	-	6,673
Total operating revenues	<u>6,439,021</u>	<u>115,218</u>	<u>6,554,239</u>
Operating expenses:			
Payroll and related expenses	1,529,885	45,783	1,575,668
Sewage disposal fees	988,925	-	988,925
Materials, supplies, repairs, and other	1,116,950	45,187	1,162,137
Water purchases	586,855	-	586,855
Solid waste disposal and recycling services	484,000	-	484,000
Provision for depreciation	424,687	36,893	461,580
Total operating expenses	<u>5,131,302</u>	<u>127,863</u>	<u>5,259,165</u>
Operating income	<u>1,307,719</u>	<u>(12,645)</u>	<u>1,295,074</u>
Non-operating revenues (expenses):			
Interest income	116	600	716
Interest expense	(23,151)	-	(23,151)
Income before transfers and contributions	<u>1,284,684</u>	<u>(12,045)</u>	<u>1,272,639</u>
Transfers and contributions			
Grants and contributions	115,895	225,000	340,895
Transfers out	(1,136,484)	(13,020)	(1,149,504)
Total transfers and contributions	<u>(1,020,589)</u>	<u>211,980</u>	<u>(808,609)</u>
Change in net position	264,095	199,935	464,030
Net position - beginning	<u>7,854,858</u>	<u>1,643,362</u>	<u>9,498,220</u>
Net position - ending	<u>\$ 8,118,953</u>	<u>\$ 1,843,297</u>	<u>\$ 9,962,250</u>

See notes to basic financial statements

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds		
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 6,407,675	\$ 115,239	\$ 6,522,914
Payments to employees	(1,067,693)	(43,431)	(1,111,124)
Payments to suppliers	(3,619,631)	(71,790)	(3,691,421)
Net cash provided by operating activities	<u>1,720,351</u>	<u>18</u>	<u>1,720,369</u>
Cash flows from non-capital financing activities:			
Transfers to other funds	(1,136,484)	(13,020)	(1,149,504)
Net cash used in non-capital financing activities	<u>(1,136,484)</u>	<u>(13,020)</u>	<u>(1,149,504)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(406,026)	-	(406,026)
Payments of revolving state loans	(203,721)	-	(203,721)
Proceeds from revolving state loans	3,843,123	-	3,843,123
Proceeds from capital grants	115,895	225,000	340,895
Interest and other charges	(22,826)	-	(22,826)
Net cash provided by capital and related financing activities	<u>3,326,445</u>	<u>225,000</u>	<u>3,551,445</u>
Cash flows from investing activities			
Interest income	116	600	716
Net cash provided by investing activities	<u>116</u>	<u>600</u>	<u>716</u>
Net increase in cash	3,910,428	212,598	4,123,026
Cash - beginning	<u>464,016</u>	<u>325,341</u>	<u>789,357</u>
Cash - ending	<u>\$ 4,374,444</u>	<u>\$ 208,704</u>	<u>\$ 4,583,148</u>
Cash and cash equivalents per statement of net position:			
Unrestricted	\$ 3,915,054	\$ 208,704	\$ 4,123,758
Restricted	<u>459,390</u>	<u>-</u>	<u>459,390</u>
Net cash and cash equivalents per statement of net position	<u>\$ 4,374,444</u>	<u>\$ 208,704</u>	<u>\$ 4,583,148</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>\$ 1,307,719</u>	<u>\$ (12,645)</u>	<u>\$ 1,295,074</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	424,687	36,893	461,580
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(26,379)	21	(26,358)
Investments	(116)	-	(116)
Prepaid items	(7,875)	-	(7,875)
Deferred outflows of resources	(465,659)	-	(465,659)
Increase (decrease) in:			
Accounts payable and accrued liabilities	(434,910)	(26,603)	(461,513)
Payroll liabilities	3,084	2,352	5,436
Customer deposits	(4,967)	-	(4,967)
Compensated absences	21,524	-	21,524
Net pension liability	1,018,755	-	1,018,755
OPEB liability	(71,805)	-	(71,805)
Deferred inflows of resources	(43,707)	-	(43,707)
Net cash provided by operating activities	<u>\$ 1,720,351</u>	<u>\$ 18</u>	<u>\$ 1,720,369</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Bay Village, Florida (the "Village") was incorporated in 1945 as a municipality under the laws of the State of Florida Statute 234-27. The Village operates under the Commission-Manager form of government, with the legislative function vested in a five-member Village Commission. The Village provides the following services as authorized by its charter: general government, public safety, water and sewer, sanitation, public works, planning and zoning, building inspection, code enforcement, health and social services, culture and recreation.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting and reporting policies and practices of the Village are described below.

A. Financial Reporting Entity

In accordance with GASB pronouncements, the Village's financial statements include all funds, departments, agencies, boards, and other organizations over which Village officials are considered to be financially accountable.

Financial accountability includes such aspects as appointment of a component unit's governing body members, budget review, approval of property tax levies, outstanding debt secured by the full faith credit of the Village or its revenue stream, and responsibility for funding deficits.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the GASB. Based upon the application of these criteria, the Village has no funds, agencies, boards, commissions or authorities considered to be potential component units.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements.

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

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate fund financial statements are provided for governmental funds and proprietary funds. The focus of fund financial statements is on major funds. Major governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financial sources.

Property taxes when levied for, franchise fees, utility taxes, charges for services, impact fees, intergovernmental revenues when eligibility requirements are met and interest associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the current fiscal period, if available. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the Village.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting for reporting its assets and liabilities. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. 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 proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and service, administrative expenses and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

The Village reports the following major governmental funds:

General Fund - This fund is the principal operating fund of the Village. It accounts for all financial resources of the general government except those accounted for in another fund.

Transportation Fund - This fund is used to account for restricted revenues and expenditures associated with a county levied surtax and designated for public transportation purposes.

The Village reports one major proprietary fund:

Utility Fund - This fund is used to account for the Village's water, sewer and sanitation utility system, which is financed and operated in a manner similar to private business enterprises. The intent of the Village is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments - The Village's cash and cash equivalents are considered to be cash and short-term investments with original maturities of three months or less when purchased. Deposits include cash on hand and interest-bearing checking accounts.

Village administration is authorized to invest in those instruments authorized by the Florida Statutes. Investments include the Local Government Surplus Funds Trust Fund. Investment in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration is reported at the fair value of its position in the pool, which is the same as the value of the pool shares.

2. Interfund transactions - As the Village does not have any lending/borrowing arrangements between funds, all outstanding balances between funds are reported as "due to/from other funds". All amounts receivable from or payable to other funds are to be settled with expendable, available financial resources. Transactions which are recurring annual transfers between two or more funds are recorded as transfers in and out. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."
3. Receivables - Receivables include amounts due from other governments and others for services provided by the Village. Receivables, including special assessments, are recorded when the related service is provided. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.
4. Allowance for doubtful accounts - The Village considers all amounts receivable in the governmental funds to be fully collectible; consequently, no allowance for doubtful accounts was estimated. An allowance of \$15,000 was deemed necessary for the proprietary funds. This amount is primarily past due customer accounts and related penalties due as of September 30, 2020.
5. Restricted assets - Proceeds from impact fees, CITT surtax and 2nd local option gas taxes are classified as restricted in various special revenue funds since these resources are specifically earmarked for restricted purposes including law enforcement, transportation and recreational eligible items.
6. Restricted cash - The Village reports amounts paid by customers for water and sewer deposits as restricted cash.
7. Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These costs are accounted for under the consumption method.
8. Capital assets - Capital assets, which include land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure assets (e.g., sidewalks and other similar items grouped within buildings and improvements other than buildings), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

	<u>Years</u>
Improvements other than building	5-40
Buildings and improvements	5-30
Vehicles	3-5
Machinery and equipment	3-10
Equipment and vehicles	3-5
Street improvements	30

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

9. Deferred outflows/deferred inflows of resources - In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items, deferred outflows relating to pension plans, as well as deferred outflows relating to other post employment benefits that qualify for reporting in this category and are discussed in further detail in Note 8 and Note 10.

In addition to liabilities, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one item, deferred inflows relating to pensions plans, that qualifies for reporting in this category and is discussed in further detail in Note 8.

10. Compensated absences - Village employees are granted vacation, sick and compensatory leave in varying amounts based on length of service. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours, as well as reimbursement for sick hours if the required length of service is met. All vacation pay is accrued when incurred in the government-wide and proprietary funds and reported as a liability. The current portion of this obligation is estimated based on historical trends. A liability for these amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirements.
11. Long-Term Obligations – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or propriety fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium and discounts.

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. Payments of principal and interest are reported as debt service expenditures.

12. Net Position - Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized into three components:

Net investment in capital assets – this category consists of capital assets, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds.

Restricted net position – this category consists of all net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of the net position not meeting the definition of either of the other two components.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws and 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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

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 Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

13. Fund Balance – As of September 30, 2020, fund balances of the governmental fund financial statements are classified 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 inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale.

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 - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Village Commission. Commitments may be established, modified, or rescinded only through ordinances approved by Village Commission.

Assigned - This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commission or through the Commission delegating this responsibility to Village management. In addition, amounts deemed by a Village Ordinance as a minimum General Fund balance requirement is included in this category. Section 35.22 of the Village Code of Ordinances assigns an operating reserve of 20% of the current fiscal year original budget. This amount has been classified as assigned operating reserves in the accompanying financial statements.

Unassigned - This classification includes the residual fund balance for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceeds the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

14. Net position policy - The Village has adopted a Net Position Policy for the Enterprise Funds. This policy lists the criteria to be used in evaluating net position requirements, and establishes a minimum target balance for the unrestricted category of net position. In addition, the policy establishes a process in reaching and maintaining the targeted level of unrestricted net position, the condition under which the targeted balance may be spent and the required replenishment of balances.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

15. Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Although these estimates are based on management's knowledge of current events and actions, actual results may ultimately differ from those estimates.

NOTE 2 – PROPERTY TAXES

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mills (\$10 per \$1,000 of assessed taxable valuation). The tax rate to finance general governmental services for the fiscal year ended September 30, 2020 was 6.1000 mills. The rate of 6.1000 mills is allocated to the General Fund and Debt Service Fund, with the General Fund receiving 5.4992 and the Debt Service Fund .6187.

The tax levy of the Village is established by the Village Commission prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and various special taxing districts. All property is reassessed according to its fair market value as of January 1 each year, at which time taxes become an enforceable lien on property. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the roll meets all of the appropriate requirements of State statutes. State of Florida Amendment #10 to the Florida Constitution known as "Save our Homes" limits assessment increases on homestead property to the lesser of 3% or the Consumer Price Index.

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. 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 Village. 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. State law provides for enforcement of collection of personal property taxes by seizure of the property, by the sale of the property, or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to July 31 of the year following the year of assessment.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

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

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As required by Florida Statutes, the Village has adopted an investment policy designating the investments which are allowable. The authorized investments include direct obligations of the United States Treasury, its Agencies or Instrumentalities, fully insured or collateralized certificates of deposit, Securities and Exchange Commission ("SEC") registered money market funds, repurchase agreements secured by direct obligations of the United States Government, its Agencies or instrumentalities, and the Local Government Surplus Funds Trust Fund. The investments follow the investment rules defined in Florida Statutes Chapter 215. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

The Village invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund ("Florida PRIME"). Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The Florida PRIME investment is exempt from Fair Value Measurement and Application disclosures.

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The Village's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2020, the Village's fair value of its investment in Florida PRIME was \$67,148.

Interest rate risk

The Village has an investment policy of structuring investment portfolios to meet cash requirements and diversifying maturities and staggering purchase dates to minimize the impact of market movements over time. The weighted average maturity (WAM) of the securities held in Florida PRIME is 48 days. The weighted average life (WAL) of Florida PRIME is 63 days.

Credit risk

The Village's investment policy limits investments to the safest types of issuers. The Florida PRIME is rated AAAM by Standard and Poor's.

Concentration of credit risk

The Village's investment Policy does not stipulate any limit on the percentage that can be invested in any one issuer. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. as of September 30, 2020, the value of each position held in the Village's portfolio comprised of less than 5% of the village's investment assets.

NOTE 4 – RECEIVABLES AND PAYABLES

As of September 30, 2020, receivables for the Village's individual major and nonmajor funds, in the aggregate including applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Non-major Funds</u>	<u>Utilities Fund</u>	<u>Non-major Stormwater Utility Fund</u>	<u>Total</u>
Customers billed	\$ -	\$ -	\$ -	\$ 773,844	\$ 11,513	\$ 785,357
Intergovernmental	176,740	77,981	34,055	-	-	288,776
Accounts receivable	135,011	-	2,808	-	-	137,819
Allowance for doubtful accounts	-	-	-	(15,000)	-	(15,000)
	<u>\$ 311,751</u>	<u>\$ 77,981</u>	<u>\$ 36,863</u>	<u>\$ 758,844</u>	<u>\$ 11,513</u>	<u>\$ 1,196,952</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – RECEIVABLES AND PAYABLES (CONTINUED)

As of September 30, 2020, accounts payable and accrued liabilities for the Village's individual major and non-major funds are as follows:

	General Fund	Transportation Fund	Non-major Governmental Funds	Utility Fund	Non-major Stormwater Utility Fund	Total
Vendors	\$ 509,235	\$ 80,849	\$ 204,515	\$ 788,289	\$ 6,186	\$ 1,589,074

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,433,633	\$ -	\$ -	\$ 7,433,633
Construction in progress	1,632,020	228,929	1,853,554	7,395
Total capital assets, not being depreciated	9,065,653	228,929	1,853,554	7,441,028
Capital assets, being depreciated:				
Buildings and improvements	3,027,498	1,853,554	-	4,881,052
Street improvements	2,337,210	-	-	2,337,210
Vehicles	934,319	-	101,208	833,111
Machinery and equipment	1,048,672	-	-	1,048,672
Total capital assets, being depreciated	7,347,699	1,853,554	101,208	9,100,045
Less accumulated depreciation for:				
Buildings and improvements	2,026,252	162,764	-	2,189,016
Street improvements	597,250	75,517	-	672,767
Vehicles	827,059	50,318	99,224	778,153
Machinery and equipment	892,544	57,516	-	950,060
Total accumulated depreciation	4,343,105	346,115	99,224	4,589,996
Total capital assets, being depreciated, net	3,004,594	1,507,439	1,984	4,510,049
Governmental activities capital assets, net	\$ 12,070,247	\$ 1,736,368	\$ 1,855,538	\$ 11,951,077

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	* \$ 6,629,389	\$ 1,416,117	\$ (7,902,746)	\$ 142,760
Total capital assets, not being depreciated	<u>6,629,389</u>	<u>1,416,117</u>	<u>(7,902,746)</u>	<u>142,760</u>
Capital assets, being depreciated:				
Improvements other than buildings	17,105,451	7,880,428	(78,431)	24,907,448
Equipment and vehicles	<u>633,423</u>	<u>-</u>	<u>(21,026)</u>	<u>612,397</u>
Total capital assets being depreciated	<u>17,738,874</u>	<u>7,880,428</u>	<u>(99,457)</u>	<u>25,519,845</u>
Less accumulated depreciation for:				
Improvements other than buildings	6,421,776	448,770	(78,431)	6,792,115
Equipment and vehicles	<u>596,886</u>	<u>12,810</u>	<u>(21,026)</u>	<u>588,670</u>
Total accumulated depreciation	<u>7,018,662</u>	<u>461,580</u>	<u>(99,457)</u>	<u>7,380,785</u>
Total capital assets, being depreciated, net	<u>10,720,212</u>	<u>7,418,848</u>	<u>-</u>	<u>18,139,060</u>
Business-type activities capital assets, net	<u>\$ 17,349,601</u>	<u>\$ 8,834,965</u>	<u>\$ (7,902,746)</u>	<u>\$ 18,281,820</u>

* Beginning balance was restated to reflect a correction to CIP

Depreciation expense for the fiscal year ended September 30, 2020 was charged to functions/programs as follows:

Governmental Activities:	
Public safety	\$ 68,826
Public works	156,983
General government	5,484
Recreation and human services	114,420
Building, planning and zoning	<u>402</u>
Total depreciation expense - governmental activities	<u>\$ 346,115</u>
Business-Type Activities:	
Water and sewer systems	\$ 424,687
Stormwater utility	<u>36,893</u>
Total depreciation expense - business-type activities	<u>\$ 461,580</u>

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Interfund balances result from the time lag between the dates (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are actually made between funds.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – INTERFUND BALANCES AND TRANSFERS (CONTINUED)

As of September 30, 2020, interfund balances were as follows:

	Payable Fund		
	Non-major Governmental Funds	Utility Fund	Total
<u>Receivable Fund</u>			
General Fund	\$ 461,261	\$ 758,187	\$ 1,219,448

The interfund balance in the General Fund due from the Non-major Governmental Funds and Utility Fund was to cover costs to maintain the Village's roadways and water and sewer construction costs.

Interfund transfers for the year ended September 30, 2020 are summarized as follows:

	Interfund Balances	
	Transfers In	Transfers Out
General Fund	\$ 1,110,046	\$ 313,335
Transportation Fund	55,248	312,099
Non-major Governmental Funds	636,414	26,770
Utility Fund	-	1,136,484
Stormwater Utility Fund	-	13,020
	<u>\$ 1,801,708</u>	<u>\$ 1,801,708</u>

The transfer out of the General Fund to the nonmajor governmental funds was to fund the Children Services Fund for additional expenditures that the Children's Trust grant does not pay for and to fund the Transportation Fund for a local effort the Village must make to continue to receive Miami Dade CITT revenue. The transfer into the General Fund is for expenses paid on behalf of other funds.

NOTE 7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Village for the fiscal year ended September 30, 2020:

	October 1, 2019	Additions	Reductions	September 30, 2020	Due Within One Year
Governmental Activities					
General Obligation Note, Series 2010	\$ 1,337,144	\$ -	\$ 102,857	\$ 1,234,287	\$ 102,857
General Obligation Refunding Note, Series 2010	3,695,000	-	360,000	3,335,000	365,000
Capital Asset Acquisition Taxable Note, Series 2018	2,310,000	-	40,000	2,270,000	2,270,000
Road Improvement Revenue Note, Series 2020	-	1,500,000	-	1,500,000	90,000
Compensated Absences	1,360,900	634,505	628,242	1,367,163	138,427
Net Pension Liability	8,117,915	2,778,255	-	10,896,170	17,472
OPEB liability	585,175	-	373,499	211,676	-
Total Governmental Activities long term liabilities	<u>\$17,406,134</u>	<u>\$ 4,912,760</u>	<u>\$ 1,504,598</u>	<u>\$20,814,296</u>	<u>\$ 2,983,756</u>
Business Type Activities					
Revolving state loans	\$ 6,623,865	\$ 3,843,123	\$ 203,721	\$ 10,263,267	\$ 240,265
Net pension liability	520,193	1,018,755	-	1,538,948	2,468
Compensated absences	220,302	68,652	47,128	241,826	34,282
OPEB liability	101,702	-	71,805	29,897	-
	<u>\$ 7,466,062</u>	<u>\$ 4,930,530</u>	<u>\$ 322,654</u>	<u>\$12,073,938</u>	<u>\$ 277,015</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

For governmental activities, compensated absences, net pension liability and total OPEB liability are generally liquidated by the General Fund.

The Village does not currently have unused lines of credit in its governmental activities but does have \$19,990,000 in voter approved but unissued debt. Of that amount, \$9,100,000 was approved for the undergrounding of overhead utility lines, generally electric, telephone, and cable TV. The balance of \$10,890,000 was approved for the improvement of water quality in Biscayne Bay; open space, parks, and recreation; improvements to the JFK Causeway; and a Public Safety/City Hall facility. The Village will likely advance these bond issues at some point in the future. The bonds, once issued, will be paid back through property tax revenues generated by a separate millage rate authorized for this purpose.

Governmental activities

In September 2008, the Village borrowed \$6,250,000 relating to General Obligation Note, Series 2008, for the purpose of financing all or a part of the costs of (i) the acquisition of land to be used as a public park, (ii) the preliminary phases of the construction of a public safety and city hall complex and the construction and installation of landscaping and aesthetic improvements to the John F. Kennedy causeway, and (iii) related capital costs. Each purpose was approved separately by a voter referendum and the debt issue consolidated in order to save on issuance costs. This issue was refunded by defeasance in 2011.

In fiscal year ended September 30, 2010, the Village borrowed \$2,160,000 relating to a General Obligation Note, Series 2010, for the purpose of financing all or a part of the costs of (i) the creation and improvement of parks and recreational opportunities, (ii) the construction of a Public Safety and Village Hall complex, (iii) landscaping and aesthetic improvements to the John F. Kennedy Causeway, and (iv) related capital costs. The note is secured by the proceeds of ad valorem taxes levied on all taxable property in the Village. The note bears interest of 3.80% and is payable semi-annually while principal of \$102,857 is payable annually on December 1 of each year through the maturity date of December 1, 2031. The outstanding principal balance as of September 30, 2020, is \$1,234,287. The note contains a provision that in an event of default, the bank may declare all obligations of the Village to be immediately due and payable including accrued interest.

In fiscal year ended September 30, 2011, the Village refinanced a \$6,250,000 General Obligation Note with the proceeds of a \$6,325,000 General Obligation Refunding Note. The proceeds were used to legally defease the original note and to pay costs of the refinancing. The note bears interest at 3.51% and is payable semi-annually while principal is payable annually on June 1 of each year through the maturity date of June 1, 2028. The outstanding principal balance as of September 30, 2020, is \$3,335,000. The note contains a provision that in an event of default, the bank may declare all obligations of the Village to be immediately due and payable, including accrued interest.

In fiscal year ended September 30, 2018, the Village borrowed \$2,350,000 relating to a Capital Asset Acquisition Taxable Note, Series 2018, for the purpose of paying for the costs of acquiring property and the related loan costs. The note bears interest of 3.531% and is payable semiannually while principal of \$40,000 is payable annually on July 1 of each year through July 1, 2021, when the remaining balance of \$2,270,000 is due. The note is secured by all non-ad valorem revenues which are legally available to make debt payments when due. The outstanding principal balance as of September 30, 2020 is \$2,270,000. If an event of default occurs and is continuous, the Noteholder may not declare the Series 2018 Note to be immediately due and payable unless the other debt of the Village is accelerated. The Village in May 2018 issued \$2,350,000 taxable note for the purchase of the Sakura property. In May 2021, the note was refinanced for a 15 year term.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

In fiscal year ended September 30, 2020, the Village borrowed \$1,500,000 relating to a Road Improvement Revenue Note, Series 2020, for the purpose of financing the costs of improvements to the Village's roadways and paying costs of issuance of the note. The note bears interest of 1.221% and is payable semiannually while principal ranging from \$90,000 to \$110,000 is payable annually on July 1 of each year through July 1, 2035, when the remaining balance of \$1,500,000 is due. The note is secured by all non-ad valorem revenues which are legally available to make debt payments when due. The outstanding principal balance as of September 30, 2020 is \$1,500,000. If an event of default occurs, the interest rate shall be the then current interest rate on the Note at the time of the event of default plus 2%. Additionally, the Noteholder may pursue any available remedy by suit, at law or in equity in the State of Florida, to enforce the payment of the principal of and interest on the Note then outstanding.

Business-type activities

The Village has seven separate loan agreements with the State of Florida Department of Environmental Protection. The loans provided the funding for various sewer improvement, water main replacement, and automated water meter replacement projects on a cost reimbursement basis. Pursuant to the terms of the individual agreements, the Village began making semi-annual principal and interest payments on the loans six months subsequent to the completion of the related projects.

The Village is required to maintain rates and charges for the services furnished by the water and sewer systems which will be sufficient to provide pledged revenues equal to 1.15 times the sums of the semi-annual payments due in such fiscal year. At September 30, 2020, the Village was in compliance with these covenants. The significant terms of the loans are as follows:

Revolving state loan of \$1,079,032 dated December 24, 2009; financing rate of 1.93%. The Village makes semi-annual principal and interest payments of \$39,929 on May 15 and November 15. The loan matures on May 15, 2031 and is collateralized by water and sewer revenues.	\$ 646,598
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Revolving state loan of \$352,416 dated December 9, 2014; financing rate of 2.18%. The Village makes semi-annual principal and interest payments of \$10,597 on February 15 and August 15. The loan matures on August 15, 2031 and is collateralized by water and sewer revenues.	214,165
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Revolving state loan of \$52,590 dated March 10, 2017; financing rate of .935%. The Village makes semi-annual principal and interest payments of \$1,626 on October 15 and April 15. The loan matures on April 15, 2035 and is collateralized by water and sewer revenues.	47,160
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Revolving state loan of \$ 2,546,720 dated May 16, 2017; financing rate of .085%. The Village makes semi-annual principal and interest payments of \$124,649 on October 15 and April 15. The loan matures on October 15, 2027 and is collateralized by water and sewer revenues.	2,510,863
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Revolving state loan of \$4,025,832 dated July 12, 2018; interest rate of 1.34%. The Village will be required to make semi-annual principal and interest payments based on the actual amount of the principal drawn under the agreement.	4,025,832
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Revolving state loan of \$2,617,577 dated July 2, 2018; interest rate of 1.24%. The Village will be required to make semi-annual principal and interest payments based on the actual amount of the principal drawn under the agreement.	2,617,577
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Revolving state loan of \$201,072 dated November 5, 2019; interest rate of .895%. The Village will be required to make semi-annual principal and interest payments based on the actual amount of the principal drawn under the agreement.	<div style="text-align: right;"> <u>201,072</u> <u>\$ 10,263,267</u> </div>
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NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Combined aggregate maturities for all long-term liabilities for each of the next five years and to maturity are as follows:

	Governmental Activities			Business-type Activities *		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,827,857	\$ 259,713	\$ 3,087,570	\$ 218,495	\$ 21,770	\$ 240,265
2022	577,857	162,503	740,360	224,588	20,245	244,833
2023	592,857	144,097	736,954	226,464	18,600	245,064
2024	607,857	125,164	733,021	228,372	16,923	245,295
2025	617,857	104,544	722,401	230,314	15,216	245,530
2026-2030	2,379,285	229,203	2,608,488	1,181,920	49,330	1,231,250
2031-2035	735,717	27,353	763,070	923,153	10,808	933,961
2036-2040	-	-	-	433,902	1,593	435,495
	<u>\$ 8,339,287</u>	<u>\$ 1,052,577</u>	<u>\$ 9,391,864</u>	<u>\$ 3,667,208</u>	<u>\$ 154,485</u>	<u>\$ 3,821,693</u>

* Amounts above do not include all of the Village's State Revolving Fund debt service requirements. Only loans that have reached project completion are included above.

The difference (\$6,596,059) between what has been approved for borrowing (\$10,263,267) and what was outstanding at fiscal year end (\$3,667,208) will be paid down upon completion of the related State Revolving Loan projects. The Village's existing rate structure is sufficient to main the coverage necessary under the terms of all existing and planned debt for the utility system.

NOTE 8 – RETIREMENT PLANS

Florida Retirement System

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System ("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") and the Retiree Health Insurance Subsidy ("HIS Plan").

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. 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 State 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, or by calling (877) 377-1737 or by visiting the Website: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

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 creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. 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 creditable service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. 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 creditable service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers' class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable 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.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost of living adjustment ("COLA") is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 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 three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular – 8.47% and 10.0%; Special Risk Administrative Support – 38.59% and 35.84%; Special Risk – 25.48% and 24.45%; Senior Management Service – 25.41% and 27.29%; Elected Officers' – 48.82% and 49.18%; and DROP participants – 14.60% and 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

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, 2020, 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 health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution was 1.66%. The Village contributed 100% of its statutorily required contributions for the current and preceding three 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.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At September 30, 2020, the Village reported liabilities of \$10,628,199 for its proportionate share of the Pension Plan's net pension liability and \$1,806,919 for the HIS Plan's net pension liability for a total net pension liability of \$12,435,118. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. At June 30, 2020, the Village's proportion was .024522006 percent for the Pension Plan and .014798881 percent for the HIS Plan, which was an increase of .003731952 percent and .001586770 percent respectively, from the proportionate share measured as of June 30, 2019.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

For the year ended September 30, 2020, the Village recognized pension expense of \$2,232,015 for the Pension Plan and \$148,708 for the HIS Plan for a total pension expense of \$2,380,723. At September 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 406,763	\$ 73,914	\$ 480,677
Changes in assumptions	1,924,042	194,295	2,118,337
Net difference between projected and actual earnings on pension plan investments	632,813	1,443	634,256
Changes in proportion and differences between Village contributions and proportionate share of contributions	1,047,666	277,059	1,324,725
Village contributions subsequent to the measurement date	182,009	18,742	200,751
Total	<u>\$ 4,193,293</u>	<u>\$ 565,453</u>	<u>\$ 4,758,746</u>

	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 1,394	\$ 1,394
Changes in assumptions	-	105,065	105,065
Changes in proportion and differences between Village contributions and proportionate share of contributions	639,049	128,719	767,768
Total	<u>\$ 639,049</u>	<u>\$ 235,178</u>	<u>\$ 874,227</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Deferred outflows of resources in the amount of \$200,751 related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending September 30, 2020. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2021	\$ 754,008	\$ 89,673	\$ 843,681
2022	1,034,143	67,679	1,101,822
2023	864,000	29,851	893,850
2024	520,722	41,736	562,458
2025	199,363	33,747	233,110
Thereafter	-	48,847	48,847
Total	<u>\$ 3,372,235</u>	<u>\$ 311,533</u>	<u>\$ 3,683,768</u>

Actuarial assumptions

The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan's valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Plan 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 Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary Increases	3.25% average, including inflation	3.25% average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Long-term expected rate of return

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

Asset Class	Target Allocation 1	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
	<u>100%</u>			
Assumed inflation-Mean			2.4%	1.7%

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

Discount rate

The discount rate used to measure the total pension liability was 6.80% for the Pension Plan. 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 calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's 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 Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 2.21% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

Sensitivity of the village's proportionate share of the net position liability to changes in the discount rate

The following table presents the sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact to the Village's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2020.

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Village's proportionate share of the net pension liability for pension plan	<u>\$ 16,971,447</u>	<u>\$ 10,628,199</u>	<u>\$ 5,330,290</u>
	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Village's proportionate share of the net pension liability for HIS plan	<u>\$ 2,088,718</u>	<u>\$ 1,806,919</u>	<u>\$ 1,576,268</u>

Investment plan

The SBA (State Board of Administration) administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. Village employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2019-2020 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

<u>Class</u>	<u>Allocation Rate</u>
Elected Officials	11.34%
Senior Management	7.67%
Special Risk	14.00%
Regular Employees	6.30%

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – RETIREMENT PLANS (CONTINUED)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Village.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 9 – DEFINED CONTRIBUTION PLAN

The Village also has a defined contribution plan ("Plan") in accordance with Internal Revenue Code Section 401(a). There are four employees that did not transfer their balances to FRS that remain in this Plan. The Plan provides for required employer and employee contributions of 13.5% and 5.5% of employee earnings for the Plan year, respectively. The Village contributed approximately \$29,963 and the employees contributed approximately \$12,161 for the year ended September 30, 2020. Plan amendments must be approved by the Village Commission. The Plan is administered by ICMA Retirement Corp.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan description and funding policy

Employees who retire from the Village and their dependents are eligible to continue to participate in the Village's single-employer defined benefit healthcare plan (the "Plan") currently offered through the Village at the "blended" employee group rate which, is determined annually by the Village. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date.

The Village provides no funding for any portion of the premiums after retirement. However, the Village recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average are higher than active employee healthcare costs. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this Plan. The Plan does not issue a separate financial report. It is the City's current policy to fund the Plan on a "pay-as-you-go" basis from the General Fund.

The following table provides a summary of the number of participants in the Plan as of October 1, 2019:

Inactive plan members or beneficiaries	
currently receiving benefits	-
Inactive plan members entitled to but not	
yet receiving benefits	-
Active plan members	47
Total plan members	<u>47</u>

Actuarial methods and assumptions

The actuarial valuation of 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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the City and Plan members) and include the types of benefits in force at the valuation date and the historical 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.

The total OPEB liability at September 30, 2020 was based on an actuarial valuation dated October 1, 2019 with a measurement date of September 30, 2020, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.25%
Discount rate	2.41%
Salary increases	3.00%
Retirement age	Earlier of age 62 with at least 6 years of service, or at least 30 years of service at any age; participants who have attained such age as of the valuation date are assumed to retire one year after the valuation date.
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
Healthcare Cost Trend Rates	6.50% for fiscal year beginning 2020, 6.25% for fiscal year beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%.

Discount rate

The discount rate used to measure the total OPEB liability at September 30, 2020 was 2.41%. Because the Village's OPEB costs are funded on a pay-as-you-go funding structure, the return on the S&P municipal bond 20 year high grade index as of the measurement date was used to determine the total OPEB liability.

Total OPEB liability of the Village

The components and changes of the Village's total OPEB liability at September 30, 2020, are as follows:

	Total OPEB Liability
Balance at 9/30/2019	\$ 686,877
Changes for the year:	
Service cost	43,385
Interest on Total OPEB liability	26,143
Assumption changes	(514,832)
Net changes	(445,304)
Balance at 9/30/2020	\$ 241,573
 Total OPEB liability	 \$ 241,573
OPEB Plan fiduciary net position	-
Village's net OPEB liability	\$ 241,573
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate

The following table presents the total OPEB liability, calculated using the discount rate of 2.41%, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease (1.41%)	Current Discount Rate Assumption (2.41%)	1% Increase (3.41%)
Total OPEB liability	\$ 259,414	\$ 241,573	\$ 224,347

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Trend Decrease (5.50%)	Trend Rate Assumption (6.50%)	1% Trend Increase (7.50%)
Total OPEB liability	\$ 217,577	\$ 241,573	\$ 269,405

OPEB expense and deferred outflows of resources

For the year ended September 30, 2020, the Village recognized OPEB expense of (\$442,002). At September 30, 2020, the Village reported changes in deferred outflows of resources related to OPEB as follows:

	Deferred outflows of resources
Balance at 9/30/2019	\$ 3,302
Changes for the year:	
Immediate recognition of remaining deferred outflows	(3,302)
Total change	(3,302)
Balance at 9/30/2020	\$ -

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

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

Risk management

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

NORTH BAY VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants contingency

The Village receives grants from governmental agencies that require compliance with certain provisions stated in the grant agreements and are subject to audit by their granter agencies. Failure to comply with the provisions or the results of any granter audit could result in the return of funds and are subject to audit by their granter agencies. Management of the Village deems the likelihood of this contingency remote since, in its opinion, the Village has complied in all material respects with the provisions of the grants.

Operating lease agreement

The Village previously entered into an operating lease for the rental of the Village City Hall Facility through June 30, 2016 and extended through June 30, 2018. During the fiscal year September 30, 2018, the Village renewed this facility lease for an additional three years. The new lease requires monthly payments of approximately \$17,700 and at greater amounts thereafter through June 30, 2021. Total base payments in connection with this lease were approximately \$214,900 for the year ended September 30, 2020. The lease provides for an option to renew for one additional year.

The Village previously entered into an operating lease for the rental of an additional unit at the Village City Hall Facility through June 30, 2016 and extended through June 30, 2018. During the fiscal year September 30, 2018, the Village exercised the second extension. The new lease requires monthly payments of approximately \$7,600 and at greater amounts thereafter through June 30, 2021. Total base payments in connection with this lease were approximately \$92,600 for the year ended September 30, 2020. The lease provides for an option to renew for one additional year.

Future minimum base lease payments for the remainder of the leases are approximately as follows:

Year Ended September 30,	Amount
2021	\$ 247,200

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At September 30, 2020, there were no encumbrances outstanding.

The encumbrances and related appropriation lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

NOTE 13 – DEFICITS IN FUND BALANCE/NET POSITION

Governmental Funds

At September 30, 2020, the Building Fees Fund, Street Maintenance Fund, and Capital Projects Fund had deficits in fund balance of \$109,541, \$53,528, and \$78,421 respectively. It is expected that these negative fund balances will be eliminated by the end of fiscal year ending September 30, 2021.

NOTE 14 – RISKS AND UNCERTAINTIES

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive/(Negative)</u>
Revenues:				
Taxes:				
Property taxes, including penalties and interest	\$ 5,700,724	\$ 5,700,724	\$ 5,757,425	\$ 56,701
Utility service taxes	605,000	605,000	620,874	15,874
Total taxes	<u>6,305,724</u>	<u>6,305,724</u>	<u>6,378,299</u>	<u>72,575</u>
Licenses and permits:				
Village occupational licenses	112,000	112,000	108,297	(3,703)
Building and other permits	1,000	1,000	-	(1,000)
Total licenses and permits	<u>113,000</u>	<u>113,000</u>	<u>108,297</u>	<u>(4,703)</u>
Franchise fees:				
Electric	375,524	375,524	418,392	42,868
Gas	12,000	12,000	10,165	(1,835)
United States Postal Service	18,500	18,500	18,499	(1)
Sanitation	1,000	1,000	529	(471)
Total franchise fees	<u>407,024</u>	<u>407,024</u>	<u>447,585</u>	<u>40,561</u>
Intergovernmental:				
Local 1/2 cent sales tax	727,242	727,242	612,775	(114,467)
Communication service tax	202,000	202,000	184,941	(17,059)
State revenue sharing	217,397	217,397	201,476	(15,921)
Grants	70,000	70,000	70,337	337
Total intergovernmental	<u>1,216,639</u>	<u>1,216,639</u>	<u>1,069,529</u>	<u>(147,110)</u>
Charges for services:				
Record research and review	35,000	35,000	33,192	(1,808)
Passport fees	18,000	18,000	11,900	(6,100)
Off-duty detail	3,000	3,000	54,860	51,860
Advertising/bus stop	4,680	4,680	4,680	-
Short term vacation rental	20,000	20,000	28,250	8,250
Total charges for services	<u>80,680</u>	<u>80,680</u>	<u>132,882</u>	<u>52,202</u>
Fines and forfeitures	<u>147,000</u>	<u>147,000</u>	<u>397,883</u>	<u>250,883</u>
Impact fees	-	-	3,885	3,885
Interest income	<u>40,000</u>	<u>40,000</u>	<u>28,629</u>	<u>(11,371)</u>
Miscellaneous	<u>118,991</u>	<u>118,991</u>	<u>136,538</u>	<u>17,547</u>
Total revenues	<u>\$ 8,429,058</u>	<u>\$ 8,429,058</u>	<u>\$ 8,703,527</u>	<u>\$ 274,469</u>
Expenditures:				
General government:				
Village Commission:				
Personal services	\$ 35,619	\$ 35,619	\$ 34,971	\$ 648
Operating expenditures	42,750	42,750	26,968	15,782
Total Village commission	<u>78,369</u>	<u>78,369</u>	<u>61,939</u>	<u>16,430</u>
Village Manager:				
Personal services	523,690	496,650	522,859	(26,209)
Operating expenditures	23,600	23,600	15,570	8,030
Total Village manager	<u>547,290</u>	<u>520,250</u>	<u>538,429</u>	<u>(18,179)</u>

(continued)

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive/(Negative)
Village Clerk:				
Personal services	187,803	187,803	180,632	7,171
Operating expenditures	47,031	47,031	30,055	16,976
Total Village clerk	234,834	234,834	210,687	24,147
Finance:				
Personal services	579,741	520,563	475,642	44,921
Operating expenditures	11,910	11,910	3,794	8,116
Total finance	591,651	532,473	479,436	53,037
Village Attorney:				
Operating expenditures	310,250	371,850	387,838	(15,988)
Total Village Attorney	310,250	371,850	387,838	(15,988)
Nondepartmental:				
Personal services	273,852	200,710	199,151	1,559
Operating expenditures	1,037,644	1,312,004	1,283,722	28,282
Total nondepartmental	1,311,496	1,512,714	1,482,873	29,841
Total general government	3,073,890	3,250,490	3,161,202	89,288
Public safety:				
Personal services	4,922,266	4,903,866	5,235,067	(331,201)
Operating expenditures	651,511	669,911	602,198	67,713
Total public safety	5,573,777	5,573,777	5,837,265	(263,488)
Recreation and human services:				
Personal services	94,023	89,023	78,625	10,398
Operating expenditures	362,204	367,204	253,066	114,138
Total recreation and human services	456,227	456,227	331,691	124,536
Debt service:				
Principal	40,000	40,000	40,000	-
Interest	77,228	77,228	81,566	(4,338)
Total debt service	117,228	117,228	121,566	(4,338)
Total expenditures	9,221,122	9,397,722	9,451,724	(54,002)
Excess of expenditures over revenue	(792,064)	(968,664)	(748,197)	328,471
Other financing sources:				
Transfers in	1,115,400	1,115,400	1,110,046	(5,354)
Transfers out	(323,336)	(323,336)	(313,335)	10,001
Total other financing sources	792,064	792,064	796,711	4,647
Fund balance appropriated	-	176,600	-	(176,600)
Net change in fund balance	\$ -	\$ -	48,514	\$ 333,118
Fund balances - beginning			2,782,158	
Fund balances, ending			<u>\$ 2,830,672</u>	

See notes to budgetary comparison schedule

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes	\$ 345,888	\$ 345,888	\$ 310,643	\$ (35,245)
Fines and forfeitures	4,000	4,000	4,095	95
Interest income	8,000	8,000	14,235	6,235
Total revenues	<u>357,888</u>	<u>357,888</u>	<u>328,973</u>	<u>(28,915)</u>
Expenditures:				
Public works	<u>3,457,585</u>	<u>3,457,585</u>	<u>150,601</u>	<u>3,306,984</u>
Total expenditures	<u>3,457,585</u>	<u>3,457,585</u>	<u>150,601</u>	<u>3,306,984</u>
Excess (deficiency) of				
revenues over expenditures	<u>(3,099,697)</u>	<u>(3,099,697)</u>	<u>178,372</u>	<u>3,278,069</u>
Other financing sources (uses) :				
Transfers in	55,248	55,248	55,248	-
Transfers out	-	-	(312,099)	(312,099)
Proceeds from debt	<u>1,236,058</u>	<u>1,236,058</u>	<u>-</u>	<u>(1,236,058)</u>
Total other financing sources (uses)	<u>1,291,306</u>	<u>1,291,306</u>	<u>(256,851)</u>	<u>(1,548,157)</u>
Revenues over (under) expenditures and				
other financing sources (uses)	<u>(1,808,391)</u>	<u>(1,808,391)</u>	<u>(78,479)</u>	<u>1,729,912</u>
Fund balance appropriated	<u>1,808,391</u>	<u>1,808,391</u>		<u>(1,808,391)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(78,479)</u>	<u>\$ (78,479)</u>
Fund balance, beginning			<u>1,577,431</u>	
Fund balance, ending			<u>\$ 1,498,952</u>	

See notes to budgetary comparison schedule

NORTH BAY VILLAGE, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The Village legally adopts annual budgets for all governmental funds, with the exception of Federal Forfeiture Fund, State Forfeiture Fund, Parks Improvement Fund and Police Improvement Trust Fund.

The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. At least 60 days prior to the close of the fiscal year, the Village Commission is presented with a proposed budget including proposed expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1. Budgets are approved on a fund-by-fund basis and management may transfer amounts between line items within the various activities in a department as long as the transfer does not amount to more than 5% of the total budget of the department. There were no budgetary transfers within a department for the year ending September 30, 2020. All other budgetary transfers must be approved by resolution of the Village Commission. Expenditures may not exceed appropriations at the departmental level.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Village. The Village Commission, by resolution, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. Appropriations lapse at year-end. There were no amendments to the budget for the current fiscal year.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2020, expenditures exceeded appropriations in the following:

General Fund - Village manager	\$ 18,179
General Fund - Village attorney	15,988
General Fund - Public safety	263,488

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

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Village's proportion of the FRS net pension liability	0.024522006%	0.020790053%	0.025202817%	0.023842196%	0.024321282%	0.020411165%	0.019243398%
Village's proportionate share of the FRS net pension liability	\$ 10,628,199	\$ 7,159,805	\$ 7,591,219	\$ 7,054,782	\$ 6,141,143	\$ 2,636,736	\$ 1,174,130
Village's covered payroll	5,116,961	4,878,677	3,749,563	4,260,039	4,191,730	3,811,541	3,442,706
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	207.71%	146.76%	202.46%	165.60%	146.51%	69.18%	34.10%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.69%	84.88%	92.00%	96.09%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Village's proportion of the HIS net pension liability	0.014798881%	0.013212112%	0.014794946%	0.013346042%	0.013577049%	0.012524760%	0.011525625%
Village's proportionate share of the HIS net pension liability	\$ 1,806,919	\$ 1,478,303	\$ 1,565,914	\$ 1,427,020	\$ 1,582,349	\$ 1,277,329	\$ 1,077,674
Village's covered payroll	5,116,961	4,878,677	3,749,563	4,260,039	4,191,730	3,811,541	3,442,706
Village's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.31%	30.30%	41.76%	33.50%	37.75%	33.51%	31.30%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 814,758	\$ 644,642	\$ 718,260	\$ 620,671	\$ 593,113	\$ 497,642	\$ 421,512
FRS contribution in relation to the contractually required contribution	<u>(814,758)</u>	<u>(644,642)</u>	<u>(718,260)</u>	<u>(620,671)</u>	<u>(593,113)</u>	<u>(497,642)</u>	<u>(421,512)</u>
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	5,386,505	4,858,170	4,172,564	4,275,799	4,088,434	3,807,189	3,554,672
FRS contribution as a percentage of covered payroll	15.13%	13.27%	17.21%	14.52%	14.51%	13.07%	11.86%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 85,279	\$ 73,366	\$ 80,233	\$ 70,631	\$ 69,591	\$ 47,877	\$ 39,483
HIS contribution in relation to the contractually required contribution	<u>(85,279)</u>	<u>(73,366)</u>	<u>(80,233)</u>	<u>(70,631)</u>	<u>(69,591)</u>	<u>(47,877)</u>	<u>(39,483)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	5,386,505	4,858,170	5,276,247	4,275,799	4,088,434	3,807,189	3,554,672
HIS contribution as a percentage of covered payroll	1.58%	1.51%	1.52%	1.65%	1.70%	1.26%	1.11%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

NORTH BAY VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2020

Fiscal Year:	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB liability:			
Service cost	\$ 43,385	\$ 42,121	\$ 41,645
Interest	26,143	23,681	21,872
Assumption changes	(514,832)	3,705	-
Benefit payments	-	(3,965)	(2,809)
Net change in total OPEB liability	\$ (445,304)	\$ 65,542	\$ 60,708
Total OPEB liability-beginning	<u>686,877</u>	<u>621,335</u>	<u>560,627</u>
Total OPEB liability-ending	<u>\$ 241,573</u>	<u>\$ 686,877</u>	<u>\$ 621,335</u>
Covered payroll	\$ 5,025,037	\$ 4,878,677	\$ 3,069,048
Total OPEB liability as a percentage of covered payroll	4.81%	14.08%	20.25%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

State Forfeiture Fund - This fund is used to account for State forfeitures restricted for law enforcement purposes.

Federal Forfeiture Fund - This fund is used to account for Federal forfeitures restricted for law enforcement purposes.

Building Fees Fund - This fund is used to account for the operations of building, planning and zoning.

Street Maintenance Fund - This fund is used to account for the operations of street maintenance and construction costs.

Children's Services Fund - This fund is used to account for certain grants and programs that provide for summer programs as well as other adolescent activities.

Police Improvement Trust Fund - This fund is used to account for revenues and expenditures for law enforcement purposes.

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Fund - This fund is used to accumulate resources and distribute principal and interest on governmental long-term debt payable by the Village.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition or construction of various major capital projects.

Parks Improvement Fund - This fund is used to account for the revenues and expenditures associated with park acquisition, improvements and enhancements.

Capital Projects Fund - This fund accounts for the acquisition or construction of various capital projects.

Road Improvements Capital Projects Fund - This fund accounts for the acquisition or construction of various road improvements throughout the Village.

NORTH BAY VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds						Debt Service Fund	Capital Projects			Total Nonmajor Governmental Funds
	State Forfeiture Fund	Federal Forfeiture Fund	Building Fees Fund	Street Maintenance Fund	Children Services Fund	Police Improvement Fund	Debt Service Fund	Parks Improvement Fund	Capital Projects Fund	CITT Roadway Improvements Fund	
<u>ASSETS</u>											
Cash and cash equivalents	\$ 21,162	\$ 39,588	\$ 51,742	\$ 39,517	\$ 3,406	\$ 38,685	\$ 8,269	\$ 246,907	\$ 400,538	\$ 1,467,000	\$ 2,316,814
Accounts receivable, net	-	-	-	19,141	14,914	-	2,808	-	-	-	36,863
Total assets	<u>\$ 21,162</u>	<u>\$ 39,588</u>	<u>\$ 51,742</u>	<u>\$ 58,658</u>	<u>\$ 18,320</u>	<u>\$ 38,685</u>	<u>\$ 11,077</u>	<u>\$ 246,907</u>	<u>\$ 400,538</u>	<u>\$ 1,467,000</u>	<u>\$ 2,353,677</u>
<u>LIABILITIES</u>											
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 156,892	\$ 44,634	\$ 40	\$ -	\$ 89	\$ -	\$ 2,860	\$ -	\$ 204,515
Payroll liabilities	-	9,072	4,391	6,291	7,799	-	-	-	-	-	27,553
Retainage payable	-	-	-	-	-	-	-	-	76,099	-	76,099
Due to other funds	-	-	-	61,261	-	-	-	-	400,000	-	461,261
Total liabilities	<u>-</u>	<u>9,072</u>	<u>161,283</u>	<u>112,186</u>	<u>7,839</u>	<u>-</u>	<u>89</u>	<u>-</u>	<u>478,959</u>	<u>-</u>	<u>769,428</u>
<u>FUND BALANCES</u>											
Restricted for:											
Debt service	-	-	-	-	-	-	10,988	-	-	-	10,988
Transportation projects	-	-	-	-	-	-	-	-	-	1,467,000	1,467,000
Recreation and human services	-	-	-	-	10,481	-	-	246,907	400,000	-	657,388
Law enforcement	21,162	30,516	-	-	-	38,685	-	-	-	-	90,363
Unassigned	-	-	(109,541)	(53,528)	-	-	-	-	(478,421)	-	(641,490)
Total fund balances	<u>21,162</u>	<u>30,516</u>	<u>(109,541)</u>	<u>(53,528)</u>	<u>10,481</u>	<u>38,685</u>	<u>10,988</u>	<u>246,907</u>	<u>(78,421)</u>	<u>1,467,000</u>	<u>1,584,249</u>
Total liabilities and fund balances	<u>\$ 21,162</u>	<u>\$ 39,588</u>	<u>\$ 51,742</u>	<u>\$ 58,658</u>	<u>\$ 18,320</u>	<u>\$ 38,685</u>	<u>\$ 11,077</u>	<u>\$ 246,907</u>	<u>\$ 400,538</u>	<u>\$ 1,467,000</u>	<u>\$ 2,353,677</u>

NORTH BAY VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						Debt Service Fund	Capital Projects			Total Nonmajor Governmental Funds
	State Forfeiture Fund	Federal Forfeiture Fund	Building Fees Fund	Street Maintenance Fund	Children Services Fund	Police Improvement Fund	Debt Service Fund	Parks Improvement Fund	Capital Projects Fund	CITT Roadway Improvements Fund	
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,563	\$ -	\$ -	\$ -	\$ 651,563
Intergovernmental	-	-	-	177,778	130,563	-	-	-	20,000	-	328,341
Licenses and permits	-	-	402,999	-	-	-	-	-	-	-	402,999
Fines and forfeitures	-	178,569	-	-	-	-	-	-	-	-	178,569
Impact fees	-	-	-	-	-	35,663	-	9,460	-	-	45,123
Interest income	134	223	-	-	-	-	-	-	-	-	357
Grants	-	-	-	-	-	-	-	11,550	-	-	11,550
Other	-	28,687	30,234	11,871	-	-	-	920	30,607	-	102,319
Total revenues	<u>134</u>	<u>207,479</u>	<u>433,233</u>	<u>189,649</u>	<u>130,563</u>	<u>35,663</u>	<u>651,563</u>	<u>21,930</u>	<u>50,607</u>	<u>-</u>	<u>1,720,821</u>
Expenditures:											
Current:											
Public Safety	9,025	182,171	-	-	-	-	-	-	-	-	191,196
Public works	-	-	-	423,461	-	-	-	-	-	345,099	768,560
Building, planning and zoning	-	-	451,571	-	-	-	-	-	-	-	451,571
Recreation and human services	-	-	-	-	135,388	-	-	-	-	-	135,388
Capital outlay	-	-	-	51,132	-	-	-	-	299,858	-	350,990
Debt service:											
Principal	-	-	-	-	-	-	462,857	-	-	-	462,857
Interest	-	-	-	-	-	-	178,552	-	-	-	178,552
Total expenditures	<u>9,025</u>	<u>182,171</u>	<u>451,571</u>	<u>474,593</u>	<u>135,388</u>	<u>-</u>	<u>641,409</u>	<u>-</u>	<u>299,858</u>	<u>345,099</u>	<u>2,539,114</u>
Excess (deficiency) of revenues over expenditures	<u>(8,891)</u>	<u>25,308</u>	<u>(18,338)</u>	<u>(284,944)</u>	<u>(4,825)</u>	<u>35,663</u>	<u>10,154</u>	<u>21,930</u>	<u>(249,251)</u>	<u>(345,099)</u>	<u>(818,293)</u>
Other financing sources:											
Proceeds from debt	-	-	-	-	-	-	-	-	-	1,500,000	1,500,000
Transfers in	-	-	-	318,024	6,291	-	-	-	-	312,099	636,414
Transfers out	-	-	(26,770)	-	-	-	-	-	-	-	(26,770)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(26,770)</u>	<u>318,024</u>	<u>6,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,812,099</u>	<u>2,109,644</u>
Net change in fund balance	<u>(8,891)</u>	<u>25,308</u>	<u>(45,108)</u>	<u>33,080</u>	<u>1,466</u>	<u>35,663</u>	<u>10,154</u>	<u>21,930</u>	<u>(249,251)</u>	<u>1,467,000</u>	<u>1,291,351</u>
Fund balances - beginning	<u>30,053</u>	<u>5,208</u>	<u>(64,433)</u>	<u>(86,608)</u>	<u>9,015</u>	<u>3,022</u>	<u>834</u>	<u>224,977</u>	<u>170,830</u>	<u>-</u>	<u>292,898</u>
Fund balances, ending	<u>\$ 21,162</u>	<u>\$ 30,516</u>	<u>\$ (109,541)</u>	<u>\$ (53,528)</u>	<u>\$ 10,481</u>	<u>\$ 38,685</u>	<u>\$ 10,988</u>	<u>\$ 246,907</u>	<u>\$ (78,421)</u>	<u>\$ 1,467,000</u>	<u>\$ 1,584,249</u>

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING FEES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Licenses and permits	\$ 542,000	\$ 542,000	\$ 402,999	\$ (139,001)
Other	<u>18,246</u>	<u>18,246</u>	<u>30,234</u>	<u>11,988</u>
Total revenues	<u>560,246</u>	<u>560,246</u>	<u>433,233</u>	<u>(127,013)</u>
Expenditures:				
Building, planning and zoning	<u>557,781</u>	<u>557,781</u>	<u>451,571</u>	<u>106,210</u>
Total expenditures	<u>557,781</u>	<u>557,781</u>	<u>451,571</u>	<u>106,210</u>
Excess of expenditures over revenues	<u>2,465</u>	<u>2,465</u>	<u>(18,338)</u>	<u>(20,803)</u>
Other financing sources:				
Transfers out	<u>(26,770)</u>	<u>(26,770)</u>	<u>(26,770)</u>	<u>-</u>
Total other financing sources	<u>(26,770)</u>	<u>(26,770)</u>	<u>(26,770)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(45,108)</u>	<u>\$ (45,108)</u>
Fund balance, beginning			<u>(64,433)</u>	
Fund balance, ending			<u>\$ (109,541)</u>	

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STREET MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 177,778	\$ 177,778	\$ 177,778	\$ -
Other	<u>11,871</u>	<u>11,871</u>	<u>11,871</u>	<u>-</u>
Total revenues	<u>189,649</u>	<u>189,649</u>	<u>189,649</u>	<u>-</u>
Expenditures:				
Public works	387,118	412,118	423,461	(11,343)
Capital outlay	<u>145,000</u>	<u>120,000</u>	<u>51,132</u>	<u>68,868</u>
Total expenditures	<u>532,118</u>	<u>532,118</u>	<u>474,593</u>	<u>57,525</u>
Excess of expenditures over revenues	<u>(342,469)</u>	<u>(342,469)</u>	<u>(284,944)</u>	<u>57,525</u>
Other financing sources:				
Transfers in	<u>318,026</u>	<u>318,026</u>	<u>318,024</u>	<u>(2)</u>
Total other financing sources	<u>318,026</u>	<u>318,026</u>	<u>318,024</u>	<u>(2)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>33,080</u>	<u>\$ 33,080</u>
Fund balance, beginning			<u>(86,608)</u>	
Fund balance, ending			<u>\$ (53,528)</u>	

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILDREN'S SERVICES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 169,252	\$ 169,252	\$ 130,563	\$ (38,689)
Total revenues	<u>169,252</u>	<u>169,252</u>	<u>130,563</u>	<u>(38,689)</u>
Expenditures:				
Parks and recreation	<u>185,543</u>	<u>185,543</u>	<u>135,388</u>	<u>50,155</u>
Total expenditures	<u>185,543</u>	<u>185,543</u>	<u>135,388</u>	<u>50,155</u>
Excess of expenditures over revenues	<u>(16,291)</u>	<u>(16,291)</u>	<u>(4,825)</u>	<u>11,466</u>
Other financing sources:				
Transfers in	<u>6,291</u>	<u>6,291</u>	<u>6,291</u>	<u>-</u>
Total other financing sources	<u>6,291</u>	<u>6,291</u>	<u>6,291</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources	(10,000)	(10,000)	1,466	11,466
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,466</u>	<u>\$ 1,466</u>
Fund balance, beginning			<u>9,015</u>	
Fund balance, ending			<u>\$ 10,481</u>	

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 651,563	\$ 651,563	\$ 651,563	\$ -
Total revenues	<u>651,563</u>	<u>651,563</u>	<u>651,563</u>	<u>-</u>
Expenditures:				
Principal	462,857	462,857	462,857	-
Interest and fiscal charges	<u>178,552</u>	<u>178,552</u>	<u>178,552</u>	-
Total expenditures	<u>641,409</u>	<u>641,409</u>	<u>641,409</u>	<u>-</u>
Revenues over (under) expenditures	10,154	10,154	10,154	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,154	<u>\$ 10,154</u>
Fund balance, beginning			<u>834</u>	
Fund balance, ending			<u>\$ 10,988</u>	

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 20,000	\$ 20,000
Other	-	-	30,607	30,607
Total revenues	-	-	50,607	50,607
Expenditures:				
Capital outlay	1,416,300	1,416,300	299,858	1,116,442
Total expenditures	1,416,300	1,416,300	299,858	1,116,442
Other financing sources:				
Proceeds from debt	1,244,771	1,244,771	-	(1,244,771)
Total other financing sources	1,244,771	1,244,771	-	(1,244,771)
Revenues over (under) expenditures and other financing sources	(171,529)	(171,529)	(249,251)	-
Fund balance appropriated	171,529	171,529	-	(171,529)
Net change in fund balance	\$ -	\$ -	(249,251)	\$ (171,529)
Fund balance, beginning			170,830	
Fund balance, ending			<u>\$ (78,421)</u>	

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	57-61
Revenue Capacity	
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	62-68
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>	69-73
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	74-75
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	76-78

NORTH BAY VILLAGE, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:										
Net investment in capital assets	\$ 1,914,249	\$ 2,675,129	\$ 2,956,614	\$ 3,161,974	\$ 3,468,637	\$ 3,887,834	\$ 4,028,050	\$ 4,134,161	\$ 4,728,103	\$ 3,535,691
Restricted	1,569,472	1,533,377	1,117,826	1,724,697	1,434,461	1,838,289	1,897,794	2,009,931	2,021,147	3,939,703
Unrestricted (deficit)	<u>462,524</u>	<u>493,678</u>	<u>(129,020)</u>	<u>85,083</u>	<u>(3,300,953)</u>	<u>(3,387,282)</u>	<u>(3,951,483)</u>	<u>(4,512,397)</u>	<u>(5,603,301)</u>	<u>(7,025,349)</u>
Total governmental activities, net position	<u>\$ 3,946,245</u>	<u>\$ 4,702,184</u>	<u>\$ 3,945,420</u>	<u>\$ 4,971,754</u>	<u>\$ 1,602,145</u>	<u>\$ 2,338,841</u>	<u>\$ 1,974,361</u>	<u>\$ 1,631,695</u>	<u>\$ 1,145,949</u>	<u>\$ 450,045</u>
Business-Type Activities:										
Net investment in capital assets	\$ 8,991,838	\$ 8,261,570	\$ 8,316,098	\$ 8,082,710	\$ 8,402,023	\$ 8,440,175	\$ 9,394,287	\$ 11,055,898	\$ 11,384,274	\$ 7,980,181
Unrestricted (deficit)	<u>(483,988)</u>	<u>438,423</u>	<u>633,107</u>	<u>889,675</u>	<u>270,010</u>	<u>705,341</u>	<u>139,561</u>	<u>(1,243,696)</u>	<u>(1,886,054)</u>	<u>1,982,069</u>
Total business-type activities, net position	<u>\$ 8,507,850</u>	<u>\$ 8,699,993</u>	<u>\$ 8,949,205</u>	<u>\$ 8,972,385</u>	<u>\$ 8,672,033</u>	<u>\$ 9,145,516</u>	<u>\$ 9,533,848</u>	<u>\$ 9,812,202</u>	<u>\$ 9,498,220</u>	<u>\$ 9,962,250</u>
Primary Government:										
Net investment in capital assets	\$ 10,906,087	\$ 10,936,699	\$ 11,272,712	\$ 11,244,684	\$ 11,870,660	\$ 12,328,009	\$ 13,422,337	\$ 15,190,059	\$ 16,112,377	\$ 11,515,872
Restricted	1,569,472	1,533,377	1,117,826	1,724,697	1,434,461	1,838,289	1,897,794	2,009,931	2,021,147	3,939,703
Unrestricted (deficit)	<u>(21,464)</u>	<u>932,101</u>	<u>504,087</u>	<u>974,758</u>	<u>(3,030,943)</u>	<u>(2,681,941)</u>	<u>(3,811,922)</u>	<u>(5,756,093)</u>	<u>(7,489,355)</u>	<u>(5,043,280)</u>
Total primary government, net position	<u>\$ 12,454,095</u>	<u>\$ 13,402,177</u>	<u>\$ 12,894,625</u>	<u>\$ 13,944,139</u>	<u>\$ 10,274,178</u>	<u>\$ 11,484,357</u>	<u>\$ 11,508,209</u>	<u>\$ 11,443,897</u>	<u>\$ 10,644,169</u>	<u>\$ 10,412,295</u>

* Fiscal year 2017 unrestricted net assets have been restated due to the implementation of GASB 75.

NORTH BAY VILLAGE, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses:										
Governmental activities:										
General government	\$ 1,628,104	\$ 2,079,698	\$ 2,110,915	\$ 1,736,545	\$ 1,645,316	\$ 2,416,720	\$ 2,954,893	\$ 3,127,620	\$ 3,901,795	\$ 3,325,014
Public safety	4,300,816	4,138,772	4,414,222	4,393,099	4,754,552	5,401,548	5,974,821	6,620,019	6,317,731	6,714,598
Public works	633,390	588,680	767,930	581,419	595,935	662,229	765,252	792,985	977,997	1,110,343
Building, planning and zoning	198,747	211,375	411,645	616,483	787,048	635,329	461,411	663,846	556,734	463,238
Recreation and human services	79,365	200,319	393,656	393,421	465,644	519,026	527,163	527,727	555,941	714,022
Interest and fiscal charges	298,126	316,958	287,067	254,548	249,618	235,061	220,145	306,276	231,575	259,283
Total governmental activities	<u>7,138,548</u>	<u>7,535,802</u>	<u>8,385,435</u>	<u>7,975,515</u>	<u>8,498,113</u>	<u>9,869,913</u>	<u>10,903,685</u>	<u>12,038,473</u>	<u>12,541,773</u>	<u>12,586,498</u>
Business-type activities:										
Utility	3,726,551	4,450,352	4,463,577	5,033,035	5,547,846	4,368,279	5,105,373	4,929,420	4,811,930	5,154,453
Stormwater utility	52,230	80,972	114,344	85,522	181,792	100,658	69,205	67,303	77,604	127,863
Total business-type activities	<u>3,778,781</u>	<u>4,531,324</u>	<u>4,577,921</u>	<u>5,118,557</u>	<u>5,729,638</u>	<u>4,468,937</u>	<u>5,174,578</u>	<u>4,996,723</u>	<u>4,889,534</u>	<u>5,282,316</u>
Total primary government expenses	<u>\$ 10,917,329</u>	<u>\$ 12,067,126</u>	<u>\$ 12,963,356</u>	<u>\$ 13,094,072</u>	<u>\$ 14,227,751</u>	<u>\$ 14,338,850</u>	<u>\$ 16,078,263</u>	<u>\$ 17,035,196</u>	<u>\$ 17,431,307</u>	<u>\$ 17,868,814</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 63,842	\$ 52,928	\$ 64,151	\$ 335,664	\$ 241,624	\$ 676,382	\$ 307,184	\$ 327,257	\$ 135,049	\$ 121,997
Public safety	1,187,213	1,086,703	578,532	408,621	371,820	682,957	659,967	425,375	351,330	426,191
Building, planning and zoning	219,419	324,987	441,841	660,858	891,984	570,814	519,083	698,376	528,311	511,296
Parks and recreation	-	-	-	539,220	-	-	15,216	17,543	9,600	-
Operating grants and contributions	302,416	441,042	411,205	406,728	2,034	475,649	840,492	536,436	990,703	840,338
Capital grants and contributions	31,880	279,035	196,099	110,167	428,419	-	-	-	200,000	61,478
Total governmental activities program revenues	<u>1,804,770</u>	<u>2,184,695</u>	<u>1,691,828</u>	<u>2,461,258</u>	<u>1,935,881</u>	<u>2,405,802</u>	<u>2,341,942</u>	<u>2,004,987</u>	<u>2,214,993</u>	<u>1,961,300</u>
Business-type activities:										
Charges for services:										
Utility	4,514,865	4,484,681	4,708,014	5,030,856	5,002,504	5,608,193	6,196,972	5,923,470	5,891,918	6,439,021
Stormwater utility	123,513	115,320	121,605	110,868	112,927	116,178	116,575	116,111	114,606	115,218
Operating grants and contributions	-	-	-	-	-	-	125,620	-	-	-
Capital grants and contributions	2,707,001	122,542	-	-	599,232	-	12,195	6,360	120,000	340,895
Total business-type activities program revenues	<u>7,345,379</u>	<u>4,722,543</u>	<u>4,829,619</u>	<u>5,141,724</u>	<u>5,714,663</u>	<u>5,724,371</u>	<u>6,451,362</u>	<u>6,045,941</u>	<u>6,126,524</u>	<u>6,895,134</u>
Total primary government program revenues	<u>\$ 9,150,149</u>	<u>\$ 6,907,238</u>	<u>\$ 6,521,447</u>	<u>\$ 7,602,982</u>	<u>\$ 7,650,544</u>	<u>\$ 8,130,173</u>	<u>\$ 8,793,304</u>	<u>\$ 8,050,928</u>	<u>\$ 8,341,517</u>	<u>\$ 8,856,434</u>

NORTH BAY VILLAGE, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(CONTINUED)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Expense/Revenue:										
Governmental activities	\$ (5,351,107)	\$ (6,693,607)	\$ (5,514,257)	\$ (6,562,232)	\$ (7,464,111)	\$ (8,561,743)	\$ (10,033,486)	\$ (10,326,780)	\$ (10,326,780)	\$ (10,625,198)
Business-type activities	191,219	251,698	23,167	(14,975)	1,255,434	1,276,784	1,049,218	1,236,990	1,236,990	1,612,818
Total primary government, net expense	<u>(5,159,888)</u>	<u>(6,441,909)</u>	<u>(5,491,090)</u>	<u>(6,577,207)</u>	<u>(6,208,677)</u>	<u>(7,284,959)</u>	<u>(8,984,268)</u>	<u>(9,089,790)</u>	<u>(9,089,790)</u>	<u>(9,012,380)</u>
General Revenues and Other:										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 3,420,449	\$ 3,948,913	\$ 3,809,173	\$ 4,248,100	\$ 4,572,398	\$ 4,973,592	\$ 5,164,809	\$ 6,289,190	\$ 6,325,883	\$ 6,408,988
Franchise fees	384,644	397,329	392,198	441,194	435,354	434,029	444,495	443,794	465,277	447,585
Utility service taxes	434,136	474,206	508,687	550,901	559,998	586,646	604,737	616,445	626,557	620,874
Sales tax	421,916	464,315	504,473	538,419	574,061	603,513	630,296	705,644	712,273	612,775
Intergovernmental - unrestricted	574,781	599,389	597,263	575,123	584,677	581,142	587,791	631,448	532,515	449,033
Interest income	27,422	39,857	37,068	44,599	42,624	42,983	49,654	43,418	43,992	43,221
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(1,984)
Miscellaneous revenues	152,737	183,037	203,417	142,255	219,456	196,902	134,976	189,837	197,445	199,298
Transfers	217,264	-	-	-	-	782,000	816,303	771,044	937,092	1,149,504
Total governmental activities	<u>5,633,349</u>	<u>6,107,046</u>	<u>6,052,279</u>	<u>6,540,591</u>	<u>6,988,568</u>	<u>8,200,807</u>	<u>8,433,061</u>	<u>9,690,820</u>	<u>9,841,034</u>	<u>9,929,294</u>
Business-type activities:										
Interest income	1,357	924	14	13	339	49	100	180	244	716
Transfers	(217,264)	-	-	-	-	(782,000)	(816,303)	(771,044)	(937,092)	(1,149,504)
Total business-type activities	<u>(215,907)</u>	<u>924</u>	<u>14</u>	<u>13</u>	<u>339</u>	<u>(781,951)</u>	<u>(816,203)</u>	<u>(770,864)</u>	<u>(936,848)</u>	<u>(1,148,788)</u>
Total primary government	<u>\$ 5,417,442</u>	<u>\$ 6,107,970</u>	<u>\$ 6,052,293</u>	<u>\$ 6,540,604</u>	<u>\$ 6,988,907</u>	<u>\$ 7,418,856</u>	<u>\$ 7,616,858</u>	<u>\$ 8,919,956</u>	<u>\$ 8,904,186</u>	<u>\$ 8,780,506</u>
Change in Net Position:										
Governmental activities	\$ 282,242	\$ (586,561)	\$ 538,022	\$ (21,641)	\$ (475,543)	\$ (360,936)	\$ (1,600,425)	\$ (635,960)	\$ (485,746)	\$ (695,904)
Business-type activities	(24,688)	252,622	23,181	(14,962)	1,255,773	494,833	233,015	466,126	300,142	464,030
Total primary government	<u>\$ 257,554</u>	<u>\$ (333,939)</u>	<u>\$ 561,203</u>	<u>\$ (36,603)</u>	<u>\$ 780,230</u>	<u>\$ 133,897</u>	<u>\$ (1,367,410)</u>	<u>\$ (169,834)</u>	<u>\$ (185,604)</u>	<u>\$ (231,874)</u>

NORTH BAY VILLAGE, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 79,594	\$ 98,796	\$ 95,284	\$ 22,418	\$ 39,451	\$ 27,254	\$ 55,762
Restricted	-	-	-	70,455	-	-	-	-	-	226,000
Assigned	55,247	1,544,005	1,066,063	1,112,200	1,197,180	1,282,999	1,497,919	1,674,570	1,759,352	1,843,724
Unassigned	<u>2,003,995</u>	<u>550,117</u>	<u>385,411</u>	<u>653,681</u>	<u>1,014,515</u>	<u>1,182,833</u>	<u>1,058,737</u>	<u>1,236,890</u>	<u>995,552</u>	<u>705,186</u>
Total General Fund	<u>\$ 2,059,242</u>	<u>\$ 2,094,122</u>	<u>\$ 1,451,474</u>	<u>\$ 1,915,930</u>	<u>\$ 2,310,491</u>	<u>\$ 2,561,116</u>	<u>\$ 2,579,074</u>	<u>\$ 2,950,911</u>	<u>\$ 2,782,158</u>	<u>\$ 2,830,672</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ 586	\$ -	\$ 1,171	\$ 1,028	\$ -	\$ -	\$ -
Restricted	3,258,164	2,811,299	2,159,112	2,850,373	2,546,023	2,900,551	2,592,079	2,083,138	2,021,981	3,724,691
Unassigned (deficit)	<u>(183,781)</u>	<u>(36,360)</u>	<u>(8,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,041)</u>	<u>(641,490)</u>
Total all other governmental funds	<u>\$ 3,074,383</u>	<u>\$ 2,774,939</u>	<u>\$ 2,150,830</u>	<u>\$ 2,850,959</u>	<u>\$ 2,546,023</u>	<u>\$ 2,901,722</u>	<u>\$ 2,593,107</u>	<u>\$ 2,083,138</u>	<u>\$ 1,870,940</u>	<u>\$ 3,083,201</u>

(1) Information for fiscal year 2010 has not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

NORTH BAY VILLAGE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:										
Taxes	\$ 4,069,323	\$ 4,643,163	\$ 4,579,336	\$ 5,076,403	\$ 5,430,674	\$ 5,873,265	\$ 6,097,616	\$ 7,277,979	\$ 7,362,598	\$ 7,340,505
Licenses and permits	219,419	324,987	441,841	731,398	947,087	651,276	627,290	791,439	528,311	511,296
Franchise fees	384,646	397,329	392,198	441,194	453,853	452,528	463,044	467,772	465,277	447,585
Intergovernmental	1,107,351	1,563,737	1,447,564	1,363,533	1,294,336	1,351,976	1,425,940	1,808,173	1,783,028	1,397,870
Charges for services	63,842	52,928	64,151	61,071	61,346	75,546	53,889	98,938	245,599	132,882
Fines and forfeitures	1,187,943	1,086,703	578,532	311,951	416,021	748,538	712,990	454,921	420,328	580,547
Impact fees	-	-	-	768,172	2,840	400,000	5,812	2,906	-	49,008
Interest income	27,420	39,857	37,068	44,599	42,624	42,983	49,654	43,418	43,992	43,221
Miscellaneous	160,908	183,037	203,417	203,528	275,668	228,497	212,770	285,817	233,497	250,407
Total revenues	<u>7,220,852</u>	<u>8,291,741</u>	<u>7,744,107</u>	<u>9,001,849</u>	<u>8,924,449</u>	<u>9,824,609</u>	<u>9,649,005</u>	<u>11,231,363</u>	<u>11,082,630</u>	<u>10,753,321</u>
Expenditures:										
Current:										
General government	1,509,407	1,655,882	2,039,426	1,632,209	1,602,527	2,292,938	2,752,828	2,987,966	3,536,655	3,161,202
Public safety	4,194,676	3,884,086	4,214,414	4,030,054	4,565,865	4,995,588	5,290,496	5,933,373	5,774,838	6,028,461
Public works	602,869	546,368	394,222	410,981	448,915	491,030	557,108	636,554	764,054	919,161
Building, planning and zoning	175,007	176,756	389,832	594,293	786,817	631,027	458,855	659,243	510,001	451,571
Recreation and human services	66,176	181,086	354,393	353,715	349,056	370,355	411,465	418,270	471,913	467,079
Capital outlay	574,302	1,443,455	948,290	154,637	424,357	566,499	637,165	3,131,581	577,807	350,990
Debt service:										
Principal	6,460,285	372,857	387,857	392,857	402,857	412,857	422,857	432,857	487,857	502,857
Interest expense	383,628	295,815	282,430	268,518	254,430	239,991	225,191	228,558	277,548	260,118
Cost of issuance	70,000	-	-	-	-	-	-	62,137	-	-
Total expenditures	<u>14,036,350</u>	<u>8,556,305</u>	<u>9,010,864</u>	<u>7,837,264</u>	<u>8,834,824</u>	<u>10,000,285</u>	<u>10,755,965</u>	<u>14,490,539</u>	<u>12,400,673</u>	<u>12,141,439</u>
Excess (deficiency of revenues over expenditures)	(6,815,498)	(264,564)	(1,266,757)	1,164,585	89,625	(175,676)	(1,106,960)	(3,259,176)	(1,318,043)	(1,388,118)
Other Financing Sources (Uses):										
Issuance of debt	6,325,000	-	-	-	-	-	-	2,350,000	-	1,500,000
Transfers in	272,512	69,320	345,011	239,195	75,186	860,582	922,069	3,257,064	1,301,012	1,801,708
Transfers out	(55,248)	(69,320)	(345,011)	(239,195)	(75,186)	(78,582)	(105,766)	(2,486,020)	(363,920)	(652,204)
Total other financing sources (uses)	<u>6,542,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>782,000</u>	<u>816,303</u>	<u>3,121,044</u>	<u>937,092</u>	<u>2,649,504</u>
Net change in fund balances	<u>\$ (273,234)</u>	<u>\$ (264,564)</u>	<u>\$ (1,266,757)</u>	<u>\$ 1,164,585</u>	<u>\$ 89,625</u>	<u>\$ 606,324</u>	<u>\$ (290,657)</u>	<u>\$ (138,132)</u>	<u>\$ (380,951)</u>	<u>\$ 1,261,386</u>
Debt service as a percentage of noncapital expenditures	51.36%	9.40%	8.05%	8.59%	7.81%	6.92%	6.40%	5.78%	6.47%	6.47%

NORTH BAY VILLAGE, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal</u> <u>Year</u>	<u>Tax</u> <u>Roll</u> <u>Year</u>	<u>Ad Valorem</u> <u>Taxes</u>	<u>Utility</u> <u>Taxes</u>	<u>Franchise</u> <u>Fees</u>	<u>Sales</u> <u>Tax</u>	<u>Total</u>
2011	2010	3,420,449	434,136	384,644	421,916	4,661,145
2012	2011	3,948,913	474,206	397,329	464,315	5,284,763
2013	2012	3,809,173	508,687	392,198	504,473	5,214,531
2014	2013	4,248,100	550,901	441,194	538,419	5,778,614
2015	2014	4,572,398	559,998	435,354	574,061	6,141,811
2016	2015	4,973,592	586,646	434,029	603,513	6,597,780
2017	2016	5,164,809	604,737	444,495	630,296	6,844,337
2018	2017	6,289,190	616,445	443,794	705,644	8,055,073
2019	2018	6,325,883	626,557	465,277	712,273	8,129,990
2020	2019	6,408,988	620,874	447,585	612,775	8,090,222

NORTH BAY VILLAGE, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Inter- Governmental</u>	<u>Licenses and Permits</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Interest Income</u>	<u>Other</u>	<u>Total</u>
2011	4,453,969	1,107,351	219,419	63,842	1,187,943	27,420	160,908	7,220,852
2012	5,040,492	1,563,737	324,987	52,928	1,086,703	39,857	183,037	8,291,741
2013	4,971,534	1,447,564	441,841	64,151	578,532	37,068	203,417	7,744,107
2014	5,517,597	1,363,533	731,398	61,071	311,951	44,599	971,700	9,001,849
2015	5,884,527	1,294,336	947,087	61,346	416,021	42,624	278,508	8,924,449
2016	6,325,793	1,351,976	651,276	75,546	748,538	42,983	628,497	9,824,609
2017	6,560,660	1,425,940	627,290	53,889	712,990	49,654	218,582	9,649,005
2018	7,745,751	1,808,173	791,439	98,938	454,921	43,418	288,723	11,231,363
2019	7,827,875	1,783,028	528,311	245,599	420,328	43,992	233,497	11,082,630
2020	7,788,090	1,397,870	511,296	132,882	580,547	43,221	299,415	10,753,321

NORTH BAY VILLAGE, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Real Property		Personal Property	Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial		Real Property	Personal Property				
2011	2010	\$ 597,251,775	\$ 163,717,636	\$ 19,794,490	\$ 64,983,326	\$ 1,288,163	\$ 714,492,412	4.7987	\$ 672,307,016	106%
2012	2011	534,874,316	178,761,231	18,291,667	61,009,404	1,282,440	669,635,370	5.2780	629,836,974	106%
2013	2012	531,354,039	178,964,256	20,766,472	62,828,916	1,278,892	666,976,959	6.0127	623,053,803	107%
2014	2013	616,068,498	178,700,999	23,938,803	60,363,438	1,712,888	756,631,974	6.0127	669,219,086	113%
2015	2014	814,566,988	157,397,809	21,208,043	62,255,297	1,671,676	929,245,867	6.5145	739,570,304	126%
2016	2015	930,205,959	192,477,866	19,580,751	64,261,256	1,607,228	1,076,396,092	6.3313	824,875,351	130%
2017	2016	995,149,725	255,499,553	21,890,635	65,952,699	1,993,470	1,204,593,744	6.2088	954,741,137	126%
2018	2017	1,014,194,745	263,797,913	26,242,586	65,844,140	2,027,574	1,236,363,530	5.5540	1,033,018,017	120%
2019	2018	1,123,025,763	172,012,042	31,777,515	233,261,976	2,347,055	1,091,206,289	6.2698	1,079,858,914	101%
2020	2019	1,086,452,791	169,512,775	32,480,706	204,124,571	2,312,252	1,082,009,449	6.1463	1,090,094,727	99%

Note: (1) Florida Law requires that all property be assessed at current fair market value.

NORTH BAY VILLAGE, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$ 1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	North Bay Village			School District			Overlapping Rates		
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	South Florida Water Management District	State Everglades Project	Okeechobee Basin
2011	2010	4.7772	0.5008	5.2780	7.8640	0.3850	8.2490	0.5346	0.0894	-
2012	2011	4.7772	1.2355	6.0127	7.7650	0.2400	8.0050	0.3739	0.0624	-
2013	2012	4.7772	1.2355	6.0127	7.7650	0.2330	7.9980	0.3676	0.0613	-
2014	2013	5.4740	1.0405	6.5145	7.6440	0.3330	7.9770	0.3523	0.0587	-
2015	2014	5.4740	0.8573	6.3313	7.7750	0.1990	7.9740	0.1577	0.0548	0.1717
2016	2015	5.3834	0.8254	6.2088	7.4130	0.1990	7.6120	0.1459	0.0506	0.1586
2017	2016	4.8432	0.7108	5.5540	7.1380	0.1840	7.3220	0.1359	0.0471	0.1477
2018	2017	5.6500	0.6198	6.2698	6.7740	0.2200	6.9940	0.1275	0.0441	0.1384
2019	2018	5.5200	0.6263	6.1463	6.5040	0.2290	6.7330	0.1209	0.0417	0.1310
2020	2019	5.4992	0.6187	6.1179	7.0250	0.1230	7.1480	0.1152	0.0397	0.1246

Source: Miami-Dade County Appraiser's Office

Overlapping Rates										
State		Miami-Dade County			Special Districts					
Florida Inland Navigational District	Total State Millage	Operating Millage	Debt Service Millage	Total County Millage	Children's Trust	Fire and Rescue	Fire Debt	Library	Total District's Millage	Total Direct and Overlapping Rates
0.0345	0.6585	5.4275	0.4450	5.8725	0.5000	2.5753	0.0200	0.2840	3.3793	23.4373
0.0345	0.4708	4.8050	0.2850	5.0900	0.5000	2.4496	0.0131	0.1795	3.1422	22.7207
0.0345	0.4634	4.7035	0.2850	4.9885	0.5000	2.4496	0.0131	0.1725	3.1352	22.5978
0.0345	0.4455	4.7035	0.4220	5.1255	0.5000	2.4496	0.0127	0.1725	3.1348	23.1973
0.0345	0.4187	4.6669	0.4500	5.1169	0.5000	2.4207	0.0114	0.2840	3.2161	23.0570
0.0320	0.3871	4.6669	0.4500	5.1169	0.5000	2.4207	0.0086	0.2840	3.2133	22.5381
0.0320	0.3627	4.6669	0.4000	5.0669	0.5000	2.4207	0.0075	0.2840	3.2122	21.5178
0.0320	0.3420	4.6669	0.4000	5.0669	0.4673	2.4207	0.0075	0.2840	3.1795	21.8522
0.0320	0.3256	4.6669	0.4644	5.1313	0.4415	2.4207	0.0075	0.2840	3.1537	21.4899
0.0320	0.3115	4.6669	0.4780	5.1449	0.4680	2.4207	0.0075	0.2840	3.1802	21.9025

NORTH BAY VILLAGE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		Fiscal Year						
		2020			2011			
Taxpayer	Type of Use	Taxable	Rank	Percentage	Taxable	Taxable	Rank	Percentage
		Assessed		Total				Assessed
		Value		Value	Value			Value
CLPF NBV LP	Rental Apartments	\$ 62,490,000	1	5.78%	\$ -	-	-	-
AG ICC MC Treasures Point LLC	Condominiums	27,316,133	2	2.52%	-	-	-	-
Treasurers on the Bay Master	Rental Apartments	17,520,000	3	1.62%	-	-	-	-
The Inn on the Bay LTD	Hotel	15,248,976	4	1.41%	7,433,825	8		1.04%
Isle of Dreams LLC	Utilities	13,066,149	5	1.21%	11,027,010	4		1.54%
Coastal Condos LLC	Condominiums	10,774,171	6	1.00%	14,582,780	5		2.04%
Sunbeam Properties Inc.	Commercial	10,600,000	7	0.98%	-	-		-
Causeway Tower LLC	Office Building	9,000,000	8	0.83%	-	-		-
BMS North Bay Village LLC	Warehouse	8,195,000	9	0.76%	-	-		-
Sunbeam Television Corp	Utilities	7,910,178	10	0.73%	-	-		-
KMC EC II LLC	Apartments and Condo	-	-	-	61,046,713	1		8.54%
Lexi Development	Condominium	-	-	-	32,420,173	2		4.54%
Casa Marina Development	Vacant Commercial	-	-	-	17,680,000	3		2.47%
360 Developers LLC	Condominium	-	-	-	10,880,188	6		1.52%
Ness Raquet Club LLC	Vacant Commercial	-	-	-	10,080,000	7		1.41%
Pennsylvania Invest Prop LP	Commercial	-	-	-	5,972,500	10		0.84%
Royal Isle Apartment	Rental Apartments	-	-	-	6,810,018	9		0.95%
Totals		\$ 182,120,607		16.83%	\$ 177,933,207			24.90%

Source: Miami-Dade County - Office of the Property Appraiser.

NORTH BAY VILLAGE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Property Tax Levy	Current Tax Collection (1)	Percentage of Current Tax Collections to Net Tax Levy	Delinquent Tax Collection	Total Tax Collection	Percentage of Total Tax Collection to Property Tax Levy
2011	2010	3,771,091	3,026,564	80.26%	*	3,026,564	80.26%
2012	2011	4,026,317	3,139,931	77.99%	*	3,139,931	77.99%
2013	2012	4,010,332	3,062,516	76.37%	*	3,062,516	76.37%
2014	2013	4,358,650	3,579,598	82.13%	*	3,579,598	82.13%
2015	2014	4,094,246	3,974,467	97.07%	*	3,974,467	97.07%
2016	2015	4,476,256	4,320,744	96.53%	*	4,320,744	96.53%
2017	2016	4,624,002	4,516,750	97.68%	*	4,516,750	97.68%
2018	2017	5,836,552	5,667,670	97.11%	*	5,667,670	97.11%
2019	2018	5,843,840	5,682,945	97.25%	*	5,682,945	97.25%
2020	2019	5,942,371	5,757,425	96.89%	*	5,757,425	96.89%

Source: Miami-Dade County, Florida, Tax Collector.

Notes: (1) Includes discounts taken by property taxpayers.

* Information is not available

NORTH BAY VILLAGE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Loan Payable	Capital Leases	State Revolving Loans	Capital Leases and Loan Payable			
2011	8,305,000	-	-	1,737,495	-	10,042,495	3.57%	1,367
2012	7,932,143	-	-	1,687,531	-	9,619,674	3.24%	1,279
2013	7,544,286	-	-	1,485,671	-	9,029,957	2.95%	1,178
2014	7,151,429	-	-	1,589,861	-	8,741,290	2.66%	1,113
2015	6,748,572	-	-	1,429,373	-	8,177,945	2.31%	1,000
2016	6,335,715	-	-	1,257,358	-	7,593,073	1.87%	848
2017	5,912,857	-	-	1,717,110	-	7,629,967	1.85%	850
2018	5,480,001	2,350,000	-	5,004,174	-	12,834,175	2.69%	1,429
2019	5,032,144	2,310,000	-	6,623,865	-	13,966,009	2.80%	1,539
2020	4,569,287	3,770,000	-	10,263,267	-	18,602,554	3.73%	2,052

Notes: 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.

NORTH BAY VILLAGE, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Gross Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Estimated Actual Taxable Value	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita (1)
2011	8,305,000	-	8,305,000	672,307,016	1.24%	1,130.09
2012	7,932,143	-	7,932,143	629,836,974	1.26%	1,054.25
2013	7,544,286	52,229	7,492,057	623,053,803	1.20%	977.18
2014	7,151,429	59,356	7,092,073	669,219,086	1.06%	903.33
2015	6,748,572	-	6,748,572	739,570,304	0.91%	825.21
2016	6,335,715	-	6,335,715	824,875,351	0.77%	707.98
2017	5,912,857	-	5,912,857	954,741,137	0.62%	658.96
2018	5,480,001	-	5,480,001	1,033,018,017	0.53%	610.18
2019	5,032,144	-	5,032,144	1,079,858,914	0.47%	554.57
2020	4,569,287	-	4,569,287	1,090,094,727	0.42%	504.11

Notes: 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 population data.

NORTH BAY VILLAGE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
SEPTEMBER 30, 2020

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to North Bay Village (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 5,106,663,000	0.327%	\$ 16,706,817
Miami-Dade County School Board (3)	<u>3,330,170,000</u>	0.327%	<u>10,894,892</u>
Subtotal overlapping debt	<u>8,436,833,000</u>		<u>27,601,709</u>
Direct debt:			
North Bay Village	<u>8,339,287</u>	100.000%	<u>8,339,287</u>
Subtotal direct debt	<u>8,339,287</u>		<u>8,339,287</u>
Total direct and overlapping debt	<u>\$ 8,445,172,287</u>		<u>\$ 35,940,996</u>

Notes: (1) The percentage of the overlap is calculated as follows:

$$\frac{\text{Overlapping portion of the government's revenue base (North Bay Village)}}{\text{Total revenue base of the overlapping government (Miami-Dade County)}}$$

Assessed value of taxable property is the base used in the above calculation.

(2) Source: Miami-Dade County 2020 Comprehensive Annual Financial Report.

(3) Source: The School Board of Miami-Dade County, Florida 2020 Comprehensive Annual Financial Report.

NORTH BAY VILLAGE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 2,960,705	\$ 1,803,889	\$ 1,585,830	\$ 1,751,798	\$ 1,813,321	\$ 2,090,147	\$ 2,366,719	\$ 3,039,721	\$ 2,519,222	\$ 2,217,491
Total net debt applicable to limit	-	-	-	-	-	-	-	\$ 2,350,000	\$ 2,310,000	\$ 799,287
Legal debt margin	\$ 2,960,705	\$ 1,803,889	\$ 1,585,830	\$ 1,751,798	\$ 1,813,321	\$ 2,090,147	\$ 2,366,719	\$ 689,721	\$ 209,222	\$ 1,418,204
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	77.31%	91.70%	63.96%

Legal Debt Margin Calculation for Fiscal Year 2020

Current annual governmental funds fiscal budget	\$ 11,087,453
Bonded debt limit - 20% of above	\$ 2,217,491
Amount of debt applicable to debt limit:	
Total bonded debt:	\$ 4,569,287
Less revenue bonds	<u>\$ 3,770,000</u>
Total net debt applicable to limit	<u>\$ 799,287</u>
Legal Debt Margin (1)	<u><u>\$ 1,418,204</u></u>

(1) General obligation bonds are not subject to the debt limit because they must be approved by referendum of the electorate.

NORTH BAY VILLAGE, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	State Revolving Fund Loans					Coverage
	Gross Revenue	Operating Expenses *	Net Available Revenue	Principal	Interest	
2011	7,177,066	3,538,860	3,638,206	126,698	34,427	22.58
2012	4,554,304	3,931,927	622,377	187,445	40,578	2.73
2013	4,708,028	3,991,640	716,388	201,860	37,133	3.00
2014	5,030,869	4,631,949	398,907	168,850	32,807	1.98
2015	5,008,300	5,158,918	(150,618)	160,488	40,342	(0.75)
2016	5,608,242	4,746,754	861,488	172,015	28,783	-
2017	6,334,887	4,701,409	1,633,478	128,781	28,158	10.41
2018	5,930,010	4,539,722	1,390,288	257,449	23,691	4.95
2019	5,884,268	4,101,102	1,783,166	315,067	55,615	4.81
2020	6,439,021	4,706,615	1,732,406	203,721	23,151	7.64

* Total expenses exclude depreciation

NORTH BAY VILLAGE, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
2011	7,349	281,040	38,242	8.7%
2012	7,524	296,950	39,467	6.8%
2013	7,667	305,760	39,880	6.3%
2014	7,851	328,823	41,883	5.0%
2015	8,178	353,927	43,278	6.0%
2016	8,949	406,643	45,440	5.6%
2017	8,973	413,189	46,048	4.7%
2018	8,981	477,322	53,148	3.6%
2019	9,074	498,181	54,902	2.5%
2020	9,064	*	*	10.3%

Data sources: Years are as of April 1 of each year per the University of Florida
Bureau of Economics & Business Research.

Represents income per capita for Miami-Dade County as provided
by the U.S. Department of Commerce, Bureau of Economic Analysis.

Florida Department of Labor, Bureau of Labor Market Information.

* Information not available.

NORTH BAY VILLAGE, FLORIDA
OCCUPATIONAL EMPLOYMENT BY GROUP - MIAMI DADE COUNTY, FLORIDA
CURRENT YEAR AND NINE YEARS AGO

Occupational Groups	Fiscal Year					
	2020			2010 ⁽¹⁾		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and Administrative Support	389,270	1	15.52%			
Sales and Related Occupations	293,800	2	11.72%			
Transportation and Material Moving	221,110	3	8.82%			
Food Preparation and Serving Occupations	217,570	4	8.68%			
Healthcare Practitioner and Technical Occ.	162,320	5	6.47%			
Business and financial operations	161,760	6	6.45%			
Management Occupations	149,400	7	5.96%			
Educational Instruction and Library Occ.	118,610	8	4.73%			
Installation, Maintenance, and Repair	104,890	9	4.18%			
Construction and Extraction	103,950	10	4.14%			
Building and Grounds Cleaning and Maint	85,570	11	3.41%			
Protective Service Occupations	84,680	12	3.38%			
Healthcare support	80,590	13	3.21%			
Production	75,870	14	3.03%			
Computer and mathematical science	58,580	15	2.34%			
Personal care and service	53,200	16	2.12%			
Legal Occupations	36,450	17	1.45%			
Community and social services	34,300	18	1.37%			
Arts, design, entertainment,	31,920	19	1.27%			
Architecture and engineering	26,100	20	1.04%			
Life, physical and social sciences	13,720	21	0.55%			
Farming, fishing and forestry	4,230	22	0.17%			
Total	<u>2,507,890</u>		<u>100.00%</u>	<u>-</u>		

Source: Represents Metropolitan and Nonmetropolitan Area Occupational Employment for the entire Miami-Miami Beach-Kendall, Florida Metropolitan Division as provided by the U.S. Department of Labor, Bureau of Labor Statistics as of May 2020. Estimates do not include self-employed workers.

(1) In 2019, the Bureau of Labor Statistics changed the manner in which they measured both the areas and occupational groupings. The Miami-Miami Beach-Kendall area has been replaced with Miami-Fort Lauderdale-West Palm Beach. Because of these changes, comparisons would be misleading.

NORTH BAY VILLAGE, FLORIDA
FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
General government and public safety:										
Sworn officers	25.5	24.5	24.5	24.0	26.0	29.0	29.0	29.0	29.0	29.5
Civilians	7.0	7.0	7.0	8.0	8.0	9.5	9.5	9.0	9.0	8.5
Administration	14.5	15.0	16.0	16.5	17.0	17.0	17.0	17.5	17.5	18.5
Culture and recreation	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.5	4.5
Public works:										
Administration	-	-	-	-	-	-	-	2.0	3.5	3.5
Sanitation	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Water	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	3.5	2.5	2.5	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Transit	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Total	64.0	61.5	63.5	65.0	67.5	71.5	71.5	72.5	74.5	74.5

Source: Various City departments.

NORTH BAY VILLAGE, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
General government:										
Building permits issued	540	507	645	686	740	727	728	807	886	541
Public safety:										
Number of calls for service **	19,775	33,400	34,506	30,977	27,515	33,036	39,499	26,512	25,340	45,767
Number of arrests	117	167	112	78	141	392	379	400	319	523
Number of traffic violations	1,360	1,953	1,497	1,630	1,041	2,918	3,254	3,591	2,888	2,240
Number of parking violations	799	1,188	1,598	1,301	1,230	2,650	2,476	3,064	2,682	1,676
Number of school crossing guards	N/A	N/A	4	4	4	4	4	4	3	3
Public works:										
Garbage tons collected and disposed*	N/A	4,729	4,637	4,578	4,800	4,794	4,641	4,983	5,083	4,894
Catch basins cleaned	-	-	53.00	28	12	19	6	6	6	6
Water average daily consumption (gallons)	833,668	1,069,939	1,137,815	1,092,706	1,176,752	1,148,480	1,192,408	1,148,793	1,129,240	1,159,089
Sewer average daily flow	N/A	968,157	1,118,656	1,145,298	1,186,282	1,283,631	1,120,561	966,919	881,717	863,010
Number of metered accounts	613	613	613	615	617	617	617	614	614	614
Fire hydrants	57	57	57	57	57	57	57	57	57	57

Source: Various City departments.

* Includes white goods

** Police department implemented a new comprehensive reporting system in 2010/2011

1 Information Not available at time of publication

N/A: Information not available.

NORTH BAY VILLAGE, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
Public safety:										
Number of police stations	-	-	-	-	-	-	-	-	-	-
Number of fire stations	-	-	-	-	-	-	-	-	-	-
Number of general government buildings	1	1	1	1	1	1	1	2	2	2
Public works:										
Miles of water mains	8	8	8	8	8	8	8	8	8	8
Miles of sewer lines	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Miles of storm water drains	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84
Number of lift stations	4	4	4	4	4	4	4	4	4	4
Number of fire hydrants	62	62	62	62	62	62	62	62	62	62
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Recreation and parks:										
Number of parks and recreation facilities	1	2	2	2	2	2	2	2	2	3
Acres of park	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2
Acres of water	281	281	281	281	281	281	281	281	281	281

Source: Various City Departments

COMPLIANCE SECTION



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

**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**

Honorable Mayor and Members of the Village Commission
North Bay Village, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Bay Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-01 and 2019-02 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-04 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance that are required to be reported under Government Auditing Standards and are described in the accompanying schedule of findings and questioned costs as items 2020-01 and 2020-02.

Village's Responses to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 23, 2021



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

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

Honorable Mayor and Members of the Village Commission
North Bay Village, Florida

Report on Compliance for the Major State Project

We have audited North Bay Village, Florida's (the "Village") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the Village's major State project for the fiscal year ended September 30, 2020. The Village's State project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State awards applicable to its State projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Village's major State project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Village's major State project. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on Each Major State Project

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State project for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on the major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 23, 2021

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

State Agency/Pass-through Entity/State Project	CSFA Number	Contract/Grant Number	Expenditures
State Projects:			
Direct Programs:			
Florida Department of Environmental Protection			
Drinking Water Facility Construction	37.076	DW130400	\$ 1,478,679
Drinking Water Facility Construction	37.076	DW130420	1,635,553
Collection and Transmission System Improvements	37.077	WW130410	467,086
Transmission System Improvements	37.077	WW130460	<u>200,452</u>
Total Florida Department of Environmental Protection			<u>3,781,770</u>
Total Expenditures of State Financial Assistance			<u>\$ 3,781,770</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of North Bay Village, Florida (the "Village") for the fiscal year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

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 Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - CONTINGENCY

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

NORTH BAY VILLAGE, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

PRIOR YEAR FINDINGS AND STATUS

FINANCIAL STATEMENTS

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2019 schedule of findings and questioned costs:

Matters that are repeated in the accompanying schedule of findings and questioned costs:

- 2019-01 Internal Control over Financial Reporting
- 2019-02 Capital Assets
- 2019-04 Journal Entry Preparation and Review

Matters that are not repeated in the accompanying schedule of findings and questioned costs:

- 2019-03 Bank Reconciliations Untimely Preparation and Review
- 2019-05 Segregation of Duties – Utility Billing
- 2019-06 Financial Condition
- 2019-07 Amendments to Budget
- 2019-08 Purchasing Procedures

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes No

Significant deficiencies identified?

 X Yes None reported

Noncompliance material to financial
statements noted?

 X Yes No

Internal control over major State projects:

Material weakness(es) identified?

 Yes X No

Significant deficiencies identified?

 Yes X None reported

Type of auditors' report issued on compliance for
major State projects:

Unmodified Opinion

Any audit findings disclosed that are required to be
reported in accordance with Chapter 10.550,
Rules of the Auditor General?

 Yes X No

Identification of major State projects:

<u>CSFA No.</u>	<u>State Financial Assistance Project</u>
-----------------	---

37.076	Florida Department of Environmental Protection Drinking Water Facility Construction
--------	--

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

\$750,000

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2019-01 Internal Control over Financial Reporting

Criteria:

Prudent timely completion and review of account reconciliations and closure of accounting periods provides the ability to apply proper fiscal management/oversight. Municipalities should have adequate financial close and reporting procedures which would include a formal review of general ledger activity and account balances periodically to identify potential concerns and imbalances throughout fund activity.

Condition:

Timely preparation and accurate account reconciliations is key to maintaining adequate control over financial reporting. During the performance of our fieldwork procedures, there was noted improvement in the areas of revenues and accounts receivable, but we identified several misstatements in the areas of debt and capital assets suggesting the financial information provided in these areas was not complete and not fully adjusted.

Cause:

Insufficient controls in place in these areas to ensure appropriate review of financial reporting and timely closure.

Effect:

We identified several misstatements during the course of our audit and discussed them to management, who made the corrections to the appropriate accounts and reconciliations. Without proper review, the effects may lead to misappropriation of assets, delays in financial reporting, and material misstatements.

Recommendation:

We recommend the Village evaluate the process in place for debt and capital assets to provide for timely accounting period closure and proper review of account activity.

Views of Responsible Officials and Planned Corrective Action:

The Chief Financial Officer position was filled at the end of November 2020. Now that this position has been filled, the Village does not expect this issue to recur. This issue resulted from inadequate staffing.

2019-02 Capital Assets

Criteria:

Appropriate tracking of capital assets is essential to ensure that assets on hand at a point in time are appropriately stated, capital outlay reclassifications and financial close are appropriately performed, and depreciation expense is appropriately calculated.

Condition:

During the performance of our fieldwork procedures, we noted that the Village did not reclassify the capital outlay accounts to capital assets in the enterprise funds, debited assets rather than retainage payable for certain projects, did not reclassify construction in progress to completed projects at year end, and does not have an up-to-date inventory of capital assets.

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

2019-02 Capital Assets (Continued)

Cause:

The Village's financial reporting system is not set to allow for tracking of capital assets when changes are made to the general ledger. The finance department manually updates the fixed asset detail separate from the general ledger. The finance department does not have an appropriate system in place to reconcile capital assets to the general ledger. In addition, the Village has not kept an up-to-date inventory of capital assets.

Effect:

We identified several misstatements during the course of our audit and advised management, who made the corrections to the appropriate accounts and capital asset detail schedules. This led to delays in closing the year and delays in completing the audit.

Recommendation:

We recommend the Village review the inventory of its capital assets that was performed subsequent to year end to ensure the current assets on hand are accurate and make the appropriate adjustments. Also, adjust the financial reporting system to track capital assets when adjustments are made to the general ledger. Finally, we recommend the Village evaluate its current roles and responsibilities to assign capital asset tracking and reviews of transactions to the appropriate management personnel.

View of Responsible Officials and Planned Corrective Actions:

There was an adjustment to a sewer line to Miami Beach that was abandoned in place. The nature of this transaction would have been difficult to identify during year end closings or at the time of abandonment. Projects underway will be properly classified and documented in the future. An inventory of the capital assets took place towards the end of 2020 and we are confident that this issue has been corrected.

SIGNIFICANT DEFICIENCY

2019-04 Journal Entry Preparation and Review

Criteria:

Journal entry transactions should be prepared by one individual and reviewed and approved by another individual in management to ensure accuracy and to provide a system of internal control for recording journal entry transactions.

Condition:

During the performance of our audit planning procedures, there was noted improvement in our testing of journal entries that were prepared subsequent to year end, but we identified instances of journal entry transactions being prepared and approved by the same person during the fiscal year ended September 30, 2020.

Cause:

Improper internal controls in place to ensure journal entries are properly reviewed and approved.

Effect:

Without a proper review of journal entries, the Village is exposed to the risk of errors in relation to journal entries, material misstatements, and misappropriation of assets.

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

2019-04 Journal Entry Preparation and Review (Continued)

Recommendation:

We recommend the Village follow its internal controls and procedures associated with the formal review of journal entry transactions.

View of Responsible Officials and Planned Corrective Actions:

The Village put significant procedures and internal controls into place after receiving this finding last fiscal year. Due to the timing of the report issuance, this finding was repeated. Going forward all journal entries are no longer being prepared and approved by the same individual. This issue resulted from inadequate staffing. We do not expect this finding to be repeated.

NONCOMPLIANCE

2020-01 The Children's Trust Contracts Reimbursement Requests

Criteria:

Payroll reimbursement requests should be submitted to The Children's Trust (the "Trust") for costs actually paid during the contract period within the limits budgeted for the applicable contract. In relation to payroll, the hours actually worked and paid rather than the costs incurred or accrued should be submitted to the Trust for reimbursement.

Condition:

During the performance of our compliance testing of Village's contracts with The Children's Trust (the "Trust"), we identified several instances of incorrect reimbursement requests submitted to the Trust. Such requests contained amounts in relation to payroll expenses, which included over and under billings. When taken in the aggregate, it resulted in a net overbilling.

Cause:

Incorrect calculation of payroll hours submitted for reimbursement resulting in something other than actual hours worked and paid for the period being submitted.

Effect:

The incorrect calculation of payroll hours for reimbursement requests to the Trust will result in over and/or under billing on a monthly basis. These requests will result in noncompliance with the cash management requirement of the Trust's contract and potential amounts owed to the Trust to pay back the overbilled amounts.

Recommendation:

We recommend the Village evaluate its reimbursement request process as it relates to the Trust's contracts and submit reimbursement requests for payroll expenditures as prescribed in the Trust contracts.

View of Responsible Officials and Planned Corrective Actions:

Even though all of the payroll reimbursements submitted were approved on multiple levels by The Children's Trust (TCT), the Village will analyze and amend the reimbursement process internally so that going forward, all payroll documentation will be submitted along with the reimbursement request to TCT to further validate their approval.

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

NONCOMPLIANCE (CONTINUED)

2020-02 CITT

Criteria:

Surtax Proceeds must be used in accordance with the Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax ("Surtax") Proceeds Levied by Miami-Dade County (Interlocal Agreement) executed July 10, 2007. Additionally, municipalities are required to submit reports on a quarterly basis to Miami-Dade Office of the Citizens' Independent Transportation Trust ("OCITT") no more than ten working days after the quarter end.

Condition:

The Village received an external monitoring expressing various concerns regarding the Village's use of Surtax Proceeds remitted by Miami-Dade County, inconsistencies in reporting, and late submittal of quarterly reports for the two-year period ended September 30, 2020.

Cause:

Insufficient review, supervision and approval of the use of Surtax proceeds and insufficient controls to ensure timely submittal of quarterly reports to the OCITT.

Effect:

The Village may be required to return cash proceeds that are currently not supported by claimed expenditures and not included as cash available in the CITT fund. As a result of the late submissions of reports, the Village is noncompliant with the requirements of the OCITT.

Recommendation:

We recommend the Village implement proper internal controls over the completion, review and approval of the compliance reports required to support the use of Surtax Proceeds including but not limited to the required quarterly reports. In addition, we recommend the Village implement the appropriate process and oversight over the use of the Surtax proceeds.

Views of Responsible Officials and Planned Corrective Action:

The current Public Works Director started with the Village in August 2020. Prior to that the quarterly reports were not being submitted in a timely manner. This issue was corrected by the new Public Works Director by the end of 2020. This finding resulted from inadequate staffing and the Village does not expect this finding to recur.

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- None

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

Honorable Mayor and Members of the Village Commission
North Bay Village, Florida

Report on the Financial Statements

We have audited the basic financial statements of North Bay Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

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 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 State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs, and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 23, 2021, 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. This information is included in the Summary Schedule of Prior Audit Findings.

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 to the notes financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village 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 Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Financial Condition and Management (Continued)

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

Additional Matters

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

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 23, 2021

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

To the Honorable Mayor, Village Commission, and Village Manager
North Bay Village, Florida

We have examined North Bay Village, Florida's (the "Village") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Village's compliance with specified requirements. In our opinion, the Village complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 23, 2021

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared (Angela Atkinson), who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of (North Bay Village) which is a local governmental entity of the State of Florida;
2. (North Bay Village) adopted (Ordinance No. 2006-11 and 2015-008) implementing an impact fee; and
3. (North Bay Village) has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFLIANT SAYETH NAUGHT.

Angela Atkinson
(Chief Financial Officer of the Entity)

STATE OF FLORIDA
COUNTY OF (Miami-Dade)

SWORN TO AND SUBSCRIBED before me this 8th day of June, 2021

Elora Riera
NOTARY PUBLIC
Print Name Elora Riera

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

6/28/23

