

# North Bay Village, Florida

Comprehensive Annual Financial Audit

Fiscal Year Ended September 30, 2016



# North Bay Village, Florida

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2016

Prepared By:  
Finance Department

Bert Wrains, Finance Director

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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](http://www.nbvillage.com)

March 17, 2017

The Honorable Mayor Connie Leon Kreps, 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, 2016.

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 Keefe McCullough. 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. Also included are additional and enhanced Statistical Tables required by GASB Statement No. 44.

### **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.

Mayor  
**Connie Leon-Kreps**

Vice Mayor  
**Eddie Lim**

Commissioner  
**Jose R. Alvarez**

Commissioner  
**Dr. Douglas N. Hornsby**

Commissioner  
**Andreana Jackson**



The Village consists of an area of approximately .80 square miles, with a population of 8,949 residents. The actual land area is .37 square miles and the remaining is the waters of Biscayne Bay that surrounds the Village. The Village has had only one major private sector development in the previous 6 years. The projects before 2010 consisted of new condominiums and apartment developments. The one major development was an upscale apartment project that was started in early 2014 and was completed in late 2015. The property tax revenues were partially realized by the Village in FY 2016 and full tax revenues will be realized in the FY 2017 budget year. Currently there are 8 new mixed-use, residential and commercial developments in the Village's review and approval process. Some of these projects are expected to start in 2017. 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 2016

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 \$ 959 million shows a 50.8% improvement since the lowest taxable values in 2013. This is the fourth 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.

### **MAJOR INITIATIVES**

The Village, in 2016 continued to work on major repairs and improvements to the Village's infrastructure;

- Started the rehabilitation of the Village's entire sanitary sewer system;
- Preparing the specifications to rehabilitate the Village's 4 sanitary sewer lift stations;
- Designed and bid out the complete water main rehabilitation;
- Prepared the design and bidding for the replacement of all water meters in the Village's system;
- Started major repairs on the Village's stormwater systems;
- Started the construction of the first phase of a new Bay Walk project;

In addition, the following major capital improvements are in process at the end of fiscal year 2016 and should be completed in 2017 and 2018. These projects will provide over \$ 41,000,000 of new construction.

- Contracted with a renowned architectural firm to start the final 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.



- Received approval from the Florida Department of Environmental Protections (DEP) for 3 loans to prepare the design and major renovations to the Villages aging water and sanitary sewer systems. The Village has contracted with Kimley Horn Engineering firm to complete the design and assist the Village with the bidding process. The sanitary sewer bid has been awarded and the contractor has completed phase one of the project. The water main rehabilitation and water meter replacement projects are designed and in the process of being funded and advertised for bids.
- The Village has started construction on renovation of the stormwater infrastructure. The deep well injection pumps have been rebuilt, the injection wells are being redesigned and the outfalls are also being redesigned to eliminate back flow into the lines and catch basins. The new design is more environmentally friendly.
- The Village also started initial survey work on the development of an "Over The Water Boardwalk" project. 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.

### Budgetary Control

An annual appropriated budget is adopted for all governmental funds with the exception of the Federal Forfeiture Fund, State Forfeiture Fund, Park Improvement Fund and Police Improvement Trust Fund (Special Revenue Funds). 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

In fiscal year 2011, the Village implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for its governmental activities. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments and those internally imposed. 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 5 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 7.52% and 22.57% 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%. Employer contributions for both plans for the fiscal year ended September 30, 2016 were approximately \$ 777,400.

### 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, 2019. The other union (FOPA) covers the non-managerial and blue collar work force. The FOPA contract expired September 30, 2009. Since negotiations are currently being held, the terms of the FOPA agreement are still in force until a new CBA is negotiated.

### Financing Programs and Debt Administration

The Village currently has six outstanding long-term debt issues. The Village has four sewer infrastructure loans through the Florida Department of Environmental Protection (DEP). The four 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 1.93% to 3.79%. The last loan will be paid off in August 2031. The principal outstanding on the sewer infrastructure loans as of September 30, 2016 totaled \$ 1,257,358.

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, 2016 is \$ 6,335,715.

## **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 Keefe McCullough, to perform the independent audit of the Village's accounts and records. The independent auditor's 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 (CAFR) 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 FY 2015 financial statements under this program and was awarded the Village's second CAFR 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 third 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,



Elbert Wrains, Finance Director



Frank Rollason, Village Manager



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

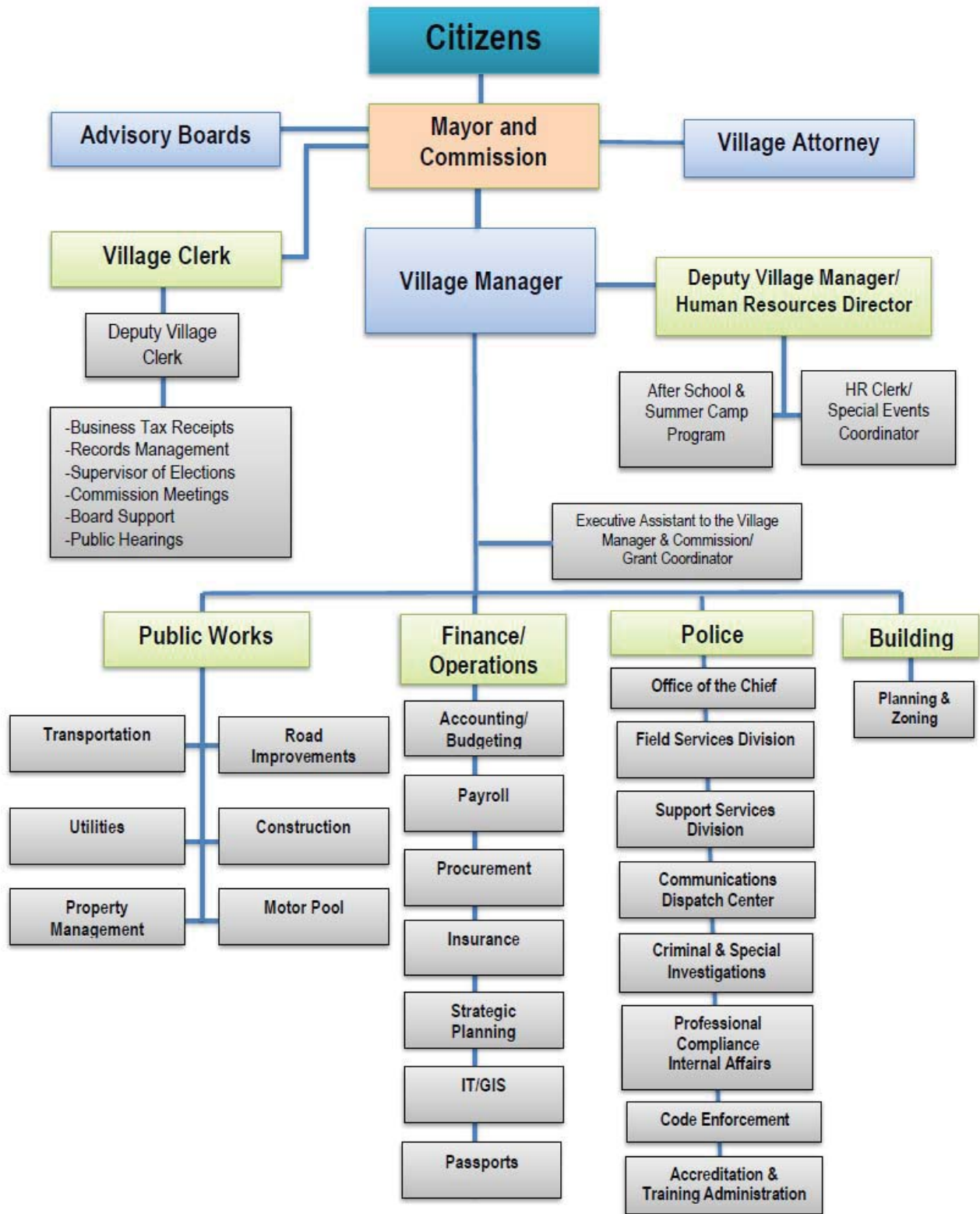
**September 30, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO



# NORTH BAY VILLAGE ORGANIZATIONAL CHART





## LIST OF ELECTED AND PRINCIPAL OFFICIALS

<u>Title</u>	<u>Name</u>
Mayor	Connie Leon-Kreps
Vice Mayor	Jorge Gonzalez
Commissioner	Dr. Richard Chervony
Commissioner	Andreana Jackson
Commissioner	Eddie Lim
Village Manager	Frank Rollason
Village Clerk	Yvonne Hamilton
Village Attorney	Robert L. Switkes
Deputy Village Manager	Jenice Rosado
Finance Director	Bert Wrains
Chief Building Official	Raul Rodriguez
Police Chief	Carlos Noriega
Public Works Director	Rodney Carrero-Santana

## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

To the 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 year ended September 30, 2016 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.

### Auditor's 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 auditor's 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 entity'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 entity'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.

CPA's + Trusted Advisors

## **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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 8, the Florida Retirement System's consulting actuary noted that the reduced investment return assumption adopted by the Florida Retirement System Actuarial Assumption Conference conflicts with the actuary's judgment of a reasonable assumption as defined by Actuarial Standards of Practice No. 27. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to post-employment benefits and pensions on pages 4 through 10 and 46 through 52, 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, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



North Bay Village, Florida

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 March 17, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 17, 2017

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

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, 2016.

### **Financial Highlights**

The assets of the North Bay Village exceeded its liabilities at the close of the most recent fiscal year by \$ 11,484,357 (net position). Governmental net position amounted to \$ 2,338,841 and business-type net position amount to \$ 9,145,516. Net position increased by \$ 1,210,179 during the current fiscal year.

For the fiscal year ended September 30, 2016, the Village's governmental activities revenues and expenses were \$ 9,824,609 and \$ 9,087,913 respectively. As a result, governmental net position increased by \$ 736,696.

For the fiscal year ended September 30, 2016, the Village's business-type activities revenues and expenses were \$ 5,724,420 and \$ 5,250,937 respectively. As a result, business-type net position increased by \$ 473,483.

At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$ 5,462,838, an increase of \$ 606,324 in comparison with the prior year. Approximately 21.7% of this amount (\$ 1,182,833) is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$ 2,465,832, or approximately 33.7% of total General Fund expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is 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 of 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.

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 and earned but unused vacation leave).

Both 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 11 and 12 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 North Bay Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the 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 financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental financial 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, the State Forfeiture Fund, the Capital Projects Fund and Debt Service Fund, which are considered to be 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 13 through 16 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 storm water 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, which are considered to be major funds of the Village. The proprietary fund financial statements can be found on pages 17 through 20 of this report.

**Notes to the basic financial statements** - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 through 41 of this report.

**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 budgetary schedule 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 42-52 of this report.

The combining statements referred to earlier in connection with non major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 53-60 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 \$ 11,484,357 at the close of September 30, 2016. Governmental activities net position totaled \$ 2,338,841, and business-type activities net position totaled \$ 9,145,516. The following table presents a condensed statement of net position as compared to the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 6,835,362	\$ 5,877,738	\$ 1,806,882	\$ 1,391,912	\$ 8,642,244	\$ 7,269,650
Restricted assets	-	-	428,518	407,923	428,518	407,923
Capital assets, net	9,161,287	9,105,647	9,697,533	9,831,396	18,858,820	18,937,043
<b>Total assets</b>	<b>15,996,649</b>	<b>14,983,385</b>	<b>11,932,933</b>	<b>11,631,231</b>	<b>27,929,582</b>	<b>26,614,616</b>
Total deferred outflows of resources	3,365,412	895,184	226,733	67,380	3,592,145	962,564
Current and other liabilities	2,248,346	1,780,032	1,205,711	1,289,939	3,454,057	3,069,971
Long term liabilities	14,609,131	11,702,281	1,789,203	1,676,867	16,398,334	13,379,148
<b>Total liabilities</b>	<b>16,857,476</b>	<b>13,482,313</b>	<b>2,994,914</b>	<b>2,966,806</b>	<b>19,852,390</b>	<b>16,449,119</b>
Total deferred inflows of resources	165,744	794,111	19,236	59,772	184,980	853,883
Net position:						
Net investment in capital assets	3,887,834	3,468,637	8,440,175	8,402,023	12,328,009	11,870,660
Restricted	1,838,289	1,434,461	-	-	1,838,289	1,434,461
Unrestricted (deficit)	(3,387,282)	(3,300,953)	705,341	270,010	(2,681,941)	(3,030,943)
<b>Total net position</b>	<b>\$ 2,338,841</b>	<b>\$ 1,602,145</b>	<b>\$ 9,145,516</b>	<b>\$ 8,672,033</b>	<b>\$ 11,484,357</b>	<b>\$ 10,274,178</b>

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), less any related outstanding debt that was used to acquire those assets. 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.



**North Bay Village, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2016**

An additional portion of the Village's net position of \$ 1,838,289 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$ 2,681,941) is unrestricted (deficit) and was a result of the implementation of GASB 68. The Village is a member of the Florida Retirement System (FRS) and is required to show the Village's portion of FRS unfunded liabilities in the government wide statements.

**Changes in net position** - Governmental activities and business-type activities increased the Village's net position by \$ 1,210,179 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		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,930,153	\$ 1,507,462	\$ 5,724,371	\$ 5,115,431	\$ 7,654,524	\$ 6,622,893
Operating grants and contributions	475,649	428,419	-	-	475,649	428,419
Capital grants and contributions	-	-	-	599,232	-	599,232
General revenues:						
Property taxes	4,973,592	4,572,398	-	-	4,973,592	4,572,398
Other taxes and fees	2,205,330	2,154,090	-	-	2,205,330	2,154,090
Interest income	42,983	42,624	49	339	43,032	42,963
Other general revenues	196,902	219,456	-	-	196,902	219,456
Total revenues	<u>9,824,609</u>	<u>8,924,449</u>	<u>5,724,420</u>	<u>5,715,002</u>	<u>15,549,029</u>	<u>14,639,451</u>
Expenses:						
General government	1,708,720	1,645,316	-	-	1,708,720	1,645,316
Public safety	5,305,548	4,754,552	-	-	5,305,548	4,754,552
Public works	624,229	595,935	-	-	624,229	595,935
Building, planning, and zoning	695,329	787,048	-	-	695,329	787,048
Recreation and human services	519,026	465,644	-	-	519,026	465,644
Interest on long term debt	235,061	249,618	-	-	235,061	249,618
Utility	-	-	5,138,279	5,547,846	5,138,279	5,547,846
Stormwater utility	-	-	112,658	181,792	112,658	181,792
Total expenses	<u>9,087,913</u>	<u>8,498,113</u>	<u>5,250,937</u>	<u>5,729,638</u>	<u>14,338,850</u>	<u>14,227,751</u>
Increase (decrease) in net position	\$ 736,696	\$ 426,336	\$ 473,483	\$ (14,636)	\$ 1,210,179	\$ 411,700
Net position, October 1	<u>1,602,145</u>	<u>1,175,809</u>	<u>8,672,033</u>	<u>8,686,669</u>	<u>10,274,178</u>	<u>9,862,478</u>
Net position, September 30	<u>\$ 2,338,841</u>	<u>\$ 1,602,145</u>	<u>\$ 9,145,516</u>	<u>\$ 8,672,033</u>	<u>\$ 11,484,357</u>	<u>\$ 10,274,178</u>

**Governmental activities** - During the current fiscal year, net position for governmental activities increased \$ 736,696 from the prior fiscal year. This increase was a result of an increase in the property and utility taxes. This also included an increase in the government wide charges for services. This increase in revenues allowed the Village to increase spending on public safety functions.

**Business-type Activities** - For the Village's business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$ 473,483. This increase was the result of the Commission approving a 16% rate increase in the water operations and an 18% increase in the sewer per 1,000 gallons charge. This offset the one-time \$ 600,000 grant from the State of Florida in FY 2015. Also the Village had made several major repairs to the water and sewer infrastructures in FY 2015 which allowed the Village to reduce the repair and maintenance expenses for FY 2016.

### **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 \$ 5,462,838, an increase of \$ 606,324 from the prior year. Approximately 21.7% of this amount (\$ 1,182,833) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$ 96,455), 2) restricted for particular purposes (\$ 2,900,551), 3) committed for particular purposes, or 4) assigned for particular purposes (\$ 1,282,999).

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 1,182,833. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 16.1% of total General Fund expenditures, while total fund balance represents approximately 34.9% of that same amount. The unassigned fund balance increased \$ 168,318 over fiscal year 2015 due to the increased collection of property and utility taxes.

**Proprietary Funds** - The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary funds at the end of the year, amounted to \$ 9,145,516. Reasons for the changes in these funds has been noted earlier in the discussion of business-type activities.

### **General Fund Budgetary Highlights**

During the year, there was an amendment to the budget for revenues, with an overall increase in budgeted revenues of approximately \$ 262,160, mainly in taxes and miscellaneous revenues. Overall expenditures, including transfers out, increased approximately \$ 674,100 with the main increase due to a transfer out to the Street Maintenance Fund.

The Village settled the red light camera litigation which reduced the unknown liability the Village was faced with. The police department added one new police officer for the PAAL program. The Building Department added one position to handle the increase in the building permit application.

## 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, 2016 amounted to \$ 9,161,287 and \$ 9,697,533 respectively, and consists of land, construction in progress, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment. A more detailed schedule can be found on page 29 and 30 of the notes to the financial statements.

In the governmental funds, major additions included replacing the 8 year old circulator bus that is operated in coordination with the County wide transit system, rehabilitating Schonberger Park and replacing all the play equipment including replacing the grass with new state of the art artificial turf and a new decorated fence and renovating the police dispatch building.

**Long-term debt** - At the end of the current fiscal, the Village had governmental activities general obligation debt outstanding of \$ 6,335,715. This debt is secured by the Village's ad valorem taxes. The Village's Utility Fund also had State Revolving Fund debt outstanding of \$ 1,257,358. 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.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Long-term debt:						
General obligation note, Series 2010	\$ 1,645,715	1,748,572	\$ -	\$ -	\$ 1,645,715	1,748,572
General obligation refunding note, Series 2010	4,690,000	\$ 5,000,000	-	-	4,690,000	\$ 5,000,000
Revolving state loans	-	-	1,257,358	1,429,373	1,257,358	1,429,373
Total	\$ <u>6,335,715</u>	\$ <u>6,748,572</u>	\$ <u>1,257,358</u>	\$ <u>1,429,373</u>	\$ <u>7,593,073</u>	\$ <u>8,177,945</u>

Additional information related to long-term debt can be found under Note 7 to the financial statements.

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

The Village currently has 8 properties in the Village that are in the development review process. These properties are all being designed as mixed use buildings. This is retail, commercial or restaurants on the first floor and the rest of the building is required parking and either apartments or condominiums. There are several R-1 single family zone properties that are being purchased and replaced with large homes. This will help the property tax value for tax purposes.

The Police Departments staffing was increased with 3 new full time officer positions. This will help the delivery of services to the residents and businesses in the Village. The police department is also starting the process to get the department certified as meeting the high standard for the delivery of police services. The department has also proposed to use existing positions to start a marine patrol, a K-9 unit and bring back the motorcycle operations.

The Village is either under construction or in the plan design stage for the development and construction of a Bay Walk project to provide viewing access to Biscayne Bay. The Village is designing a Boardwalk that will provide a linear walkway along the north side of Treasure Island. This will provide access to most of the major properties that are in the development review process. This will allow customer access from the land as well as the water. The Village is in the process of completing a major rehabilitation of the sanitary sewer and water distribution systems.

### **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, 2016**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Pooled cash, cash equivalents and investments	\$ 6,261,405	\$ 1,212,790	\$ 7,474,195
Receivables, net	477,502	570,351	1,047,853
Internal balances	-	-	-
Restricted cash	-	428,518	428,518
Prepaid items	96,455	23,741	120,196
Capital assets:			
Non-depreciable	5,361,536	-	5,361,536
Depreciable, net	3,799,751	9,697,533	13,497,284
<b>Total assets</b>	<b>15,996,649</b>	<b>11,932,933</b>	<b>27,929,582</b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	3,365,412	226,733	3,592,145
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	1,067,070	586,488	1,653,558
Payroll liabilities	277,020	23,036	300,056
Accrued interest payable	75,719	7,115	82,834
Unearned revenue	28,434	-	28,434
Customer deposits	-	428,518	428,518
Due within one year:			
Compensated absences payable	255,323	31,261	286,584
Claims and judgements	121,923	-	121,923
Debt	422,857	129,293	552,150
Due in more than one year:			
Compensated absences payable	1,276,613	156,305	1,432,918
Debt	5,912,858	1,128,065	7,040,923
Net pension liability	7,218,660	504,833	7,723,493
OPEB obligation	201,000	-	201,000
<b>Total liabilities</b>	<b>16,857,476</b>	<b>2,994,914</b>	<b>19,852,390</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	165,744	19,236	184,980
<b>Net Position:</b>			
Net investment in capital assets	3,887,834	8,440,175	12,328,009
Restricted for:			
Transportation projects	829,202	-	829,202
Law enforcement	260,839	-	260,839
Recreation and human services	355,771	-	355,771
Capital projects	392,477	-	392,477
Unrestricted net position (deficit)	(3,387,282)	705,341	(2,681,941)
<b>Total net position</b>	<b>\$ 2,338,841</b>	<b>\$ 9,145,516</b>	<b>\$ 11,484,357</b>

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

**North Bay Village, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	
Governmental activities:							
General government	\$ 1,708,720	\$ 676,382	\$ 25,000	\$ -	\$ (1,007,338)	\$ -	\$ (1,007,338)
Public safety	5,305,548	682,957	2,730	-	(4,619,861)	-	(4,619,861)
Public works	624,229	-	313,027	-	(311,202)	-	(311,202)
Building, planning and zoning	695,329	570,814	-	-	(124,515)	-	(124,515)
Recreation and human services	519,026	-	134,892	-	(384,134)	-	(384,134)
Interest on long-term debt	235,061	-	-	-	(235,061)	-	(235,061)
Total governmental activities	<u>9,087,913</u>	<u>1,930,153</u>	<u>475,649</u>	<u>-</u>	<u>(6,682,111)</u>	<u>-</u>	<u>(6,682,111)</u>
Business-type activities:							
Utility Fund	5,138,279	5,608,193	-	-	-	469,914	469,914
Stormwater Utility Fund	112,658	116,178	-	-	-	3,520	3,520
Total business-type activities	<u>5,250,937</u>	<u>5,724,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,434</u>	<u>473,434</u>
Total	<u>\$ 14,338,850</u>	<u>\$ 7,654,524</u>	<u>\$ 475,649</u>	<u>\$ -</u>	<u>(6,682,111)</u>	<u>473,434</u>	<u>(6,208,677)</u>
General revenues:							
Taxes:							
Ad valorem taxes					4,973,592	-	4,973,592
Franchise fees on gross receipts					434,029	-	434,029
Utility service taxes					586,646	-	586,646
Sales tax					603,513	-	603,513
Intergovernmental, not restricted for specific purposes					581,142	-	581,142
Interest income					42,983	49	43,032
Miscellaneous					196,902	-	196,902
Total general revenues					<u>7,418,807</u>	<u>49</u>	<u>7,418,856</u>
Change in net position					736,696	473,483	1,210,179
Net position, beginning					<u>1,602,145</u>	<u>8,672,033</u>	<u>10,274,178</u>
Net position, ending					<u>\$ 2,338,841</u>	<u>\$ 9,145,516</u>	<u>\$ 11,484,357</u>

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



**North Bay Village, Florida**  
**Balance Sheet - Governmental Funds**  
**September 30, 2016**

	<u>General Fund</u>	<u>State Forfeiture Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Pooled cash, cash equivalents and investments	\$ 2,681,229	\$ 763,070	\$ 1,476,064	\$ -	\$ 1,341,042	\$ 6,261,405
Receivables	360,585	-	-	-	116,917	477,502
Prepaid items	95,284	-	-	-	1,171	96,455
Total assets	<u>\$ 3,137,098</u>	<u>\$ 763,070</u>	<u>\$ 1,476,064</u>	<u>\$ -</u>	<u>\$ 1,459,130</u>	<u>\$ 6,835,362</u>
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 294,525	\$ 695,968	\$ 21,325	\$ -	\$ 55,252	\$ 1,067,070
Payroll liabilities	253,023	-	-	-	23,997	277,020
Unearned revenue	28,434	-	-	-	-	28,434
Total liabilities	<u>575,982</u>	<u>695,968</u>	<u>21,325</u>	<u>-</u>	<u>79,249</u>	<u>1,372,524</u>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid items	95,284	-	-	-	1,171	96,455
Restricted for:						
Capital projects	-	-	1,454,739	-	-	1,454,739
Transportation projects	-	-	-	-	829,202	829,202
Law enforcement	-	67,102	-	-	193,737	260,839
Recreation and human services	-	-	-	-	355,771	355,771
Assigned to:						
Operating reserves	1,282,999	-	-	-	-	1,282,999
Unassigned	1,182,833	-	-	-	-	1,182,833
Total fund balances	<u>2,561,116</u>	<u>67,102</u>	<u>1,454,739</u>	<u>-</u>	<u>1,379,881</u>	<u>5,462,838</u>
Total liabilities and fund balances	<u>\$ 3,137,098</u>	<u>\$ 763,070</u>	<u>\$ 1,476,064</u>	<u>\$ -</u>	<u>\$ 1,459,130</u>	<u>\$ 6,835,362</u>

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

**North Bay Village, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2016**

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**Total Fund Balances of Governmental Funds**  
**in the Balance Sheet**

\$ 5,462,838

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

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

Governmental capital assets	\$ 12,943,951	
Less accumulated depreciation	<u>(3,782,664)</u>	9,161,287

Certain liabilities and related deferred outflows and inflows are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds payable	\$ (6,335,715)	
Claims and judgements	(121,923)	
Compensated absences	(1,531,936)	
Accrued interest payable	(75,719)	
Net pension liability	(7,218,660)	
Deferred outflows related to pensions	3,365,412	
Deferred inflows related to pensions	(165,744)	
Other post employment benefit obligation (OPEB)	<u>(201,000)</u>	<u>(12,285,285)</u>

**Net Position of Governmental Activities**

\$ 2,338,840

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

**North Bay Village, Florida**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**For the Year Ended September 30, 2016**

	<b>General Fund</b>	<b>State Forfeiture Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
Taxes	\$ 4,907,390	\$ -	\$ -	\$ 652,848	\$ 313,027	\$ 5,873,265
Licenses and permits	651,276	-	-	-	-	651,276
Franchise fees	452,528	-	-	-	-	452,528
Intergovernmental revenue	1,217,084	-	-	-	134,892	1,351,976
Charges for services	75,546	-	-	-	-	75,546
Fines and forfeitures	110,818	18,325	-	-	619,395	748,538
Impact fees	-	-	400,000	-	-	400,000
Interest income	41,522	385	556	-	520	42,983
Other	195,038	-	-	-	33,459	228,497
Total revenues	<u>7,651,202</u>	<u>18,710</u>	<u>400,556</u>	<u>652,848</u>	<u>1,101,293</u>	<u>9,824,609</u>
<b>Expenditures:</b>						
Current:						
General government	1,584,938	-	-	-	-	1,584,938
Public safety	4,316,427	2,631	-	-	580,530	4,899,588
Public works	289,684	-	-	-	163,346	453,030
Building, planning and zoning	691,027	-	-	-	-	691,027
Recreation and human services	198,268	-	-	-	172,087	370,355
Capital outlay	241,651	39,305	57,379	-	228,164	566,499
Debt service:						
Principal	-	-	-	412,857	-	412,857
Interest and fiscal charges	-	-	-	239,991	-	239,991
Total expenditures	<u>7,321,995</u>	<u>41,936</u>	<u>57,379</u>	<u>652,848</u>	<u>1,144,127</u>	<u>9,218,285</u>
Excess (deficiency) of revenues over expenditures	<u>329,207</u>	<u>(23,226)</u>	<u>343,177</u>	<u>-</u>	<u>(42,834)</u>	<u>606,324</u>
<b>Other Financing</b>						
<b>Sources (Uses):</b>						
Transfers in	-	-	-	-	78,582	78,582
Transfers out	<u>(78,582)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,582)</u>
Total other financing sources (uses)	<u>(78,582)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,582</u>	<u>-</u>
Net change in fund balances	250,625	(23,226)	343,177	-	35,748	606,324
<b>Fund Balances, beginning of year</b>	<u>2,310,491</u>	<u>90,328</u>	<u>1,111,562</u>	<u>-</u>	<u>1,344,133</u>	<u>4,856,514</u>
<b>Fund Balances, end of year</b>	<u>\$ 2,561,116</u>	<u>\$ 67,102</u>	<u>\$ 1,454,739</u>	<u>\$ -</u>	<u>\$ 1,379,881</u>	<u>\$ 5,462,838</u>

The accompanying notes to basic financial statements are an integral part of these 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 Year Ended September 30, 2016**

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**Net Changes in Fund Balances - Total Governmental Funds**
\$ 606,324

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. This is the amount by which capital outlay exceeded depreciation and disposals for the current period:

Expenditures for capital assets	\$ 566,178	
Less: Net book value of disposed assets	(11,861)	
Less: Current year provision for depreciation	<u>(498,677)</u>	55,640

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	412,857
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Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or credits in the governmental funds:

Change in accrued interest payable	4,930	
Change in claims and judgements	129,387	
Change in long-term compensated absences	59,876	
Change in net pension liability	(3,578,914)	
Change in deferred outflows related to pensions	2,470,229	
Change in deferred inflows related to pensions	628,367	
Change in other post employment benefit obligation (OPEB)	<u>(52,000)</u>	<u>(338,125)</u>

<b>Changes in Net Position of Governmental Activities</b>	<b>\$ <u><u>736,696</u></u></b>
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The accompanying notes to basic financial statements are an integral part of these statements.

**North Bay Village, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2016**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Major Fund</b>	<b>Major Fund</b>	
	<b>Utility Fund</b>	<b>Stormwater Utility Fund</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Pooled cash, cash equivalents and investments	\$ 589,086	\$ 623,704	\$ 1,212,790
Restricted cash	428,518	-	428,518
Accounts receivable, net	559,749	10,602	570,351
Prepaid items	22,989	752	23,741
Total current assets	1,600,342	635,058	2,235,400
Noncurrent assets:			
Capital assets:			
Depreciable, net	8,896,971	800,562	9,697,533
Total assets	10,497,313	1,435,620	11,932,933
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	226,733	-	226,733
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	576,956	9,532	586,488
Payroll liabilities	23,036	-	23,036
Accrued interest payable	7,115	-	7,115
Current portion of compensated absences payable	31,261	-	31,261
Payable from restricted assets:			
Customer deposits	428,518	-	428,518
Current portion of debt	129,293	-	129,293
Total current liabilities	1,196,179	9,532	1,205,711
Long term liabilities:			
Compensated absences payable	156,305	-	156,305
Net pension liability	504,833	-	504,833
Debt	1,128,065	-	1,128,065
Total long-term liabilities	1,789,203	-	1,789,203
Total liabilities	2,985,382	9,532	2,994,914
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	19,236	-	19,236
<b>Net Position:</b>			
Net investment in capital assets	7,639,613	800,562	8,440,175
Unrestricted net position	79,815	625,526	705,341
Total net position	\$ 7,719,428	\$ 1,426,088	\$ 9,145,516

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

**North Bay Village, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Major Fund</b>	<b>Major Fund</b>	
	<b>Utility Fund</b>	<b>Stormwater Utility Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Sanitation charges	\$ 1,614,211	\$ -	\$ 1,614,211
Sewer charges	2,196,256	-	2,196,256
Metered water charges	1,750,370	-	1,750,370
Service fees and late penalties	47,356	844	48,200
Stormwater user fees	-	115,334	115,334
Total operating revenues	<u>5,608,193</u>	<u>116,178</u>	<u>5,724,371</u>
<b>Operating Expenses:</b>			
Payroll and related expenses	1,605,825	15,096	1,620,921
Sewage disposal fees	1,350,436	-	1,350,436
Materials, supplies, repairs and other	798,367	53,626	851,993
Water purchases	553,943	-	553,943
Solid waste disposal and recycling services	438,183	-	438,183
Provision for depreciation	362,742	43,936	406,678
Total operating expenses	<u>5,109,496</u>	<u>112,658</u>	<u>5,222,154</u>
Operating income	<u>498,697</u>	<u>3,520</u>	<u>502,217</u>
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	49	-	49
Interest expense	(28,783)	-	(28,783)
Total nonoperating revenues (expenses)	<u>(28,734)</u>	<u>-</u>	<u>(28,734)</u>
Change in net position	469,963	3,520	473,483
<b>Net Position, beginning of year</b>	<u>7,249,465</u>	<u>1,422,568</u>	<u>8,672,033</u>
<b>Net Position, end of year</b>	<u>\$ 7,719,428</u>	<u>\$ 1,426,088</u>	<u>\$ 9,145,516</u>

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

**North Bay Village, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Major Fund</b>	<b>Nonmajor Fund</b>	
	<b>Utility Fund</b>	<b>Stormwater Utility Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 5,585,942	\$ 145,944	\$ 5,731,886
Payments to employees	(1,554,688)	(15,096)	(1,569,784)
Payments to suppliers	(3,185,653)	(103,616)	(3,289,269)
Net cash provided by operating activities	845,601	27,232	872,833
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of capital assets	(219,441)	(53,374)	(272,815)
Payments of revolving state loans	(172,015)	-	(172,015)
Proceeds from capital grants	-	563,747	563,747
Interest and other charges	(29,308)	-	(29,308)
Net cash provided by (used in) capital and related financing activities	(420,764)	510,373	89,609
<b>Cash Flows from Investing Activities:</b>			
Interest received	49	-	49
Net cash provided by investing activities	49	-	49
Net Increase in pooled cash, cash equivalents and investments	424,886	537,605	962,491
<b>Pooled Cash, Cash Equivalents and Investments, beginning</b>	<b>592,718</b>	<b>86,099</b>	<b>678,817</b>
<b>Pooled Cash, Cash Equivalents and Investments, ending</b>	<b>\$ 1,017,604</b>	<b>\$ 623,704</b>	<b>\$ 1,641,308</b>
<b>Pooled Cash, Cash Equivalents and Investments Reported on the Statement of Net Position:</b>			
Pooled cash, cash equivalents and investments	\$ 589,086	\$ 623,704	\$ 1,212,790
Restricted cash	428,518	-	428,518
	<b>\$ 1,017,604</b>	<b>\$ 623,704</b>	<b>\$ 1,641,308</b>

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



**North Bay Village, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**(continued)**  
**For the Year Ended September 30, 2016**

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Major Fund</b>	<b>Major Fund</b>	
	<b>Utility Fund</b>	<b>Stormwater Utility Fund</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating income	\$ 498,697	\$ 3,520	\$ 502,217
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Provision for depreciation	362,742	43,936	406,678
Bad debt expense	-	30,028	30,028
(Increase) decrease in:			
Accounts receivable	(42,846)	(262)	(43,108)
Prepaid items	(22,989)	(752)	(23,741)
Deferred outflows related to pensions	(159,353)	-	(159,353)
Increase (decrease) in:			
Accounts payable	(21,735)	(49,238)	(70,973)
Payroll liabilities	7,485	-	7,485
Customer deposits	20,595	-	20,595
Compensated absences	12,667	-	12,667
Net pension liability	230,874	-	230,874
Deferred inflows related to pensions	(40,536)	-	(40,536)
Total adjustments	346,904	23,712	370,616
Net cash provided by operating activities	\$ 845,601	\$ 27,232	\$ 872,833

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

## 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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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 and proprietary funds are aggregated and reported as nonmajor funds.

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.

C. Measurement Focus, basis of accounting and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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.

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

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

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

The Village reports the following major proprietary funds:

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.

Stormwater Utility Fund - This fund is used to account for the operation of the Village's stormwater collection process.

**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.

**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, 2016.

**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."

**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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Restricted cash:** The Village reports amounts paid by customers for water and sewer deposits as restricted cash.

**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:

Improvements other than building	5-40 years
Buildings and improvements	5-30 years
Vehicles	3-5 years
Machinery and equipment	3-10 years
Equipment and vehicles	3-5 years
Street improvements	30 years

**Deferred outflows/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 one item, deferred outflows relating to pension plans, that qualifies for reporting in this category and is discussed in further detail in Note 8.

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 pension plans, that qualifies for reporting in this category and is discussed in further detail in Note 8.

**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.

**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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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.

**Net position:** Net position in the government-wide and proprietary funds are categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

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.

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.

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

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as 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.



**Note 1 - Summary of Significant Accounting Policies (continued)**

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.

**Net position policy:** The Village has adopted 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.

**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.

**Date of management review:** Subsequent events were evaluated by management through March 17, 2017, which is the date the financial statements were available to be issued.



## 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, 2016 was 6.2088 mills. The rate of 6.2088 mills is allocated to the General Fund and Debt Service Fund, with the General Fund receiving 5.3834 and the Debt Service Fund .8254.

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.

### 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 GASB Statement No. 72, *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, 2016, the Village's fair value of its investment in Florida PRIME was \$ 62,810.

**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 of the securities held in Florida PRIME is 50 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.

### Note 4 - Receivables and Payables

As of September 30, 2016, receivables for the Village's individual major and nonmajor funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Non-major Special Revenue Funds	Utility Fund	Stormwater Utility Fund	Total
Customers billed	\$ -	\$ -	\$ 574,749	\$ 10,602	\$ 585,351
Intergovernmental	175,015	116,917	-	-	291,932
Accounts receivable	185,570	-	-	-	185,570
Gross receivables	360,585	116,917	574,749	10,602	1,062,853
Less allowance for uncollectibles	-	-	(15,000)	-	(15,000)
	<u>\$ 360,585</u>	<u>\$ 116,917</u>	<u>\$ 559,749</u>	<u>\$ 10,602</u>	<u>\$ 1,047,853</u>

As of September 30, 2016, accounts payable and accrued liabilities for the Village's individual major and non-major funds are as follows:

	General Fund	Capital Projects Fund	State Forfeiture Fund	Non-major Special Revenue Funds	Utility Fund	Stormwater Utility Fund	Total
Vendors	\$ 294,525	\$ -	\$ 695,968	\$ 18,996	\$ 547,956	\$ 9,532	\$ 1,566,977
Contractor	-	21,325	-	-	29,000	-	50,325
Due to pooled cash	-	-	-	36,256	-	-	36,256
	<u>\$ 294,525</u>	<u>\$ 21,325</u>	<u>\$ 695,968</u>	<u>\$ 55,252</u>	<u>\$ 576,956</u>	<u>\$ 9,532</u>	<u>\$ 1,653,558</u>

**North Bay Village, Florida**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 5 - Capital Assets**

Capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,138,008	\$ -	\$ -	\$ 5,138,008
Construction in progress	167,781	55,747	-	223,528
Total capital assets, not being depreciated	5,305,789	55,747	-	5,361,536
Capital assets, being depreciated:				
Buildings and improvements	2,768,231	142,129	-	2,910,360
Street improvements	2,337,210	-	-	2,337,210
Vehicles	1,166,045	268,627	30,889	1,403,783
Machinery and equipment	831,387	99,675	-	931,062
Total capital assets, being depreciated	7,102,873	510,431	30,889	7,582,415
Less accumulated depreciation for:				
Buildings and improvements	1,353,577	224,752	-	1,578,329
Street improvements	295,182	75,517	-	370,699
Vehicles	957,386	147,446	19,028	1,085,804
Machinery and equipment	696,870	50,962	-	747,832
Total accumulated depreciation	3,303,015	498,677	19,028	3,782,664
Total capital assets, being depreciated, net	3,799,858	11,754	11,861	3,799,751
Governmental activities capital assets, net	\$ 9,105,647	\$ 67,501	\$ 11,861	\$ 9,161,287
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 14,876,980	\$ 270,441	\$ -	\$ 15,147,421
Equipment and vehicles	988,247	2,374	-	990,621
Total capital assets being depreciated	15,865,227	272,815	-	16,138,042
Less accumulated depreciation for:				
Improvements other than buildings	5,057,347	403,193	-	5,460,540
Equipment and vehicles	976,484	3,485	-	979,969
Total accumulated depreciation	6,033,831	406,678	-	6,440,509
Business-type activities capital assets, net	\$ 9,831,396	\$ (133,863)	\$ -	\$ 9,697,533

**Note 5 - Capital Assets (continued)**

Depreciation expense for the fiscal year ended September 30, 2016 was charged to functions/programs as follows:

Governmental Activities:	
Public safety	\$ 174,776
Public works	147,235
General government	30,882
Recreation and human services	145,446
Building, planning and zoning	<u>338</u>
Total depreciation expense - governmental activities	\$ <u>498,677</u>
Business-Type Activities:	
Water and sewer systems	\$ 362,742
Stormwater Utility	<u>43,936</u>
Total depreciation expense - business-type activities	\$ <u>406,678</u>

**Note 6 - Interfund Balances and Transfers**

Interfund balances result from the time lag between the dates (1) Inter-fund 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. There were no interfund balances at September 30, 2016.

Inter-fund transfers for the year ended September 30, 2016 are summarized as follows:

	Interfund Balances	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 78,582
Nonmajor Governmental Funds	<u>78,582</u>	<u>-</u>
	\$ <u>78,582</u>	\$ <u>78,582</u>

The transfer out of the General Fund to the nonmajor governmental funds is 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.

## Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2016:

	October 1, 2015	Additions	Reductions	September 30, 2016	Due Within One Year
<b>Governmental Activities:</b>					
General obligation note, Series 2010	\$ 1,748,572	\$ -	\$ 102,857	\$ 1,645,715	\$ 102,857
General obligation refunding note, Series 2010	5,000,000	-	310,000	4,690,000	320,000
Claims and judgements	251,310	-	129,387	121,923	121,923
Compensated absences	1,591,812	533,039	592,915	1,531,936	255,323
Net pension liability	3,639,746	3,578,914	-	7,218,660	-
OPEB obligation	149,000	52,000	-	201,000	-
Total governmental activities long-term liabilities	<u>\$ 12,380,440</u>	<u>\$ 4,163,953</u>	<u>\$ 1,135,159</u>	<u>\$ 15,409,234</u>	<u>\$ 800,103</u>
<b>Business-Type Activities:</b>					
Revolving state loans	\$ 1,429,373	\$ -	\$ 172,015	\$ 1,257,358	\$ 129,293
Net pension liability	273,959	230,874	-	504,833	-
Compensated absences	174,899	51,495	38,828	187,566	31,261
Total business-type activities long-term liabilities	<u>\$ 1,878,231</u>	<u>\$ 282,369</u>	<u>\$ 210,843</u>	<u>\$ 1,949,757</u>	<u>\$ 160,554</u>

For governmental activities, compensated absences, net pension liability and net other postemployment obligations are generally liquidated by the General Fund.

**Governmental activities:** In fiscal year ended September 30, 2010, the Village borrowed \$ 2,160,000 relating to a General Obligation Note, Series 2010 for 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, 2016 is \$ 1,645,715.

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, 2016 is \$ 4,690,000.

**Business-type activities - revolving state loans:** The Village has four separate state revolving loan agreements with the Department of Environmental Protection. The loans provided for funding for various sewer improvement 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 one year subsequent to the completion of the projects.



**Note 7 - Long-Term Liabilities (continued)**

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, 2016, the Village was in compliance with this covenant. The significant terms of the loans are as follows:

Revolving state loan of \$ 272,370 dated March 17, 1995; interest rate of 3.79%. As an amendment to the original loan, in June 1997 the Village was awarded an additional \$ 1,285,442 at an interest rate of 2.7%. The Village makes semi-annual principal and interest payments of \$ 33,797 on March 15 and September 15. The loan matures on September 15, 2018 and is collateralized by water and sewer revenues.

\$ 130,521

Revolving state loan of \$ 1,079,032 dated December 24, 2009; interest rate of 1.93%. The Village makes semi-annual principal and interest payments of \$ 32,929 on May 15 and November 15. The loan matures on May 15, 2031 and is collateralized by water and sewer revenues.

849,853

Revolving state loan of \$ 309,518 dated June 18, 2014; interest 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.

276,984

\$ 1,257,358

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

Year Ending September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 422,857	\$ 225,202	\$ 648,059	\$ 129,293	\$ 25,351	\$ 154,644
2018	432,857	210,061	642,918	132,431	22,213	154,644
2019	447,857	194,570	642,427	67,575	19,476	87,051
2020	462,857	178,552	641,409	68,926	18,125	87,051
2021	467,857	162,007	629,864	70,303	16,748	87,051
2022-2026	2,559,285	548,880	3,108,165	373,169	62,086	435,255
2027-2031	1,439,285	117,365	1,556,650	405,675	23,256	428,931
2032	<u>102,860</u>	<u>1,954</u>	<u>104,814</u>	<u>9,986</u>	<u>114</u>	<u>10,100</u>
	\$ <u>6,335,715</u>	\$ <u>1,638,591</u>	\$ <u>7,974,306</u>	\$ <u>1,257,358</u>	\$ <u>187,369</u>	\$ <u>1,444,727</u>

## 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 Web site: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](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.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

**Note 8 – Retirement Plans (continued)**

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

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, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows: Regular - 7.26% and 7.52%; Special Risk Administrative Support - 32.95% and 28.06%; Special Risk - 22.04% and 22.57%; Senior Management Service - 21.43% and 21.77%; Elected Officers' - 42.27% and 42.47%; and DROP participants - 12.88% and 12.99%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2015 through September 30, 2016.

The Village's contributions, including employee contributions, to the Pension Plan totaled \$ 875,831 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016, the Village reported a liability of \$ 6,141,143 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. At June 30, 2016, the Village's proportion was .024321282 percent, which was an increase of .003910117 percentage points from its proportion measured as of June 30, 2015.

**Note 8 - Retirement Plans (continued)**

For the year ended September 30, 2016, the Village recognized pension expense of \$ 1,175,686. At September 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 470,213	\$ 57,178
Changes of assumptions	371,521	-
Net difference between projected and actual earnings on pension plan investments	1,587,411	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	589,064	124,198
Village contributions subsequent to the measurement date	151,889	-
Total	\$ <u>3,170,098</u>	\$ <u>181,376</u>

Deferred outflows of resources 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, 2017. 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:	
2017	\$ 412,786
2018	412,786
2019	1,031,657
2020	733,219
2021	181,248
Thereafter	65,137

Actuarial Assumptions - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.60%, net of pension plan investment expense, including inflation

Mortality assumptions were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

**Note 8 - Retirement Plans (continued)**

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to section 216.136(10), Florida Statutes. During presentations to the 2016 FRS Actuarial Assumption Conference, Aon Hewitt, the investment consultant for the State Board of Administration, and the consulting actuary both recommended reducing the investment return assumption. Based on their respective capital market outlook models, the 50<sup>th</sup> percentile average annual long-term future return rates ranged between 6.3 percent and 6.6 percent. When Aon Hewitt applied the State Board of Administration's approach to assumption development, the investment return forecast was 7.0 percent. The consulting actuary notes the reduced investment return assumption adopted by the FRS Actuarial Assumption Conference conflicts with their judgment of a reasonable assumption as defined by the Actuarial Standards of Practice Number 27 (ASOP 27).

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%	3.0%	3.0%	1.7%
Fixed income	18.0%	4.7%	4.6%	4.6%
Global equity	53.0%	8.1%	6.8%	17.2%
Real estate (property)	10.0%	6.4%	5.8%	12.0%
Private equity	6.0%	11.5%	7.8%	30.0%
Strategic investments	12.0%	6.1%	5.6%	11.1%
Total	100.0%			
Assumed Inflation - Mean			2.6%	1.9%

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.60%. 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.

**Sensitivity of the Village's Proportionate Share of the Net Position Liability to Changes in the Discount Rate** - The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Village's proportionate share of the net pension liability for FRS	\$ 11,306,260	\$ 6,141,143	\$ 1,841,865

**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, 2016, 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, 2016, 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.

The Village's contributions to the HIS Plan totaled \$ 12,759 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016, the Village reported a liability of \$ 1,582,349 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. At June 30, 2016, the Village's proportionate share was .013577049 percent, which was an increase of .001052289 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the Village recognized pension expense of \$ 104,208. In addition the Village reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,604
Change of assumptions	248,311	-
Net difference between projected and actual earnings on HIS Plan investments	800	-
Changes in proportion and differences between Village HIS Plan contributions and proportionate share of contributions	156,966	-
Village HIS Plan contributions subsequent to the measurement date	15,970	-
Total	\$ 422,047	\$ 3,604



**Note 8 - Retirement Plans (continued)**

Deferred outflows of resources 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, 2017. The amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30:	
2017	\$ 71,821
2018	71,821
2019	71,669
2020	71,595
2021	65,698
Thereafter	49,869

Actuarial Assumptions - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.85%

Mortality assumptions were based on the Generational RP-2000 with Projection Scale BB tables.

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was decreased from 3.80% to 2.85%.

Discount Rate - The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 2.85% 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.

Sensitivity of the Village's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Village's proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Village's proportionate share of the net pension liability for HIS	\$ 1,815,314	\$ 1,582,349	\$ 1,389,001



## Note 9 - Defined Contribution Plan

The Village also has a defined contribution plan ("Plan") in accordance with Internal Revenue Code Section 401(k). There are five 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 \$ 21,552 and the employees contributed \$ 8,780 for the year ended September 30, 2016. Plan amendments must be approved by the Village Commission. The Plan is administered by ICMA Retirement Corp.

## Note 10 - Other Post-Employment Benefits

The Village previously implemented the Governmental Accounting Standards Board Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), for certain postemployment health care benefits provided by the Village.

**Plan Description:** North Bay Village, Florida administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical and dental insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, because the Village provides a medical plan to active employees of the Village and their eligible dependents, the Village is also required to provide retirees with the opportunity to participate in this Plan. 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. Currently, the Village does not have any retirees who are receiving post-employment benefits.

**Funding Policy:** The Village is funding the post-employment benefits on a pay-as-you-go basis. For the fiscal year ended September 30, 2016, the annual required contribution was \$ 61,000. The Village made an implied contribution of \$ 2,000 towards this amount. At September 30, 2016, the Village recorded a net OPEB obligation of \$ 201,000 for governmental activities, in its government-wide statement of net position.

**Annual OPEB Cost and Net OPEB Obligation:** The annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed, and the changes in the net OPEB obligation.

Annual Required Contribution (ARC)	\$	61,000
Interest on net pension obligation		6,000
Adjustment to annual required contribution		(13,000)
Total annual OPEB cost		<u>54,000</u>
Employer contributions made	*	(2,000)
Interest on employer obligation		-
Increase in net OPEB obligation		<u>52,000</u>
Net OPEB obligation, beginning of year		<u>149,000</u>
Net OPEB obligation, end of year	\$	<u><u>201,000</u></u>

*\*reflects a contribution credit for the implied subsidy.*

**Note 10 - Other Post-Employment Benefits (continued)**

The Village's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation for 2016 and the preceding two years was as follows:

<u>Year Ending September 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 54,000	4.00%	\$ 201,000
2015	\$ 44,000	7.00%	\$ 149,000
2014	\$ 43,000	7.00%	\$ 108,000

**Funded status and funding progress:** As of October 1, 2016, the most recent actuarial valuation date, the funded status of the plan was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/1/16	\$ -	\$ 398,000	\$ 398,000	0.0%	\$ 3,975,000	10.0%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of a plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The ARC for the plan's year was determined as part of the October 1, 2016 actuarial valuation using the following methods and assumptions:

Actuarial cost method	projected unit credit
Amortization method	15 year open period; level dollar payment
Inflation rate	2.75%
Investment return	4.00%
Healthcare cost trend rate	8.00% for 2016/2017 graded to 5.50% for 2021/2022

#### 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.

**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 grantor agencies. Failure to comply with the provisions or the results of any grantor audit could result in the return of funds and are subject to audit by their grantor 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 a two year operating lease for the rental of the Village City Hall Facility. This lease required monthly base payments of approximately \$ 17,000, through June 30, 2016 which included an applicable percentage of operating expenses. In June 2016, the Village renewed this facility lease for an additional two years. The new lease requires monthly payments of approximately \$ 17,000 through June 30, 2017 and \$ 17,700, through June 30, 2018. Total base payments in connection with this lease were approximately \$ 204,000 for the year ended September 30, 2016.

The Village previously entered into a two year and two month operating lease for the rental of an additional unit at the Village City Hall Facility. This lease required monthly base payments of approximately \$ 7,350, through June 30, 2016 including an applicable percentage of operating expenses. In June 2016, the Village renewed this facility lease for an additional two years. The new lease requires monthly payments of approximately \$ 7,350 through June 30, 2017 and \$ 7,640, through June 30, 2018. Total base payments in connection with this lease were approximately \$ 88,200 for the year ended September 30, 2016.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2017	\$ 295,650
Thereafter	228,340

REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A)

**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Taxes:				
Property taxes, including penalties and interest	\$ 4,256,671	\$ 4,320,744	\$ 4,320,744	\$ -
Utility service taxes	539,014	586,646	586,646	-
Total taxes	<u>4,795,685</u>	<u>4,907,390</u>	<u>4,907,390</u>	<u>-</u>
Licenses and permits:				
Village occupational licenses	85,000	79,612	79,612	-
Building and other permits	29,000	850	850	-
Total licenses and permits	<u>114,000</u>	<u>80,462</u>	<u>80,462</u>	<u>-</u>
Franchise fees:				
Electric	400,000	421,858	421,858	-
Gas	20,000	11,397	11,397	-
United States Postal Service	18,500	18,499	18,499	-
Sanitation	1,000	774	774	-
Total franchise fees	<u>439,500</u>	<u>452,528</u>	<u>452,528</u>	<u>-</u>
Intergovernmental:				
Local 1/2 cent sales tax	620,000	603,513	603,513	-
Communication service tax	242,585	227,782	227,782	-
State revenue sharing	170,000	178,125	178,125	-
Alcohol beverage licenses	10,000	4,699	4,699	-
State grants	-	25,000	25,000	-
Federal grants	-	2,730	2,730	-
Total intergovernmental	<u>1,042,585</u>	<u>1,041,849</u>	<u>1,041,849</u>	<u>-</u>
Charges for services:				
Record research and review	50,000	54,974	54,974	-
Passport fees	10,000	15,825	15,825	-
Advertising/bus stop	4,680	4,747	4,747	-
Total charges for services	<u>64,680</u>	<u>75,546</u>	<u>75,546</u>	<u>-</u>
Fines and forfeitures	<u>72,000</u>	<u>110,818</u>	<u>110,818</u>	<u>-</u>
Interest income	<u>40,000</u>	<u>41,522</u>	<u>41,522</u>	<u>-</u>
Miscellaneous	<u>44,000</u>	<u>164,491</u>	<u>164,491</u>	<u>-</u>
Total revenues	<u>6,612,450</u>	<u>6,874,606</u>	<u>6,874,606</u>	<u>-</u>
<b>Expenditures:</b>				
General government:				
Village Commission:				
Personal services	35,607	20,304	20,304	-
Operating expenditures	14,087	25,886	25,886	-
Total Village commission	<u>49,694</u>	<u>46,190</u>	<u>46,190</u>	<u>-</u>
Village Manager:				
Personal services	197,482	198,993	198,993	-
Operating expenditures	7,512	5,791	5,791	-
Total Village manager	<u>204,994</u>	<u>204,784</u>	<u>204,784</u>	<u>-</u>

See notes to budgetary comparison schedule.

**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2016**  
**(continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Village Clerk:				
Personal services	159,127	162,082	162,082	-
Operating expenditures	<u>45,050</u>	<u>32,086</u>	<u>32,086</u>	<u>-</u>
Total Village clerk	<u>204,177</u>	<u>194,168</u>	<u>194,168</u>	<u>-</u>
Finance:				
Personal services	145,929	140,618	140,618	-
Operating expenditures	<u>10,085</u>	<u>10,515</u>	<u>10,515</u>	<u>-</u>
Total finance	<u>156,014</u>	<u>151,133</u>	<u>151,133</u>	<u>-</u>
Village Attorney:				
Operating expenditures	<u>165,600</u>	<u>194,186</u>	<u>194,186</u>	<u>-</u>
Total Village attorney	<u>165,600</u>	<u>194,186</u>	<u>194,186</u>	<u>-</u>
Nondepartmental:				
Personal services	67,746	64,969	64,969	-
Operating expenditures	738,846	721,560	729,508	(7,948)
Capital outlay	<u>7,500</u>	<u>3,154</u>	<u>3,154</u>	<u>-</u>
Total nondepartmental	<u>814,092</u>	<u>789,683</u>	<u>797,631</u>	<u>(7,948)</u>
Total general government	<u>1,594,571</u>	<u>1,580,144</u>	<u>1,588,092</u>	<u>(7,948)</u>
Public safety:				
Personal services	4,008,397	3,964,969	3,964,969	-
Operating expenditures	344,680	351,458	351,458	-
Capital outlay	<u>213,000</u>	<u>182,837</u>	<u>182,837</u>	<u>-</u>
Total public safety	<u>4,566,077</u>	<u>4,499,264</u>	<u>4,499,264</u>	<u>-</u>
Parks and recreation:				
Operating expenditures	224,349	198,268	198,268	-
Capital outlay	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total parks and recreation	<u>254,349</u>	<u>198,268</u>	<u>198,268</u>	<u>-</u>
Total expenditures	<u>6,414,997</u>	<u>6,277,676</u>	<u>6,285,624</u>	<u>(7,948)</u>
Excess of revenues over expenditures	<u>197,453</u>	<u>596,930</u>	<u>588,982</u>	<u>(7,948)</u>
<b>Other Financing Uses:</b>				
Transfers out	<u>(197,453)</u>	<u>(1,008,833)</u>	<u>(1,010,061)</u>	<u>(1,228)</u>
Total other financing uses	<u>(197,453)</u>	<u>(1,008,833)</u>	<u>(1,010,061)</u>	<u>(1,228)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(411,903)</u>	\$ <u>(421,079)</u>	\$ <u>(9,176)</u>

See notes to budgetary comparison schedule.



**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2016**

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**Explanation of Differences Between Change in Fund Balance - Budget and Actual  
and Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds**

Total revenues, page 42 \$ 6,874,606

Amounts reported for budget to actual are different because:

Revenues in the Village's Building Fees Fund and Street  
Maintenance Fund are reported in their respective funds  
for budgetary purposes but in the General Fund for the  
purpose of the Statement of Revenues, Expenditures  
and Changes in Fund Balance - Governmental Funds

Building Fees Fund	596,418
Street Maintenance Fund	<u>180,178</u>

Total revenues, per the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds, page 15 \$ 7,651,202

Total expenditures, page 43 \$ 6,285,624

Amounts reported for budget to actual are different because:

Expenditures in the Village's Building Fees Fund and Street  
Maintenance Fund are reported in their respective funds  
for budgetary purposes but in the General Fund for the  
purpose of the Statement of Revenues, Expenditures  
and Changes in Fund Balance - Governmental Funds

Building Fees Fund	691,027
Street Maintenance Fund	<u>345,344</u>

Total expenditures, per the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds, page 15 \$ 7,321,995

See notes to budgetary comparison schedule.

**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 in departments as long as the transfer does not amount to more than 5% of the total budget of each department. All other budgetary transfers must be approved by resolution of the Village Commission. Expenditures may not legally 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 not encumbered lapse at year-end. The Commission approved amendments to the budget for the current fiscal year.

**Note 2 - Excess of Expenditures Over Appropriations**

For the year ended September 30, 2016, General Fund expenditures exceeded appropriations in the following department:

Nondepartmental	\$ 7,948
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This unfavorable variance was caused by unbudgeted costs related to unforeseen circumstances and occurrences during the year and were covered by unassigned fund balance.

**North Bay Village, Florida**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**Other Post-Employment Benefits (Unaudited)**

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Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)-	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
10/1/2012	\$ -	\$ 261,000	\$ 261,000	0.0%	\$ 4,239,000	6.2%
7/1/2014	\$ -	\$ 279,000	\$ 279,000	0.0%	\$ 3,223,000	8.7%
10/1/2016	\$ -	\$ 398,000	\$ 398,000	0.0%	\$ 3,975,000	10.0%

**North Bay Village, Florida**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Florida Retirement System Pension Plan**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
North Bay Village, Florida's proportion of the net pension liability	0.024321282%	0.020411165%	0.019243398%
North Bay Village, Florida's proportionate share of the net pension liability	\$ 6,141,143	\$ 2,636,376	\$ 1,174,130
North Bay Village, Florida's covered-employee payroll	\$ 4,088,434	\$ 3,861,283	\$ 3,592,657
North Bay Village, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	150.21%	68.28%	32.68%
Plan fiduciary net position as a percentage of total pension liability	84.88%	92.00%	96.09%

\* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Bay Village, Florida**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Retiree Health Insurance Subsidy Program**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
North Bay Village, Florida's proportion of the net pension liability	0.013577049%	0.012524760%	0.011525625%
North Bay Village, Florida's proportionate share of the net pension liability	\$ 1,582,349	\$ 1,277,329	\$ 1,077,674
North Bay Village, Florida's covered-employee payroll	\$ 4,088,434	\$ 3,861,283	\$ 3,592,657
North Bay Village, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.70%	33.08%	30.00%
Plan fiduciary net position as a percentage of total pension liability	0.97%	0.50%	0.99%

\* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Bay Village, Florida**  
**Schedule of Contributions**  
**Florida Retirement System Pension Plan**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

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	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 755,830	\$ 668,905	\$ 560,847
Contributions in relation to the contractually required contribution	<u>755,830</u>	<u>668,905</u>	<u>560,847</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
North Bay Village, Florida's covered employee payroll	\$ 4,088,434	\$ 3,861,283	\$ 3,592,657
Contributions as a percentage of covered payroll	18.49%	17.32%	15.61%

\* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Bay Village, Florida**  
**Schedule of Contributions**  
**Retiree Health Insurance Subsidy Program**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

---

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 12,759	\$ 9,487	\$ 6,928
Contributions in relation to the contractually required contribution	<u>12,759</u>	<u>9,487</u>	<u>6,928</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
North Bay Village, Florida's covered employee payroll	\$ 4,088,434	\$ 3,861,283	\$ 3,592,657
Contributions as a percentage of covered payroll	0.31%	0.25%	0.19%

\* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.



**North Bay Village, Florida**  
**Schedule of Investment Returns**  
**Florida Retirement System Pension Plan**  
**Last 10 Fiscal Years \***  
**(unaudited)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	0.57%	3.77%	17.57%

\* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Bay Village, Florida**  
**Schedule of Investment Returns**  
**Retiree Health Insurance Subsidy Program**  
**Last 10 Fiscal Years \***  
**(unaudited)**

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	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted annual rate of return, net of investment expenses	0.57%	3.77%	17.57%

\* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

## 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.

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

**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.

**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 impact fees and their expenditure for law enforcement purposes.

### CAPITAL PROJECTS FUND

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 impact fees and the expenditures associated with park acquisition, improvements and enhancements.

**North Bay Village, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2016**

	Special Revenue Funds				Capital Project Fund	Total Nonmajor Governmental Funds
	Federal Forfeiture Fund	Transportation Fund	Children's Services Fund	Police Improvement Trust Fund	Parks Improvement Fund	
<b>Assets:</b>						
Pooled cash, cash equivalents and investments	\$ 216,761	\$ 765,049	\$ -	\$ 3,461	\$ 355,771	\$ 1,341,042
Prepaid items	233	854	84	-	-	1,171
Receivables	-	74,644	42,273	-	-	116,917
Total assets	<u>\$ 216,994</u>	<u>\$ 840,547</u>	<u>\$ 42,357</u>	<u>\$ 3,461</u>	<u>\$ 355,771</u>	<u>\$ 1,459,130</u>
<b>Liabilities and Fund Balances:</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 12,373	\$ 7,432	\$ 35,447	\$ -	\$ -	\$ 55,252
Payroll liabilities	14,112	3,059	6,826	-	-	23,997
Total liabilities	<u>26,485</u>	<u>10,491</u>	<u>42,273</u>	<u>-</u>	<u>-</u>	<u>79,249</u>
Fund balances:						
Nonspendable:						
Prepaid items	233	854	84	-	-	1,171
Restricted for:						
Transportation projects	-	829,202	-	-	-	829,202
Recreation and human services	-	-	-	-	355,771	355,771
Law enforcement	190,276	-	-	3,461	-	193,737
Total fund balances	<u>190,509</u>	<u>830,056</u>	<u>84</u>	<u>3,461</u>	<u>355,771</u>	<u>1,379,881</u>
Total liabilities and fund balances	<u>\$ 216,994</u>	<u>\$ 840,547</u>	<u>\$ 42,357</u>	<u>\$ 3,461</u>	<u>\$ 355,771</u>	<u>\$ 1,459,130</u>

**North Bay Village, Florida**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2016**

	<b>Special Revenue Funds</b>				<b>Capital Project Fund</b>	
	<b>Federal Forfeiture Fund</b>	<b>Transportation Fund</b>	<b>Children's Services Fund</b>	<b>Police Improvement Trust Fund</b>	<b>Parks Improvement Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>						
Taxes	\$ -	\$ 313,027	\$ -	\$ -	\$ -	\$ 313,027
Intergovernmental revenue	-	-	134,892	-	-	134,892
Fines and forfeitures	618,804	591	-	-	-	619,395
Interest income	520	-	-	-	-	520
Other	33,459	-	-	-	-	33,459
<b>Total revenues</b>	<b>652,783</b>	<b>313,618</b>	<b>134,892</b>	<b>-</b>	<b>-</b>	<b>1,101,293</b>
<b>Expenditures:</b>						
Current:						
Public safety	580,530	-	-	-	-	580,530
Public works	-	163,346	-	-	-	163,346
Recreation and human services	-	-	172,087	-	-	172,087
Capital outlay	-	97,175	-	-	130,989	228,164
<b>Total expenditures</b>	<b>580,530</b>	<b>260,521</b>	<b>172,087</b>	<b>-</b>	<b>130,989</b>	<b>1,144,127</b>
Excess (deficiency) of revenues over expenditures	72,253	53,097	(37,195)	-	(130,989)	(42,834)
<b>Other Financing Sources:</b>						
Transfers in	-	55,248	23,334	-	-	78,582
<b>Net change in fund balances</b>	<b>72,253</b>	<b>108,345</b>	<b>(13,861)</b>	<b>-</b>	<b>(130,989)</b>	<b>35,748</b>
<b>Fund Balances, beginning of year</b>	<b>118,256</b>	<b>721,711</b>	<b>13,945</b>	<b>3,461</b>	<b>486,760</b>	<b>1,344,133</b>
<b>Fund Balances, end of year</b>	<b>\$ 190,509</b>	<b>\$ 830,056</b>	<b>\$ 84</b>	<b>\$ 3,461</b>	<b>\$ 355,771</b>	<b>\$ 1,379,881</b>

**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Transportation Fund**  
**For the Year Ended September 30, 2016**

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Taxes	\$ 314,674	\$ 314,674	\$ 313,618	\$ (1,056)
Total revenues	<u>314,674</u>	<u>314,674</u>	<u>313,618</u>	<u>(1,056)</u>
 <b>Expenditures:</b>				
Public works	141,159	141,159	163,346	(22,187)
Capital outlay	<u>881,478</u>	<u>881,478</u>	<u>97,175</u>	<u>784,303</u>
Total expenditures	<u>1,022,637</u>	<u>1,022,637</u>	<u>260,521</u>	<u>762,116</u>
Excess (deficiency) of revenues over expenditures	<u>(707,963)</u>	<u>(707,963)</u>	<u>53,097</u>	<u>761,060</u>
 <b>Other Financing Sources:</b>				
Transfers in	<u>55,248</u>	<u>55,248</u>	<u>55,248</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(652,715)</u></u>	\$ <u><u>(652,715)</u></u>	\$ <u><u>108,345</u></u>	\$ <u><u>761,060</u></u>

**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Children's Services Fund**  
**For the Year Ended September 30, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Intergovernmental revenue	\$ <u>169,252</u>	\$ <u>169,252</u>	\$ <u>134,892</u>	\$ <u>(34,360)</u>
Total revenues	<u>169,252</u>	<u>169,252</u>	<u>134,892</u>	<u>(34,360)</u>
<b>Expenditures:</b>				
Culture and recreation	<u>176,958</u>	<u>191,358</u>	<u>172,087</u>	<u>19,271</u>
Total expenditures	<u>176,958</u>	<u>191,358</u>	<u>172,087</u>	<u>19,271</u>
Excess (deficiency) of revenues over expenditures	<u>(7,706)</u>	<u>(22,106)</u>	<u>(37,195)</u>	<u>(15,089)</u>
<b>Other Financing Sources:</b>				
Transfers in	<u>7,706</u>	<u>22,106</u>	<u>23,334</u>	<u>1,228</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(13,861)</u></u>	\$ <u><u>(13,861)</u></u>



**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Building Fees Fund**  
**For the Year Ended September 30, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Licenses and permits	\$ 708,000	\$ 570,814	\$ 570,814	\$ -
Miscellaneous	<u>10,000</u>	<u>25,604</u>	<u>25,604</u>	<u>-</u>
Total revenues	<u>718,000</u>	<u>596,418</u>	<u>596,418</u>	<u>-</u>
<b>Expenditures:</b>				
Building, planning and zoning	<u>771,406</u>	<u>691,027</u>	<u>691,027</u>	<u>-</u>
Total expenditures	<u>771,406</u>	<u>691,027</u>	<u>691,027</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(53,406)</u></u>	\$ <u><u>(94,609)</u></u>	\$ <u><u>(94,609)</u></u>	\$ <u><u>-</u></u>

North Bay Village, Florida  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Street Maintenance Fund  
For the Year Ended September 30, 2016

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Intergovernmental revenue	\$ 179,138	\$ 175,235	\$ 175,235	\$ -
Miscellaneous	<u>2,000</u>	<u>4,943</u>	<u>4,943</u>	<u>-</u>
Total revenues	<u>181,138</u>	<u>180,178</u>	<u>180,178</u>	<u>-</u>
<b>Expenditures:</b>				
Public works	315,637	289,684	289,684	-
Capital outlay	<u>-</u>	<u>55,660</u>	<u>55,660</u>	<u>-</u>
Total expenditures	<u>315,637</u>	<u>345,344</u>	<u>345,344</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(134,499)</u>	<u>(165,166)</u>	<u>(165,166)</u>	<u>-</u>
<b>Other Financing Sources:</b>				
Transfers in	<u>134,499</u>	<u>931,479</u>	<u>931,479</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>766,313</u>	\$ <u>766,313</u>	\$ <u>-</u>

North Bay Village, Florida  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Debt Service Fund  
For the Year Ended September 30, 2016

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Property taxes	\$ 652,848	\$ 652,848	\$ 652,848	\$ -
Total revenues	<u>652,848</u>	<u>652,848</u>	<u>652,848</u>	<u>-</u>
<b>Expenditures:</b>				
Principal	412,857	412,857	412,857	-
Interest and fiscal charges	<u>239,991</u>	<u>239,991</u>	<u>239,991</u>	<u>-</u>
Total expenditures	<u>652,848</u>	<u>652,848</u>	<u>652,848</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

North Bay Village, Florida  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Capital Projects Fund  
For the Year Ended September 30, 2016

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Impact fees	\$ -	\$ -	\$ 400,000	\$ 400,000
Interest income	<u>-</u>	<u>-</u>	<u>556</u>	<u>556</u>
Total revenues	<u>-</u>	<u>-</u>	<u>400,556</u>	<u>400,556</u>
<b>Expenditures:</b>				
Capital outlay	<u>1,096,250</u>	<u>1,096,250</u>	<u>57,379</u>	<u>1,038,871</u>
Total expenditures	<u>1,096,250</u>	<u>1,096,250</u>	<u>57,379</u>	<u>1,038,871</u>
Net change in fund balance	\$ <u><u>(1,096,250)</u></u>	\$ <u><u>(1,096,250)</u></u>	\$ <u><u>343,177</u></u>	\$ <u><u>(1,439,427)</u></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 information in the financial statements, note disclosures and required supplementary information says about the Village's overall financial health.

### Financial Trends

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

- Net position by component
- Changes in net position
- Governmental activities tax revenues by source
- Fund balances of governmental funds
- Changes in fund balances of governmental funds
- General governmental tax revenues by source

### Revenue Capacity

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

- Assessed value and estimated actual assessed value of taxable property
- Property tax rates - direct and overlapping governments
- Principal property taxpayers
- Property tax levies and collections

### Debt Capacity:

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

- Ratios of outstanding debt by type
- Ratios of general bonded debt outstanding
- Direct and overlapping governmental activity debt
- Legal debt margin information
- Pledged revenue coverage

### Demographic and Economic Information

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.*

- Demographic and economic statistics
- Occupational employment by group - Miami-Dade County, Florida

### Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.*

- Full-time equivalent Village government employees by function
- Operating indicators by function
- Capital asset statistics by function

Sources: Unless otherwise indicated, information in these schedules is derived from the comprehensive annual financial reports for the respective years.

**North Bay Village, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

		Fiscal Year									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>											
Net investment in capital assets	\$	1,867,282	\$ 1,755,964	\$ 1,230,708	\$ 1,364,245	\$ 1,914,249	\$ 2,675,129	\$ 2,956,614	\$ 3,161,974	\$ 3,468,637	\$ 3,887,834
Restricted		893,260	954,830	1,707,096	571,581	1,569,472	1,533,377	1,117,826	1,724,697	1,434,461	1,838,289
Unrestricted (deficit)		<u>2,020,305</u>	<u>816,144</u>	<u>707,893</u>	<u>1,710,848</u>	<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>
Total governmental activities, net position	\$	<u><u>4,780,847</u></u>	<u><u>3,526,938</u></u>	<u><u>3,645,697</u></u>	<u><u>3,646,674</u></u>	<u><u>3,946,245</u></u>	<u><u>4,702,184</u></u>	<u><u>3,945,420</u></u>	<u><u>4,971,754</u></u>	<u><u>1,602,145</u></u>	<u><u>2,338,841</u></u>
<b>Business-Type Activities:</b>											
Net investment in capital assets	\$	2,836,346	\$ 2,886,417	\$ 3,281,007	\$ 5,854,619	8,991,838	\$ 8,261,570	\$ 8,316,098	\$ 8,082,710	\$ 8,402,023	\$ 8,440,175
Restricted		87,580	62,929	62,929	-	-	-	-	-	-	-
Unrestricted (deficit)		<u>(1,684,402)</u>	<u>(1,187,909)</u>	<u>(708,672)</u>	<u>(697,460)</u>	<u>(483,988)</u>	<u>438,423</u>	<u>633,107</u>	<u>889,675</u>	<u>270,010</u>	<u>705,341</u>
Total business-type activities, net position	\$	<u><u>1,239,524</u></u>	<u><u>1,761,437</u></u>	<u><u>2,635,264</u></u>	<u><u>5,157,159</u></u>	<u><u>8,507,850</u></u>	<u><u>8,699,993</u></u>	<u><u>8,949,205</u></u>	<u><u>8,972,385</u></u>	<u><u>8,672,033</u></u>	<u><u>9,145,516</u></u>
<b>Primary Government:</b>											
Net investment in capital assets	\$	4,703,628	\$ 4,642,381	\$ 4,511,715	\$ 7,218,864	\$ 10,906,087	\$ 10,936,699	\$ 11,272,712	\$ 11,244,684	\$ 11,870,660	\$ 12,328,009
Restricted		980,840	1,017,759	1,770,025	571,581	1,569,472	1,533,377	1,117,826	1,724,697	1,434,461	1,838,289
Unrestricted (deficit)		<u>335,903</u>	<u>(371,765)</u>	<u>(779)</u>	<u>1,013,388</u>	<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>
Total primary government, net position	\$	<u><u>6,020,371</u></u>	<u><u>5,288,375</u></u>	<u><u>6,280,961</u></u>	<u><u>8,803,833</u></u>	<u><u>12,454,095</u></u>	<u><u>13,402,177</u></u>	<u><u>12,894,625</u></u>	<u><u>13,944,139</u></u>	<u><u>10,274,178</u></u>	<u><u>11,484,357</u></u>



**North Bay Village, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 1,958,387	\$ 2,062,461	\$ 1,786,414	\$ 1,933,488	\$ 1,628,104	\$ 2,079,698	\$ 2,110,915	\$ 1,736,545	\$ 1,645,316	\$ 1,708,720
Public safety	4,082,306	4,541,985	4,253,538	4,279,969	4,300,816	4,138,772	4,414,222	4,393,099	4,754,552	5,305,548
Public works	586,212	706,725	661,384	550,599	633,390	588,680	767,930	581,419	595,935	624,229
Building, planning and zoning	705,868	727,554	527,880	263,396	198,747	211,375	411,645	616,483	787,048	695,329
Recreation and human services	143,857	79,993	103,884	73,405	79,365	200,319	393,656	393,421	465,644	519,026
Interest on long-term debt	-	-	185,789	354,340	298,126	316,958	287,067	254,548	249,618	235,061
Total governmental activities	7,476,630	8,118,718	7,518,889	7,455,197	7,138,548	7,535,802	8,385,435	7,975,515	8,498,113	9,087,913
Business-type activities:										
Utility	3,591,559	3,315,635	3,306,266	4,573,136	3,726,551	4,450,352	4,463,577	5,033,035	5,547,846	5,138,279
Stormwater utility	51,194	40,616	54,119	84,772	52,230	80,972	114,344	85,522	181,792	112,658
Total business-type activities	3,642,753	3,356,251	3,360,385	4,657,908	3,778,781	4,531,324	4,577,921	5,118,557	5,729,638	5,250,937
Total primary government expenses	\$ 11,119,383	\$ 11,474,969	\$ 10,879,274	\$ 12,113,105	\$ 10,917,329	\$ 12,067,126	\$ 12,963,356	\$ 13,094,072	\$ 14,227,751	\$ 14,338,850
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 21,026	\$ 24,173	\$ 31,755	\$ 43,894	\$ 63,842	\$ 52,928	\$ 64,151	\$ 335,664	\$ 241,624	\$ 676,382
Public safety	218,924	304,011	771,958	160,245	1,187,213	1,086,703	578,532	408,621	371,820	682,957
Building, planning and zoning	486,896	301,022	219,786	243,910	219,419	324,987	441,841	660,858	891,984	570,814
Parks and recreation	-	-	-	-	-	-	-	539,220	-	-
Operating grants and contributions	4,470	23,323	19,005	109,220	302,416	441,042	411,205	406,728	2,034	475,649
Capital grants and contributions	-	5,870.00	-	166,254	31,880	279,035	196,099	110,167	428,419	-
Total governmental activities program revenues	731,316	658,399	1,042,504	723,523	1,804,770	2,184,695	1,691,828	2,461,258	1,935,881	2,405,802
Business-type activities:										
Charges for services:										
Utility	2,778,061	3,489,939	3,813,831	4,460,305	4,514,865	4,484,681	4,708,014	5,030,856	5,002,504	5,608,193
Stormwater utility	106,422	112,115	117,264	117,114	123,513	115,320	121,605	110,868	112,927	116,178
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	237,729	152,349	191,967	2,601,923	2,707,001	122,542	-	-	599,232	-
Total business-type activities program revenues	3,122,212	3,754,403	4,123,062	7,179,342	7,345,379	4,722,543	4,829,619	5,141,724	5,714,663	5,724,371
Total primary government program revenues	\$ 3,853,528	\$ 4,412,802	\$ 5,165,566	\$ 7,902,865	\$ 9,150,149	\$ 6,907,238	\$ 6,521,447	\$ 7,602,982	\$ 7,650,544	\$ 8,130,173

**North Bay Village, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(continued)**

**Table 2**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net Expense/Revenue:</b>										
Governmental activities	\$ (6,745,314)	\$ (7,460,319)	\$ (6,476,385)	\$ (6,731,674)	\$ (5,333,778)	\$ (5,351,107)	\$ (6,693,607)	\$ (5,514,257)	\$ (6,562,232)	\$ (6,682,111)
Business-type activities	(520,541)	398,152	762,677	2,521,434	3,566,598	191,219	251,698	23,167	(14,975)	473,434
Total primary government, net expense	<u>\$ (7,265,855)</u>	<u>\$ (7,062,167)</u>	<u>\$ (5,713,708)</u>	<u>\$ (4,210,240)</u>	<u>\$ (1,767,180)</u>	<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>
<b>General Revenues and Other:</b>										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 4,169,008	\$ 4,192,282	\$ 4,630,604	\$ 4,635,298	\$ 3,420,449	\$ 3,948,913	\$ 3,809,173	\$ 4,248,100	\$ 4,572,398	\$ 4,973,592
Franchise fees	395,585	454,131	452,775	409,810	384,644	397,329	392,198	441,194	435,354	434,029
Utility service taxes	345,008	406,315	409,568	434,715	434,136	474,206	508,687	550,901	559,998	586,646
Sales tax	427,413	367,787	331,275	373,587	421,916	464,315	504,473	538,419	574,061	603,513
Intergovernmental - unrestricted	787,657	749,715	774,664	592,267	574,781	599,389	597,263	575,123	584,677	581,142
Interest income	187,963	46,652	11,215	9,057	27,422	39,857	37,068	44,599	42,624	42,983
Miscellaneous revenues	88,913	84,540	95,043	310,574	152,737	183,037	203,417	142,255	219,456	196,902
Transfers	-	(95,012)	(110,000)	-	217,264	-	-	-	-	-
Total governmental activities	<u>6,401,547</u>	<u>6,206,410</u>	<u>6,595,144</u>	<u>6,765,308</u>	<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>7,418,807</u>
Business-type activities:										
Interest income	22,032	28,749	1,150	461	1,357	924	14	13	339	49
Transfers	-	95,012	110,000	-	(217,264)	-	-	-	-	-
Total business-type activities	<u>22,032</u>	<u>123,761</u>	<u>111,150</u>	<u>461</u>	<u>(215,907)</u>	<u>924</u>	<u>14</u>	<u>13</u>	<u>339</u>	<u>49</u>
Total primary government	<u>\$ 6,423,579</u>	<u>\$ 6,330,171</u>	<u>\$ 6,706,294</u>	<u>\$ 6,765,769</u>	<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>
<b>Change in Net Position:</b>										
Governmental activities	\$ (343,767)	\$ (1,253,909)	\$ 118,759	\$ 33,634	\$ 299,571	\$ 755,939	\$ (641,328)	\$ 1,026,334	\$ 426,336	\$ 736,696
Business-type activities	(498,509)	521,913	873,827	2,521,895	3,350,691	192,143	251,712	23,180	(14,636)	473,483
Total primary government	<u>\$ (842,276)</u>	<u>\$ (731,996)</u>	<u>\$ 992,586</u>	<u>\$ 2,555,529</u>	<u>\$ 3,650,262</u>	<u>\$ 948,082</u>	<u>\$ (389,616)</u>	<u>\$ 1,049,514</u>	<u>\$ 411,700</u>	<u>\$ 1,210,179</u>

**North Bay Village, Florida**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 3**

<b>Fiscal Year</b>	<b>Tax Roll Year</b>	<b>Ad Valorem Taxes</b>	<b>Utility Taxes</b>	<b>Franchise Fees</b>	<b>Sales Tax</b>	<b>Total</b>
2007	2006	\$ 4,169,008	\$ 345,008	\$ 395,585	\$ 427,413	\$ 5,337,014
2008	2007	4,192,282	406,315	454,131	367,787	5,420,515
2009	2008	4,630,604	409,568	452,775	331,275	5,824,222
2010	2009	4,635,298	434,715	409,810	373,587	5,853,410
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

**North Bay Village, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 4**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,027,950	1,908,759	1,920,845	2,688,696	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	79,594	98,796	95,284
Restricted	-	-	-	-	-	-	-	70,455	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	55,247	1,544,005	1,066,063	1,112,200	1,197,180	1,282,999
Unassigned	-	-	-	-	2,003,995	550,117	385,411	653,681	1,014,515	1,182,833
Total General Fund	<u>\$ 3,027,950</u>	<u>\$ 1,908,759</u>	<u>\$ 1,920,845</u>	<u>\$ 2,688,696</u>	<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>
<b>All other governmental funds:</b>										
Reserved	\$ 893,260	\$ 2,661,337	\$ 2,687,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	-	-	-	571,581	-	-	-	-	-	-
Debt Service Funds	(17,845)	-	-	(125)	-	-	-	-	-	-
Capital Projects Funds	-	-	-	2,146,707	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	586	-	1,171
Restricted	-	-	-	-	3,258,164	2,811,299	2,159,112	2,850,373	2,546,023	2,900,551
Unassigned (deficit)	-	-	-	-	(183,781)	(36,360)	(8,282)	-	-	-
Total all other governmental funds	<u>\$ 875,415</u>	<u>\$ 2,661,337</u>	<u>\$ 2,687,822</u>	<u>\$ 2,718,163</u>	<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>

(1) Information for fiscal years 2007 to 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)**

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues:</b>				
Taxes	\$ 4,729,937	\$ 4,784,766	\$ 5,207,646	\$ 5,270,398
Licenses and permits	486,896	301,022	219,786	243,910
Franchise fees	395,585	454,131	452,775	409,810
Intergovernmental	1,038,602	960,526	957,470	1,040,943
Charges for services	23,766	24,173	31,755	43,894
Fines and forfeitures	218,133	304,011	771,958	407,433
Impact fees	-	-	-	-
Interest income	187,963	46,652	11,215	9,057
Miscellaneous	86,964	84,540	86,178	63,386
Total revenues	<u>7,167,846</u>	<u>6,959,821</u>	<u>7,738,783</u>	<u>7,488,831</u>
<b>Expenditures:</b>				
Current:				
General government	1,877,886	1,976,693	1,725,442	1,708,244
Public safety	3,837,551	4,193,571	3,952,196	4,105,308
Public works	459,496	562,267	532,154	510,267
Building, planning and zoning	681,591	698,839	502,220	230,397
Recreation and human services	104,016	37,840	53,685	55,072
Capital outlay	627,469	4,763,141	483,527	1,833,754
Debt service:				
Principal	176,272	148,053	155,199	167,567
Interest	33,945	32,674	185,789	367,998
Issuance costs	-	35,000	-	-
Total expenditures	<u>7,798,226</u>	<u>12,448,078</u>	<u>7,590,212</u>	<u>8,978,607</u>
Excess (deficiency of revenues over expenditures)	<u>(630,380)</u>	<u>(5,488,257)</u>	<u>148,571</u>	<u>(1,489,776)</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of debt	143,342.00	6,250,000	-	2,160,000
Transfers in	-	57,517	707,175	560,644
Transfers out	-	(152,529)	(817,175)	(560,644)
Total other financing sources (uses)	<u>143,342</u>	<u>6,154,988</u>	<u>(110,000)</u>	<u>2,160,000</u>
Net change in fund balances	<u>\$ (487,038)</u>	<u>\$ 666,731</u>	<u>\$ 38,571</u>	<u>\$ 670,224</u>
<b>Debt service as a percentage of noncapital expenditures</b>	2.93%	2.81%	4.80%	7.50%

Table 5

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 4,069,323	\$ 4,643,163	\$ 4,579,336	\$ 5,076,403	\$ 5,430,674	\$ 5,873,265
219,419	324,987	441,841	731,398	947,087	651,276
384,646	397,329	392,198	441,194	453,853	452,528
1,107,351	1,563,737	1,447,564	1,363,533	1,294,336	1,351,976
63,842	52,928	64,151	61,071	61,346	75,546
1,187,943	1,086,703	578,532	311,951	416,021	748,538
-	-	-	768,172	2,840	400,000
27,420	39,857	37,068	44,599	42,624	42,983
160,908	183,037	203,417	203,528	275,668	228,497
<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>
1,509,407	1,655,882	2,039,426	1,632,209	1,602,527	1,584,938
4,194,676	3,884,086	4,214,414	4,030,054	4,565,865	4,899,588
602,869	546,368	394,222	410,981	448,915	453,030
175,007	176,756	389,832	594,293	786,817	691,027
66,176	181,086	354,393	353,715	349,056	370,355
574,302	1,443,455	948,290	154,637	424,357	566,499
6,460,285	372,857	387,857	392,857	402,857	412,857
453,628	295,815	282,430	268,518	254,430	239,991
-	-	-	-	-	-
<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>9,218,285</u>
<u>(6,815,498)</u>	<u>(264,564)</u>	<u>(1,266,757)</u>	<u>1,164,585</u>	<u>89,625</u>	<u>606,324</u>
6,325,000	-	-	-	-	-
272,512	69,320	345,011	239,195	75,186	78,582
<u>(55,248)</u>	<u>(69,320)</u>	<u>(345,011)</u>	<u>(239,195)</u>	<u>(75,186)</u>	<u>(78,582)</u>
<u>6,542,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>(273,234)</u></u>	\$ <u><u>(264,564)</u></u>	\$ <u><u>(1,266,757)</u></u>	\$ <u><u>1,164,585</u></u>	\$ <u><u>89,625</u></u>	\$ <u><u>606,324</u></u>
51.36%	9.40%	8.05%	8.59%	7.81%	7.55%

North Bay Village, Florida  
General Governmental Tax Revenues by Source  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Table 6

Fiscal Year	Taxes	Inter-Governmental	Licenses and Permits	Charges for Services	Fines and Forfeitures	Interest Income	Other	Total
2007	\$ 5,125,522	\$ 1,038,602	\$ 486,896	\$ 23,766	\$ 218,133	\$ 187,963	\$ 86,964	\$ 7,167,846
2008	5,238,897	960,526	301,022	24,173	304,011	46,652	84,540	6,959,821
2009	5,660,421	957,470	219,786	31,755	771,958	11,215	86,178	7,738,783
2010	5,680,208	1,040,943	243,910	43,894	407,433	9,057	63,386	7,488,831
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



**North Bay Village, Florida**  
**Assessed Value and Estimated Actual Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 7**

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				
2007	2006	\$ 623,183,827	\$ 254,686,247	\$ 20,955,991	\$ 40,038,227	\$ 13,533	\$ 858,774,305	6.0980	\$ 709,433,266	121%
2008	2007	859,125,678	278,170,718	21,736,526	42,824,061	13,533	1,116,195,328	4.7987	914,915,136	122%
2009	2008	1,038,181,126	252,643,416	23,535,774	70,617,696	1,579,268	1,242,163,352	4.7987	1,090,712,260	114%
2010	2009	795,203,169	235,035,711	22,507,343	68,917,254	1,555,567	982,273,402	4.7987	875,011,323	112%
2011	2010	597,251,775	163,717,636	19,794,490	64,983,326	1,288,163	714,492,412	5.2780	672,307,016	106%
2012	2011	534,874,316	178,761,231	18,291,667	61,009,404	1,282,440	669,635,370	6.0127	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	6.5145	669,219,086	113%
2015	2014	814,566,988	157,397,809	21,208,043	62,255,297	1,671,676	929,245,867	6.3313	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	6.2088	824,875,351	130%

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

(2) Numbers provided by Miami-Dade County Property Appraiser from the first certified tax roll for fiscal year 2015 and the final certified tax rolls for all other years.

**North Bay Village, Florida**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**(Per \$ 1,000 of Taxable Value)**  
**Last Ten Fiscal Years**

		North Bay Village			School District			Overlapping Rates				
								State				
Fiscal Year	Tax Roll Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	South Florida Water Management District	Everglades Project	Okeechobee Basin	Florida Inland Navigational District	Total State Millage
2007	2006	5.9000	0.1980	6.0980	7.6910	0.4140	8.1050	0.5970	0.1000	-	0.0385	0.7355
2008	2007	4.6697	0.1290	4.7987	7.5700	0.3780	7.9480	0.5346	0.0894	-	0.0345	0.6585
2009	2008	4.6697	0.1290	4.7987	7.5330	0.2640	7.7970	0.5346	0.0894	-	0.0345	0.6585
2010	2009	4.2772	0.5215	4.7987	7.6980	0.2970	7.9950	0.5346	0.0894	-	0.0345	0.6585
2011	2010	4.7772	0.5008	5.2780	7.8640	0.3850	8.2490	0.5346	0.0894	-	0.0345	0.6585
2012	2011	4.7772	1.2355	6.0127	7.7650	0.2400	8.0050	0.3739	0.0624	-	0.0345	0.4708
2013	2012	4.7772	1.2355	6.0127	7.7650	0.2330	7.9980	0.3676	0.0613	-	0.0345	0.4634
2014	2013	5.4740	1.0405	6.5145	7.6440	0.3330	7.9770	0.3523	0.0587	-	0.0345	0.4455
2015	2014	5.4740	0.8573	6.3313	7.7750	0.1990	7.9740	0.1577	0.0548	0.1717	0.0345	0.4187
2016	2015	5.3834	0.8254	6.2088	7.4130	0.1990	7.6120	0.1459	0.0506	0.1586	0.0320	0.3871

Source: Miami-Dade County Appraiser's Office.

Table 8

Overlapping Rates								
Miami-Dade County			Special Districts					Total Direct and Overlapping Rates
Operating Millage	Debt Service Millage	Total County Millage	Children's Trust	Fire and Rescue	Fire Debt	Library	Total District's Millage	
5.6150	0.2850	5.9000	0.4223	2.6090	0.0420	0.4860	3.5593	24.3978
4.5796	0.2850	4.8646	0.4223	2.2067	0.0420	0.3842	3.0552	21.3250
4.8379	0.2850	5.1229	0.4212	2.1851	0.0420	0.3822	3.0305	21.4076
4.8379	0.2850	5.1229	0.5000	2.1851	0.0420	0.3822	3.1093	21.6844
5.4275	0.4450	5.8725	0.5000	2.5753	0.0200	0.2840	3.3793	23.4373
4.8050	0.2850	5.0900	0.5000	2.4496	0.0131	0.1795	3.1422	22.7207
4.7035	0.2850	4.9885	0.5000	2.4496	0.0131	0.1725	3.1352	22.5978
4.7035	0.4220	5.1255	0.5000	2.4496	0.0127	0.1725	3.1348	23.1973
4.6669	0.4500	5.1169	0.5000	2.4207	0.0114	0.2840	3.2161	23.0570
4.6669	0.4500	5.1169	0.5000	2.4207	0.0086	0.2840	3.2133	22.5381

**North Bay Village, Florida**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

**Table 9**

		Fiscal Year					
		2016			2007		
Taxpayer	Type of Use	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value
TOTB Miami LLC	Condominium	\$ 19,166,438	1	1.78%	\$ -	-	-
TOTB North LLC	Condominium	12,995,000	2	1.21%	-	-	-
CLPF NBV LP	Rental apartments	12,966,096	3	1.20%	-	-	-
Coastal Condos LLC	Condominium	11,352,958	4	1.05%	-	-	-
WSVN Channel 7	TV News Station	9,933,677	5	0.92%	9,730,090	5	1.13%
Isle of Dreams LLC	Residential - Vacant	8,483,037	6	0.79%	8,844,410	6	1.03%
The Inn on the Bay LTD	Hotel	7,680,106	7	0.71%	-	-	-
Causeway Tower LLC	Office building	7,099,840	8	0.66%	-	-	-
Florida Power & Light Company	Electric Provider	6,825,502	9	0.63%	-	-	-
BMS North Bay Village LLC	Commercial storage	6,600,000	10	0.61%	-	-	-
KMC EC II LLC	Condominium	-	-	-	44,532,719	1	5.19%
First Equitable Realty III LTD	Commercial - Vacant	-	-	-	18,487,995	2	2.15%
Casa Marina Development LLC	Apartment Building	-	-	-	15,929,830	3	1.85%
360 Developers LLC	Condominium	-	-	-	15,149,633	4	1.76%
NESS Racquet Club LLC	Condominium	-	-	-	7,849,850	7	0.91%
Group of Lenders ETAL	Condominium	-	-	-	6,446,619	8	0.75%
Grove by the Bay LLC	Office building	-	-	-	6,351,453	9	0.74%
Pennsylvania Invest Prop LP	Residential/Retail - Vacant	-	-	-	6,152,195	10	0.72%
Totals		\$ 103,102,654		9.58%	\$ 139,474,794		16.24%

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

**North Bay Village, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 10**

<b>Fiscal Year</b>	<b>Tax Roll Year</b>	<b>Property Tax Levy</b>	<b>Current Tax Collection (1)</b>	<b>Percentage of Current Tax Collections to Net Tax Levy</b>	<b>Delinquent Tax Collection</b>	<b>Total Tax Collection</b>	<b>Percentage of Total Tax Collection to Property Tax Levy</b>
2007	2006	\$ 5,236,806	\$ 4,169,008	79.61%	*	\$ 4,169,008	79.61%
2008	2007	5,356,287	4,192,282	78.27%	*	4,192,282	78.27%
2009	2008	5,960,769	4,630,604	77.68%	*	4,630,604	77.68%
2010	2009	4,713,635	4,635,298	98.34%	*	4,635,298	98.34%
2011	2010	3,771,091	3,420,449	90.70%	*	3,420,449	90.70%
2012	2011	4,026,317	3,948,913	98.08%	*	3,948,913	98.08%
2013	2012	4,010,332	3,809,173	94.98%	*	3,809,173	94.98%
2014	2013	4,358,650	4,248,100	97.46%	*	4,248,100	97.46%
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%

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

Table 11

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Capital Leases	State Revolving Loans	Capital Leases and Loan Payable			
2007	\$ 350,000	\$ -	\$ 151,107	\$ 1,262,041	\$ 56,496	\$ 1,763,148	0.84%	\$ 307
2008	6,490,000	-	113,054	1,116,632	23,563	7,719,686	3.05%	1,133
2009	6,375,000	-	72,855	997,006	12,073	7,444,861	3.06%	1,089
2010	8,410,000	-	30,285	1,019,137	-	9,459,422	3.62%	1,325
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	*	848

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.

\* Information is not available.

**North Bay Village, Florida**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 12**

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Estimated Actual Taxable Value</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita (1)</b>
2007	\$ 350,000	\$ -	\$ 350,000	\$ 709,433,266	0.05%	\$ 61.02
2008	6,490,000	-	6,490,000	914,915,136	0.71%	952.45
2009	6,375,000	484,111	5,890,889	1,090,712,260	0.54%	861.75
2010	8,410,000	-	8,410,000	875,011,323	0.96%	1,178.37
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

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, 2016

Table 13

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable to North Bay Village (1)</b>	<b>Estimated Share of Overlapping Debt</b>
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 3,887,694,000	0.331%	\$ 12,874,353
Miami-Dade County School Board (2)	<u>3,431,518,000</u>	0.331%	<u>11,363,697</u>
Subtotal overlapping debt	<u>7,319,212,000</u>		<u>24,238,050</u>
Direct debt:			
North Bay Village	<u>6,335,715</u>	100.000%	<u>6,335,715</u>
Subtotal direct debt	<u>6,335,715</u>		<u>6,335,715</u>
Total direct and overlapping debt	<u>\$ 7,325,547,715</u>		<u>\$ 30,573,765</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 & Miami-Dade County Public Schools, Finance Department. Represents debt outstanding at September 30, 2015 since numbers at September 30, 2016 are not available.



North Bay Village, Florida  
Legal Debt Margin Information  
September 30, 2016

Table 14

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 2,317,393	\$ 1,499,610	\$ 2,743,245	\$ 1,924,921	\$ 2,960,705	\$ 1,803,889	\$ 1,585,830	\$ 1,751,798	\$ 1,813,321	\$ 2,090,147
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 2,317,393</u>	<u>\$ 1,499,610</u>	<u>\$ 2,743,245</u>	<u>\$ 1,924,921</u>	<u>\$ 2,960,705</u>	<u>\$ 1,803,889</u>	<u>\$ 1,585,830</u>	<u>\$ 1,751,798</u>	<u>\$ 1,813,321</u>	<u>\$ 2,090,147</u>
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%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2016

Current annual governmental funds fiscal budget	\$ 10,450,734
Bonded debt limit - 20% of above	\$ 2,090,147
Amount of debt applicable to debt limit:	
Total bonded debt:	-
Less revenue bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal Debt Margin (1)	<u>\$ 2,090,147</u>

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

Fiscal Year	State Revolving Fund Loans					Coverage
	Gross Revenue	Operating Expenses *	Net Available Revenue	Principal	Interest	
2007	\$ 3,037,822	\$ 3,089,978	\$ (52,156)	\$ 170,077	\$ 39,695	-
2008	3,671,037	3,050,381	620,656	145,409	34,769	3.44
2009	4,006,948	3,028,137	978,811	119,626	31,183	6.49
2010	7,062,689	4,131,976	2,930,713	123,110	25,260	19.75
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	-
2016	5,608,242	4,746,754	861,488	172,015	28,783	4.29

\* Total expenses exclude depreciation

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (Amounts Expressed in Thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
2007	5,736	\$ 210,592	\$ 36,714	3.5%
2008	6,814	252,745	37,092	4.3%
2009	6,836	243,245	35,583	8.5%
2010	7,137	261,600	36,654	9.2%
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	*	*	5.6%

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

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

(3) 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**

**Table 17**

Occupational Groups	Fiscal Year					
	2016			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	206,930	1	18.92%	211,390	1	20.53%
Sales and related	149,740	2	13.71%	137,040	2	13.31%
Food preparation and service related	103,320	3	9.46%	79,100	3	7.68%
Transportation and material moving	80,920	4	7.41%	75,390	4	7.32%
Healthcare practitioners and technical	66,200	5	6.06%	53,230	7	5.17%
Business and financial operations	60,300	6	5.52%	55,760	5	5.42%
Education, training and library	53,410	7	4.89%	53,640	6	5.21%
Protective service	44,180	8	4.04%	40,080	10	3.89%
Production	42,490	9	3.89%	43,940	8	4.27%
Installation, maintenance and repair	41,480	10	3.80%	39,960	11	3.88%
Management	39,130	11	3.58%	30,250	13	2.94%
Building and grounds cleaning and maintenance	36,340	12	3.33%	34,020	12	3.30%
Construction and extraction	30,020	13	2.75%	42,440	9	4.12%
Personal care and service	29,760	14	2.72%	29,290	14	2.84%
Healthcare support	28,120	15	2.57%	26,170	15	2.54%
Computer and mathematical science	20,390	16	1.87%	15,360	17	1.49%
Legal	15,760	17	1.44%	12,670	19	1.23%
Arts, design, entertainment, sports and media	14,960	18	1.37%	16,500	16	1.60%
Community and social services	12,560	19	1.15%	12,050	20	1.17%
Architecture and engineering	10,350	20	0.95%	12,670	18	1.23%
Life, physical and social sciences	3,800	21	0.35%	5,400	21	0.52%
Farming, fishing and forestry	2,200	22	0.20%	3,250	22	0.32%
Total	<u>1,092,360</u>		<u>100.00%</u>	<u>1,029,600</u>		<u>100.00%</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 2015. Estimates do not include self-employed workers.

**North Bay Village, Florida**  
**Full-Time Equivalent Village Government Employees by Function**  
**Last Ten Fiscal Years**

**Table 18**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function:</b>										
General government and public safety:										
Sworn officers	32.5	30.0	30.0	25.5	25.5	24.5	24.5	24.0	26.0	29.0
Civilians	11.0	9.0	6.0	8.0	7.0	7.0	7.0	8.0	8.0	9.5
Administration	9.5	21.0	20.5	11.5	14.5	15.0	16.0	16.5	17.0	17.0
Culture and recreation	-	0.5	0.5	0.5	4.5	4.5	4.5	4.5	4.5	4.0
Public works:										
Administration	5.0	3.0	4.0	4.0	-	-	-	-	-	-
Sanitation	8.0	8.0	6.0	7.5	5.0	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	3.0	3.0	3.0	3.0	3.5	2.5	2.5	3.0	3.0	3.0
Transit	2.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Total	74.0	78.5	74.0	64.0	64.0	61.5	63.5	65.0	67.5	71.5

Source: Various City departments.

**North Bay Village, Florida**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

**Table 19**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function:</b>										
General government:										
Building permits issued	670	390	293	426	540	507	645	686	740	727
Public safety:										
Number of calls for service **	3,890	6,386	9,049	9,941	19,775	33,400	34,506	30,977	27,515	33,036
Number of arrests	144	189	125	94	117	167	112	78	141	392
Number of traffic violations	924	924	N/A	765	1,360	1,953	1,497	1,630	1,041	2,918
Number of parking violations	757	713	N/A	584	799	1,188	1,598	1,301	1,230	2,650
Number of school crossing guards	N/A	N/A	N/A	N/A	N/A	N/A	4	4	4	4
Public works:										
Garbage tons collected and disposed*	N/A	N/A	N/A	N/A	N/A	4,729	4,637	4,578	4,800	4,794
Catch basins cleaned	-	-	-	-	-	-	53	28	12	19
Water average daily consumption (gallons)	735,261	679,769	756,452	778,312	833,668	1,069,939	1,137,815	1,092,706	1,176,752	1,148,480
Sewer average daily flow	N/A	N/A	N/A	N/A	N/A	968,157	1,118,656	1,145,298	1,186,282	1,283,631
Number of metered accounts	581	604	612	613	613	613	613	615	617	617
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

N/A: Information not available.

**North Bay Village, Florida**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

**Table 20**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function:</b>										
Public safety:										
Number of police stations	-	-	-	-	-	-	-	-	-	-
Number of fire stations	-	-	-	-	-	-	-	-	-	-
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
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	1	1	1	1	2	2	2	2	2
Acres of park	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1	1.0
Acres of water	281	281	281	281	281	281	281	281	281	281

Source: Various City Departments

## COMPLIANCE SECTION



INDEPENDENT AUDITOR'S 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 year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 17, 2017.

**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.

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

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

## **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 17, 2017

## INDEPENDENT AUDITOR'S REPORT TO THE VILLAGE MANAGEMENT

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

### Report on Financial Statements

We have audited the financial statements of North Bay Village, Florida (the "Village"), as of and for the year ended September 30, 2016, and have issued our report thereon dated March 17, 2017.

### Auditor's Responsibility

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

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.55, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 17, 2017, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

CPA's + Trusted Advisors

### **Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report 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 identification of the specific conditions met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Village, for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 17, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined North Bay Village, Florida's (the "Village") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2016. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides 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 aforementioned requirements for the year ended September 30, 2016.

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

*Keefe McCullough*

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 17, 2017