



North Bay Village, Florida

Comprehensive Annual Financial Audit

Fiscal Year Ended September 30, 2017

North Bay Village, Florida

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2017

Prepared By:
Finance Department

Bert Wrains, Finance Director

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INTRODUCTORY SECTION



North Bay Village

Administrative Offices

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

www.nbvillage.com

March 23, 2018

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, 2017.

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
**Andreana
Jackson**

Commissioner
**Jose R.
Alvarez**

Commissioner
Laura Cattabriga

Commissioner
Eddie Lim

The Village consists of an area of approximately .80 square miles, with a population of 8,973 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 7 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 were realized in 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 2018. 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 2017

The combination of a mix of small (older) and larger (newer) condominiums along with the Village location on Biscayne Bay has allowed the taxable value to recover from the most recent real estate volatility. The Village's current taxable value of approximately \$ 1 billion shows a 62.2% improvement since the lowest taxable values in 2013. This is the fifth straight year of increased values. During the past year, we continued to see positive signs that the local economy had improved as the number of building permits and applications for mixed use (commercial and residential) projects increased. An increase in the permits for new and renovated single family homes is another positive sign of an improving economy. Another important factor is that these new projects will be producing jobs for the local economy.

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

MAJOR INITIATIVES

The Village, in 2017 continued to work on major repairs and improvements to the Village's infrastructure;

- Continuation of 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;
- Started 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 2017 and should be completed in 2018 and 2019. 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 project started with the replacement of all water meters in the Village's system
- 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, Police Improvement Trust Fund (Special Revenue Funds) and Parks Improvement Fund (Capital Project Fund). In accordance with Village Ordinance, appropriations are legally controlled at the Department level. Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in the accounting records, is utilized throughout the fiscal year.

Overview of Financial Activity

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

Fund Balances

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 7.92% and 23.27% to the FRS. The employees covered by the FRS System contribute 3.0% of salary. The employees covered by the defined contribution plan contribute 5.5% of salary through a bi-weekly payroll deduction and the Village contributes 13.5%. Employer contributions for both plans for the fiscal year ended September 30, 2017 were approximately \$ 800,035

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 expires September 30, 2019.

Financing Programs and Debt Administration

The Village currently has seven outstanding long-term debt issues. The Village has five sewer infrastructure loans through the Florida Department of Environmental Protection (DEP). The five 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 .17% 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, 2017 totaled \$ 1,717,110.

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, 2017 is \$ 5,912,858.

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 2016 financial statements under this program and was awarded the Village’s third 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 fourth 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, Interim Village Manager
and Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**North Bay Village
Florida**

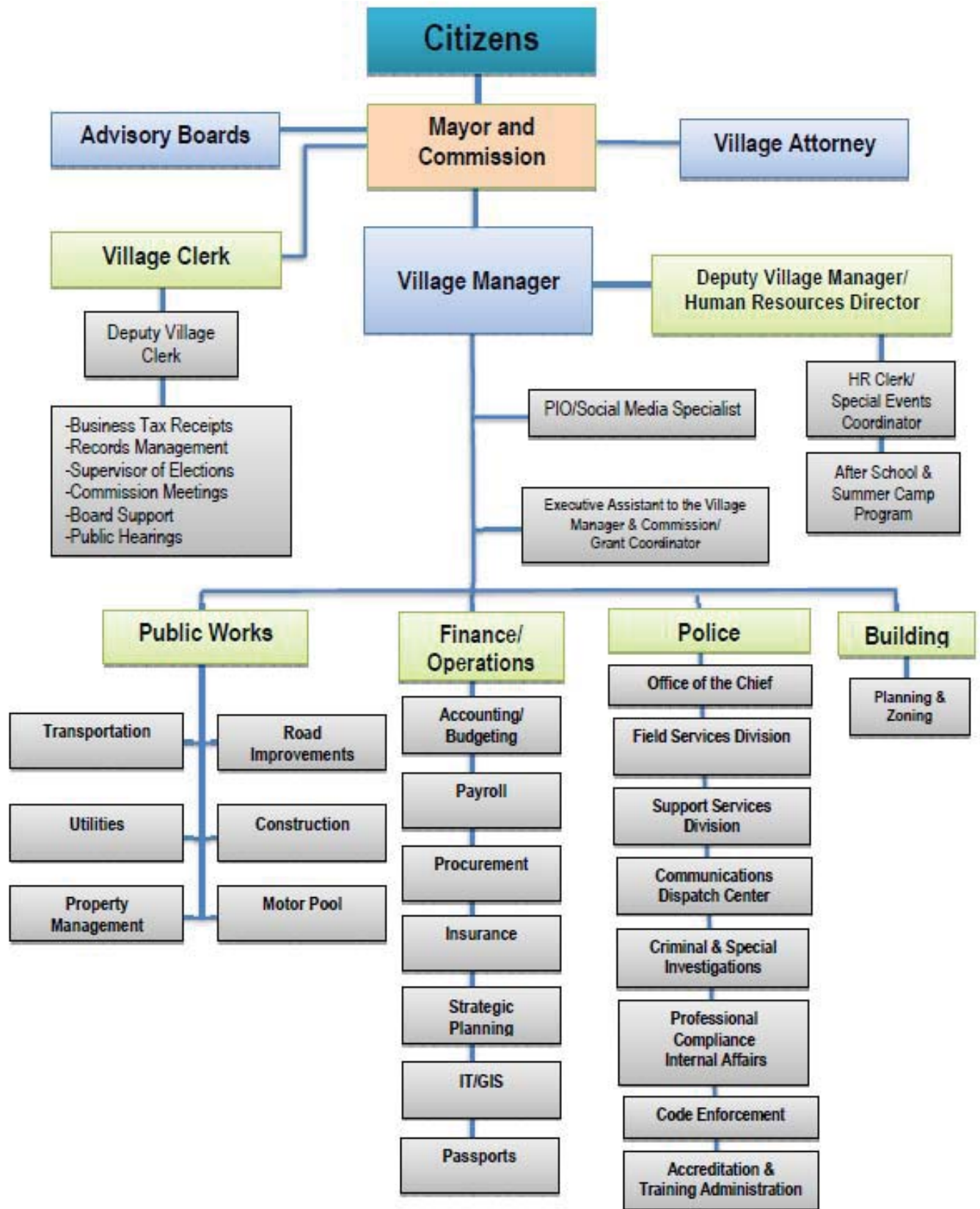
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

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	Eddie Lim
Commissioner	Jose Alvarez
Commissioner	Dr. Douglas Hornsby
Commissioner	Andreana Jackson
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	Raymond Rammo

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, 2017 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, 2017, 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.

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 47 through 53, 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 schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*.

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

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

North Bay Village, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, 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 23, 2018

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, 2017.

Financial Highlights

The assets of the North Bay Village exceeded its liabilities at the close of the most recent fiscal year by \$ 11,816,256 (net position). Governmental net position amounted to \$ 2,210,159 and business-type net position amount to \$ 9,606,097. Net position increased by \$ 331,899 during the current fiscal year.

For the fiscal year ended September 30, 2017, the Village's governmental activities revenues and expenses were \$ 10,755,003 and \$ 10,903,685 respectively. As a result, governmental net position decreased by \$ 128,682.

For the fiscal year ended September 30, 2017, the Village's business-type activities revenues and expenses were \$ 6,451,462 and \$ 5,990,881 respectively. As a result, business-type net position increased by \$ 460,581.

At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$ 5,172,181, a decrease of \$ 290,657 in comparison with the prior year. Approximately 20.5% of this amount (\$ 1,058,737) 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 \$ 2,556,656, or approximately 29.4% 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 42 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 43-53 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 54-61 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 \$ 11,816,256 at the close of September 30, 2017. Governmental activities net position totaled \$ 2,210,159, and business-type activities net position totaled \$ 9,606,097. The following table presents a condensed statement of net position as compared to the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 7,363,301	\$ 6,835,362	\$ 2,286,830	\$ 1,806,882	\$ 9,650,131	\$ 8,642,244
Restricted assets	-	-	464,196	428,518	464,196	428,518
Capital assets, net	9,246,634	9,161,287	11,111,397	9,697,533	20,358,031	18,858,820
Total assets	16,609,935	15,996,649	13,862,423	11,932,933	30,472,358	27,929,582
Total deferred outflows of resources	3,738,297	3,365,412	250,365	226,733	3,988,662	3,592,145
Current and other liabilities	2,654,649	2,248,345	2,206,825	1,205,711	4,861,474	3,454,056
Long term liabilities	15,012,971	14,609,131	2,261,318	1,789,203	17,274,289	16,398,334
Total liabilities	17,667,620	16,857,476	4,468,143	2,994,914	22,135,763	19,852,390
Total deferred inflows of resources	470,453	165,744	38,548	19,236	509,001	184,980
Net position:						
Net investment in capital assets	4,028,050	3,887,834	9,394,287	8,440,175	13,422,337	12,328,009
Restricted	1,897,794	1,838,289	-	-	1,897,794	1,838,289
Unrestricted (deficit)	(3,715,685)	(3,387,282)	211,810	705,341	(3,503,875)	(2,681,941)
Total net position	\$ 2,210,159	\$ 2,338,841	\$ 9,606,097	\$ 9,145,516	\$ 11,816,256	\$ 11,484,357

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, 2017

An additional portion of the Village's net position of \$ 1,897,794 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$ 3,503,875) 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 \$ 331,899 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	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,501,450	\$ 1,930,153	\$ 6,313,547	\$ 5,724,371	\$ 7,814,997	\$ 7,654,524
Operating grants and contributions	840,492	475,649	125,620	-	966,112	475,649
Capital grants and contributions	-	-	12,195	-	12,195	-
General revenues:						
Property taxes	5,164,809	4,973,592	-	-	5,164,809	4,973,592
Other taxes and fees	2,267,319	2,205,330	-	-	2,267,319	2,205,330
Interest income	49,654	42,983	100	49	49,754	43,032
Other general revenues	134,976	196,902	-	-	134,976	196,902
Total revenues	9,958,700	9,824,609	6,451,462	5,724,420	16,410,162	15,549,029
Expenses:						
General government	2,954,893	2,416,720	-	-	2,954,893	2,416,720
Public safety	5,974,821	5,401,548	-	-	5,974,821	5,401,548
Public works	765,252	662,229	-	-	765,252	662,229
Building, planning, and zoning	461,411	635,329	-	-	461,411	635,329
Recreation and human services	527,163	519,026	-	-	527,163	519,026
Interest on long term debt	220,145	235,061	-	-	220,145	235,061
Utility	-	-	5,105,373	4,368,279	5,105,373	4,368,279
Stormwater utility	-	-	69,205	100,658	69,205	100,658
Total expenses	10,903,685	9,869,913	5,174,578	4,468,937	16,078,263	14,338,850
Change in net position before transfers	(944,985)	(45,304)	1,276,884	1,255,483	331,899	1,210,179
Transfers	816,303	782,000	(816,303)	(782,000)	-	-
Increase (decrease) in net position	(128,682)	736,696	460,581	473,483	331,899	1,210,179
Net position, October 1	2,338,841	1,602,145	9,145,516	8,672,033	11,484,357	10,274,178
Net position, September 30	\$ 2,210,159	\$ 2,338,841	\$ 9,606,097	\$ 9,145,516	\$ 11,816,256	\$ 11,484,357

Governmental activities - During the current fiscal year, net position for governmental activities decreased \$ 128,682 from the prior fiscal year. Even though the revenue increased, the Village had major increases in expenses for Public Safety. The expenses were approximately \$ 250,000 for a one-time purchase of equipment for the Active Shooter Program.

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 \$ 460,581. The Village had made several major repairs to the water and sewer infrastructures in FY 2015 and 2016, which allowed the Village to reduce the repair and maintenance expenses for FY 2017 and the result is reflected in the increase in net position for FY 2017.

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 \$ 5,172,181, a decrease of \$ 290,657 from the prior year. Approximately 20.5% of this amount (\$ 1,058,737) 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 (\$ 23,446), 2) restricted for particular purposes (\$ 2,592,079), 3) committed for particular purposes, or 4) assigned for particular purposes (\$ 1,497,919).

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 \$ 1,058,737. 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 12.2% of total General Fund expenditures, while total fund balance represents approximately 29.6% of that same amount. The unassigned fund balance decreased \$ 124,096 over fiscal year 2016 due to the increase in the accruals for FEMA grant reimbursement and the 20% required Fund Balance reserve, which is accounted for first.

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 \$ 9,606,097. Reasons for the changes in these funds has been noted earlier in the discussion of business-type activities.

General Fund Budgetary Highlights

The property value increase over the prior year's final gross taxable value was \$ 91 million or about 11%. The rolled back rate of 4.8455 mills would generate the same amount of revenue as the FY 2016 budget. The FY 2017 millage rate was adopted at 4.8432.

In FY 2017 the Commission approved the leasing of 25 police vehicles versus the cost replacement. This includes the marked and unmarked vehicles. The Police Department assigned a police officer to be the liaison with the schools. The Building Department eliminated one full time position. A multi-clerical specialist was hired to assist with all the front desk operations, including the post office, cashiering, and Building Department.

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, 2017 amounted to \$ 9,246,634 and \$ 11,111,397 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, the Village completed the major renovation of the Schonberger Park.

Long-term debt - At the end of the current fiscal, the Village had governmental activities general obligation debt outstanding of \$ 5,912,858. This debt is secured by the Village's ad valorem taxes. The Village's Utility Fund also had State Revolving Fund debt outstanding of \$ 1,717,110. 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	
	2017	2016	2017	2016	2017	2016
Long-term debt:						
General obligation note, Series 2010	\$ 1,542,858	1,645,715	\$ -	-	\$ 1,542,858	1,645,715
General obligation refunding note, Series 2010	4,370,000	\$ 4,690,000	-	-	4,370,000	\$ 4,690,000
Revolving state loans	-	-	1,717,110	1,257,358	1,717,110	1,257,358
Total	\$ 5,912,858	\$ 6,335,715	\$ 1,717,110	\$ 1,257,358	\$ 7,629,968	\$ 7,593,073

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. There 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 Department staffing was increased with 1 new part time Code Enforcement Officer and replacing 1 part time Patrol Officer with a part time Accreditation & Training Administrator. 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 also has an assigned Marine Patrol Officer, a K-9 unit and 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, 2017

	Governmental Activities	Business- Type Activities	Total
Assets:			
Pooled cash, cash equivalents and investments	\$ 6,563,910	\$ 1,432,641	\$ 7,996,551
Receivables, net	775,945	852,533	1,628,478
Restricted cash	-	464,196	464,196
Prepaid items	23,446	1,656	25,102
Capital assets:			
Non-depreciable	5,671,401	1,825,252	7,496,653
Depreciable, net	3,575,233	9,286,145	12,861,378
Total assets	<u>16,609,935</u>	<u>13,862,423</u>	<u>30,472,358</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	<u>3,738,297</u>	<u>250,365</u>	<u>3,988,662</u>
Liabilities:			
Accounts payable and accrued liabilities	1,231,100	1,369,160	2,600,260
Retainage payable	20,260	138,218	158,478
Payroll liabilities	585,498	65,633	651,131
Accrued interest payable	70,672	9,111	79,783
Unearned revenue	44,567	-	44,567
Customer deposits	-	464,196	464,196
Due within one year:			
Compensated absences payable	269,695	25,805	295,500
Debt	432,857	134,702	567,559
Due in more than one year:			
Compensated absences payable	1,348,472	129,026	1,477,498
Debt	5,480,001	1,582,408	7,062,409
Net pension liability	7,929,498	549,884	8,479,382
OPEB obligation	255,000	-	255,000
Total liabilities	<u>17,667,620</u>	<u>4,468,143</u>	<u>22,135,763</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	470,453	38,548	509,001
Net Position:			
Net investment in capital assets	4,028,050	9,394,287	13,422,337
Restricted for:			
Transportation projects	1,037,066	-	1,037,066
Law enforcement	170,464	-	170,464
Recreation and human services	227,102	-	227,102
Capital projects	463,162	-	463,162
Unrestricted net position (deficit)	<u>(3,715,685)</u>	<u>211,810</u>	<u>(3,503,875)</u>
Total net position	<u>\$ 2,210,159</u>	<u>\$ 9,606,097</u>	<u>\$ 11,816,256</u>

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, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 2,954,893	\$ 307,184	\$ -	\$ (2,338,015)	\$ -	\$ (2,338,015)
Public safety	5,974,821	659,967	-	(5,311,157)	-	(5,311,157)
Public works	765,252	-	-	(389,256)	-	(389,256)
Building, planning and zoning	461,411	519,083	-	57,672	-	57,672
Recreation and human services	527,163	151,105	-	(360,842)	-	(360,842)
Interest on long-term debt	220,145	-	-	(220,145)	-	(220,145)
Total governmental activities	10,903,685	1,501,450	-	(8,561,743)	-	(8,561,743)
Business-type activities:						
Utility Fund	5,105,373	6,196,972	12,195	-	1,229,414	1,229,414
Stormwater Utility Fund	69,205	116,575	-	-	47,370	47,370
Total business-type activities	5,174,578	6,313,547	12,195	-	1,276,784	1,276,784
Total	\$ 16,078,263	\$ 7,814,997	\$ 12,195	(8,561,743)	1,276,784	(7,284,959)
General revenues:						
Taxes:						
Ad valorem taxes				5,164,809	-	5,164,809
Franchise fees on gross receipts				444,495	-	444,495
Utility service taxes				604,737	-	604,737
Sales tax				630,296	-	630,296
Intergovernmental, not restricted for specific purposes				587,791	-	587,791
Interest income				49,654	100	49,754
Miscellaneous				134,976	-	134,976
Transfers				816,303	(816,303)	-
Total general revenues				8,433,061	(816,203)	7,616,858
Change in net position				(128,682)	460,581	331,899
Net position, beginning				2,338,841	9,145,516	11,484,357
Net position, ending				\$ 2,210,159	\$ 9,606,097	\$ 11,816,256

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

North Bay Village, Florida
Balance Sheet - Governmental Funds
September 30, 2017

	General Fund	State Forfeiture Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Pooled cash, cash equivalents and investments	\$ 3,218,934	\$ 715,372	\$ 1,254,526	\$ 11	\$ 1,375,067	\$ 6,563,910
Receivables	633,691	-	-	-	142,254	775,945
Prepaid items	22,418	-	-	-	1,028	23,446
Total assets	<u>\$ 3,875,043</u>	<u>\$ 715,372</u>	<u>\$ 1,254,526</u>	<u>\$ 11</u>	<u>\$ 1,518,349</u>	<u>\$ 7,363,301</u>
Liabilities:						
Accounts payable and accrued liabilities	\$ 376,286	\$ 695,968	\$ 76,830	\$ -	\$ 82,016	\$ 1,231,100
Retainage payable	-	-	20,260	-	-	20,260
Payroll liabilities	565,421	-	-	-	20,077	585,498
Unearned revenue	44,567	-	-	-	-	44,567
Total liabilities	<u>986,274</u>	<u>695,968</u>	<u>97,090</u>	<u>-</u>	<u>102,093</u>	<u>1,881,425</u>
Deferred inflows of resources:						
Unavailable revenues	<u>309,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,695</u>
Fund Balances:						
Nonspendable:						
Prepaid items	22,418	-	-	-	1,028	23,446
Restricted for:						
Capital projects	-	-	1,157,436	-	-	1,157,436
Debt service	-	-	-	11	-	11
Transportation projects	-	-	-	-	1,037,066	1,037,066
Law enforcement	-	19,404	-	-	151,060	170,464
Recreation and human services	-	-	-	-	227,102	227,102
Assigned to:						
Operating reserves	1,497,919	-	-	-	-	1,497,919
Unassigned	<u>1,058,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,737</u>
Total fund balances	<u>2,579,074</u>	<u>19,404</u>	<u>1,157,436</u>	<u>11</u>	<u>1,416,256</u>	<u>5,172,181</u>
Total liabilities and fund balances	<u>\$ 3,875,043</u>	<u>\$ 715,372</u>	<u>\$ 1,254,526</u>	<u>\$ 11</u>	<u>\$ 1,518,349</u>	<u>\$ 7,363,301</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, 2017

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

\$ 5,172,181

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	\$ 13,358,925	
Less accumulated depreciation	<u>(4,112,291)</u>	9,246,634

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

309,695

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	\$ (5,912,858)	
Compensated absences	(1,618,167)	
Accrued interest payable	(70,672)	
Net pension liability	(7,929,498)	
Deferred outflows related to pensions	3,738,297	
Deferred inflows related to pensions	(470,453)	
Other post employment benefit obligation (OPEB)	<u>(255,000)</u>	<u>(12,518,351)</u>

Net Position of Governmental Activities

\$ 2,210,159

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, 2017

	General Fund	State Forfeiture Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 5,121,487	\$ -	\$ -	\$ 648,059	\$ 328,070	\$ 6,097,616
Licenses and permits	627,290	-	-	-	-	627,290
Franchise fees	463,044	-	-	-	-	463,044
Intergovernmental revenue	1,229,612	-	47,926	-	148,402	1,425,940
Charges for services	53,889	-	-	-	-	53,889
Fines and forfeitures	229,302	2,990	-	-	480,698	712,990
Impact fees	-	-	-	-	5,812	5,812
Interest income	46,783	2,282	-	-	589	49,654
Other	198,701	-	-	-	14,069	212,770
Total revenues	<u>7,970,108</u>	<u>5,272</u>	<u>47,926</u>	<u>648,059</u>	<u>977,640</u>	<u>9,649,005</u>
Expenditures:						
Current:						
General government	2,752,828	-	-	-	-	2,752,828
Public safety	4,765,280	25,026	-	-	500,190	5,290,496
Public works	403,247	-	-	-	153,861	557,108
Building, planning and zoning	458,855	-	-	-	-	458,855
Recreation and human services	252,545	-	-	-	158,920	411,465
Capital outlay	69,932	27,944	385,229	-	154,060	637,165
Debt service:						
Principal	-	-	-	422,857	-	422,857
Interest and fiscal charges	-	-	-	225,191	-	225,191
Total expenditures	<u>8,702,687</u>	<u>52,970</u>	<u>385,229</u>	<u>648,048</u>	<u>967,031</u>	<u>10,755,965</u>
Excess (deficiency) of revenues over expenditures	<u>(732,579)</u>	<u>(47,698)</u>	<u>(337,303)</u>	<u>11</u>	<u>10,609</u>	<u>(1,106,960)</u>
Other Financing Sources (Uses):						
Transfers in	816,303	-	40,000	-	65,766	922,069
Transfers out	(65,766)	-	-	-	(40,000)	(105,766)
Total other financing sources (uses)	<u>750,537</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>25,766</u>	<u>816,303</u>
Net change in fund balances	17,958	(47,698)	(297,303)	11	36,375	(290,657)
Fund Balances, beginning of year	<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>
Fund Balances, end of year	<u>\$ 2,579,074</u>	<u>\$ 19,404</u>	<u>\$ 1,157,436</u>	<u>\$ 11</u>	<u>\$ 1,416,256</u>	<u>\$ 5,172,181</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, 2017

Net Changes in Fund Balances - Total Governmental Funds
\$ (290,657)

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	\$ 513,003	
Less: Current year provision for depreciation	<u>(427,656)</u>	85,347

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	422,857
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Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item.	309,695
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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	5,046	
Change in claims and judgements	121,923	
Change in long-term compensated absences	(86,231)	
Change in net pension liability	(710,838)	
Change in deferred outflows related to pensions	372,885	
Change in deferred inflows related to pensions	(304,709)	
Change in other post employment benefit obligation (OPEB)	<u>(54,000)</u>	<u>(655,924)</u>

Changes in Net Position of Governmental Activities	\$ <u>(128,682)</u>
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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, 2017

	Business-Type Activities Enterprise Funds		
	Major Fund	Major Fund	
	Utility Fund	Stormwater Utility Fund	Total
Assets:			
Current assets:			
Pooled cash, cash equivalents and investments	\$ 790,970	\$ 641,671	\$ 1,432,641
Restricted cash	464,196	-	464,196
Accounts receivable, net	840,748	11,785	852,533
Prepaid items	1,656	-	1,656
Total current assets	2,097,570	653,456	2,751,026
Noncurrent assets:			
Capital assets:			
Non-depreciable	1,764,770	60,482	1,825,252
Depreciable, net	8,523,367	762,778	9,286,145
Total assets	12,385,707	1,476,716	13,862,423
Deferred Outflows of Resources:			
Deferred outflows related to pensions	250,365	-	250,365
Liabilities:			
Current liabilities:			
Accounts payable	1,354,825	14,335	1,369,160
Retainage payable	138,218	-	138,218
Payroll liabilities	65,633	-	65,633
Accrued interest payable	9,111	-	9,111
Current portion of compensated absences payable	25,805	-	25,805
Payable from restricted assets:			
Customer deposits	464,196	-	464,196
Current portion of debt	134,702	-	134,702
Total current liabilities	2,192,490	14,335	2,206,825
Long term liabilities:			
Compensated absences payable	129,026	-	129,026
Net pension liability	549,884	-	549,884
Debt	1,582,408	-	1,582,408
Total long-term liabilities	2,261,318	-	2,261,318
Total liabilities	4,453,808	14,335	4,468,143
Deferred Inflows of Resources:			
Deferred inflows related to pensions	38,548	-	38,548
Net Position:			
Net investment in capital assets	8,571,027	823,260	9,394,287
Unrestricted net position (deficit)	(427,311)	639,121	211,810
Total net position	\$ 8,143,716	\$ 1,462,381	\$ 9,606,097

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, 2017

	Business-Type Activities Enterprise Funds		
	Major Fund	Major Fund	
	Utility Fund	Stormwater Utility Fund	Total
Operating Revenues:			
Sanitation charges	\$ 1,666,802	\$ -	\$ 1,666,802
Sewer charges	2,534,863	-	2,534,863
Metered water charges	1,940,423	-	1,940,423
Service fees and late penalties	54,884	1,073	55,957
Stormwater user fees	-	115,502	115,502
Total operating revenues	<u>6,196,972</u>	<u>116,575</u>	<u>6,313,547</u>
Operating Expenses:			
Payroll and related expenses	879,329	3,006	882,335
Sewage disposal fees	1,314,802	-	1,314,802
Materials, supplies, repairs and other	1,248,722	28,414	1,277,136
Water purchases	656,797	-	656,797
Solid waste disposal and recycling services	601,759	-	601,759
Provision for depreciation	375,806	37,785	413,591
Total operating expenses	<u>5,077,215</u>	<u>69,205</u>	<u>5,146,420</u>
Operating income	<u>1,119,757</u>	<u>47,370</u>	<u>1,167,127</u>
Nonoperating Revenues (Expenses):			
Grant revenue	125,620	-	125,620
Interest income	100	-	100
Interest expense	(28,158)	-	(28,158)
Income before transfers and contributions	<u>97,562</u>	<u>-</u>	<u>97,562</u>
Transfers and Contributions:			
Capital contributions	12,195	-	12,195
Transfers out	(805,226)	(11,077)	(816,303)
Total transfers and contributions	<u>(793,031)</u>	<u>(11,077)</u>	<u>(816,303)</u>
Change in net position	424,288	36,293	460,581
Net Position, beginning of year	<u>7,719,428</u>	<u>1,426,088</u>	<u>9,145,516</u>
Net Position, end of year	<u>\$ 8,143,716</u>	<u>\$ 1,462,381</u>	<u>\$ 9,606,097</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, 2017

	Business-type Activities Enterprise Funds		
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 6,232,650	\$ 115,392	\$ 6,348,042
Payments to employees	(828,736)	(3,006)	(831,742)
Payments to suppliers	(3,165,659)	(22,859)	(3,188,518)
Net cash provided by operating activities	2,238,255	89,527	2,327,782
Cash Flows from Noncapital Financing Activities:			
Transfers out	(805,226)	(11,077)	(816,303)
Net cash used for noncapital financing activities	(805,226)	(11,077)	(816,303)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(1,766,972)	(60,483)	(1,827,455)
Payments of revolving state loans	(128,781)	-	(128,781)
Proceeds from revolving state loans	588,533	-	588,533
Proceeds from federal grants	125,620	-	125,620
Proceeds from capital contributions	12,195	-	12,195
Interest and other charges	(26,162)	-	(26,162)
Net cash used in capital and related financing activities	(1,195,567)	(60,483)	(1,256,050)
Cash Flows from Investing Activities:			
Interest received	100	-	100
Net cash provided by investing activities	100	-	100
Net Increase in pooled cash, cash equivalents and investments	237,562	17,967	255,529
Pooled Cash, Cash Equivalents and Investments, beginning	1,017,604	623,704	1,641,308
Pooled Cash, Cash Equivalents and Investments, ending	\$ 1,255,166	\$ 641,671	\$ 1,896,837
Pooled Cash, Cash Equivalents and Investments Reported on the Statement of Net Position:			
Pooled cash, cash equivalents and investments	\$ 790,970	\$ 641,671	\$ 1,432,641
Restricted cash	464,196	-	464,196
	\$ 1,255,166	\$ 641,671	\$ 1,896,837

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, 2017

	Business-type Activities Enterprise Funds		
	Major Fund	Major Fund	
	Utility Fund	Stormwater Utility Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 1,119,757	\$ 47,370	\$ 1,167,127
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Provision for depreciation	375,806	37,785	413,591
(Increase) decrease in:			
Accounts receivable	(280,999)	(1,183)	(282,182)
Prepaid items	21,333	752	22,085
Deferred outflows related to pensions	(23,632)	-	(23,632)
Increase (decrease) in:			
Accounts payable	777,869	4,803	782,672
Retainage payable	138,218	-	138,218
Payroll liabilities	42,597	-	42,597
Customer deposits	35,678	-	35,678
Compensated absences	(32,735)	-	(32,735)
Net pension liability	45,051	-	45,051
Deferred inflows related to pensions	19,312	-	19,312
Total adjustments	1,118,498	42,157	1,160,655
Net cash provided by operating activities	\$ 2,238,255	\$ 89,527	\$ 2,327,782

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 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, 2017.

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 two items that qualify for reporting in this category. The first is deferred inflows relating to pension plans which is discussed in Note 8. The second is unavailable revenue that is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Long-term obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or propriety fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium and discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Payments of principal and interest are reported as debt service expenditures.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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.

Reclassifications: Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Date of management review: Subsequent events were evaluated by management through March 23, 2018, 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, 2017 was 5.5540 mills. The rate of 5.5540 mills is allocated to the General Fund and Debt Service Fund, with the General Fund receiving 4.8432 and the Debt Service Fund .7108.

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, 2017, the Village's fair value of its investment in Florida PRIME was \$ 63,493.

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 51 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, 2017, 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	\$ -	\$ -	\$ 730,128	\$ 11,785	\$ 741,913
Intergovernmental	416,426	142,254	125,620	-	684,300
Accounts receivable	217,265	-	-	-	217,265
Gross receivables	633,691	142,254	855,748	11,785	1,643,478
Less allowance for uncollectibles	-	-	(15,000)	-	(15,000)
	<u>\$ 633,691</u>	<u>\$ 142,254</u>	<u>\$ 840,748</u>	<u>\$ 11,785</u>	<u>\$ 1,628,478</u>

North Bay Village, Florida
Notes to Financial Statements
September 30, 2017

Note 4 - Receivables and Payables (continued)

As of September 30, 2017, 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	\$ 376,286	\$ 16,230	\$ 695,968	\$ 26,554	\$ 865,227	\$ 10,615	\$ 1,990,880
Contractor	-	60,600	-	-	489,598	3,720	553,918
Due to pooled cash	-	-	-	55,462	-	-	55,462
	<u>\$ 376,286</u>	<u>\$ 76,830</u>	<u>\$ 695,968</u>	<u>\$ 82,016</u>	<u>\$ 1,354,825</u>	<u>\$ 14,335</u>	<u>\$ 2,600,260</u>

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,138,008	\$ -	\$ -	\$ 5,138,008
Construction in progress	<u>223,528</u>	<u>309,865</u>	<u>-</u>	<u>533,393</u>
Total capital assets, not being depreciated	<u>5,361,536</u>	<u>309,865</u>	<u>-</u>	<u>5,671,401</u>
Capital assets, being depreciated:				
Buildings and improvements	2,910,360	117,138	-	3,027,498
Street improvements	2,337,210	-	-	2,337,210
Vehicles	1,403,783	40,554	52,634	1,391,703
Machinery and equipment	<u>931,062</u>	<u>45,446</u>	<u>45,395</u>	<u>931,113</u>
Total capital assets, being depreciated	<u>7,582,415</u>	<u>203,138</u>	<u>98,029</u>	<u>7,687,524</u>
Less accumulated depreciation for:				
Buildings and improvements	1,578,329	186,882	-	1,765,211
Street improvements	370,699	75,517	-	446,216
Vehicles	1,085,804	96,630	52,634	1,129,800
Machinery and equipment	<u>747,832</u>	<u>68,627</u>	<u>45,395</u>	<u>771,064</u>
Total accumulated depreciation	<u>3,782,664</u>	<u>427,656</u>	<u>98,029</u>	<u>4,112,291</u>
Total capital assets, being depreciated, net	<u>3,799,751</u>	<u>(224,518)</u>	<u>-</u>	<u>3,575,233</u>
Governmental activities capital assets, net	<u>\$ 9,161,287</u>	<u>\$ 85,347</u>	<u>\$ -</u>	<u>\$ 9,246,634</u>

Note 5 - Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 1,825,252	\$ -	\$ 1,825,252
Total capital assets, not being depreciated	-	1,825,252	-	1,825,252
Capital assets, being depreciated:				
Improvements other than buildings	15,147,421	-	-	15,147,421
Equipment and vehicles	990,621	2,203	-	992,824
Total capital assets being depreciated	16,138,042	2,203	-	16,140,245
Less accumulated depreciation for:				
Improvements other than buildings	5,460,540	410,107	-	5,870,647
Equipment and vehicles	979,969	3,484	-	983,453
Total accumulated depreciation	6,440,509	413,591	-	6,854,100
Total capital assets, being depreciated, net	9,697,533	(411,388)	-	9,286,145
Business-type activities capital assets, net	\$ 9,697,533	\$ 1,413,864	\$ -	\$ 11,111,397

Depreciation expense for the fiscal year ended September 30, 2017 was charged to functions/programs as follows:

Governmental Activities:	
Public safety	\$ 123,490
Public works	159,209
General government	32,219
Recreation and human services	112,400
Building, planning and zoning	338
Total depreciation expense - governmental activities	\$ 427,656
Business-Type Activities:	
Water and sewer systems	\$ 58,157
Stormwater Utility	0
Total depreciation expense - business-type activities	\$ 58,157

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, 2017.

Interfund transfers for the year ended September 30, 2017 are summarized as follows:

	Interfund Balances	
	Transfers In	Transfers Out
General Fund	\$ 816,303	\$ 65,766
Capital Projects Fund	40,000	-
Nonmajor Governmental Funds	65,766	40,000
Utility Fund	-	805,226
Stormwater Utility Fund	-	11,077
	<u>\$ 922,069</u>	<u>\$ 922,069</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. The transfer into the Capital Projects Fund is to fund expenditures incurred for the Baywalk South project. The transfer into the General Fund is for expenses paid on behalf of other funds.

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2017:

	October 1, 2016	Additions	Reductions	September 30, 2017	Due Within One Year
Governmental Activities:					
General obligation note, Series 2010	\$ 1,645,715	\$ -	\$ 102,857	\$ 1,542,858	\$ 102,857
General obligation refunding note, Series 2010	4,690,000	-	320,000	4,370,000	330,000
Claims and judgements	121,923	-	121,923	-	-
Compensated absences	1,531,936	559,266	473,035	1,618,167	269,695
Net pension liability	7,218,660	710,838	-	7,929,498	-
OPEB obligation	201,000	54,000	-	255,000	-
Total governmental activities long-term liabilities	<u>\$ 15,409,234</u>	<u>\$ 1,324,104</u>	<u>\$ 1,017,815</u>	<u>\$ 15,715,523</u>	<u>\$ 702,552</u>
Business-Type Activities:					
Revolving state loans	\$ 1,257,358	\$ 588,533	\$ 128,781	\$ 1,717,110	\$ 134,702
Net pension liability	504,833	45,051	-	549,884	-
Compensated absences	187,566	57,694	90,429	154,831	25,805
Total business-type activities long-term liabilities	<u>\$ 1,949,757</u>	<u>\$ 691,278</u>	<u>\$ 219,210</u>	<u>\$ 2,421,825</u>	<u>\$ 160,507</u>

Note 7 - Long-Term Liabilities (continued)

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, 2017 is \$ 1,542,858.

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, 2017 is \$ 4,370,000.

Business-type activities - revolving state loans: The Village has five separate state revolving loan agreements with the Department of Environmental Protection. The loans provided the 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 six months subsequent to the completion of the projects.

The Village is required to maintain rates and charges for the services furnished by the water and sewer systems which will be sufficient to provide pledged revenues equal to 1.15 times the sums of the semi-annual payments due in such fiscal year. At September 30, 2017, 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; financing 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.

\$ 66,180

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

800,494

Revolving state loan of \$ 309,518 dated June 18, 2014; financing rate of 2.18%. The Village makes semi-annual principal and interest payments of \$ 10,597 on February 15 and August 15. The loan matures on August 15, 2031 and is collateralized by water and sewer revenues.

261,901

Note 7 - Long-Term Liabilities (continued)

Revolving state loan of \$ 52,988 dated March 10, 2017; financing rate of 1.87%. The Village makes semi-annual principal and interest payments of \$ 1,626 on October 15 and April 15. The loan matures on April 15, 2035 and is collateralized by water and sewer revenues.

52,988

Revolving state loan of \$ 535,547 dated May 16, 2017; interest rate of .17%. The Village will be required to make semi-annual principal and interest payments based on the actual amount of the principal drawn under the agreement.

535,547

\$ 1,717,110

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
2018	\$ 432,857	\$ 210,061	\$ 642,918	\$ 134,702	\$ 23,193	\$ 157,895
2019	447,857	194,570	642,427	69,888	20,414	90,302
2020	462,857	178,552	641,409	71,283	19,020	90,303
2021	467,857	162,007	629,864	72,705	17,598	90,303
2022	482,857	145,287	628,144	74,155	16,147	90,302
2023-2027	2,634,285	457,558	3,091,843	393,569	57,942	451,511
2028-2032	984,288	65,355	1,049,643	351,202	17,543	368,745
2033-2035	-	-	-	14,059	670	14,729
	<u>\$ 5,912,858</u>	<u>\$ 1,413,390</u>	<u>\$ 7,326,248</u>	<u>\$ 1,181,563</u>	<u>\$ 172,527</u>	<u>\$ 1,354,090</u>

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

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.

Note 8 - Retirement Plans (continued)

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

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

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.

Note 8 - Retirement Plans (continued)

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, 2016 through June 30, 2017 and from July 1, 2017 through September 30, 2017, respectively, were as follows: Regular - 7.52% and 7.92%; Special Risk Administrative Support - 28.06% and 34.63%; Special Risk - 22.57% and 23.27%; Senior Management Service - 21.77% and 22.71%; Elected Officers' - 42.47% and 45.50%; and DROP participants - 12.99% and 13.26%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2016 through September 30, 2017.

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, 2017, 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, 2017, the HIS contribution was 1.66%. The Village contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the Village reported liabilities of \$ 7,052,362 for its proportionate share of the Pension Plan's net pension liability and \$ 1,427,020 for the HIS Plan's net pension liability for a total net pension liability of \$ 8,479,382. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. At June 30, 2017, the Village's proportion was .023842196 percent for the Pension Plan and .013346042 percent for the HIS Plan, which was a decrease of .000479086 percent and .000231007 percent respectively, from the proportionate share measured as of June 30, 2016.

Note 8 - Retirement Plans (continued)

For the year ended September 30, 2017, the Village recognized pension expense of \$ 1,334,054 for the Pension Plan and \$ 133,326 for the HIS Plan for a total pension expense of \$ 1,467,380. At September 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 647,237	\$ -	\$ 647,237
Changes of assumptions	2,370,091	200,590	2,570,681
Net difference between projected and actual earnings on pension plan investments	-	791	791
Changes in proportion and differences between Village contributions and proportionate share of contributions	474,088	129,106	603,194
Village contributions subsequent to the measurement date	150,527	16,232	166,759
Total	<u>\$ 3,641,943</u>	<u>\$ 346,719</u>	<u>\$ 3,988,662</u>

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 39,066	\$ 2,971	\$ 42,037
Change of assumptions	-	123,396	123,396
Net difference between projected and actual earnings on pension plan investments	174,775	-	174,775
Changes in proportion and differences between Village contributions and proportionate share of contributions	149,206	19,587	168,793
Total	<u>\$ 363,047</u>	<u>\$ 145,954</u>	<u>\$ 509,001</u>

Note 8 - Retirement Plans (continued)

\$ 166,759 of 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, 2018. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Employer Share of Deferred Outflows/Inflows		
	Pension Plan	HIS Plan	Total
2018	\$ 431,666	\$ 48,085	\$ 479,751
2019	1,038,346	47,935	1,086,281
2020	772,132	47,863	819,995
2021	222,083	40,764	262,847
2022	492,781	19,914	512,695
Thereafter	171,359	(20,026)	151,333

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan's valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.60%	2.60%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	7.10%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

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

Note 8 - Retirement Plans (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.8%
Fixed income	18.0%	4.5%	4.4%	4.2%
Global equity	53.0%	7.8%	6.6%	17.0%
Real estate	10.0%	6.6%	5.9%	12.8%
Private equity	6.0%	11.5%	7.8%	30.0%
Strategic investments	12.0%	6.1%	5.6%	9.7%
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 7.10% for the Pension Plan. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 3.58% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.58% 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 table presents the sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact to the Village's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2017.

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Village's proportionate share of the net pension liability for Pension Plan	\$ <u>12,764,349</u>	\$ <u>7,052,362</u>	\$ <u>2,310,104</u>
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Village's proportionate share of the net pension liability for HIS Plan	\$ <u>1,628,419</u>	\$ <u>1,427,020</u>	\$ <u>1,259,266</u>

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 approximately \$ 22,200 and the employees contributed approximately \$ 9,000 for the year ended September 30, 2017. Plan amendments must be approved by the Village Commission. The Plan is administered by ICMA Retirement Corp.

Note 10 - Other Post-Employment Benefits

Plan Description: 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, 2017, the annual required contribution was \$ 65,000. The Village made an implied contribution of \$ 2,000 towards this amount. At September 30, 2017, the Village recorded a net OPEB obligation of \$ 255,000 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)	\$	65,000
Interest on net pension obligation		8,000
Adjustment to annual required contribution		(17,000)
Total annual OPEB cost		<u>56,000</u>
Employer contributions made	*	(2,000)
Interest on employer obligation		-
Increase in net OPEB obligation		<u>54,000</u>
Net OPEB obligation, beginning of year		<u>201,000</u>
Net OPEB obligation, end of year	\$	<u><u>255,000</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 2017 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>
2017	\$ 56,000	4.00%	\$ 255,000
2016	\$ 54,000	4.00%	\$ 201,000
2015	\$ 44,000	7.00%	\$ 149,000

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 \$ 206,100 for the year ended September 30, 2017.

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 \$ 89,100 for the year ended September 30, 2017.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2018	\$ 228,340
Thereafter	NONE

Note 11 - Commitments and Contingencies (continued)

Encumbrances: Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At September 30, 2017, the amount of encumbrances expected to be honored upon performance by the vendor/contractor in the next year are as follows:

Utility Fund:	
Sewer system repairs	\$ 1,128,000
Water main system repairs	3,948,000
Water meter replacements	<u>304,000</u>
	\$ <u>5,380,000</u>
Capital Projects Fund:	
Baywalk - South side	\$ <u>708,000</u>

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

Hurricane Irma: On September 10, 2017, Hurricane Irma hit the Village. The clean-up and repair process was initiated immediately with the majority of the costs incurred during the fiscal year 2017. These expenses are not included in the Schedule of Expenditures of Federal Awards (SEFA) because they have not been approved by the Federal Emergency Management Agency (FEMA). An estimated receivable from FEMA was recorded in the current fiscal year. The Village submitted their damage inventory report via FEMA's grant portal in January 2018 and are awaiting further review and approval.

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes:				
Property taxes, including penalties and interest	\$ 4,415,653	\$ 4,415,653	\$ 4,516,750	\$ 101,097
Utility service taxes	603,000	603,000	604,737	1,737
Total taxes	<u>5,018,653</u>	<u>5,018,653</u>	<u>5,121,487</u>	<u>102,834</u>
Licenses and permits:				
Village occupational licenses	90,000	90,000	108,207	18,207
Building and other permits	22,500	22,500	-	(22,500)
Total licenses and permits	<u>112,500</u>	<u>112,500</u>	<u>108,207</u>	<u>(4,293)</u>
Franchise fees:				
Electric	420,000	420,000	432,855	12,855
Gas	18,000	18,000	9,917	(8,083)
United States Postal Service	18,500	18,500	18,549	49
Sanitation	1,000	1,000	1,723	723
Total franchise fees	<u>457,500</u>	<u>457,500</u>	<u>463,044</u>	<u>5,544</u>
Intergovernmental:				
Local 1/2 cent sales tax	650,000	650,000	630,296	(19,704)
Communication service tax	212,000	212,000	209,420	(2,580)
State revenue sharing	185,000	185,000	193,807	8,807
Alcohol beverage licenses	6,000	6,000	9,788	3,788
Federal grants	-	-	1,737	1,737
Total intergovernmental	<u>1,053,000</u>	<u>1,053,000</u>	<u>1,045,048</u>	<u>(7,952)</u>
Charges for services:				
Record research and review	50,000	50,000	34,983	(15,017)
Passport fees	18,000	18,000	14,226	(3,774)
Advertising/bus stop	4,680	4,680	4,680	-
Total charges for services	<u>72,680</u>	<u>72,680</u>	<u>53,889</u>	<u>(18,791)</u>
Fines and forfeitures	<u>97,000</u>	<u>97,000</u>	<u>229,302</u>	<u>132,302</u>
Interest income	<u>35,000</u>	<u>35,000</u>	<u>46,783</u>	<u>11,783</u>
Miscellaneous	<u>46,500</u>	<u>46,500</u>	<u>161,814</u>	<u>115,314</u>
Total revenues	<u>6,892,833</u>	<u>6,892,833</u>	<u>7,229,574</u>	<u>336,741</u>
Expenditures:				
General government:				
Village Commission:				
Personal services	35,607	35,607	35,917	(310)
Operating expenditures	30,475	30,475	25,277	5,198
Total Village commission	<u>66,082</u>	<u>66,082</u>	<u>61,194</u>	<u>4,888</u>
Village Manager:				
Personal services	409,980	409,980	418,272	(8,292)
Operating expenditures	6,360	6,360	3,902	2,458
Total Village manager	<u>416,340</u>	<u>416,340</u>	<u>422,174</u>	<u>(5,834)</u>

See notes to budgetary comparison schedule.

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2017
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Village Clerk:				
Personal services	231,987	231,987	224,175	7,812
Operating expenditures	<u>66,630</u>	<u>66,630</u>	<u>57,763</u>	<u>8,867</u>
Total Village clerk	<u>298,617</u>	<u>298,617</u>	<u>281,938</u>	<u>16,679</u>
Finance:				
Personal services	433,413	433,413	448,654	(15,241)
Operating expenditures	<u>10,310</u>	<u>10,310</u>	<u>8,073</u>	<u>2,237</u>
Total finance	<u>443,723</u>	<u>443,723</u>	<u>456,727</u>	<u>(13,004)</u>
Village Attorney:				
Operating expenditures	<u>204,000</u>	<u>204,000</u>	<u>197,552</u>	<u>6,448</u>
Total Village attorney	<u>204,000</u>	<u>204,000</u>	<u>197,552</u>	<u>6,448</u>
Nondepartmental:				
Personal services	64,961	64,961	85,651	(20,690)
Operating expenditures	850,917	850,917	1,247,592	(396,675)
Capital outlay	<u>6,500</u>	<u>6,500</u>	<u>2,527</u>	<u>3,973</u>
Total nondepartmental	<u>922,378</u>	<u>922,378</u>	<u>1,335,770</u>	<u>(413,392)</u>
Total general government	<u>2,351,140</u>	<u>2,351,140</u>	<u>2,755,355</u>	<u>(404,215)</u>
Public safety:				
Personal services	4,368,537	4,368,537	4,324,741	43,796
Operating expenditures	374,867	374,867	440,539	(65,672)
Capital outlay	<u>157,950</u>	<u>157,950</u>	<u>29,467</u>	<u>128,483</u>
Total public safety	<u>4,901,354</u>	<u>4,901,354</u>	<u>4,794,747</u>	<u>106,607</u>
Parks and recreation:				
Operating expenditures	237,100	237,100	252,545	(15,445)
Capital outlay	<u>-</u>	<u>-</u>	<u>24,893</u>	<u>(24,893)</u>
Total parks and recreation	<u>237,100</u>	<u>237,100</u>	<u>277,438</u>	<u>(40,338)</u>
Total expenditures	<u>7,489,594</u>	<u>7,489,594</u>	<u>7,827,540</u>	<u>(337,946)</u>
Excess of revenues over expenditures	<u>(596,761)</u>	<u>(596,761)</u>	<u>(597,966)</u>	<u>(1,205)</u>
Other Financing Uses:				
Transfers in	790,443	790,443	790,443	-
Transfers out	<u>(193,682)</u>	<u>(193,682)</u>	<u>(241,111)</u>	<u>(47,429)</u>
Total other financing uses	<u>596,761</u>	<u>596,761</u>	<u>549,332</u>	<u>(47,429)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(48,634)</u>	\$ <u>(48,634)</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, 2017

**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 43 \$ 7,229,574

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	547,189
Street Maintenance Fund	<u>193,345</u>

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 15 \$ 7,970,108

Total expenditures, page 44 \$ 7,827,540

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	458,855
Street Maintenance Fund	<u>416,292</u>

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 15 \$ 8,702,687

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 within the various activities in a department as long as the transfer does not amount to more than 5% of the total budget of the department. There were no budgetary transfers within a department for the year ending September 30, 2017. All other budgetary transfers must be approved by resolution of the Village Commission. Expenditures may not exceed appropriations at the departmental level.

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

Note 2 - Excess of Expenditures Over Appropriations

For the year ended September 30, 2017, expenditures exceeded appropriations in the following:

General Fund - Village Manger	\$ 5,834
General Fund - Finance	\$ 13,004
General Fund - Nondepartmental	\$ 413,392
General Fund - Parks and Recreation	\$ 40,338
Street Maintenance Fund	\$ 51,041

This unfavorable variance was caused by unbudgeted costs related to unforeseen circumstances and occurrences during the year which in part were related to Hurricane Irma and were covered by revenues in excess of budget and unassigned fund balance.

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

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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
North Bay Village, Florida's proportion of the net pension liability	0.023842196%	0.024321282%	0.020411165%	0.019243398%
North Bay Village, Florida's proportionate share of the net pension liability	\$ 7,052,362	\$ 6,141,143	\$ 2,636,376	\$ 1,174,130
North Bay Village, Florida's covered-employee payroll	\$ 4,260,039	\$ 4,191,730	\$ 3,811,541	\$ 3,442,706
North Bay Village, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.55%	146.51%	69.17%	34.10%
Plan fiduciary net position as a percentage of total pension liability	83.89%	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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
North Bay Village, Florida's proportion of the net pension liability	0.013346042%	0.013577049%	0.012524760%	0.011525625%
North Bay Village, Florida's proportionate share of the net pension liability	\$ 1,427,020	\$ 1,582,349	\$ 1,277,329	\$ 1,077,674
North Bay Village, Florida's covered-employee payroll	\$ 4,260,039	\$ 4,191,730	\$ 3,811,541	\$ 3,442,706
North Bay Village, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.50%	37.75%	33.51%	31.30%
Plan fiduciary net position as a percentage of total pension liability	1.64%	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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 694,071	\$ 637,477	\$ 573,039	\$ 490,043
Contributions in relation to the contractually required contribution	<u>694,071</u>	<u>637,477</u>	<u>573,039</u>	<u>490,043</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
North Bay Village, Florida's covered employee payroll	\$ 4,275,799	\$ 4,088,434	\$ 3,807,189	\$ 3,554,672
Contributions as a percentage of covered payroll	16.23%	15.59%	15.05%	13.79%

* 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 70,978	\$ 67,868	\$ 52,231	\$ 43,298
Contributions in relation to the contractually required contribution	<u>70,978</u>	<u>67,868</u>	<u>52,231</u>	<u>43,298</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
North Bay Village, Florida's covered employee payroll	\$ 4,275,799	\$ 4,088,434	\$ 3,807,189	\$ 3,554,672
Contributions as a percentage of covered payroll	1.66%	1.66%	1.37%	1.22%

* 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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	13.59%	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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	13.59%	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, 2017

	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	
Assets:						
Pooled cash, cash equivalents and investments	\$ 163,260	\$ 982,639	\$ -	\$ 2,150	\$ 227,018	\$ 1,375,067
Prepaid items	1,028	-	-	-	-	1,028
Receivables	-	80,314	61,940	-	-	142,254
Total assets	<u>\$ 164,288</u>	<u>\$ 1,062,953</u>	<u>\$ 61,940</u>	<u>\$ 2,150</u>	<u>\$ 227,018</u>	<u>\$ 1,518,349</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,831	\$ 22,050	\$ 56,135	\$ -	\$ -	\$ 82,016
Payroll liabilities	10,519	3,837	5,721	-	-	20,077
Total liabilities	<u>14,350</u>	<u>25,887</u>	<u>61,856</u>	<u>-</u>	<u>-</u>	<u>102,093</u>
Fund balances:						
Nonspendable:						
Prepaid items	1,028	-	-	-	-	1,028
Restricted for:						
Transportation projects	-	1,037,066	-	-	-	1,037,066
Recreation and human services	-	-	84	-	227,018	227,102
Law enforcement	148,910	-	-	2,150	-	151,060
Total fund balances	<u>149,938</u>	<u>1,037,066</u>	<u>84</u>	<u>2,150</u>	<u>227,018</u>	<u>1,416,256</u>
Total liabilities and fund balances	<u>\$ 164,288</u>	<u>\$ 1,062,953</u>	<u>\$ 61,940</u>	<u>\$ 2,150</u>	<u>\$ 227,018</u>	<u>\$ 1,518,349</u>

North Bay Village, Florida
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2017

	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	
Revenues:						
Taxes	\$ -	\$ 328,070	\$ -	\$ -	\$ -	\$ 328,070
Intergovernmental revenue	-	-	148,402	-	-	148,402
Fines and forfeitures	470,773	9,925	-	-	-	480,698
Impact fees	-	-	-	1,744	4,068	5,812
Interest income	589	-	-	-	-	589
Other	14,069	-	-	-	-	14,069
Total revenues	<u>485,431</u>	<u>337,995</u>	<u>148,402</u>	<u>1,744</u>	<u>4,068</u>	<u>977,640</u>
Expenditures:						
Current:						
Public safety	500,190	-	-	-	-	500,190
Public works	-	153,861	-	-	-	153,861
Recreation and human services	-	-	158,920	-	-	158,920
Capital outlay	<u>25,812</u>	<u>32,372</u>	<u>-</u>	<u>3,055</u>	<u>92,821</u>	<u>154,060</u>
Total expenditures	<u>526,002</u>	<u>186,233</u>	<u>158,920</u>	<u>3,055</u>	<u>92,821</u>	<u>967,031</u>
Excess (deficiency) of revenues over expenditures	(40,571)	151,762	(10,518)	(1,311)	(88,753)	10,609
Other Financing Sources (Uses):						
Transfers in	-	55,248	10,518	-	-	65,766
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>55,248</u>	<u>10,518</u>	<u>-</u>	<u>(40,000)</u>	<u>25,766</u>
Net change in fund balances	(40,571)	207,010	-	(1,311)	(128,753)	36,375
Fund Balances, beginning of year	<u>190,509</u>	<u>830,056</u>	<u>84</u>	<u>3,461</u>	<u>355,771</u>	<u>1,379,881</u>
Fund Balances, end of year	<u>\$ 149,938</u>	<u>\$ 1,037,066</u>	<u>\$ 84</u>	<u>\$ 2,150</u>	<u>\$ 227,018</u>	<u>\$ 1,416,256</u>

North Bay Village, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Transportation Fund
For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 320,000	\$ 320,000	\$ 328,070	\$ 8,070
Fines and forfeitures	2,000	2,000	9,925	7,925
Total revenues	<u>322,000</u>	<u>322,000</u>	<u>337,995</u>	<u>15,995</u>
 Expenditures:				
Public works	158,645	158,645	153,861	4,784
Capital outlay	<u>1,062,345</u>	<u>1,062,345</u>	<u>32,372</u>	<u>1,029,973</u>
Total expenditures	<u>1,220,990</u>	<u>1,220,990</u>	<u>186,233</u>	<u>1,034,757</u>
Excess (deficiency) of revenues over expenditures	<u>(898,990)</u>	<u>(898,990)</u>	<u>151,762</u>	<u>1,050,752</u>
 Other Financing Sources:				
Transfers in	<u>55,248</u>	<u>55,248</u>	<u>55,248</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(843,742)</u></u>	\$ <u><u>(843,742)</u></u>	\$ <u><u>207,010</u></u>	\$ <u><u>1,050,752</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenue	\$ <u>169,252</u>	\$ <u>169,252</u>	\$ <u>148,402</u>	\$ <u>(20,850)</u>
Total revenues	<u>169,252</u>	<u>169,252</u>	<u>148,402</u>	<u>(20,850)</u>
Expenditures:				
Culture and recreation	<u>175,680</u>	<u>175,680</u>	<u>158,920</u>	<u>16,760</u>
Total expenditures	<u>175,680</u>	<u>175,680</u>	<u>158,920</u>	<u>16,760</u>
Excess (deficiency) of revenues over expenditures	<u>(6,428)</u>	<u>(6,428)</u>	<u>(10,518)</u>	<u>(4,090)</u>
Other Financing Sources:				
Transfers in	<u>6,428</u>	<u>6,428</u>	<u>10,518</u>	<u>4,090</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 - Building Fees Fund
For the Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 570,000	\$ 570,000	\$ 519,083	\$ (50,917)
Miscellaneous	<u>4,764</u>	<u>4,764</u>	<u>28,106</u>	<u>23,342</u>
Total revenues	<u>574,764</u>	<u>574,764</u>	<u>547,189</u>	<u>(27,575)</u>
Expenditures:				
Building, planning and zoning	<u>553,022</u>	<u>553,022</u>	<u>458,855</u>	<u>94,167</u>
Total expenditures	<u>553,022</u>	<u>553,022</u>	<u>458,855</u>	<u>94,167</u>
Other Financing Uses:				
Transfers out	<u>(21,742)</u>	<u>(21,742)</u>	<u>(21,742)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>66,592</u></u>	\$ <u><u>66,592</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenue	\$ 183,641	\$ 183,641	\$ 184,564	\$ 923
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>8,781</u>	<u>6,781</u>
Total revenues	<u>185,641</u>	<u>185,641</u>	<u>193,345</u>	<u>7,704</u>
Expenditures:				
Public works	365,251	365,251	403,247	(37,996)
Capital outlay	<u>-</u>	<u>-</u>	<u>13,045</u>	<u>(13,045)</u>
Total expenditures	<u>365,251</u>	<u>365,251</u>	<u>416,292</u>	<u>(51,041)</u>
Excess (deficiency) of revenues over expenditures	<u>(179,610)</u>	<u>(179,610)</u>	<u>(222,947)</u>	<u>(43,337)</u>
Other Financing Sources:				
Transfers in	<u>179,610</u>	<u>179,610</u>	<u>222,947</u>	<u>43,337</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 - Debt Service Fund
For the Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 648,059	\$ 648,059	\$ 648,059	\$ -
Total revenues	<u>648,059</u>	<u>648,059</u>	<u>648,059</u>	<u>-</u>
Expenditures:				
Principal	422,857	422,857	422,857	-
Interest and fiscal charges	<u>225,202</u>	<u>225,202</u>	<u>225,191</u>	<u>11</u>
Total expenditures	<u>648,059</u>	<u>648,059</u>	<u>648,048</u>	<u>11</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>11</u></u>	\$ <u><u>11</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>47,926</u>	\$ <u>(52,074)</u>
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>47,926</u>	<u>(52,074)</u>
Expenditures:				
Capital outlay	<u>1,381,000</u>	<u>1,381,000</u>	<u>385,229</u>	<u>995,771</u>
Total expenditures	<u>1,381,000</u>	<u>1,381,000</u>	<u>385,229</u>	<u>995,771</u>
Excess (deficiency) of revenues over expenditures	<u>(1,281,000)</u>	<u>(1,281,000)</u>	<u>(337,303)</u>	<u>943,697</u>
Other Financing Sources:				
Transfers in	<u>61,000</u>	<u>61,000</u>	<u>40,000</u>	<u>(21,000)</u>
Net change in fund balance	\$ <u><u>(1,220,000)</u></u>	\$ <u><u>(1,220,000)</u></u>	\$ <u><u>(297,303)</u></u>	\$ <u><u>922,697</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 4,028,050
Restricted	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	1,897,794
Unrestricted (deficit)	816,144	707,893	1,710,848	462,524	493,678	(129,020)	85,083	(3,300,953)	(3,387,282)	(3,715,685)
Total governmental activities, net position	\$ 3,526,938	\$ 3,645,697	\$ 3,646,674	\$ 3,946,245	\$ 4,702,184	\$ 3,945,420	\$ 4,971,754	\$ 1,602,145	\$ 2,338,841	\$ 2,210,159
Business-Type Activities:										
Net investment in capital assets	\$ 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	\$ 9,394,287
Restricted	62,929	62,929	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,187,909)	(708,672)	(697,460)	(483,988)	438,423	633,107	889,675	270,010	705,341	211,810
Total business-type activities, net position	\$ 1,761,437	\$ 2,635,264	\$ 5,157,159	\$ 8,507,850	\$ 8,699,993	\$ 8,949,205	\$ 8,972,385	\$ 8,672,033	\$ 9,145,516	\$ 9,606,097
Primary Government:										
Net investment in capital assets	\$ 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	\$ 13,422,337
Restricted	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	1,897,794
Unrestricted (deficit)	(371,765)	(779)	1,013,388	(21,464)	932,101	504,087	974,758	(3,030,943)	(2,681,941)	(3,503,875)
Total primary government, net position	\$ 5,288,375	\$ 6,280,961	\$ 8,803,833	\$ 12,454,095	\$ 13,402,177	\$ 12,894,625	\$ 13,944,139	\$ 10,274,178	\$ 11,484,357	\$ 11,816,256

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

Table 2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 2,062,461	\$ 1,786,414	\$ 1,933,488	\$ 1,628,104	\$ 2,079,698	\$ 2,110,915	\$ 1,736,545	\$ 1,645,316	\$ 2,416,720	\$ 2,954,893
Public safety	4,541,985	4,253,538	4,279,969	4,300,816	4,138,772	4,414,222	4,393,099	4,754,552	5,401,548	5,974,821
Public works	706,725	661,384	550,599	633,390	588,680	767,930	581,419	595,935	662,229	765,252
Building, planning and zoning	727,554	527,880	263,396	198,747	211,375	411,645	616,483	787,048	635,329	461,411
Recreation and human services	79,993	103,884	73,405	79,365	200,319	393,656	393,421	465,644	519,026	527,163
Interest on long-term debt	-	185,789	354,340	298,126	316,958	287,067	254,548	249,618	235,061	220,145
Total governmental activities	8,118,718	7,518,889	7,455,197	7,138,548	7,535,802	8,385,435	7,975,515	8,498,113	9,869,913	10,903,685
Business-type activities:										
Utility	3,315,635	3,306,266	4,573,136	3,726,551	4,450,352	4,463,577	5,033,035	5,547,846	4,368,279	5,105,373
Stormwater utility	40,616	54,119	84,772	52,230	80,972	114,344	85,522	181,792	100,658	69,205
Total business-type activities	3,356,251	3,360,385	4,657,908	3,778,781	4,531,324	4,577,921	5,118,557	5,729,638	4,468,937	5,174,578
Total primary government expenses	\$ 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	\$ 16,078,263
Program Revenues:										
Governmental activities:										
Charges for services:	\$ 24,173	\$ 31,755	\$ 43,894	\$ 63,842	\$ 52,928	\$ 64,151	\$ 335,664	\$ 241,624	\$ 676,382	\$ 307,184
General government	304,011	771,958	160,245	1,187,213	1,086,703	578,532	408,621	371,820	682,957	659,967
Public safety	301,022	219,786	243,910	219,419	324,987	441,841	660,858	891,984	570,814	519,083
Building, planning and zoning	-	-	-	-	-	-	539,220	-	-	15,216
Parks and recreation	23,323	19,005	109,220	302,416	441,042	411,205	406,728	2,034	475,649	840,492
Operating grants and contributions	5,870.00	-	166,254	31,880	279,035	196,099	110,167	428,419	-	-
Capital grants and contributions										
Total governmental activities program revenues	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	2,341,942
Business-type activities:										
Charges for services:										
Utility	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	6,196,972
Stormwater utility	112,115	117,264	117,114	123,513	115,320	121,605	110,868	112,927	116,178	116,575
Operating grants and contributions	-	-	-	-	-	-	-	-	-	125,620
Capital grants and contributions	152,349	191,967	2,601,923	2,707,001	122,542	-	-	599,232	-	12,195
Total business-type activities program revenues	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	6,451,362
Total primary government program revenues	\$ 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	\$ 8,793,304

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

Table 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Expense/Revenue:										
Governmental activities	\$ (7,460,319)	\$ (6,476,385)	\$ (6,731,674)	\$ (5,333,778)	\$ (5,351,107)	\$ (6,693,607)	\$ (5,514,257)	\$ (6,562,232)	\$ (7,464,111)	\$ (8,561,743)
Business-type activities	398,152	762,677	2,521,434	3,566,598	191,219	251,698	23,167	(14,975)	1,255,434	1,276,784
Total primary government, net expense	\$ (7,062,167)	\$ (5,713,708)	\$ (4,210,240)	\$ (1,767,180)	\$ (5,159,888)	\$ (6,441,909)	\$ (5,491,090)	\$ (6,577,207)	\$ (6,208,677)	\$ (7,284,959)
General Revenues and Other:										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 5,164,809
Franchise fees	454,131	452,775	409,810	384,644	397,329	392,198	441,194	435,354	434,029	444,495
Utility service taxes	406,315	409,568	434,715	434,136	474,206	508,687	550,901	559,998	586,646	604,737
Sales tax	367,787	331,275	373,587	421,916	464,315	504,473	538,419	574,061	603,513	630,296
Intergovernmental - unrestricted	749,715	774,664	592,267	574,781	599,389	597,263	575,123	584,677	581,142	587,791
Interest income	46,652	11,215	9,057	27,422	39,857	37,068	44,599	42,624	42,983	49,654
Miscellaneous revenues	84,540	95,043	310,574	152,737	183,037	203,417	142,255	219,456	196,902	134,976
Transfers	(95,012)	(110,000)	-	217,264	-	-	-	-	782,000	816,303
Total governmental activities	6,206,410	6,595,144	6,765,308	5,633,349	6,107,046	6,052,279	6,540,591	6,988,568	8,200,807	8,433,061
Business-type activities:										
Interest income	28,749	1,150	461	1,357	924	14	13	339	49	100
Transfers	95,012	110,000	-	(217,264)	-	-	-	-	(782,000)	(816,303)
Total business-type activities	123,761	111,150	461	(215,907)	924	14	13	339	(781,951)	(816,203)
Total primary government	\$ 6,330,171	\$ 6,706,294	\$ 6,765,769	\$ 5,417,442	\$ 6,107,970	\$ 6,052,293	\$ 6,540,604	\$ 6,988,907	\$ 7,418,856	\$ 7,616,858
Change in Net Position:										
Governmental activities	\$ (1,253,909)	\$ 118,759	\$ 33,634	\$ 299,571	\$ 755,939	\$ (641,328)	\$ 1,026,334	\$ 426,336	\$ 736,696	\$ (128,682)
Business-type activities	521,913	873,827	2,521,895	3,350,691	192,143	251,712	23,180	(14,636)	473,483	460,581
Total primary government	\$ (731,996)	\$ 992,586	\$ 2,555,529	\$ 3,650,262	\$ 948,082	\$ (389,616)	\$ 1,049,514	\$ 411,700	\$ 1,210,179	\$ 331,899

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

Table 3

Fiscal Year	Tax Roll Year	Ad Valorem Taxes	Utility Taxes	Franchise Fees	Sales Tax	Total
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
2017	2016	5,164,809	604,737	444,495	630,296	6,844,337

Table 4

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,908,759	1,920,845	2,688,696	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	79,594	98,796	95,284	22,418
Restricted	-	-	-	-	-	-	70,455	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	55,247	1,544,005	1,066,063	1,112,200	1,197,180	1,282,999	1,497,919
Unassigned	-	-	-	2,003,995	550,117	385,411	653,681	1,014,515	1,182,833	1,058,737
Total General Fund	\$ 1,908,759	\$ 1,920,845	\$ 2,688,696	\$ 2,059,242	\$ 2,094,122	\$ 1,451,474	\$ 1,915,930	\$ 2,310,491	\$ 2,561,116	\$ 2,579,074
All other governmental funds:										
Reserved	\$ 2,661,337	\$ 2,687,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	-	-	571,581	-	-	-	-	-	-	-
Debt Service Funds	-	-	(125)	-	-	-	-	-	-	-
Capital Projects Funds	-	-	2,146,707	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	586	-	1,171	1,028
Restricted	-	-	-	3,258,164	2,811,299	2,159,112	2,850,373	2,546,023	2,900,551	2,592,079
Unassigned (deficit)	-	-	-	(183,781)	(36,360)	(8,282)	-	-	-	-
Total all other governmental funds	\$ 2,661,337	\$ 2,687,822	\$ 2,718,163	\$ 3,074,383	\$ 2,774,939	\$ 2,150,830	\$ 2,850,959	\$ 2,546,023	\$ 2,901,722	\$ 2,593,107

(1) Information for fiscal years 2008 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			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 4,784,766	\$ 5,207,646	\$ 5,270,398	\$ 4,069,323
Licenses and permits	301,022	219,786	243,910	219,419
Franchise fees	454,131	452,775	409,810	384,646
Intergovernmental	960,526	957,470	1,040,943	1,107,351
Charges for services	24,173	31,755	43,894	63,842
Fines and forfeitures	304,011	771,958	407,433	1,187,943
Impact fees	-	-	-	-
Interest income	46,652	11,215	9,057	27,420
Miscellaneous	84,540	86,178	63,386	160,908
Total revenues	<u>6,959,821</u>	<u>7,738,783</u>	<u>7,488,831</u>	<u>7,220,852</u>
Expenditures:				
Current:				
General government	1,976,693	1,725,442	1,708,244	1,509,407
Public safety	4,193,571	3,952,196	4,105,308	4,194,676
Public works	562,267	532,154	510,267	602,869
Building, planning and zoning	698,839	502,220	230,397	175,007
Recreation and human services	37,840	53,685	55,072	66,176
Capital outlay	4,763,141	483,527	1,833,754	574,302
Debt service:				
Principal	148,053	155,199	167,567	6,460,285
Interest	32,674	185,789	367,998	453,628
Issuance costs	35,000	-	-	-
Total expenditures	<u>12,448,078</u>	<u>7,590,212</u>	<u>8,978,607</u>	<u>14,036,350</u>
Excess (deficiency of revenues over expenditures)	<u>(5,488,257)</u>	<u>148,571</u>	<u>(1,489,776)</u>	<u>(6,815,498)</u>
Other Financing Sources (Uses):				
Issuance of debt	6,250,000	-	2,160,000	6,325,000
Transfers in	57,517	707,175	560,644	272,512
Transfers out	<u>(152,529)</u>	<u>(817,175)</u>	<u>(560,644)</u>	<u>(55,248)</u>
Total other financing sources (uses)	<u>6,154,988</u>	<u>(110,000)</u>	<u>2,160,000</u>	<u>6,542,264</u>
Net change in fund balances	<u>\$ 666,731</u>	<u>\$ 38,571</u>	<u>\$ 670,224</u>	<u>\$ (273,234)</u>
Debt service as a percentage of noncapital expenditures	2.81%	4.80%	7.50%	51.36%

Table 5

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,643,163	\$ 4,579,336	\$ 5,076,403	\$ 5,430,674	\$ 5,873,265	\$ 6,097,616
324,987	441,841	731,398	947,087	651,276	627,290
397,329	392,198	441,194	453,853	452,528	463,044
1,563,737	1,447,564	1,363,533	1,294,336	1,351,976	1,425,940
52,928	64,151	61,071	61,346	75,546	53,889
1,086,703	578,532	311,951	416,021	748,538	712,990
-	-	768,172	2,840	400,000	5,812
39,857	37,068	44,599	42,624	42,983	49,654
183,037	203,417	203,528	275,668	228,497	212,770
<u>8,291,741</u>	<u>7,744,107</u>	<u>9,001,849</u>	<u>8,924,449</u>	<u>9,824,609</u>	<u>9,649,005</u>
1,655,882	2,039,426	1,632,209	1,602,527	2,292,938	2,752,828
3,884,086	4,214,414	4,030,054	4,565,865	4,995,588	5,290,496
546,368	394,222	410,981	448,915	491,030	557,108
176,756	389,832	594,293	786,817	631,027	458,855
181,086	354,393	353,715	349,056	370,355	411,465
1,443,455	948,290	154,637	424,357	566,499	637,165
372,857	387,857	392,857	402,857	412,857	422,857
295,815	282,430	268,518	254,430	239,991	225,191
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,556,305</u>	<u>9,010,864</u>	<u>7,837,264</u>	<u>8,834,824</u>	<u>10,000,285</u>	<u>10,755,965</u>
<u>(264,564)</u>	<u>(1,266,757)</u>	<u>1,164,585</u>	<u>89,625</u>	<u>(175,676)</u>	<u>(1,106,960)</u>
-	-	-	-	-	-
69,320	345,011	239,195	75,186	860,582	922,069
<u>(69,320)</u>	<u>(345,011)</u>	<u>(239,195)</u>	<u>(75,186)</u>	<u>(78,582)</u>	<u>(105,766)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>782,000</u>	<u>816,303</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>	\$ <u><u>(290,657)</u></u>
9.40%	8.05%	8.59%	7.81%	6.92%	6.33%

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
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
2017	6,560,660	1,425,940	627,290	53,889	712,990	49,654	218,582	9,649,005

North Bay Village, Florida

Table 7

Assessed Value and Estimated Actual Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Tax Roll Year	Real Property		Personal Property	Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial		Real Property	Personal Property				
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%
2017	2016	995,149,725	255,499,553	21,890,635	65,952,699	1,993,470	1,204,593,744	5.5540	954,741,137	126%

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

Fiscal Year	Tax Roll Year	North Bay Village			School District			Overlapping Rates				
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	State				
								South Florida Water Management District	Everglades Project	Okeechobee Basin	Florida Inland Navigational District	Total State Millage
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
2017	2016	4.8432	0.7108	5.5540	7.1380	0.1840	7.3220	0.1359	0.0471	0.1477	0.0320	0.3627

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	
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
4.6669	0.4000	5.0669	0.5000	2.4207	0.0075	0.2840	3.2122	21.5178

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

Table 9

Taxpayer	Type of Use	Fiscal Year					
		2017			2008		
		Taxable Assessed Value	Rank	Percentage Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Taxable Assessed Value
CLPF NBV LP	Rental apartments	\$ 61,700,000	1	5.12%	\$ -	-	-
TOTB Miami LLC	Condominium	21,058,314	2	1.75%	-	-	-
WSVN Channel 7	Commercial (TV Station)	11,700,000	3	0.97%	12,264,712	5	1.10%
Coastal Condos LLC	Condominium	11,601,829	4	0.96%	-	-	-
Isle of Dreams LLC	Residential - Vacant	9,331,340	5	0.77%	14,664,010	3	1.31%
TOTB North LLC	Rental apartments	9,311,490	6	0.77%	-	-	-
The Inn on the Bay LTD	Hotel	8,448,116	7	0.70%	-	-	-
Florida Power & Light Company	Electric Provider	7,841,650	8	0.65%	-	-	-
Causeway Tower LLC	Office building	7,645,273	9	0.63%	-	-	-
North Bay Causeway LLC	Vacant Commercial	7,103,844	10	0.59%	-	-	-
KMC EC II LLC	Rental apartments	-	-	-	27,379,109	1	2.45%
Casa Marina Development LLC	Apartment Building	-	-	-	19,645,600	2	1.76%
Pennsylvania Invest Prop LP	Commercial	-	-	-	12,441,478	4	1.11%
NESS Racquet Club LLC	Vacant Land	-	-	-	11,769,850	6	1.05%
1755 Aqua Vista II, LLC	Vacant Land (Parking)	-	-	-	9,408,955	7	0.84%
Royal Isle Aprtments, LC	Rental Apartments	-	-	-	7,998,619	8	0.72%
BMS North Bay Village LLC	Industrial	-	-	-	7,526,250	9	0.67%
Gator Harbor West, LTD	Rental Apartments	-	-	-	7,405,697	10	0.66%
Totals		\$ 155,741,856		12.93%	\$ 130,504,280		11.69%

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

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

Table 10

Fiscal Year	Tax Roll Year	Property Tax Levy	Percentage of Current Tax		Percentage of Total Tax	
			Current Tax Collection (1)	Collections to Net Tax Levy	Delinquent Tax Collection	Total Tax Collection
2008	2007	\$ 5,356,287	\$ 4,069,893	75.98%	*	\$ 4,069,893
2009	2008	5,960,769	4,504,385	75.57%	*	4,504,385
2010	2009	4,713,635	4,174,918	88.57%	*	4,174,918
2011	2010	3,771,091	3,026,564	80.26%	*	3,026,564
2012	2011	4,026,317	3,139,931	77.99%	*	3,139,931
2013	2012	4,010,332	3,062,516	76.37%	*	3,062,516
2014	2013	4,358,650	3,579,598	82.13%	*	3,579,598
2015	2014	4,094,246	3,974,467	97.07%	*	3,974,467
2016	2015	4,476,256	4,320,744	96.53%	*	4,320,744
2017	2016	4,624,002	4,516,750	97.68%	*	4,516,750

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		Capital Leases and Loan Payable				
				Revolving Loans						
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	1.87%	848		
2017	5,912,858	-	-	1,717,110	-	7,629,967	*	850		

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Estimated Actual Taxable Value	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita (1)
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
2017	5,912,858	-	5,912,858	954,741,137	0.62%	658.96

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, 2017

Table 13

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to North Bay Village (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 4,523,556,000	0.350%	\$ 15,852,873
Miami-Dade County School Board (3)	<u>3,810,543,000</u>	0.350%	<u>13,354,107</u>
Subtotal overlapping debt	<u>8,334,099,000</u>		<u>29,206,980</u>
Direct debt:			
North Bay Village	<u>5,912,858</u>	100.000%	<u>5,912,858</u>
Subtotal direct debt	<u>5,912,858</u>		<u>5,912,858</u>
Total direct and overlapping debt	<u>\$ 8,340,011,858</u>		<u>\$ 35,119,838</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 2016 CAFR.
Represents debt outstanding at September 30, 2016 since numbers at September 30, 2017 are not available.

(3) Source: The School Board of Miami-Dade County, Florida 2017 CAFR.

Table 14

North Bay Village, Florida
Legal Debt Margin Information
September 30, 2017

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 2,366,719
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 2,366,719
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 2017										
Current annual governmental funds fiscal budget									\$	11,833,595
Bonded debt limit - 20% of above									\$	2,366,719
Amount of debt applicable to debt limit:										
Total bonded debt:										-
Less revenue bonds										-
Total net debt applicable to limit										-
Legal Debt Margin (1)										\$ 2,366,719

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

North Bay Village, Florida
Pledged Revenue Coverage
September 30, 2017

Table 15

Fiscal Year	State Revolving Fund Loans					
	Gross Revenue	Operating Expenses *	Net	Principal	Interest	Coverage
			Available Revenue			
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
2017	6,334,887	4,701,409	1,633,478	128,781	28,158	10.41

* Total expenses exclude depreciation

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
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	406,643	45,440	5.6%
2017	8,973	*	*	4.7%

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					
	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	209,320	1	18.59%	217,530	1	21.96%
Sales and related	148,800	2	13.22%	136,390	2	13.77%
Food preparation and service related	108,040	3	9.60%	79,700	3	8.05%
Transportation and material moving	90,730	4	8.06%	71,300	4	7.20%
Healthcare practitioners and technical	69,440	5	6.17%	54,120	6	5.46%
Business and financial operations	61,800	6	5.49%	56,250	5	5.68%
Education, training and library	54,460	7	4.84%	53,690	7	5.42%
Installation, maintenance and repair	43,280	8	3.84%	40,410	9	4.08%
Production	42,140	9	3.74%	41,560	8	4.20%
Protective service	42,100	10	3.74%	36,990	11	3.73%
Building and grounds cleaning and maintenance	39,890	11	3.54%	-	22	0.00%
Management	39,370	12	3.50%	30,670	12	3.10%
Construction and extraction	33,560	13	2.98%	39,650	10	4.00%
Personal care and service	30,190	14	2.68%	28,490	13	2.88%
Healthcare support	29,910	15	2.66%	26,580	14	2.68%
Computer and mathematical science	22,090	16	1.96%	17,060	15	1.72%
Legal	16,930	17	1.50%	12,170	17	1.23%
Arts, design, entertainment, sports and media	15,580	18	1.38%	16,250	16	1.64%
Community and social services	11,610	19	1.03%	12,120	18	1.22%
Architecture and engineering	10,620	20	0.94%	11,600	19	1.17%
Life, physical and social sciences	3,810	21	0.34%	5,530	20	0.56%
Farming, fishing and forestry	2,050	22	0.18%	2,510	21	0.25%
Total	1,125,720		100.00%	990,570		100.00%

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 2016. 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function:										
General government and public safety:										
Sworn officers	30.0	30.0	25.5	25.5	24.5	24.5	24.0	26.0	29.0	29.0
Civilians	9.0	6.0	8.0	7.0	7.0	7.0	8.0	8.0	9.5	9.5
Administration	21.0	20.5	11.5	14.5	15.0	16.0	16.5	17.0	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	4.0
Public works:										
Administration	3.0	4.0	4.0	-	-	-	-	-	-	-
Sanitation	8.0	6.0	7.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Water	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	3.0	3.0	3.0	3.5	2.5	2.5	3.0	3.0	3.0	3.0
Transit	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Total	78.5	74.0	64.0	64.0	61.5	63.5	65.0	67.5	71.5	71.5

Source: Various City departments.

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

Table 19

Function:	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Building permits issued	390	293	426	540	507	645	686	740	727	728
Public safety:										
Number of calls for service **	6,386	9,049	9,941	19,775	33,400	34,506	30,977	27,515	33,036	39,499
Number of arrests	189	125	94	117	167	112	78	141	392	379
Number of traffic violations	924	N/A	765	1,360	1,953	1,497	1,630	1,041	2,918	3,254
Number of parking violations	713	N/A	584	799	1,188	1,598	1,301	1,230	2,650	2,476
Number of school crossing guards	N/A	N/A	N/A	N/A	N/A	4	4	4	4	4
Public works:										
Garbage tons collected and disposed*	N/A	N/A	N/A	N/A	4,729	4,637	4,578	4,800	4,794	4,641
Catch basins cleaned	-	-	-	-	-	53	28	12	19	6
Water average daily consumption (gallons)	679,769	756,452	778,312	833,668	1,069,939	1,137,815	1,092,706	1,176,752	1,148,480	1,192,408
Sewer average daily flow	N/A	N/A	N/A	N/A	968,157	1,118,656	1,145,298	1,186,282	1,283,631	1,120,561
Number of metered accounts	604	612	613	613	613	613	615	617	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

Function:	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	2	2	2	2	2	2
Acres of park	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0	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*

To the 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, 2017, 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 23, 2018.

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 23, 2018

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

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

We have audited North Bay Village, Florida (the "Village"), compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Village's major State projects for the year ended September 30, 2017. The Village's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Project

In our opinion, the Village complied, in all material respects, with the types of compliance requirement referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2017.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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



KEEFE MCCULLOUGH

Fort Lauderdale, Florida
March 23, 2018

INDEPENDENT AUDITOR'S REPORT TO THE VILLAGE MANAGEMENT

To the 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, 2017, and have issued our report thereon dated March 23, 2018.

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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and 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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 23, 2018, 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.

Financial Condition and Management

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

North Bay Village, Florida

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.

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Village, for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 23, 2018

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

To the 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, 2017. 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, 2017.

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 23, 2018

North Bay Village, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2017

State Agency, Pass-through Entity State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
State Projects:				
Direct Programs:				
Florida Department of Environmental Protection				
Drinking Water State Revolving Fund	37.076	DW 130420	\$ 56,150	-
Drinking Water State Revolving Fund	37.076	DW 130400	105,470	-
Drinking Water State Revolving Fund	37.076	DW 130401	128,883	-
			<u>290,503</u>	
Clean Water State Revolving Fund	37.077	WW 130410	52,590	\$ -
Clean Water State Revolving Fund	37.077	WW130411	1,127,969	-
			<u>1,180,559</u>	
Total Expenditures of State Financial Assistance			\$ <u>1,471,062</u>	\$ -

See notes to Schedule of Expenditures of State Financial Assistance.

North Bay Village, Florida
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2017

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance includes the state grant activity of the Village for the year ended September 30, 2017. The information in the Schedule of Expenditures of State Financial Assistance is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Village.

Note 2- Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.550, *Rules of the Auditor General* as well as other applicable provisions of contracts and grant agreements wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3- Indirect Cost Rate

The Village did not elect to use the 10-percent de minimis indirect cost rate.

Note 4 - Contingency

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

North Bay Village, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2017

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of North Bay Village, Florida.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of North Bay Village, Florida were disclosed during the audit.
4. No material weaknesses relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, *Rules of the Auditor General*.
5. The auditor's report on compliance for the major state project for North Bay Village, Florida expresses an unmodified opinion.
6. There are no findings relative to the major state project for North Bay Village, Florida reported in Part C of this schedule.
7. The programs/projects tested as a major program/projects are the following:

State Projects

State CSFA No.

Florida Department of Environmental Protection
Clean Water State Revolving Fund

37.077

8. The threshold for distinguishing Type A and Type B projects was \$ 300,000 for major state projects.

B. Findings - Financial Statement Audit

No matters were reported.

C. Findings and Questioned Costs - Major State Financial Assistance Project Audits

No matters were reported.

D. Other Issues

1. No summary schedule of prior audit findings is required because there were no prior audit findings related to state projects.
2. No corrective action plan is required because there were no findings required to be reported under the Florida Single Audit Act.
3. A separate management letter was not issued because there were no findings required to be reported in the management letter.