



# North Bay Village, Florida

Comprehensive Annual Financial Audit

Fiscal Year Ended September 30, 2018

# North Bay Village, Florida

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2018

Prepared By:  
Finance Department

Bert Wrains, Finance Director

## North Bay Village, Florida

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

March 29, 2019

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

In accordance with Section 11.45, and Section 218.39 Florida Statutes and Section 4.01 of North Bay Village, Florida's ("the Village") Charter, submitted herewith is the Village's Comprehensive Annual Financial Report (the "CAFR") for the fiscal year ended September 30, 2018.

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  
**Brent Latham**

Vice-Mayor  
**Marvin Wilmoth**

Commissioner  
**Jose Alvarez**

Commissioner  
**Andreana Jackson**

Commissioner  
at Large  
**Julianna Strout**



The Village consists of an area of approximately .80 square miles, with a population of 8,981 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 8 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 2019. 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 2018

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 \$ 1.2 billion shows an 85.4% improvement since the lowest taxable values in 2013. This is the sixth straight year of increased values. During the past year, we continued to see positive signs that the local economy had improved as the number of building permits and applications for mixed use (commercial and residential) projects increased. An increase in the permits for new and renovated single family homes is another positive sign of an improving economy. Another important factor is that these new projects will be producing jobs for the local economy.

The Village Manager in September 2017, declared a state of emergency in North Bay Village in response to the anticipated landfall of Hurricane Irma, and was authorized by the Village Commission to expend \$ 750,000 from General Fund Reserves to cover the costs incurred for hurricane related expenses. These costs included debris removal, overtime and any other necessary emergency expenses. The Village has applied for reimbursement from FEMA and has received about 65% of the eligible expenses. Any funds received from FEMA will be used to replace any reserved fund monies.

### **MAJOR INITIATIVES**

The Village, in 2018 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;
- Continued the work to complete the water main rehabilitation project;
- Continued the replacement of all water meters in the Village's system;
- Completed most of the 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 2018 and should be completed in 2019 and 2020. 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 implement the sanitary sewer rehabilitation project, rehabilitation of the Village’s water main system, as well as replace all the Village water meters. The new water meters are the “Smart Meter” system that allows RF automated reading as well as a leak detection system. The Village has contracted with Kimley Horn Engineering firm to oversee the construction of these 3 projects.
- The Village has completed the construction on renovation of the stormwater infrastructure. The deep well injection pump has 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 project included inspection of the drain lines and lining of the ones that required corrective action. The project also included the installation of back flow preventer valves to stop the bay water coming up the lines and into the streets during high water events.
- 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 3 employees that remained when the Village converted to the FRS. The plans currently cover all full-time and part-time employees of the Village. Under these plans, the Village contributes between 8.26% and 24.50% 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, 2018 were approximately \$ 1,003,586.

### 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 nine outstanding long-term debt issues. The Village has six sewer infrastructure loans through the Florida Department of Environmental Protection (DEP). The six 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 .085% to 2.18%. The last loan will be paid off in April 2035. The principal outstanding on the water and sewer infrastructure loans as of September 30, 2018 totaled \$ 5,004,174.

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, 2018 is \$ 5,480,000.

The Village in May 2018 issued \$ 2,350,000 taxable note for the purchase of the Sakura property. The purchase price was \$ 2,295,000 and the note had a coupon interest rate of 3.531%. This is a 3 year Note with a balloon payment of \$ 2,270,000 in 2021.

## **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 2017 financial statements under this program and was awarded the Village’s fourth 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 Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Bay Village  
Florida**

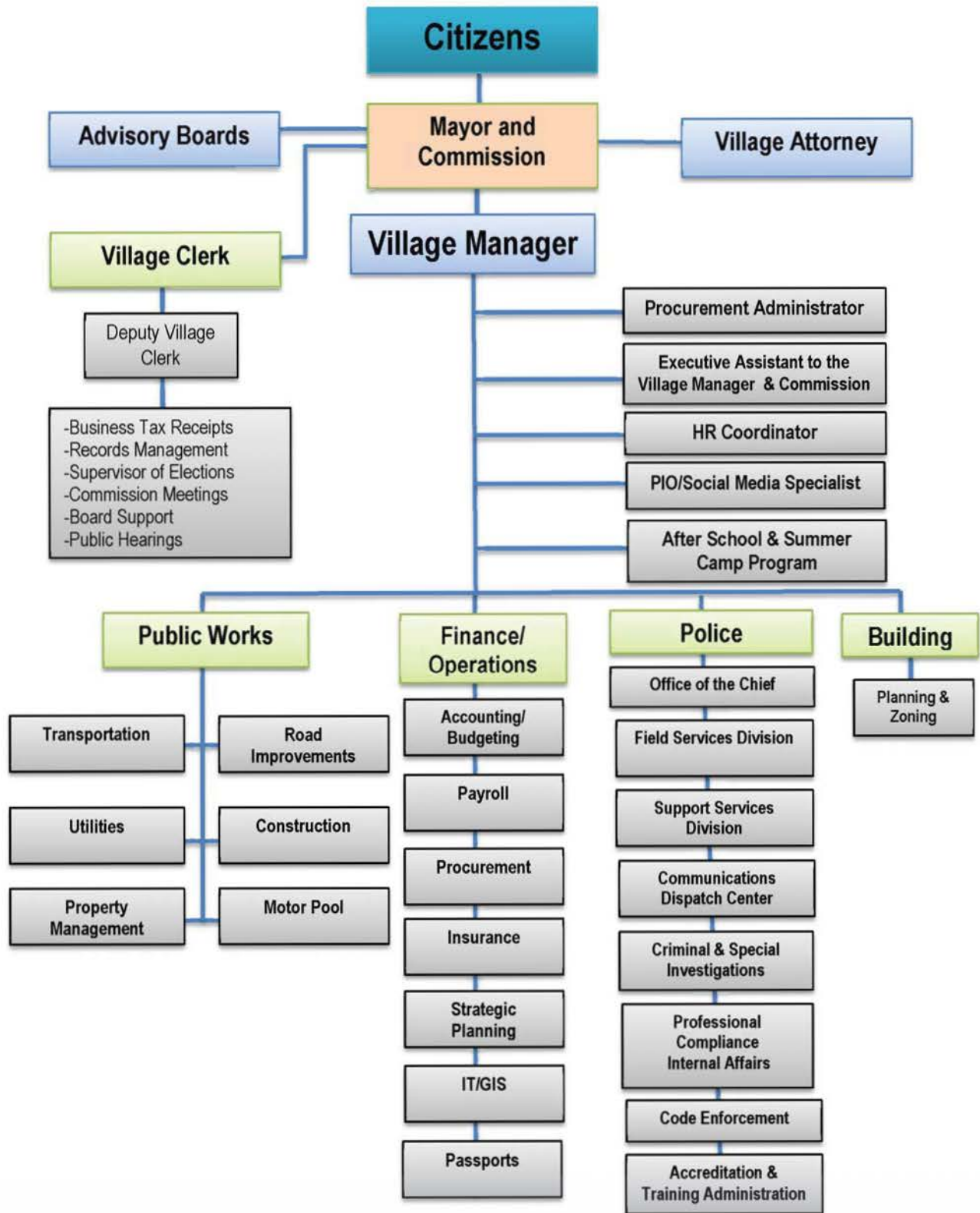
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# NORTH BAY VILLAGE ORGANIZATIONAL CHART



## LIST OF ELECTED AND PRINCIPAL OFFICIALS

<u>Title</u>	<u>Name</u>
Mayor	Brent Latham
Vice Mayor	Marvin Wilmoth
Commissioner	Jose R. Alvarez
Commissioner	Andreana Jackson
Commissioner	Julianna Strout
Interim Village Manager	Ralph Rosado, PhD, AICP
Village Clerk	Elora Riera
Interim Village Attorney	Daniel A. Espino
Finance Director	Bert Wrains
Chief Building Official	Raul Rodriguez
Interim Police Chief	Brian Collins

## 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, 2018 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.

## 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note 12 to the financial statements, in 2018, the Village adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to post-employment benefits and pensions on pages 4 through 10 and 50 through 54, 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.

North Bay Village, Florida

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, 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 29, 2019

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, 2018.

### **Financial Highlights**

The assets of the North Bay Village exceeded its liabilities at the close of the most recent fiscal year by \$ 11,443,897 (net position). Governmental net position amounted to \$ 1,631,695 and business-type net position amount to \$ 9,812,202. Net position decreased by \$ 64,312 during the current fiscal year.

For the fiscal year ended September 30, 2018, the Village's governmental activities revenues and expenses were \$ 11,695,807 and \$ 12,038,473 respectively. As a result, governmental net position decreased by \$ 342,666.

For the fiscal year ended September 30, 2018, the Village's business-type activities revenues and expenses were \$ 6,046,121 and \$ 5,767,767 respectively. As a result, business-type net position increased by \$ 278,354.

At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$ 5,034,049, a decrease of \$ 138,132 in comparison with the prior year. Approximately 24.6% of this amount (\$ 1,236,890) 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 \$ 2,911,460, or approximately 29.1% 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. 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 funds and governmental activities.

The Village maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the State Forfeiture Fund, the Transportation Fund and the Capital Projects 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. 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 43 of this report.

**North Bay Village, Florida  
Management's Discussion and Analysis  
September 30, 2018**

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Village's General Fund and Transportation Fund budgetary schedules and progress in funding its obligation to provide OPEB benefits to its employees and the Village's pension liability and its contributions to fund that liability. Required supplementary information can be found on pages 45-54 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 55-61 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 \$ 11,443,897 at the close of September 30, 2018. Governmental activities net position totaled \$ 1,631,695, and business-type activities net position totaled \$ 9,812,202. The following table presents a condensed statement of net position as compared to the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 6,674,740	\$ 7,363,301	\$ 1,113,896	\$ 2,286,830	\$ 7,788,636	\$ 9,650,131
Restricted assets	-	-	464,016	464,196	464,016	464,196
Capital assets, net	11,891,789	9,246,634	16,060,072	11,111,397	27,951,861	20,358,031
<b>Total assets</b>	<b>18,566,529</b>	<b>16,609,935</b>	<b>17,637,984</b>	<b>13,862,423</b>	<b>36,204,513</b>	<b>30,472,358</b>
Total deferred outflows of resources	4,005,735	3,738,297	270,371	250,365	4,276,106	3,988,662
Current and other liabilities	2,456,968	2,654,649	2,507,189	2,206,825	4,964,157	4,861,474
Long term liabilities	17,654,504	15,248,769	5,523,587	2,333,567	23,178,091	17,582,336
<b>Total liabilities</b>	<b>20,111,472</b>	<b>17,903,418</b>	<b>8,030,776</b>	<b>4,540,392</b>	<b>28,142,248</b>	<b>22,443,810</b>
Total deferred inflows of resources	829,097	470,453	65,377	38,548	894,474	509,001
Net position:						
Net investment in capital assets	4,134,161	4,028,050	11,055,898	9,394,287	15,190,059	13,422,337
Restricted	2,009,931	1,897,794	-	-	2,009,931	1,897,794
Unrestricted (deficit)	(4,512,397)	(3,951,483)	(1,243,696)	139,561	(5,756,093)	(3,811,922)
<b>Total net position</b>	<b>\$ 1,631,695</b>	<b>\$ 1,974,361</b>	<b>\$ 9,812,202</b>	<b>\$ 9,533,848</b>	<b>\$ 11,443,897</b>	<b>\$ 11,508,209</b>

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



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An additional portion of the Village's net position of \$ 2,009,931 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$ 5,756,093) is unrestricted (deficit) and was mainly 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 decreased the Village's net position by \$ 64,312 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	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,468,551	\$ 1,501,450	\$ 6,039,581	\$ 6,313,547	\$ 7,508,132	\$ 7,814,997
Operating grants and contributions	536,436	840,492	-	125,620	536,436	966,112
Capital grants and contributions	-	-	6,360	12,195	6,360	12,195
General revenues:						
Property taxes	6,289,190	5,164,809	-	-	6,289,190	5,164,809
Other taxes and fees	2,397,331	2,267,319	-	-	2,397,331	2,267,319
Interest income	43,418	49,654	180	100	43,598	49,754
Other general revenues	189,837	134,976	-	-	189,837	134,976
Total revenues	<u>10,924,763</u>	<u>9,958,700</u>	<u>6,046,121</u>	<u>6,451,462</u>	<u>16,970,884</u>	<u>16,410,162</u>
Expenses:						
General government	3,127,620	2,954,893	-	-	3,127,620	2,954,893
Public safety	6,620,019	5,974,821	-	-	6,620,019	5,974,821
Public works	792,985	765,252	-	-	792,985	765,252
Building, planning, and zoning	663,846	461,411	-	-	663,846	461,411
Recreation and human services	527,727	527,163	-	-	527,727	527,163
Interest and fiscal charges	306,276	220,145	-	-	306,276	220,145
Utility	-	-	4,929,420	5,105,373	4,929,420	5,105,373
Stormwater utility	-	-	67,303	69,205	67,303	69,205
Total expenses	<u>12,038,473</u>	<u>10,903,685</u>	<u>4,996,723</u>	<u>5,174,578</u>	<u>17,035,196</u>	<u>16,078,263</u>
Change in net position before transfers	(1,113,710)	(944,985)	1,049,398	1,276,884	(64,312)	331,899
Transfers	<u>771,044</u>	<u>816,303</u>	<u>(771,044)</u>	<u>(816,303)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(342,666)	(128,682)	278,354	460,581	(64,312)	331,899
Net position, October 1	1,974,361	2,338,841	9,533,848	9,145,516	11,508,209	11,484,357
Restatement, Note 12	<u>-</u>	<u>(235,798)</u>	<u>-</u>	<u>(72,249)</u>	<u>-</u>	<u>(308,047)</u>
Net position, September 30	<u>\$ 1,631,695</u>	<u>\$ 1,974,361</u>	<u>\$ 9,812,202</u>	<u>\$ 9,533,848</u>	<u>\$ 11,443,897</u>	<u>\$ 11,508,209</u>

**Governmental activities** - During the current fiscal year, net position for governmental activities decreased \$ 342,666 from the prior fiscal year. The major reasons for these changes were that the General Fund ad valorem taxes increased over FY 2017 and the Village was moving into securing equipment to prepare for any active shooter event. This required the expenditure of funds to purchase the equipment and providing on-going training. The building department expenses went up as there were more permits issued in FY 2018. Also, during the year, several long term employees left the Village employment which required the payout of unfunded compensated absences. These were all one-time events and should not have any major effect in the future years. The Village in FY 2016 started leasing police vehicles which helped by not having to budget larger one time vehicle purchases. This was continued in FY 2017 and FY 2018

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 \$ 278,354. In the previous 3 fiscal years the Village had spent close to \$ 1,000,000 on repairing and replacing old sewer lift station equipment. In FY 2018 the Village leased 3 new solid waste vehicles and auctioned off the 3 old trucks that ranged in age from 1998 to 2007. Also, the sanitary sewer relining program has helped with the reduced flow to the treatment plant. These 2 actions have allowed the Village to cut operating costs and improve the overall net position.

### **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 \$ 5,034,049, a decrease of \$ 138,132 from the prior year. Approximately 24.6% of this amount (\$ 1,236,890) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is:

- 1) not in spendable form (\$ 39,451),
- 2) restricted for particular purposes (\$ 2,083,138),
- 3) committed for particular purposes, or
- 4) assigned for particular purposes (\$ 1,674,570).

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 \$ 1,236,890. 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 12.4% of total General Fund expenditures, while total fund balance represents approximately 29.5% of that same amount. The unassigned fund balance increased \$ 178,153 over fiscal year 2017 due to increases in ad valorem taxes and intergovernmental revenues

The State Forfeiture Fund, a major fund, had a small increase in fund balance due to insurance recoveries and a reduction in spending.

The Transportation Fund, also a major fund, had a \$ 320,069 increase in fund balance due to an increase in the transportation surtax that it receives and a reduction in capital outlay and operating expenditures.

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Management's Discussion and Analysis  
September 30, 2018**

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The Capital Projects Fund, the remaining major governmental fund, had a decrease in fund balance of \$ 700,950 due to the purchase of land for a new Village Hall/Police/Fire complex and increased spending for the Bay Walk Plaza.

**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 \$ 9,812,202. Reasons for the changes in these funds has been noted earlier in the discussion of business-type activities.

**General Fund Budgetary Highlights**

General fund revenues exceeded budgeted amounts by \$ 629,449 primarily due to a reimbursement grant from the Federal Emergency Management Agency for Hurricane Irma.

During the FY18, the Village Police Department began the process of obtaining the Commission for Florida Law Enforcement Accreditation. This, along with changes in the Village Clerk and Village Attorney departments, lead to actual General Fund expenditures being more than budgeted by approximately \$ 435,000.

**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, 2018 amounted to \$ 11,891,789 and \$ 16,060,072 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.

During the FY18, the governmental fund capital additions included the acquisition of land for a new Village Hall/Police/Fire complex and the continued work on the BayWalk Plaza.

The business-type activities capital additions pertain to water main repairs, water meter replacement and stormwater repairs project that are ongoing.

**Long-term debt** - At the end of the current fiscal, the Village has governmental activities general obligation debt outstanding of \$ 5,480,001. This debt is secured by the Village's ad valorem taxes. The Village also has a new Series 2018 Note outstanding for \$ 2,350,000 which is secured by non-ad valorem revenues. This new debt was used to purchase an additional parcel of land for a new Village Hall/Police/Fire complex. The Village's Utility Fund has State Revolving Fund debt outstanding of \$ 5,004,174. 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	
	2018	2017	2018	2017	2018	2017
Long-term debt:						
General obligation note, Series 2010	\$ 1,440,001	1,542,858	\$ -	\$ -	\$ 1,440,001	1,542,858
General obligation refunding note, Series 2010	4,040,000	\$ 4,370,000	-	-	4,040,000	\$ 4,370,000
Capital asset acquisition taxable note, Series 2018	2,350,000	\$ -	-	-	2,350,000	\$ -
Revolving state loans	-	-	5,004,174	1,717,110	5,004,174	1,717,110
<b>Total</b>	<b>\$ 7,830,001</b>	<b>\$ 5,912,858</b>	<b>\$ 5,004,174</b>	<b>\$ 1,717,110</b>	<b>\$ 12,834,175</b>	<b>\$ 7,629,968</b>

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 anticipates the adoption of a new Land Development Code that will enhance the viability of development in the Village. The police department is continuing the State recognized accreditation program. The first Phase of the BayWalk Project will be completed in FY 2019 and the development of the "Over the Water" Boardwalk will start and will be a major development for the residents and visitors alike.

The Village continues to strive for a sustainable and viable community and is developing a plan that will assist the residents and businesses to adopt features and develop action plans to deal with sea level rise and other physical changes that we experience.

### **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, 2018**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Pooled cash, cash equivalents and investments	\$ 5,879,903	\$ 412,761	\$ 6,292,664
Receivables, net	755,386	701,135	1,456,521
Restricted cash	-	464,016	464,016
Prepaid items	39,451	-	39,451
Capital assets:			
Non-depreciable	8,644,766	7,122,834	15,767,600
Depreciable, net	<u>3,247,023</u>	<u>8,937,238</u>	<u>12,184,261</u>
Total assets	<u>18,566,529</u>	<u>17,637,984</u>	<u>36,204,513</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	<u>4,005,735</u>	<u>270,371</u>	<u>4,276,106</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	1,061,053	1,272,666	2,333,719
Retainage payable	76,099	377,272	453,371
Payroll liabilities	485,239	36,933	522,172
Accrued interest payable	86,253	7,193	93,446
Unearned revenue	18,300	-	18,300
Customer deposits	-	464,016	464,016
Due within one year:			
Compensated absences payable	242,167	31,930	274,097
Debt	487,857	317,179	805,036
Due in more than one year:			
Compensated absences payable	1,210,833	159,651	1,370,484
Debt	7,342,144	4,686,995	12,029,139
Net pension liability	8,560,078	597,055	9,157,133
Net OPEB obligation	<u>541,449</u>	<u>79,886</u>	<u>621,335</u>
Total liabilities	<u>20,111,472</u>	<u>8,030,776</u>	<u>28,142,248</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	829,097	65,377	894,474
<b>Net Position:</b>			
Net investment in capital assets	4,134,161	11,055,898	15,190,059
Restricted for:			
Transportation projects	1,357,135	-	1,357,135
Law enforcement	31,525	-	31,525
Recreation and human services	237,158	-	237,158
Capital projects	384,113	-	384,113
Unrestricted net position (deficit)	<u>(4,512,397)</u>	<u>(1,243,696)</u>	<u>(5,756,093)</u>
Total net position	<u>\$ 1,631,695</u>	<u>\$ 9,812,202</u>	<u>\$ 11,443,897</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, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,127,620	\$ 327,257	\$ -	\$ -	\$ (2,800,363)	\$ -	\$ (2,800,363)
Public safety	6,620,019	425,375	5,824	-	(6,188,820)	-	(6,188,820)
Public works	792,985	-	372,344	-	(420,641)	-	(420,641)
Building, planning and zoning	663,846	698,376	-	-	34,530	-	34,530
Recreation and human services	527,727	17,543	158,268	-	(351,916)	-	(351,916)
Interest and fiscal charges	306,276	-	-	-	(306,276)	-	(306,276)
Total governmental activities	<u>12,038,473</u>	<u>1,468,551</u>	<u>536,436</u>	<u>-</u>	<u>(10,033,486)</u>	<u>-</u>	<u>(10,033,486)</u>
Business-type activities:							
Utility Fund	4,929,420	5,923,470	-	6,360	-	1,000,410	1,000,410
Stormwater Utility Fund	67,303	116,111	-	-	-	48,808	48,808
Total business-type activities	<u>4,996,723</u>	<u>6,039,581</u>	<u>-</u>	<u>6,360</u>	<u>-</u>	<u>1,049,218</u>	<u>1,049,218</u>
Total	<u>\$ 17,035,196</u>	<u>\$ 7,508,132</u>	<u>\$ 536,436</u>	<u>\$ 6,360</u>	<u>(10,033,486)</u>	<u>1,049,218</u>	<u>(8,984,268)</u>
General revenues:							
Taxes:							
Ad valorem taxes					6,289,190	-	6,289,190
Franchise fees on gross receipts					443,794	-	443,794
Utility service taxes					616,445	-	616,445
Sales tax					705,644	-	705,644
Intergovernmental, not restricted for specific purposes					631,448	-	631,448
Interest income					43,418	180	43,598
Miscellaneous					189,837	-	189,837
Transfers, net					771,044	(771,044)	-
Total general revenues					<u>9,690,820</u>	<u>(770,864)</u>	<u>8,919,956</u>
Change in net position					(342,666)	278,354	(64,312)
Net position, beginning, as restated (Note 12)					1,974,361	9,533,848	11,508,209
Net position, ending					<u>\$ 1,631,695</u>	<u>\$ 9,812,202</u>	<u>\$ 11,443,897</u>

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

**North Bay Village, Florida**  
**Balance Sheet - Governmental Funds**  
**September 30, 2018**

	<u>General Fund</u>	<u>State Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Pooled cash, cash equivalents and investments	\$ 3,094,166	\$ 719,132	\$ 1,275,873	\$ 544,398	\$ 246,334	\$ 5,879,903
Receivables	633,440	-	90,674	-	31,272	755,386
Prepaid items	39,451	-	-	-	-	39,451
Total assets	<u>\$ 3,767,057</u>	<u>\$ 719,132</u>	<u>\$ 1,366,547</u>	<u>\$ 544,398</u>	<u>\$ 277,606</u>	<u>\$ 6,674,740</u>
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 332,108	\$ 695,968	\$ 6,005	\$ 11,813	\$ 15,159	\$ 1,061,053
Retainage payable	-	-	-	76,099	-	76,099
Payroll liabilities	465,738	-	3,407	-	16,094	485,239
Unearned revenue	18,300	-	-	-	-	18,300
Total liabilities	<u>816,146</u>	<u>695,968</u>	<u>9,412</u>	<u>87,912</u>	<u>31,253</u>	<u>1,640,691</u>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid items	39,451	-	-	-	-	39,451
Restricted for:						
Capital projects	-	-	-	456,486	-	456,486
Debt service	-	-	-	-	834	834
Transportation projects	-	-	1,357,135	-	-	1,357,135
Law enforcement	-	23,164	-	-	8,361	31,525
Recreation and human services	-	-	-	-	237,158	237,158
Assigned to:						
Operating reserves	1,674,570	-	-	-	-	1,674,570
Unassigned	1,236,890	-	-	-	-	1,236,890
Total fund balances	<u>2,950,911</u>	<u>23,164</u>	<u>1,357,135</u>	<u>456,486</u>	<u>246,353</u>	<u>5,034,049</u>
Total liabilities and fund balances	<u>\$ 3,767,057</u>	<u>\$ 719,132</u>	<u>\$ 1,366,547</u>	<u>\$ 544,398</u>	<u>\$ 277,606</u>	<u>\$ 6,674,740</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, 2018**

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

\$ 5,034,049

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	\$ 16,175,011	
Less accumulated depreciation	<u>(4,283,222)</u>	11,891,789

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:

Notes payable	\$ (7,830,001)	
Compensated absences	(1,453,000)	
Accrued interest payable	(86,253)	
Net pension liability	(8,560,078)	
Deferred outflows related to pensions	4,005,735	
Deferred inflows related to pensions	(829,097)	
Net OPEB obligation	<u>(541,449)</u>	<u>(15,294,143)</u>

**Net Position of Governmental Activities**

\$ 1,631,695

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, 2018**

	<u>General Fund</u>	<u>State Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Taxes	\$ 6,284,115	\$ -	\$ 372,344	\$ -	\$ 621,520	\$ 7,277,979
Licenses and permits	791,439	-	-	-	-	791,439
Franchise fees	462,328	-	-	-	-	462,328
Intergovernmental revenue	1,653,925	-	-	-	154,248	1,808,173
Charges for services	50,458	-	-	-	48,480	98,938
Fines and forfeitures	143,867	-	5,444	-	311,054	460,365
Impact fees	-	-	-	-	2,906	2,906
Interest income	40,779	2,221	-	-	418	43,418
Other	232,095	14,742	-	-	38,980	285,817
	<u>9,659,006</u>	<u>16,963</u>	<u>377,788</u>	<u>-</u>	<u>1,177,606</u>	<u>11,231,363</u>
<b>Expenditures:</b>						
Current:						
General government	2,987,966	-	-	-	-	2,987,966
Public safety	5,441,122	-	-	-	492,251	5,933,373
Public works	523,587	-	112,967	-	-	636,554
Building, planning and zoning	659,243	-	-	-	-	659,243
Recreation and human services	261,219	-	-	-	157,051	418,270
Capital outlay	119,828	13,203	-	2,996,575	1,975	3,131,581
Debt service:						
Principal	-	-	-	-	432,857	432,857
Interest expense	-	-	-	-	228,558	228,558
Cost of Issuance	-	-	-	-	62,137	62,137
	<u>9,992,965</u>	<u>13,203</u>	<u>112,967</u>	<u>2,996,575</u>	<u>1,374,829</u>	<u>14,490,539</u>
Excess (deficiency) of revenues over expenditures	<u>(333,959)</u>	<u>3,760</u>	<u>264,821</u>	<u>(2,996,575)</u>	<u>(197,223)</u>	<u>(3,259,176)</u>
<b>Other Financing Sources (Uses):</b>						
Issuance of debt	-	-	-	-	2,350,000	2,350,000
Transfers in	896,191	-	55,248	2,295,625	10,000	3,257,064
Transfers out	(190,395)	-	-	-	(2,295,625)	(2,486,020)
	<u>705,796</u>	<u>-</u>	<u>55,248</u>	<u>2,295,625</u>	<u>64,375</u>	<u>3,121,044</u>
Net change in fund balances	371,837	3,760	320,069	(700,950)	(132,848)	(138,132)
<b>Fund Balances, beginning of year</b>	<u>2,579,074</u>	<u>19,404</u>	<u>1,037,066</u>	<u>1,157,436</u>	<u>379,201</u>	<u>5,172,181</u>
<b>Fund Balances, end of year</b>	<u>\$ 2,950,911</u>	<u>\$ 23,164</u>	<u>\$ 1,357,135</u>	<u>\$ 456,486</u>	<u>\$ 246,353</u>	<u>\$ 5,034,049</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, 2018**

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**Net Changes in Fund Balances - Total Governmental Funds** \$ (138,132)

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	\$	3,056,467	
Less: Net book value of disposed assets		(32,407)	
Less: Current year provision for depreciation		<u>(378,905)</u>	2,645,155

The issuance of long-term debt provides current financial resources to governmental funds, however, has no effect on the net position. (2,350,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. 432,857

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)

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		(15,581)	
Change in long-term compensated absences		165,167	
Change in net pension liability		(628,328)	
Change in deferred outflows related to pensions		267,438	
Change in deferred inflows related to pensions		(358,644)	
Change in net OPEB liability		<u>(52,903)</u>	<u>(622,851)</u>

**Changes in Net Position of Governmental Activities** \$ (342,666)

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, 2018

	Business-Type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
<b>Assets:</b>			
Current assets:			
Pooled cash, cash equivalents and investments	\$ 119,731	\$ 293,030	\$ 412,761
Restricted cash	464,016	-	464,016
Accounts receivable, net	689,543	11,592	701,135
Total current assets	1,273,290	304,622	1,577,912
Noncurrent assets:			
Capital assets:			
Non-depreciable	6,616,853	505,981	7,122,834
Depreciable, net	8,210,420	726,818	8,937,238
Total assets	16,100,563	1,537,421	17,637,984
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	270,371	-	270,371
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,272,636	30	1,272,666
Retainage payable	338,900	38,372	377,272
Payroll liabilities	36,933	-	36,933
Accrued interest payable	7,193	-	7,193
Current portion of compensated absences payable	31,930	-	31,930
Payable from restricted assets:			
Customer deposits	464,016	-	464,016
Current portion of debt	317,179	-	317,179
Total current liabilities	2,468,787	38,402	2,507,189
Long term liabilities:			
Compensated absences payable	159,651	-	159,651
Net OPEB obligation	79,886	-	79,886
Net pension liability	597,055	-	597,055
Debt	4,686,995	-	4,686,995
Total long-term liabilities	5,523,587	-	5,523,587
Total liabilities	7,992,374	38,402	8,030,776
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	65,377	-	65,377
<b>Net Position:</b>			
Net investment in capital assets	9,823,099	1,232,799	11,055,898
Unrestricted net position (deficit)	(1,509,916)	266,220	(1,243,696)
Total net position	\$ 8,313,183	\$ 1,499,019	\$ 9,812,202

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, 2018

	Business-Type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
<b>Operating Revenues:</b>			
Sanitation charges	\$ 1,539,970	\$ -	\$ 1,539,970
Sewer charges	2,453,300	-	2,453,300
Metered water charges	1,892,651	-	1,892,651
Service fees and late penalties	37,549	1,393	38,942
Stormwater user fees	-	114,718	114,718
	<u>5,923,470</u>	<u>116,111</u>	<u>6,039,581</u>
Total operating revenues			
<b>Operating Expenses:</b>			
Payroll and related expenses	1,094,011	3,615	1,097,626
Sewage disposal fees	1,020,540	-	1,020,540
Materials, supplies, repairs and other	1,243,573	27,728	1,271,301
Water purchases	704,472	-	704,472
Solid waste disposal and recycling services	477,126	-	477,126
Provision for depreciation	367,869	35,960	403,829
	<u>4,907,591</u>	<u>67,303</u>	<u>4,974,894</u>
Total operating expenses			
Operating income	<u>1,015,879</u>	<u>48,808</u>	<u>1,064,687</u>
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	180	-	180
Interest expense	(21,829)	-	(21,829)
	<u>(21,649)</u>	<u>-</u>	<u>(21,649)</u>
Income before transfers and contributions			
Transfers and Contributions:			
Capital contributions	6,360	-	6,360
Transfers in	125,147	-	125,147
Transfers out	(884,021)	(12,170)	(896,191)
	<u>(752,514)</u>	<u>(12,170)</u>	<u>(764,684)</u>
Total transfers and contributions			
Change in net position	241,716	36,638	278,354
<b>Net Position, beginning of year, as restated (Note 12)</b>	<u>8,071,467</u>	<u>1,462,381</u>	<u>9,533,848</u>
<b>Net Position, end of year</b>	<u>\$ 8,313,183</u>	<u>\$ 1,499,019</u>	<u>\$ 9,812,202</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, 2018

	Business-type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 6,074,495	\$ 116,304	\$ 6,190,799
Payments to employees	(1,024,330)	(3,615)	(1,027,945)
Payments to suppliers	(3,325,562)	(3,661)	(3,329,223)
Net cash provided by operating activities	<u>1,724,603</u>	<u>109,028</u>	<u>1,833,631</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers out	(758,874)	(12,170)	(771,044)
Net cash used for noncapital financing activities	<u>(758,874)</u>	<u>(12,170)</u>	<u>(771,044)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of capital assets	(4,907,005)	(445,499)	(5,352,504)
Payments of revolving state loans	(257,449)	-	(257,449)
Proceeds from revolving state loans	3,544,513	-	3,544,513
Proceeds from capital contributions	6,360	-	6,360
Interest and other charges	(23,747)	-	(23,747)
Net cash used in capital and related financing activities	<u>(1,637,328)</u>	<u>(445,499)</u>	<u>(2,082,827)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	180	-	180
Net cash provided by investing activities	<u>180</u>	<u>-</u>	<u>180</u>
Net increase in pooled cash, cash equivalents and investments	(671,419)	(348,641)	(1,020,060)
<b>Pooled Cash, Cash Equivalents and Investments, beginning</b>	<u>1,255,166</u>	<u>641,671</u>	<u>1,896,837</u>
<b>Pooled Cash, Cash Equivalents and Investments, ending</b>	<u>\$ 583,747</u>	<u>\$ 293,030</u>	<u>\$ 876,777</u>
<b>Pooled Cash, Cash Equivalents and Investments Reported on the Statement of Net Position:</b>			
Pooled cash, cash equivalents and investments	\$ 119,731	\$ 293,030	\$ 412,761
Restricted cash	464,016	-	464,016
	<u>\$ 583,747</u>	<u>\$ 293,030</u>	<u>\$ 876,777</u>

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

**Statement of Cash Flows**  
**Proprietary Funds**  
**(Continued)**  
**For the Year Ended September 30, 2018**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	<b>Major Fund</b>	<b>Nonmajor Fund</b>	
	<b>Utility Fund</b>	<b>Stormwater Utility Fund</b>	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating income	\$ 1,015,879	\$ 48,808	\$ 1,064,687
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Provision for depreciation	367,869	35,960	403,829
(Increase) decrease in:			
Accounts receivable	151,205	193	151,398
Prepaid items	1,656	-	1,656
Deferred outflows related to pensions	(20,006)	-	(20,006)
Increase (decrease) in:			
Accounts payable and accrued liabilities	(82,189)	(14,305)	(96,494)
Retainage payable	200,682	38,372	239,054
Payroll liabilities	(28,700)	-	(28,700)
Customer deposits	(180)	-	(180)
Compensated absences	36,750	-	36,750
Net pension liability	47,003	-	47,003
Net OPEB obligation	7,805	-	7,805
Deferred inflows related to pensions	26,829	-	26,829
Total adjustments	<u>708,724</u>	<u>60,220</u>	<u>768,944</u>
Net cash provided by operating activities	<u>\$ 1,724,603</u>	<u>\$ 109,028</u>	<u>\$ 1,833,631</u>

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.

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.

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

The Village reports the following major proprietary fund:

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

**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, 2018.

**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."

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

**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.

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

**Capital assets:** Capital assets, which include land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure assets (e.g., sidewalks and other similar items grouped within buildings and improvements other than buildings), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has one item, deferred outflows relating to pension plans, that qualifies for reporting in this category and is discussed in further detail in Note 8.

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

**Compensated absences:** Village employees are granted vacation, sick and compensatory leave in varying amounts based on length of service. Upon separation in good standing, employees receive full reimbursement for accumulated vacation and compensatory hours, as well as reimbursement for sick hours if the required length of service is met. All vacation pay is accrued when incurred in the government-wide and proprietary funds and reported as a liability. The current portion of this obligation is estimated based on historical trends. A liability for these amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirements.

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

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

**Date of management review:** Subsequent events were evaluated by management through March 29, 2019, 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, 2018 was 6.2698 mills. The rate of 6.2698 mills is allocated to the General Fund and Debt Service Fund, with the General Fund receiving 5.6500 and the Debt Service Fund .6198.

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, 2018, the Village's fair value of its investment in Florida PRIME was \$ 64,709.

**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 33 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, 2018, receivables for the Village's individual major and nonmajor funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Transportation Fund	Non-major Special Revenue Funds	Utility Fund	Stormwater Utility Fund	Total
Customers billed	\$ -	\$ -	\$ -	\$ 578,923	\$ 11,592	\$ 590,515
Intergovernmental	422,277	90,674	30,758	125,620	-	669,329
Accounts receivable	<u>211,163</u>	<u>-</u>	<u>514</u>	<u>-</u>	<u>-</u>	<u>211,677</u>
Gross receivables	633,440	90,674	31,272	704,543	11,592	1,471,521
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
	<u>\$ 633,440</u>	<u>\$ 90,674</u>	<u>\$ 31,272</u>	<u>\$ 689,543</u>	<u>\$ 11,592</u>	<u>\$ 1,456,521</u>

**North Bay Village, Florida**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note 4 - Receivables and Payables (continued)**

As of September 30, 2018, accounts payable and accrued liabilities for the Village's individual major and non-major funds are as follows:

	General Fund	State Forfeiture Fund	Transportation Fund	Capital Projects Fund	Non-major Special Revenue Funds	Utility Fund	Stormwater Utility Fund	Total
Vendors	\$ 332,108	\$ 695,968	\$ 6,005	\$ -	\$ 6,050	\$ 947,262	\$ 30	\$ 1,987,423
Contractor	-	-	-	11,813	-	325,374	-	337,187
Due to pooled cash	-	-	-	-	9,109	-	-	9,109
	<u>\$ 332,108</u>	<u>\$ 695,968</u>	<u>\$ 6,005</u>	<u>\$ 11,813</u>	<u>\$ 15,159</u>	<u>\$ 1,272,636</u>	<u>\$ 30</u>	<u>\$ 2,333,719</u>

**Note 5 - Capital Assets**

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,138,008	\$ 2,295,625	\$ -	\$ 7,433,633
Construction in progress	533,393	677,740	-	1,211,133
Total capital assets, not being depreciated	<u>5,671,401</u>	<u>2,973,365</u>	<u>-</u>	<u>8,644,766</u>
Capital assets, being depreciated:				
Buildings and improvements	3,027,498	-	-	3,027,498
Street improvements	2,337,210	-	-	2,337,210
Vehicles	1,391,703	13,202	239,481	1,165,424
Machinery and equipment	931,113	69,900	900	1,000,113
Total capital assets, being depreciated	<u>7,687,524</u>	<u>83,102</u>	<u>240,381</u>	<u>7,530,245</u>
Less accumulated depreciation for:				
Buildings and improvements	1,765,211	151,675	-	1,916,886
Street improvements	446,216	75,517	-	521,733
Vehicles	1,129,800	84,390	207,074	1,007,116
Machinery and equipment	771,064	67,323	900	837,487
Total accumulated depreciation	<u>4,112,291</u>	<u>378,905</u>	<u>207,974</u>	<u>4,283,222</u>
Total capital assets, being depreciated, net	<u>3,575,233</u>	<u>(295,803)</u>	<u>32,407</u>	<u>3,247,023</u>
Governmental activities capital assets, net	<u>\$ 9,246,634</u>	<u>\$ 2,677,562</u>	<u>\$ 32,407</u>	<u>\$ 11,891,789</u>



**North Bay Village, Florida**  
**Notes to Financial Statements**  
**September 30, 2018**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,825,252	\$ 5,297,582	\$ -	\$ 7,122,834
Total capital assets, not being depreciated	<u>1,825,252</u>	<u>5,297,582</u>	<u>-</u>	<u>7,122,834</u>
Capital assets, being depreciated:				
Improvements other than buildings	15,147,421	-	-	15,147,421
Equipment and vehicles	<u>992,824</u>	<u>54,922</u>	<u>414,323</u>	<u>633,423</u>
Total capital assets being depreciated	<u>16,140,245</u>	<u>54,922</u>	<u>414,323</u>	<u>15,780,844</u>
Less accumulated depreciation for:				
Improvements other than buildings	5,870,647	390,297	-	6,260,944
Equipment and vehicles	<u>983,453</u>	<u>13,532</u>	<u>414,323</u>	<u>582,662</u>
Total accumulated depreciation	<u>6,854,100</u>	<u>403,829</u>	<u>414,323</u>	<u>6,843,606</u>
Total capital assets, being depreciated, net	<u>9,286,145</u>	<u>(348,907)</u>	<u>-</u>	<u>8,937,238</u>
Business-type activities capital assets, net	<u>\$ 11,111,397</u>	<u>\$ 4,948,675</u>	<u>\$ -</u>	<u>\$ 16,060,072</u>

Depreciation expense for the fiscal year ended September 30, 2018 was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
Public safety	\$ 109,480
Public works	156,534
General government	28,563
Recreation and human services	84,272
Building, planning and zoning	<u>56</u>
Total depreciation expense - governmental activities	<u>\$ 378,905</u>
<b>Business-Type Activities:</b>	
Water and sewer systems	\$ 367,869
Stormwater Utility	<u>35,960</u>
Total depreciation expense - business-type activities	<u>\$ 403,829</u>

**Note 6 - Interfund Balances and Transfers**

Interfund balances result from the time lag between the dates (1) Inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are actually made between funds. There were no interfund balances at September 30, 2018.

Interfund transfers for the year ended September 30, 2018 are summarized as follows:

	Interfund Balances	
	Transfers In	Transfers Out
General Fund	\$ 896,191	\$ 190,395
Capital Projects Fund	2,295,625	-
Transportation Fund	55,248	-
Nonmajor Governmental Funds	10,000	2,295,625
Utility Fund	125,147	884,021
Stormwater Utility Fund	-	12,170
	<u>\$ 3,382,211</u>	<u>\$ 3,382,211</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 from the Debt Service Fund is the loan proceeds used to fund the purchase of property. The transfer into the General Fund is for expenses paid on behalf of other funds. The transfer into the Utility Fund is to fund the hurricane debris removal from Hurricane Irma.

**Note 7 - Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2018:

	October 1, 2017	Additions	Reductions	September 30, 2018	Due Within One Year
<b>Governmental Activities:</b>					
General obligation note, Series 2010	\$ 1,542,858	\$ -	\$ 102,857	\$ 1,440,001	\$ 102,857
General obligation refunding note, Series 2010	4,370,000	-	330,000	4,040,000	345,000
Capital asset acquisition taxable note, Series 2018	-	2,350,000	-	2,350,000	40,000
Compensated absences	1,618,167	512,767	677,934	1,453,000	242,167
Net pension liability, as restated	7,931,750	628,328	-	8,560,078	-
Net OPEB obligation, as restated	488,546	52,903	-	541,449	-
Total governmental activities long-term liabilities	<u>\$ 15,951,321</u>	<u>\$ 3,543,998</u>	<u>\$ 1,110,791</u>	<u>\$ 18,384,528</u>	<u>\$ 730,024</u>
<b>Business-Type Activities:</b>					
Revolving state loans	\$ 1,717,110	\$ 3,544,513	\$ 257,449	\$ 5,004,174	\$ 317,179
Net pension liability	549,884	47,171	-	597,055	-
Compensated absences	154,831	59,929	23,179	191,581	31,930
OPEB obligation, as restated	72,081	7,805	-	79,886	-
Total business-type activities long-term liabilities	<u>\$ 2,493,906</u>	<u>\$ 3,659,418</u>	<u>\$ 280,628</u>	<u>\$ 5,872,696</u>	<u>\$ 349,109</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 the purpose of financing all or a part of the costs of (i) the creation and improvement of parks and recreational opportunities, (ii) the construction of a Public Safety and Village Hall complex, (iii) landscaping and aesthetic improvements to the John F. Kennedy Causeway, and (iv) related capital costs. The note is secured by the proceeds of ad valorem taxes levied on all taxable property in the Village. The note bears interest of 3.80% and is payable semi-annually while principal of \$ 102,857 is payable annually on December 1 of each year through the maturity date of December 1, 2031. The outstanding principal balance as of September 30, 2018 is \$ 1,440,001.

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, 2018 is \$ 4,040,000.

In fiscal year ended September 30, 2018, the Village borrowed \$ 2,350,000 relating to a Capital Asset Acquisition Taxable Note, Series 2018 for the purpose of paying for the costs of acquiring property and the related loan costs. The note bears interest of 3.531% and is payable semi-annually while principal of \$ 40,000 is payable annually on July 1 of each year through July 1, 2021 when the remaining balance of \$ 2,270,000 is due. The note is secured by all non-ad valorem revenues which are legally available to make debt payments when due. The outstanding principal balance as of September 30, 2018 is \$ 2,350,000.

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

The Village is required to maintain rates and charges for the services furnished by the water and sewer systems which will be sufficient to provide pledged revenues equal to 1.15 times the sums of the semi-annual payments due in such fiscal year. At September 30, 2018, the Village was in compliance with this covenant. The significant terms of the loans are as follows:

Revolving state loan of \$ 1,079,032 dated December 24, 2009; financing rate of 1.93%. The Village makes semi-annual principal and interest payments of \$ 32,929 on May 15 and November 15. The loan matures on May 15, 2031 and is collateralized by water and sewer revenues.	\$ 750,178
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.	246,341

**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.	51,789
Revolving state loan of \$ 2,546,720 dated May 16, 2017; financing rate of .085%. The Village makes semi-annual principal and interest payments of \$ 124,649 on October 15 and April 15. The loan matures on October 15, 2027 and is collateralized by water and sewer revenues.	2,422,799
Revolving state loan of \$ 1,256,390 dated July 12, 2018; interest rate of 1.34%. The Village will be required to make semi-annual principal and interest payments based on the actual amount of the principal drawn under the agreement.	1,256,390
Revolving state loan of \$ 276,677 dated July 12, 2018; interest rate of 1.24%. The Village will be required to make semi-annual principal and interest payments based on the actual amount of the principal drawn under the agreement.	<u>276,677</u>
	<u>\$ 5,004,174</u>

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
2019	\$ 487,857	\$ 277,548	\$ 765,405	\$ 317,179	\$ 22,421	\$ 339,600
2020	502,857	260,118	762,975	318,784	20,816	339,600
2121	2,737,857	242,161	2,980,018	320,416	19,184	339,600
2022	482,857	145,287	628,144	322,077	17,523	339,600
2023	497,857	128,040	625,897	323,768	15,833	339,601
2024-2028	2,709,285	363,603	3,072,888	1,585,663	52,719	1,638,382
2029-2033	411,431	31,269	442,700	271,091	10,978	282,069
2034-2035	-	-	-	12,129	421	12,550
	<u>\$ 7,830,001</u>	<u>\$ 1,448,026</u>	<u>\$ 9,278,027</u>	<u>\$ 3,471,107</u>	<u>\$ 159,895</u>	<u>\$ 3,631,002</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”).

## Note 8 - Retirement Plans (continued)

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the Web site: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

### Pension Plan

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

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

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost of living adjustment ("COLA") is three percent per year.

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

The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular - 7.92% and 8.26%; Special Risk Administrative Support - 34.63% and 34.98%; Special Risk - 23.27% and 24.50%; Senior Management Service - 22.71% and 24.06%; Elected Officers' - 45.50% and 48.70%; and DROP participants - 13.26% and 14.03%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2017 through September 30, 2018.

#### 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, 2018, 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, 2018, 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, 2018, the Village reported liabilities of \$ 7,591,219 for its proportionate share of the Pension Plan's net pension liability and \$ 1,565,914 for the HIS Plan's net pension liability for a total net pension liability of \$ 9,157,133. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. At June 30, 2018, the Village's proportion was .025202817 percent for the Pension Plan and .014794946 percent for the HIS Plan, which was an increase of .001360621 percent and .001448904 percent respectively, from the proportionate share measured as of June 30, 2017.



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

For the year ended September 30, 2018, the Village recognized pension expense of \$ 1,405,543 for the Pension Plan and \$ 161,602 for the HIS Plan for a total pension expense of \$ 1,567,145. At September 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>		
	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Differences between expected and actual experience	\$ 643,090	\$ 23,973	\$ 667,063
Changes of assumptions	2,480,441	174,149	2,654,590
Net difference between projected and actual earnings on pension plan investments	-	945	945
Changes in proportion and differences between Village contributions and proportionate share of contributions	563,815	227,640	791,455
Village contributions subsequent to the measurement date	<u>145,855</u>	<u>16,198</u>	<u>162,053</u>
Total	<u>\$ 3,833,201</u>	<u>\$ 442,905</u>	<u>\$ 4,276,106</u>

<u>Description</u>	<u>Deferred Inflows of Resources</u>		
	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Differences between expected and actual experience	\$ 23,341	\$ 2,660	\$ 26,001
Change of assumptions	-	165,561	165,561
Net difference between projected and actual earnings on pension plan investments	586,514	-	586,514
Changes in proportion and differences between Village contributions and proportionate share of contributions	<u>99,971</u>	<u>16,427</u>	<u>116,398</u>
Total	<u>\$ 709,826</u>	<u>\$ 184,648</u>	<u>\$ 894,474</u>

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

\$ 162,053 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, 2019. 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
2019	\$ 1,077,551	\$ 66,629	\$ 1,144,180
2020	794,641	66,550	861,191
2021	213,713	58,821	272,534
2022	503,300	36,829	540,129
2023	329,196	(992)	328,204
Thereafter	59,119	14,222	73,341

**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, 2018 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	7.00%, 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%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
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 7.00% 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 3.87% 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 3.78% 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, 2018.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Village's proportionate share of the net pension liability for Pension Plan	\$ 13,854,293	\$ 7,591,219	\$ 2,389,366
	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Village's proportionate share of the net pension liability for HIS Plan	\$ 1,783,484	\$ 1,565,914	\$ 1,384,556

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

**Investment Plan:**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. Village employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members’ accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members’ accounts during the 2017-2018 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Village.

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

The Village’s pension expense for the Investment Plan totaled \$ 170,025 for the fiscal year ended September 30, 2018.

**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 four employees that did not transfer their balances to FRS that remain in this Plan. The Plan provides for required employer and employee contributions of 13.5% and 5.5% of employee earnings for the Plan year, respectively. The Village contributed approximately \$ 42,600 and the employees contributed approximately \$ 17,400 for the year ended September 30, 2018. Plan amendments must be approved by the Village Commission. The Plan is administered by ICMA Retirement Corp.

**Note 10 - Other Post-Employment Benefits**

During fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements, under GASB Statement No. 45. See Note 12 for information on the effect of implementation on beginning net position in the government wide and enterprise fund statements.

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

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

The following table provides a summary of the number of participants in the Plan as of October 1, 2017:

Inactive Plan members or beneficiaries currently receiving benefits	-
Active Plan members	<u>47</u>
Total Plan members	<u><u>47</u></u>

**Actuarial methods and assumptions:** The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

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

The total OPEB liability at September 30, 2018 was based on an actuarial valuation dated October 1, 2017 with a measurement date of September 30, 2018, using the following actuarial assumptions:

Discount Rate	3.64%
Salary Increases	3.00% per annum
Retirement Age	At the earlier of age 62 with six years of service or at any age with 30 years of service.
Mortality	RP-2000 Combined Mortality Table for general employees or RP-2000 Blue Collar Mortality Table for police officers. Both will full generational improvements in mortality using Scale BB.
Healthcare Cost Trend Rates	8.00% for the 2017/18 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
Aging Factors	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age

**Discount rate:** The discount rate used to measure the total OPEB liability at September 30, 2018 was 3.64%. Because the Village’s OPEB costs are funded on a pay-as-you-go funding structure, the return on the S &P municipal bond 20 year high grade index as of the measurement date was used to determine the total OPEB liability. The discount rate was 3.64% as of the beginning of the measurement year.

**Total OPEB liability of the Village:** The components of the Village’s net OPEB liability at September 30, 2018, are as follows:

Total OPEB liability	\$	621,335
OPEB Plan fiduciary net position		<u>-</u>
Village's net OPEB liability	\$	<u><u>621,335</u></u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability		<u><u>0.00%</u></u>

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

**Changes in total OPEB liability**

Measurement year ended September 30, 2018

Total OPEB liability:	
Service cost	\$ 41,645
Interest on total OPEB liability	21,872
Benefit payments	<u>(2,809)</u>
Net change in total OPEB liability	60,708
Total OPEB liability, beginning	<u>560,627</u>
Total OPEB liability, ending	\$ <u><u>621,335</u></u>

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following table presents the total OPEB liability, calculated using the discount rate of 3.64%, as well as what the Village’s total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease <u>(2.64%)</u>	Current Discount Rate <u>(3.64%)</u>	1% Increase <u>(4.64%)</u>
Total OPEB liability	\$ <u>681,507</u>	\$ <u>621,335</u>	\$ <u>567,326</u>

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

	1% Trend Decrease <u>(7.00% to 4.00%)</u>	Trend Rate Assumption <u>(8.00% to 5.00%)</u>	1% Trend Increase <u>(9.00% to 6.00%)</u>
Total OPEB liability	\$ <u>547,743</u>	\$ <u>621,335</u>	\$ <u>707,976</u>

**OPEB Expense:** For the year ended September 30, 2018 the City recognized OPEB expense of \$ 60,708.

**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.

**Note 11 - Commitments and Contingencies (continued)**

**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 an operating lease for the rental of the Village City Hall Facility through June 30, 2016 and extended through June 30, 2018. During the fiscal year September 30, 2018, the Village renewed this facility lease for an additional three years. The new lease requires monthly payments of approximately \$ 17,700 and at greater amounts thereafter through June 30, 2021. Total base payments in connection with this lease were approximately \$ 212,700 for the year ended September 30, 2018. The lease provides for an option to renew for one additional year.

The Village previously entered into an operating lease for the rental of an additional unit at the Village City Hall Facility through June 30, 2016 and extended through June 30, 2018. During the fiscal year September 30, 2018, the Village exercised the second extension. The new lease requires monthly payments of approximately \$ 7,600 and at greater amounts thereafter through June 30, 2021. Total base payments in connection with this lease were approximately \$ 91,700 for the year ended September 30, 2018. The lease provides for an option to renew for one additional year.

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

<u>Year Ended</u> <u>September 30,</u>	<u>Amount</u>
2019	\$ 307,500
2020	\$ 319,900
2021	\$ 247,200
Thereafter	\$ NONE

**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, 2018, 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	\$ 220,000
Stormwater repairs	467,000
Water main system repairs	1,795,000
Water meter replacements	<u>2,201,000</u>
	<u>\$ 4,683,000</u>
Capital Projects Fund:	
Baywalk - South side	<u>\$ 270,000</u>

**Note 11 - Commitments and Contingencies (continued)**

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

**Note 12 - Restatements**

The net positions of the Governmental Activities, Business-Type Activities and Utility Fund have been adjusted due to the adoption of GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018.

	Government-Wide Statements		Enterprise
	Governmental Activities	Business-Type Activities	Fund Utility Fund
Net position, September 30, 2017, as previously reported	\$ 2,210,159	\$ 9,606,097	\$ 8,143,716
Adoption of GASB Statement No. 75	<u>(235,798)</u>	<u>(72,249)</u>	<u>(72,249)</u>
Net position, September 30, 2017, as restated	<u>\$ 1,974,361</u>	<u>\$ 9,533,848</u>	<u>\$ 8,071,467</u>

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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Taxes:				
Property taxes, including penalties and interest	\$ 5,567,386	\$ 5,567,386	\$ 5,667,670	\$ 100,284
Utility service taxes	570,000	570,000	616,445	46,445
Total taxes	<u>6,137,386</u>	<u>6,137,386</u>	<u>6,284,115</u>	<u>146,729</u>
Licenses and permits:				
Village occupational licenses	93,000	93,000	93,063	63
Building and other permits	19,500	19,500	-	(19,500)
Total licenses and permits	<u>112,500</u>	<u>112,500</u>	<u>93,063</u>	<u>(19,437)</u>
Franchise fees:				
Electric	360,705	360,705	428,987	68,282
Gas	18,000	18,000	13,458	(4,542)
United States Postal Service	18,500	18,500	18,534	34
Sanitation	1,000	1,000	1,349	349
Total franchise fees	<u>398,205</u>	<u>398,205</u>	<u>462,328</u>	<u>64,123</u>
Intergovernmental:				
Local 1/2 cent sales tax	700,814	700,814	705,644	4,830
Communication service tax	230,798	230,798	217,957	(12,841)
State revenue sharing	201,538	201,538	209,502	7,964
Alcohol beverage licenses	6,000	6,000	5,276	(724)
Grants	-	-	311,557	311,557
Total intergovernmental	<u>1,139,150</u>	<u>1,139,150</u>	<u>1,449,936</u>	<u>310,786</u>
Charges for services:				
Record research and review	53,000	53,000	30,848	(22,152)
Passport fees	18,000	18,000	14,480	(3,520)
Advertising/bus stop	4,680	4,680	4,680	-
Short term vacation rental	3,000	3,000	450	(2,550)
Total charges for services	<u>78,680</u>	<u>78,680</u>	<u>50,458</u>	<u>(28,222)</u>
Fines and forfeitures	117,000	117,000	143,867	26,867
Interest income	40,000	40,000	40,779	779
Miscellaneous	51,500	51,500	179,324	127,824
Total revenues	<u>8,074,421</u>	<u>8,074,421</u>	<u>8,703,870</u>	<u>629,449</u>
<b>Expenditures:</b>				
General government:				
Village Commission:				
Personal services	35,608	35,608	35,365	243
Operating expenditures	32,550	32,550	27,195	5,355
Total Village commission	<u>68,158</u>	<u>68,158</u>	<u>62,560</u>	<u>5,598</u>
Village Manager:				
Personal services	422,293	422,293	352,739	69,554
Operating expenditures	6,360	6,360	34,116	(27,756)
Total Village manager	<u>428,653</u>	<u>428,653</u>	<u>386,855</u>	<u>41,798</u>

**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2018**  
**(continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Village Clerk:				
Personal services	226,769	226,769	377,590	(150,821)
Operating expenditures	<u>58,630</u>	<u>58,630</u>	<u>82,693</u>	<u>(24,063)</u>
Total Village clerk	<u>285,399</u>	<u>285,399</u>	<u>460,283</u>	<u>(174,884)</u>
Finance:				
Personal services	453,955	453,955	472,204	(18,249)
Operating expenditures	<u>10,710</u>	<u>10,710</u>	<u>6,840</u>	<u>3,870</u>
Total finance	<u>464,665</u>	<u>464,665</u>	<u>479,044</u>	<u>(14,379)</u>
Village Attorney:				
Operating expenditures	<u>204,000</u>	<u>204,000</u>	<u>303,026</u>	<u>(99,026)</u>
Total Village attorney	<u>204,000</u>	<u>204,000</u>	<u>303,026</u>	<u>(99,026)</u>
Nondepartmental:				
Personal services	127,616	127,616	124,736	2,880
Operating expenditures	1,154,875	1,154,875	1,171,462	(16,587)
Capital outlay	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
Total nondepartmental	<u>1,288,991</u>	<u>1,288,991</u>	<u>1,296,198</u>	<u>(7,207)</u>
Total general government	<u>2,739,866</u>	<u>2,739,866</u>	<u>2,987,966</u>	<u>(248,100)</u>
Public safety:				
Personal services	4,611,466	4,611,466	4,746,301	(134,835)
Operating expenditures	643,016	643,016	694,821	(51,805)
Capital outlay	<u>123,900</u>	<u>123,900</u>	<u>117,828</u>	<u>6,072</u>
Total public safety	<u>5,378,382</u>	<u>5,378,382</u>	<u>5,558,950</u>	<u>(180,568)</u>
Parks and recreation:				
Operating expenditures	249,100	249,100	261,219	(12,119)
Grants and aids	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Total parks and recreation	<u>254,600</u>	<u>254,600</u>	<u>261,219</u>	<u>(6,619)</u>
Total expenditures	<u>8,372,848</u>	<u>8,372,848</u>	<u>8,808,135</u>	<u>(435,287)</u>
Excess of revenues over expenditures	<u>(298,427)</u>	<u>(298,427)</u>	<u>(104,265)</u>	<u>194,162</u>
<b>Other Financing Uses:</b>				
Transfers in	870,413	870,413	870,414	1
Transfers out	<u>(240,455)</u>	<u>(240,455)</u>	<u>(365,602)</u>	<u>(125,147)</u>
Total other financing uses	<u>629,958</u>	<u>629,958</u>	<u>504,812</u>	<u>(125,146)</u>
Net change in fund balance	<u>\$ 331,531</u>	<u>\$ 331,531</u>	<u>\$ 400,547</u>	<u>\$ 69,016</u>

**North Bay Village, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2018**

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

Total revenues, page 45 \$ 8,703,870

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	732,570
Street Maintenance Fund	<u>222,566</u>

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 15	\$ <u>9,659,006</u>
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Total expenditures, page 46 \$ 8,808,135

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	659,243
Street Maintenance Fund	<u>525,587</u>

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 15	\$ <u>9,992,965</u>
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See notes to budgetary comparison schedule.

North Bay Village, Florida  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual - Transportation Fund  
 For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Taxes	\$ 335,000	\$ 335,000	\$ 372,344	\$ 37,344
Fines and forfeitures	<u>2,000</u>	<u>2,000</u>	<u>5,444</u>	<u>3,444</u>
Total revenues	<u>337,000</u>	<u>337,000</u>	<u>377,788</u>	<u>40,788</u>
<b>Expenditures:</b>				
Public works	162,322	162,322	112,967	49,355
Capital outlay	<u>1,222,345</u>	<u>1,222,345</u>	<u>-</u>	<u>1,222,345</u>
Total expenditures	<u>1,384,667</u>	<u>1,384,667</u>	<u>112,967</u>	<u>1,271,700</u>
Excess (deficiency) of revenues over expenditures	<u>(1,047,667)</u>	<u>(1,047,667)</u>	<u>264,821</u>	<u>1,312,488</u>
<b>Other Financing Sources:</b>				
Transfers in	<u>55,248</u>	<u>55,248</u>	<u>55,248</u>	<u>-</u>
Net change in fund balance	<u>\$ (992,419)</u>	<u>\$ (992,419)</u>	<u>\$ 320,069</u>	<u>\$ 1,312,488</u>

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, 2018. 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, 2018, expenditures exceeded appropriations in the following:

General Fund - Village Clerk	\$ 174,884
General Fund - Finance	\$ 14,379
General Fund - Village Attorney	\$ 99,026
General Fund - Nondepartmental	\$ 7,207
General Fund - Public Safety	\$ 180,568
General Fund - Parks and Recreation	\$ 6,619
Street Maintenance Fund	\$ 101,818
Building Fees Fund	\$ 89,092
Debt Service Fund	\$ 80,634

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

North Bay Village, Florida  
 Required Supplementary Information  
 (Unaudited)  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Last Fiscal Year \*

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<b>Fiscal Year:</b>	9/30/2018
<b>Measurement Date:</b>	<u>9/30/2018</u>
<b>Total OPEB liability</b>	
Service cost	\$ 41,645
Interest	21,872
Benefits payments	<u>(2,809)</u>
<b>Net change in total OPEB liability</b>	60,708
<b>Total OPEB liability - beginning</b>	<u>560,627</u>
<b>Total OPEB liability - ending</b>	<u>\$ 621,335</u>
<b>Covered payroll</b>	\$ 3,069,048
<b>Total OPEB liability as a percentage of covered payroll</b>	20.25%

**Notes to Schedule:**

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

*Plan Assets.* No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

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

	2018	2017	2016	2015	2014
North Bay Village, Florida's proportion of the net pension liability	0.025202817%	0.023842196%	0.024321282%	0.020411165%	0.019243398%
North Bay Village, Florida's proportionate share of the net pension liability	\$ 7,591,219	\$ 7,054,782 **	\$ 6,141,143	\$ 2,636,376	\$ 1,174,130
North Bay Village, Florida's covered payroll	\$ 3,749,563	\$ 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 payroll	202.46%	165.60%	146.51%	69.17%	34.10%
Plan fiduciary net position as a percentage of total pension liability	84.26%	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.

\*\* Reflects restatement of beginning net pension liability at July 1, 2017, due to implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
North Bay Village, Florida's proportion of the net pension liability	0.014794946%	0.013346042%	0.013577049%	0.012524760%	0.011525625%
North Bay Village, Florida's proportionate share of the net pension liability	\$ 1,565,914	\$ 1,427,020	\$ 1,582,349	\$ 1,277,329	\$ 1,077,674
North Bay Village, Florida's covered payroll	\$ 4,838,851	\$ 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 payroll	32.36%	33.50%	37.75%	33.51%	31.30%
Plan fiduciary net position as a percentage of total pension liability	2.15%	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 703,375	\$ 694,071	\$ 637,477	\$ 573,039	\$ 490,043
Contributions in relation to the contractually required contribution	<u>703,375</u>	<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>	\$ <u>-</u>
North Bay Village, Florida's covered payroll	\$ 4,172,564	\$ 4,275,799	\$ 4,088,434	\$ 3,807,189	\$ 3,554,672
Contributions as a percentage of covered payroll	16.86%	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)

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 87,586	\$ 70,978	\$ 67,868	\$ 52,231	\$ 43,298
Contributions in relation to the contractually required contribution	<u>87,586</u>	<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>
North Bay Village, Florida's covered payroll	\$ 5,276,247	\$ 4,275,799	\$ 4,088,434	\$ 3,807,189	\$ 3,554,672
Contributions as a percentage of covered payroll	1.66%	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.

## 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.

**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.

### DEBT SERVICE FUND

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

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

### CAPITAL PROJECTS 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, 2018

	Special Revenue Funds				Capital Project Fund	Total Nonmajor Governmental Funds
	Federal Forfeiture Fund	Children's Services Fund	Police Improvement Trust Fund	Debt Service Fund	Parks Improvement Fund	
<b>Assets:</b>						
Pooled cash, cash equivalents and investments	\$ 12,241	\$ -	\$ 3,022	\$ 1,194	\$ 229,877	\$ 246,334
Receivables	<u>6,640</u>	<u>24,118</u>	<u>-</u>	<u>514</u>	<u>-</u>	<u>31,272</u>
Total assets	<u>\$ 18,881</u>	<u>\$ 24,118</u>	<u>\$ 3,022</u>	<u>\$ 1,708</u>	<u>\$ 229,877</u>	<u>\$ 277,606</u>
<b>Liabilities and Fund Balances:</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,783	\$ 9,502	\$ -	\$ 874	\$ -	\$ 15,159
Payroll liabilities	<u>8,759</u>	<u>7,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,094</u>
Total liabilities	<u>13,542</u>	<u>16,837</u>	<u>-</u>	<u>874</u>	<u>-</u>	<u>31,253</u>
Fund balances:						
Restricted for:						
Debt service	-	-	-	834	-	834
Recreation and human services	-	7,281	-	-	229,877	237,158
Law enforcement	<u>5,339</u>	<u>-</u>	<u>3,022</u>	<u>-</u>	<u>-</u>	<u>8,361</u>
Total fund balances	<u>5,339</u>	<u>7,281</u>	<u>3,022</u>	<u>834</u>	<u>229,877</u>	<u>246,353</u>
Total liabilities and fund balances	<u>\$ 18,881</u>	<u>\$ 24,118</u>	<u>\$ 3,022</u>	<u>\$ 1,708</u>	<u>\$ 229,877</u>	<u>\$ 277,606</u>

**North Bay Village, Florida**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2018**

	Special Revenue Funds			Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
	Federal Forfeiture Fund	Children's Services Fund	Police Improvement Trust Fund		Parks Improvement Fund	
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 621,520	\$ -	\$ 621,520
Intergovernmental revenue	-	154,248	-	-	-	154,248
Charges for services	-	-	-	48,480	-	48,480
Fines and forfeitures	311,054	-	-	-	-	311,054
Impact fees	-	-	872	-	2,034	2,906
Interest income	418	-	-	-	-	418
Other	36,180	-	-	-	2,800	38,980
<b>Total revenues</b>	<b>347,652</b>	<b>154,248</b>	<b>872</b>	<b>670,000</b>	<b>4,834</b>	<b>1,177,606</b>
<b>Expenditures:</b>						
Current:						
Public safety	492,251	-	-	-	-	492,251
Recreation and human services	-	157,051	-	-	-	157,051
Capital outlay	-	-	-	-	1,975	1,975
Debt service:						
Principal	-	-	-	432,857	-	432,857
Interest	-	-	-	228,558	-	228,558
Cost of issuance	-	-	-	62,137	-	62,137
<b>Total expenditures</b>	<b>492,251</b>	<b>157,051</b>	<b>-</b>	<b>723,552</b>	<b>1,975</b>	<b>1,374,829</b>
Excess (deficiency) of revenues over expenditures	(144,599)	(2,803)	872	(53,552)	2,859	(197,223)
<b>Other Financing Sources (Uses):</b>						
Loan proceeds	-	-	-	2,350,000	-	2,350,000
Transfers in	-	10,000	-	-	-	10,000
Transfers out	-	-	-	(2,295,625)	-	(2,295,625)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>54,375</b>	<b>-</b>	<b>64,375</b>
<b>Net change in fund balances</b>	<b>(144,599)</b>	<b>7,197</b>	<b>872</b>	<b>823</b>	<b>2,859</b>	<b>(132,848)</b>
<b>Fund Balances, beginning of year</b>	<b>149,938</b>	<b>84</b>	<b>2,150</b>	<b>11</b>	<b>227,018</b>	<b>379,201</b>
<b>Fund Balances, end of year</b>	<b>\$ 5,339</b>	<b>\$ 7,281</b>	<b>\$ 3,022</b>	<b>\$ 834</b>	<b>\$ 229,877</b>	<b>\$ 246,353</b>

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, 2018

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Intergovernmental revenue	\$ <u>169,252</u>	\$ <u>169,252</u>	\$ <u>154,248</u>	\$ <u>(15,004)</u>
<b>Expenditures:</b>				
Culture and recreation	<u>179,252</u>	<u>179,252</u>	<u>157,051</u>	<u>22,201</u>
Deficiency of revenues over expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(2,803)</u>	<u>7,197</u>
<b>Other Financing Sources:</b>				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>7,197</u></u>	\$ <u><u>7,197</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, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Licenses and permits	\$ 580,000	\$ 580,000	\$ 698,376	\$ 118,376
Miscellaneous	<u>18,921</u>	<u>18,921</u>	<u>34,194</u>	<u>15,273</u>
Total revenues	<u>598,921</u>	<u>598,921</u>	<u>732,570</u>	<u>133,649</u>
<b>Expenditures:</b>				
Building, planning and zoning	<u>570,151</u>	<u>570,151</u>	<u>659,243</u>	<u>(89,092)</u>
Excess of revenues over expenditures	<u>28,770</u>	<u>28,770</u>	<u>73,327</u>	<u>44,557</u>
<b>Other Financing Uses:</b>				
Transfers out	<u>(28,770)</u>	<u>(28,770)</u>	<u>(28,770)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,557</u>	<u>\$ 44,557</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Intergovernmental revenue	\$ 192,015	\$ 192,015	\$ 203,989	\$ 11,974
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>18,577</u>	<u>16,577</u>
Total revenues	<u>194,015</u>	<u>194,015</u>	<u>222,566</u>	<u>28,551</u>
<b>Expenditures:</b>				
Public works	423,769	423,769	523,587	(99,818)
Capital outlay	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Total expenditures	<u>423,769</u>	<u>423,769</u>	<u>525,587</u>	<u>(101,818)</u>
Deficiency of revenues over expenditures	<u>(229,754)</u>	<u>(229,754)</u>	<u>(303,021)</u>	<u>(73,267)</u>
<b>Other Financing Sources:</b>				
Transfers in	<u>229,754</u>	<u>229,754</u>	<u>229,754</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,267)</u>	<u>\$ (73,267)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Property taxes	\$ 642,918	\$ 642,918	\$ 621,520	\$ (21,398)
Charges for services	-	-	48,480	48,480
Total revenues	<u>642,918</u>	<u>642,918</u>	<u>670,000</u>	<u>27,082</u>
<b>Expenditures:</b>				
Principal	432,857	432,857	432,857	-
Interest and fiscal charges	<u>210,061</u>	<u>210,061</u>	<u>290,695</u>	<u>(80,634)</u>
Total expenditures	<u>642,918</u>	<u>642,918</u>	<u>723,552</u>	<u>(80,634)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(53,552)</u>	<u>(53,552)</u>
<b>Other Financing Sources (Uses):</b>				
Loan proceeds	-	-	2,350,000	2,350,000
Transfers out	<u>-</u>	<u>-</u>	<u>(2,295,625)</u>	<u>(2,295,625)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>54,375</u>	<u>54,375</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823</u>	<u>\$ 823</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, 2018

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>				
Capital outlay	\$ 3,625,000	3,625,000	2,996,575	628,425
Deficiency of revenues over expenditures	<u>(3,625,000)</u>	<u>(3,625,000)</u>	<u>(2,996,575)</u>	<u>628,425</u>
<b>Other Financing Sources:</b>				
Debt proceeds	2,871,774	2,871,774	-	(2,871,774)
Transfers in	<u>-</u>	<u>-</u>	<u>2,295,625</u>	<u>2,295,625</u>
Total other financing sources	<u>2,871,774</u>	<u>2,871,774</u>	<u>2,295,625</u>	<u>(576,149)</u>
Net change in fund balance	\$ <u><u>(753,226)</u></u>	\$ <u><u>(753,226)</u></u>	\$ <u><u>(700,950)</u></u>	\$ <u><u>52,276</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.

**Table 1**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 <sup>1</sup>	2018
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 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	\$ 4,134,161
Restricted	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	2,009,931
Unrestricted (deficit)	707,893	1,710,848	462,524	493,678	(129,020)	85,083	(3,300,953)	(3,387,282)	(3,951,483)	(4,512,397)
Total governmental activities, net position	\$ 3,645,697	\$ 3,646,674	\$ 3,946,245	\$ 4,702,184	\$ 3,945,420	\$ 4,971,754	\$ 1,602,145	\$ 2,338,841	\$ 1,974,361	\$ 1,631,695
<b>Business-Type Activities:</b>										
Net investment in capital assets	\$ 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	\$ 11,055,898
Restricted	62,929	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(708,672)	(697,460)	(483,988)	438,423	633,107	889,675	270,010	705,341	139,561	(1,243,696)
Total business-type activities, net position	\$ 2,635,264	\$ 5,157,159	\$ 8,507,850	\$ 8,699,993	\$ 8,949,205	\$ 8,972,385	\$ 8,672,033	\$ 9,145,516	\$ 9,533,848	\$ 9,812,202
<b>Primary Government:</b>										
Net investment in capital assets	\$ 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	\$ 15,190,059
Restricted	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	2,009,931
Unrestricted (deficit)	(779)	1,013,388	(21,464)	932,101	504,087	974,758	(3,030,943)	(2,681,941)	(3,811,922)	(5,756,093)
Total primary government, net position	\$ 6,280,961	\$ 8,803,833	\$ 12,454,095	\$ 13,402,177	\$ 12,894,625	\$ 13,944,139	\$ 10,274,178	\$ 11,484,357	\$ 11,508,209	\$ 11,443,897

<sup>1</sup> Fiscal year 2017 unrestricted net assets have been restated due to the implementation of GASB 75.

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

**Table 2**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 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	\$ 3,127,620
Public safety	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	6,620,019
Public works	661,384	550,599	633,390	588,680	767,930	581,419	595,935	662,229	765,252	792,985
Building, planning and zoning	527,880	263,396	198,747	211,375	411,645	616,483	787,048	635,329	461,411	663,846
Recreation and human services	103,884	73,405	79,365	200,319	393,656	393,421	465,644	519,026	527,163	527,727
Interest and fiscal charges	185,789	354,340	298,126	316,958	287,067	254,548	249,618	235,061	220,145	306,276
Total governmental activities	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	12,038,473
Business-type activities:										
Utility	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	4,929,420
Stormwater utility	54,119	84,772	52,230	80,972	114,344	85,522	181,792	100,658	69,205	67,303
Total business-type activities	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	4,996,723
Total primary government expenses	\$ 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	\$ 17,035,196
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 31,755	\$ 43,894	\$ 63,842	\$ 52,928	\$ 64,151	\$ 335,664	\$ 241,624	\$ 676,382	\$ 307,184	\$ 327,257
Public safety	771,958	160,245	1,187,213	1,086,703	578,532	408,621	371,820	682,957	659,967	425,375
Building, planning and zoning	219,786	243,910	219,419	324,987	441,841	660,858	891,984	570,814	519,083	698,376
Parks and recreation	-	-	-	-	-	539,220	-	-	15,216	17,543
Operating grants and contributions	19,005	109,220	302,416	441,042	411,205	406,728	2,034	475,649	840,492	536,436
Capital grants and contributions	-	166,254	31,880	279,035	196,099	110,167	428,419	-	-	-
Total governmental activities	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	2,004,987
Business-type activities:										
Charges for services:										
Utility	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	5,923,470
Stormwater utility	117,264	117,114	123,513	115,320	121,605	110,868	112,927	116,178	116,575	116,111
Operating grants and contributions	-	-	-	-	-	-	-	-	125,620	-
Capital grants and contributions	191,967	2,601,923	2,707,001	122,542	-	-	599,232	-	12,195	6,360
Total business-type activities	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	6,045,941
Total primary government program revenues	\$ 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	\$ 8,050,928

**Table 2**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net Expense/Revenue:</b>										
Governmental activities	\$ (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)	\$ (10,033,486)
Business-type activities	762,677	2,521,434	3,566,598	191,219	251,698	23,167	(14,975)	1,255,434	1,276,784	1,049,218
Total primary government, net expense	\$ (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)	\$ (8,984,268)
<b>General Revenues and Other:</b>										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 6,289,190
Franchise fees	452,775	409,810	384,644	397,329	392,198	441,194	435,354	434,029	444,495	443,794
Utility service taxes	409,568	434,715	434,136	474,206	508,687	550,901	559,998	586,646	604,737	616,445
Sales tax	331,275	373,587	421,916	464,315	504,473	538,419	574,061	603,513	630,296	705,644
Intergovernmental - unrestricted	774,664	592,267	574,781	599,389	597,263	575,123	584,677	581,142	587,791	631,448
Interest income	11,215	9,057	27,422	39,857	37,068	44,599	42,624	42,983	49,654	43,418
Miscellaneous revenues	95,043	310,574	152,737	183,037	203,417	142,255	219,456	196,902	134,976	189,837
Transfers	(110,000)	-	217,264	-	-	-	-	782,000	816,303	771,044
Total governmental activities	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	9,690,820
Business-type activities:										
Interest income	1,150	461	1,357	924	14	13	339	49	100	180
Transfers	110,000	-	(217,264)	-	-	-	-	(782,000)	(816,303)	(771,044)
Total business-type activities	111,150	461	(215,907)	924	14	13	339	(781,951)	(816,203)	(770,864)
Total primary government	\$ 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	\$ 8,919,956
<b>Change in Net Position:</b>										
Governmental activities	\$ 118,759	\$ 33,634	\$ 299,571	\$ 755,939	\$ (641,328)	\$ 1,026,334	\$ 426,336	\$ 736,696	\$ (128,682)	\$ (342,666)
Business-type activities	873,827	2,521,895	3,350,691	192,143	251,712	23,180	(14,636)	473,483	460,581	278,354
Total primary government	\$ 992,586	\$ 2,555,529	\$ 3,650,262	\$ 948,082	\$ (389,616)	\$ 1,049,514	\$ 411,700	\$ 1,210,179	\$ 331,899	\$ (64,312)

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

Table 3

<u>Fiscal Year</u>	<u>Tax Roll Year</u>	<u>Ad Valorem Taxes</u>	<u>Utility Taxes</u>	<u>Franchise Fees</u>	<u>Sales Tax</u>	<u>Total</u>
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
2018	2017	6,289,190	616,445	443,794	705,644	8,055,073



**Table 4**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,920,845	2,688,696	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	79,594	98,796	95,284	22,418	39,451
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	1,674,570
Unassigned	-	-	2,003,995	550,117	385,411	653,681	1,014,515	1,182,833	1,058,737	1,236,890
<b>Total General Fund</b>	<b>\$ 1,920,845</b>	<b>\$ 2,688,696</b>	<b>\$ 2,059,242</b>	<b>\$ 2,094,122</b>	<b>\$ 1,451,474</b>	<b>\$ 1,915,930</b>	<b>\$ 2,310,491</b>	<b>\$ 2,561,116</b>	<b>\$ 2,579,074</b>	<b>\$ 2,950,911</b>
<b>All other governmental funds:</b>										
Reserved	\$ 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	2,083,138
Unassigned (deficit)	-	-	(183,781)	(36,360)	(8,282)	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 2,687,822</b>	<b>\$ 2,718,163</b>	<b>\$ 3,074,383</b>	<b>\$ 2,774,939</b>	<b>\$ 2,150,830</b>	<b>\$ 2,850,959</b>	<b>\$ 2,546,023</b>	<b>\$ 2,901,722</b>	<b>\$ 2,593,107</b>	<b>\$ 2,083,138</b>

(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			
	2009	2010	2011	2012
<b>Revenues:</b>				
Taxes	\$ 5,207,646	\$ 5,270,398	\$ 4,069,323	\$ 4,643,163
Licenses and permits	219,786	243,910	219,419	324,987
Franchise fees	452,775	409,810	384,646	397,329
Intergovernmental	957,470	1,040,943	1,107,351	1,563,737
Charges for services	31,755	43,894	63,842	52,928
Fines and forfeitures	771,958	407,433	1,187,943	1,086,703
Impact fees	-	-	-	-
Interest income	11,215	9,057	27,420	39,857
Miscellaneous	86,178	63,386	160,908	183,037
<b>Total revenues</b>	<b>7,738,783</b>	<b>7,488,831</b>	<b>7,220,852</b>	<b>8,291,741</b>
<b>Expenditures:</b>				
Current:				
General government	1,725,442	1,708,244	1,509,407	1,655,882
Public safety	3,952,196	4,105,308	4,194,676	3,884,086
Public works	532,154	510,267	602,869	546,368
Building, planning and zoning	502,220	230,397	175,007	176,756
Recreation and human services	53,685	55,072	66,176	181,086
Capital outlay	483,527	1,833,754	574,302	1,443,455
Debt service:				
Principal	155,199	167,567	6,460,285	372,857
Interest expense	185,789	335,148	383,628	295,815
Cost of issuance	-	32,850	70,000	-
<b>Total expenditures</b>	<b>7,590,212</b>	<b>8,978,607</b>	<b>14,036,350</b>	<b>8,556,305</b>
Excess (deficiency of revenues over expenditures)	148,571	(1,489,776)	(6,815,498)	(264,564)
<b>Other Financing Sources (Uses):</b>				
Issuance of debt	-	2,160,000	6,325,000	-
Transfers in	707,175	560,644	272,512	69,320
Transfers out	(817,175)	(560,644)	(55,248)	(69,320)
<b>Total other financing sources (uses)</b>	<b>(110,000)</b>	<b>2,160,000</b>	<b>6,542,264</b>	<b>-</b>
Net change in fund balances	\$ 38,571	\$ 670,224	\$ (273,234)	\$ (264,564)
<b>Debt service as a percentage of noncapital expenditures</b>	4.80%	7.50%	51.36%	9.40%

Table 5

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	4,579,336	\$ 5,076,403	\$ 5,430,674	\$ 5,873,265	\$ 6,097,616	\$ 7,277,979
	441,841	731,398	947,087	651,276	627,290	791,439
	392,198	441,194	453,853	452,528	463,044	467,772
	1,447,564	1,363,533	1,294,336	1,351,976	1,425,940	1,808,173
	64,151	61,071	61,346	75,546	53,889	98,938
	578,532	311,951	416,021	748,538	712,990	454,921
	-	768,172	2,840	400,000	5,812	2,906
	37,068	44,599	42,624	42,983	49,654	43,418
	<u>203,417</u>	<u>203,528</u>	<u>275,668</u>	<u>228,497</u>	<u>212,770</u>	<u>285,817</u>
	<u>7,744,107</u>	<u>9,001,849</u>	<u>8,924,449</u>	<u>9,824,609</u>	<u>9,649,005</u>	<u>11,231,363</u>
	2,039,426	1,632,209	1,602,527	2,292,938	2,752,828	2,987,966
	4,214,414	4,030,054	4,565,865	4,995,588	5,290,496	5,933,373
	394,222	410,981	448,915	491,030	557,108	636,554
	389,832	594,293	786,817	631,027	458,855	659,243
	354,393	353,715	349,056	370,355	411,465	418,270
	948,290	154,637	424,357	566,499	637,165	3,131,581
	387,857	392,857	402,857	412,857	422,857	432,857
	282,430	268,518	254,430	239,991	225,191	228,558
	-	-	-	-	-	62,137
	<u>9,010,864</u>	<u>7,837,264</u>	<u>8,834,824</u>	<u>10,000,285</u>	<u>10,755,965</u>	<u>14,490,539</u>
	<u>(1,266,757)</u>	<u>1,164,585</u>	<u>89,625</u>	<u>(175,676)</u>	<u>(1,106,960)</u>	<u>(3,259,176)</u>
	-	-	-	-	-	2,350,000
	345,011	239,195	75,186	860,582	922,069	3,257,064
	<u>(345,011)</u>	<u>(239,195)</u>	<u>(75,186)</u>	<u>(78,582)</u>	<u>(105,766)</u>	<u>(2,486,020)</u>
	-	-	-	782,000	816,303	3,121,044
\$	<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>	<u><u>(138,132)</u></u>
	8.05%	8.59%	7.81%	6.92%	6.33%	5.78%

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
	\$	\$	\$	\$	\$	\$	\$	\$
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
2018	7,740,307	1,808,173	791,439	98,938	460,365	43,418	288,723	11,231,363

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

Fiscal Year	Tax Roll Year	Real Property		Personal Property	Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial		Real Property	Personal Property				
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%
2018	2017	1,014,194,745	263,797,913	26,242,586	65,844,140	2,027,574	1,236,363,530	6.2698	1,033,018,017	120%

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

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

Fiscal Year	Tax Roll Year	North Bay Village			School District			Overlapping Rates				
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	South Florida Water Management District	Everglades Project	Okeechobee Basin	Florida Inland Navigational District	Total State Millage
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
2018	2017	5.6500	0.6198	6.2698	6.7740	0.2200	6.9940	0.1275	0.0441	0.1384	0.0320	0.3420

Source: Miami-Dade County Appraiser's Office.

**Table 8**

Overlapping Rates								
Miami-Dade County			Special Districts				Total District's Millage	Total Direct and Overlapping Rates
Operating Millage	Debt Service Millage	Total County Millage	Children's Trust	Fire and Rescue	Fire Debt	Library		
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
4.6669	0.4000	5.0669	0.4673	2.4207	0.0075	0.2840	3.1795	21.8522

**North Bay Village, Florida  
Principal Property Taxpayers  
Current Year and Nine Years Ago** Table 9

Taxpayer	Type of Use	Fiscal Year												
		2018					2009							
		Taxable Assessed Value	Rank	Percentage Taxable Assessed Value	Total Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	Percentage Taxable Assessed Value	Total Taxable Assessed Value				
CLPF NBV LP	Rental Apartments	\$ 62,000,000	1	5.01%	\$	-	-	-	-	-	-	-	-	-
AG ICC MC Treasures Point LLC	Condominiums	35,902,061	2	2.90%		-	-	-	-	-	-	-	-	-
Treasurers on the Bay Master	Rental Apartments	16,210,200	3	1.31%		-	-	-	-	-	-	-	-	-
Sunbeam Television Corp	Utilities	11,714,917	4	0.95%		-	-	-	-	-	-	-	-	-
The Inn on the Bay LTD	Hotel	11,636,664	5	0.94%		7,433,825	8	0.60%						0.60%
Coastal Condos LLC	Condominiums	11,625,472	6	0.94%		14,582,780	4	1.17%						1.17%
Isle of Dreams LLC	Utilities	10,264,474	7	0.83%		11,027,010	5	0.89%						0.89%
Sunbeam Properties Inc.	Commercial	10,000,000	8	0.81%		-	-	-	-	-	-	-	-	-
Florida Power & Light Company	Utilities	8,027,684	9	0.65%		-	-	-	-	-	-	-	-	-
Causeway Tower LLC	Office Building	7,500,000	10	0.61%		-	-	-	-	-	-	-	-	-
KMC EC II LLC	Apartments and Condo	-	-	-		61,046,713	1	4.91%						4.91%
Lexi Development	Condominium	-	-	-		32,420,173	2	2.61%						2.61%
Casa Marina Development	Vacant Commercial	-	-	-		17,680,000	3	1.42%						1.42%
360 Developers LLC	Condominium	-	-	-		10,880,188	6	0.88%						0.88%
Ness Raquet Club LLC	Vacant Commercial	-	-	-		10,080,000	7	0.81%						0.81%
Pennsylvania Invest Prop LP	Commercial	-	-	-		5,972,500	10	0.48%						0.48%
Royal Isle Apartment	Rental Apartments	-	-	-		6,810,018	9	0.55%						0.55%
<b>Totals</b>		<b>\$ 184,881,472</b>		<b>14.95%</b>	<b>\$</b>	<b>177,933,207</b>		<b>14.32%</b>						<b>14.32%</b>

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



**Table 10**  
**North Bay Village, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

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	Collection to Property Tax Levy	
2009	2008	\$ 5,960,769	\$ 4,504,385	75.57%	\$	\$	4,504,385	75.57%
2010	2009	4,713,635	4,174,918	88.57%	*	*	4,174,918	88.57%
2011	2010	3,771,091	3,026,564	80.26%	*	*	3,026,564	80.26%
2012	2011	4,026,317	3,139,931	77.99%	*	*	3,139,931	77.99%
2013	2012	4,010,332	3,062,516	76.37%	*	*	3,062,516	76.37%
2014	2013	4,358,650	3,579,598	82.13%	*	*	3,579,598	82.13%
2015	2014	4,094,246	3,974,467	97.07%	*	*	3,974,467	97.07%
2016	2015	4,476,256	4,320,744	96.53%	*	*	4,320,744	96.53%
2017	2016	4,624,002	4,516,750	97.68%	*	*	4,516,750	97.68%
2018	2017	5,867,221	5,667,670	96.60%	*	*	5,667,670	96.60%

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	Loan Payable	Capital Leases	State Revolving Loans	Capital Leases and Loan Payable				
2009	\$ 6,375,000	\$ -	\$ 72,855	\$ 997,006	\$ 12,073	\$ 7,456,934	3.07%	\$ 1,091	
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	5,912,857	-	-	1,717,110	-	7,629,967	1.85%	850	
2018	5,480,001	2,350,000	-	5,004,174	-	12,834,175	*	1,429	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

\* Information is not available.

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

**Table 12**

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Estimated Actual Taxable Value</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita (1)</b>
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
2018	5,480,001	-	5,480,001	1,033,018,017	0.53%	610.18

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, 2018

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)	\$ 4,566,755,000	0.356%	\$ 16,262,494
Miami-Dade County School Board (3)	<u>3,620,088,000</u>	0.356%	<u>12,891,354</u>
Subtotal overlapping debt	<u>8,186,843,000</u>		<u>29,153,848</u>
Direct debt:			
North Bay Village	<u>5,480,001</u>	100.000%	<u>5,480,001</u>
Subtotal direct debt	<u>5,480,001</u>		<u>5,480,001</u>
Total direct and overlapping debt	<u><u>\$ 8,192,323,001</u></u>		<u><u>\$ 34,633,849</u></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 2017 CAFR.  
 Represents debt outstanding at September 30, 2017 since numbers at September 30, 2018 are not available.

(3) Source: The School Board of Miami-Dade County, Florida 2018 CAFR.

North Bay Village, Florida  
 Legal Debt Margin Information  
 September 30, 2018

	Fiscal Year										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Debt limit	\$ 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	\$ 3,039,721	
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	2,350,000	
Legal debt margin	\$ 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	\$ 689,721	
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%	77.31%	
<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>											
Current annual governmental funds fiscal budget											\$ 15,198,605
Bonded debt limit - 20% of above											\$ 3,039,721
Amount of debt applicable to debt limit:											
Total bonded debt:											-
Less revenue bonds											-
Total net debt applicable to limit											-
Legal Debt Margin (1)											\$ 3,039,721

(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, 2018

Table 15

Fiscal Year	State Revolving Fund Loans					
	Gross Revenue	Operating Expenses *	Net Available Revenue	Principal	Interest	Coverage
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
2018	5,930,010	4,539,722	1,390,288	257,449	23,691	4.95

\* Total expenses exclude depreciation

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (Amounts Expressed in Thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
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	413,189	46,048	4.7%
2018	8,981	*	*	3.6%

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

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

(3) Florida Department of Labor, Bureau of Labor Market Information.

\* Information not available.

**North Bay Village, Florida  
Occupational Employment by Group - Miami Dade County, Florida  
Current Year and Nine Years Ago**

**Table 17**

Occupational Groups	Fiscal Year					
	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	207,860	1	18.25%	211,440	1	21.54%
Sales and related	146,260	2	12.84%	124,590	2	12.69%
Food preparation and service related	109,320	3	9.60%	78,800	3	8.03%
Transportation and material moving	96,620	4	8.48%	67,960	4	6.92%
Healthcare practitioners and technical	68,800	5	6.04%	55,940	5	5.70%
Business and financial operations	61,230	6	5.38%	51,320	7	5.23%
Education, training and library	56,820	7	4.99%	51,830	6	5.28%
Management	47,300	8	4.15%	30,010	13	3.06%
Installation, maintenance, and repair	43,820	9	3.85%	36,100	10	3.68%
Protective service	41,720	10	3.66%	38,580	8	3.93%
Production	41,270	11	3.62%	35,920	11	3.66%
Building and grounds cleaning and maintenance	40,180	12	3.53%	36,390	9	3.71%
Construction and extraction	35,930	13	3.15%	32,320	12	3.29%
Healthcare support	31,160	14	2.74%	27,380	14	2.79%
Personal care and service	26,490	15	2.33%	28,320	13	2.89%
Computer and mathematical science	20,660	16	1.81%	16,510	15	1.68%
Legal	17,690	17	1.55%	12,950	17	1.32%
Arts, design, entertainment, sports and media	16,560	18	1.45%	14,430	16	1.47%
Community and social services	12,860	19	1.13%	12,240	18	1.25%
Architecture and engineering	10,610	20	0.93%	10,520	19	1.07%
Life, physical and social sciences	3,830	21	0.34%	5,220	20	0.53%
Farming, fishing and forestry	2,090	22	0.18%	2,820	21	0.28%
<b>Total</b>	<b>1,139,080</b>		<b>100.00%</b>	<b>981,590</b>		<b>100.00%</b>

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 2017. 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Function:</b>										
General government and public safety:										
Sworn officers	30.0	25.5	25.5	24.5	24.5	24.0	26.0	29.0	29.0	29.0
Civilians	6.0	8.0	7.0	7.0	7.0	8.0	8.0	9.5	9.5	9.0
Administration	20.5	11.5	14.5	15.0	16.0	16.5	17.0	17.0	17.0	17.5
Culture and recreation	0.5	0.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0
Public works:										
Administration	4.0	4.0	-	-	-	-	-	-	-	2.0
Sanitation	6.0	7.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Water	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	3.0	3.0	3.5	2.5	2.5	3.0	3.0	3.0	3.0	2.0
Transit	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>74.0</b>	<b>64.0</b>	<b>64.0</b>	<b>61.5</b>	<b>63.5</b>	<b>65.0</b>	<b>67.5</b>	<b>71.5</b>	<b>71.5</b>	<b>72.5</b>

Source: Various City departments.

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

**Table 19**

Function:	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
Building permits issued	293	426	540	507	645	686	740	727	728	807
Public safety:										
Number of calls for service **	9,049	9,941	19,775	33,400	34,506	30,977	27,515	33,036	39,499	26,512
Number of arrests	125	94	117	167	112	78	141	392	379	400
Number of traffic violations	N/A	765	1,360	1,953	1,497	1,630	1,041	2,918	3,254	3,591
Number of parking violations	N/A	584	799	1,188	1,598	1,301	1,230	2,650	2,476	3,064
Number of school crossing guards	N/A	N/A	N/A	N/A	4	4	4	4	4	4
Public works:										
Garbage tons collected and disposed*	N/A	N/A	N/A	4,729	4,637	4,578	4,800	4,794	4,641	4,983
Catch basins cleaned	-	-	-	-	53	28	12	19	6	6
Water average daily consumption (gallons)	756,452	778,312	833,668	1,069,939	1,137,815	1,092,706	1,176,752	1,148,480	1,192,408	1,148,793
Sewer average daily flow	N/A	N/A	N/A	968,157	1,118,656	1,145,298	1,186,282	1,283,631	1,120,561	966,919
Number of metered accounts	612	613	613	613	613	615	617	617	617	614
Fire hydrants	57	57	57	57	57	57	57	57	57	57

Source: Various City departments.

\* Includes white goods

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

N/A: Information not available.

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

**Table 20**

Function:	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Number of police stations	-	-	-	-	-	-	-	-	-	-
Number of fire stations	-	-	-	-	-	-	-	-	-	-
Number of general government buildings	1	1	1	1	1	1	1	1	1	2
Public works:										
Miles of water mains	8	8	8	8	8	8	8	8	8	8
Miles of sewer lines	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Miles of storm water drains	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84
Number of lift stations	4	4	4	4	4	4	4	4	4	4
Number of fire hydrants	62	62	62	62	62	62	62	62	62	62
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Recreation and parks:										
Number of parks and recreation facilities	1	1	1	2	2	2	2	2	2	2
Acres of park	0.5	0.5	0.5	0.5	1.0	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, 2018, 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 29, 2019.

**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.

North Bay Village, Florida

### **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 29, 2019

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, 2018. 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 requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2018.

## 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 29, 2019



## 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, 2018, and have issued our report thereon dated March 29, 2019.

### **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 Accountant'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 29, 2019, 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.

North Bay Village, Florida

### **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.

Pursuant to Sections 10.554(1)(i)5.b. 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.

### **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 29, 2019

INDEPENDENT ACCOUNTANT'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, 2018. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance with the specific requirements based on our examination.

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

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

In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of members of the Village Commission, 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 29, 2019

**North Bay Village, Florida  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended September 30, 2018**

State Agency, Pass-through Entity State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
<b>State Projects:</b>				
Direct Programs:				
Florida Department of Environmental Protection				
Drinking Water State Revolving Fund	37.076	DW 130420	\$ 1,283,043	-
Drinking Water State Revolving Fund	37.076	DW 130400	2,176,267	-
			<u>3,459,310</u>	
Clean Water State Revolving Fund	37.077	WW130411	<u>1,772,441</u>	-
Total Expenditures of State Financial Assistance			<u>\$ 5,231,751</u>	<u>\$ -</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, 2018**

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**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, 2018. The information in the Schedule of Expenditures of State Financial Assistance is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, change in net position, 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, 2018**

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**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 project tested as a major project is the following:

<u>State Project</u>	<u>State CSFA No.</u>
Florida Department of Environmental Protection Drinking Water State Revolving Fund	37.076

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.